



## US – China Priorities in the 21<sup>st</sup> Century

Syed Nouman Shah<sup>1</sup>, Gulshan Majeed<sup>2</sup>, Farooq Arshad<sup>3</sup>

<sup>1</sup> Assistant Professor, Department of International Relations, National University of Modern Languages Islamabad, Multan Campus, Pakistan. Email: [syednoumanshah@gmail.com](mailto:syednoumanshah@gmail.com)

<sup>2</sup> Associate Professor, Department of Political Science, University of the Punjab Lahore, Pakistan. Email: [gulshan\\_99@hotmail.com](mailto:gulshan_99@hotmail.com)

<sup>3</sup> Assistant Professor, Department of International Relations, Bahauddin Zakariya University Multan, Pakistan. Email: [frqarshad@gmail.com](mailto:frqarshad@gmail.com)

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### ABSTRACT

The paper evaluates the priorities of the US and China with regards to economic, geopolitical, military technology, and alliance formation. In the economic aspect, we will study China's BRI policy and USA's B3W counter project. The goal of both states in this regard is to dominate the international market. Both the countries are investing in Hyper Sonic technology to gain an upper hand in the Military expanse. The formation of alliances is another clever tactic in the name of establishing mutual security. China's relationship with the US arch-enemy Russia and the Chabahar Port and CPEC projects with Iran and Pakistan respectively appear to be an alarming situation for the US. To counter China's increasing advancement, the US formed QUAD and AUKUS with India, Japan, Australia, and the UK, along with the Reciprocal Access Agreement to limit the escalating approach of China. The blame game between the US and China regarding the COVID-19 pandemic also sparked many controversies. The increased threat perceptions and more crucial political elements between the two powers are dynamics of global hegemony. Analytical and Descriptive methods of research are applied in the paper.

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Corresponding Author's Email: [syednoumanshah@gmail.com](mailto:syednoumanshah@gmail.com)

## 1. Introduction

The central idea of the paper is to study the rivalry of USA & China and their priorities in terms of economy, geopolitics, offensive & defensive mechanism, and alliance with other states amidst the erratic dynamics of World Politics. The objective of the paper is to provide an analysis of the economic and political strategies employed by USA and China to fortify their stronghold on the World and establish a Hegemonic position. It would be a source for further research for the students of international relations as it may lay out a framework for thesis writing.

It is being argued that the world is in a transitional phase as the unipolar world order is being replaced with that of a multipolar one. The 21st century from its very start brought with it what the scholars refer to as the greatest challenge to the US: the rise of China. The former is making grounds to overcome the latter, which is the battle between communism and capitalism. Being the chief players on chessboard, both China and USA employ the hard and soft strategies to counter each other influence.

It is quite clear that China has the potential to undercut the America's status. China is impregnable in its economic growth, military augmentation, technological advancement, diplomatic relations and with regional powers its cooperation of win-win, particularly through its Belt Road Initiative (BRI), which increased its notability in the global community. However, the US has adopted various ways for limiting growing Chinese influence.

The notable rival power in the Asian region constitutes a big challenge to the US. To topple over the position of China, the US is practicing a hegemonic approach peculiarly in South Asia side, the region of Middle East, and the South China Sea part. The other contributing factors are US-India Nexus, Abraham Accords, and US-China trade war being included in US containment policy.

## 2. BRI vs B3W: A Tug of War for Economic Hegemony

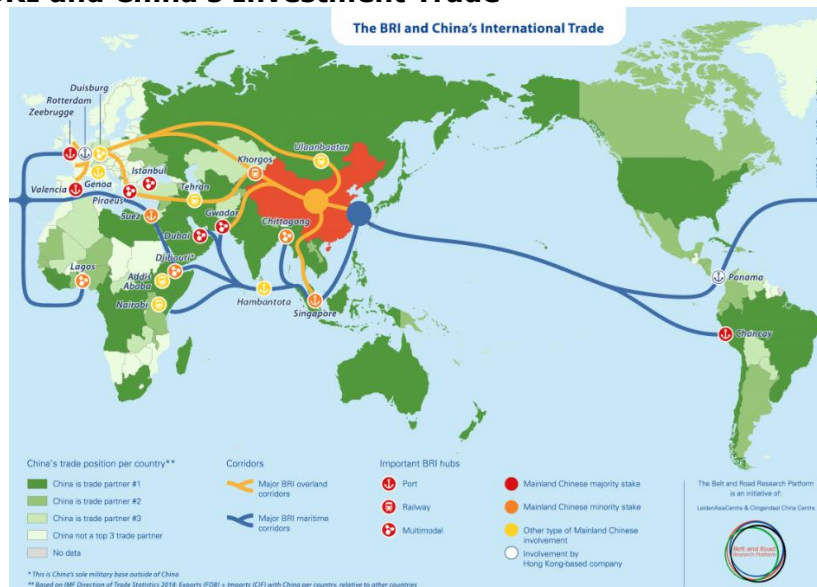
The BRI vs B3W is the increasing competitiveness between the two economic colossi. The Belt and Road Initiative (BRI) is an investment program, which is long-term and oriented policy transcontinental, disclose by Chinese President in 2013. It was known as OBOR (One Belt One Road), until 2016. BRI's official statement and outline tells that the main aim is to create linkage between Asia, Africa and Europe which is done by setting up dimensional and composite networks of connectivity. This consists of land and sea routes. It will help to realize assorted, balanced and tenable development of countries being part of BRI.

With a combined value of \$3.7 trillion, the Belt and Road initiative incorporates 2,600 projects spanning over 1 hundred and 40 states sum up about half of the world population and contribute more than third of world's GDP together. These initiatives are part of this mega project:

- The Silk Road land-based belt of economy, comprises six economic corridors (CPEC is a portion of this)
- The maritime silk road of 21<sup>st</sup> century

China has aims to get quick and short market access by establishing an alternative system of trade route for itself and the world, the west China development, conjoint growth of regional economies, and to also lessen its dependency on West. China is doing efforts to create a "interdependence nexus" through BRI. There is an imposing geostrategic-cum-geopolitical influence, once a state gets trapped in China's dependency syndrome. China is building its sort of economic development which is contrary to the West's vision by democracy rectifications.

**Figure 1: The BRI and China's Investment Trade**



In G7 summit occurred on June 2021, the West embarked its plan of B3W (Build Back Better World). It modules B3W as a "values-driven, high-standard, and transparent infrastructure partnership led by major democracies". The illustrious emblem of the B3W is its economic potentiality, Paris Agreement alignment, and deference with international laws, standards and principles.

The project is focused on climate changes, sustainable energy and development of markets. In the modern world history it is the on-paper largest investment. The initiative demonstrate the Blue Dot Network, which aims to create a global network of lending-based financing to build roads, bridges, airports, ports, and power plants.

Out of the total investment of \$40 trillion, the first phase will assimilate \$7 trillion by 2035. Keeping in mind the economic size of B3W countries it has the ability to impair China's Belt and Road Initiative, but not in foreseen future.

### **3. Military Advancement: A Hypersonic Arms Race**

The advancements in military technology have the potential to worsen the complexity of deterrence and strategic stability, by escalating the hypersonic arms race. The development of hypersonic weapons has concealed the distinction between nuclear weapons and non-nuclear strategic weapons.

For the United States, the development of hypersonic weapons remains the highest technical priority. At first, the US actively pursued the hypersonic missiles development program for its conventional use, however, the Pentagon had to drop the plans fearing their possible perception as nuclear warheads, triggering a nuclear response. In 2013, the US Air Force tested the X-51A Wave rider hypersonic glide vehicle reaching the speed of Mach 5.1. In June 2021, the US defense department announced a defense budget of \$3.8 billion for the hypersonic weapons initiative.

To counter the US technological monopoly, China is also pursuing hypersonic weapons for military use. Since 2014, China has conducted several successful tests. Currently, China is also considering the development of hypersonic cruise missiles, which can be deployed by the mid of 2023. DF-21D—an intermediate-range missile also known as "carrier killer"—can penetrate the deck of the US aircraft carriers at the range of more than 1,500-2,600 km.

### **4. Prioritizing Security Alliance: The Formation of QUAD and AUKUS**

The Quadrilateral Security Dialogue is a security alliance directed to create an order of rule-based in the Asia Pacific. The growing Chinese concentration in the South China Sea has generated greater concerns for neighborly states and international powers. A core group had formed by United States, Australia, India and Japan. Although the four countries have different visions in the regional strategic trend, the countries, at this time, have a greater alignment of interests and are provided with an opportunity to maximize cooperation in the region.

Australia, UK, and the US are setting up a trilateral military pact known as the AUKUS pact – as announced by the US and UK leadership on 15th September 2021. It involves the sharing of technology and information in numerous spheres including quantum technology and intelligence along with the procurement of cruise missiles. The most critical part of the deal is sharing of technology to build nuclear-powered submarines to Australia. To counter China is the main rationale of the partnership.

#### **A. String of Pearls as the Ultimate Chinese Militarization**

'String of Pearls' refers to a geopolitical theory to the network of Chinese intentions in India Ocean Region. Precisely, it refers to the network of Chinese military and commercial facilities developed by China in countries falling on the Indian Ocean between the Chinese mainland and Port Sudan. China is trying hard to dominate in Indian Ocean Region to secure its Sea Lines of Communication (SLOC) for the protection and safety of trade activities to maintain high economic growth. The foremost interest of China is in its energy security that has compelled China to spread its wings across the world, especially in the Indian Ocean and the Pacific Ocean. The energy security of China is significant to meet the long-term needs of China's industrial and economic ventures. Secondly, the geostrategic importance of the Indian Ocean is also an important factor to determine the standing of China in the world.

China has seems to be involved at certain times in a limited hard balance strategy in region. Nonetheless, in the region it has primarily pin hopes on its economy and diplomacy tools to expand influence. China is reluctant to enter into any formal military alliance due to its insight that indefinite support to allies may leads several states to go into a military dispute, and will be inimical for the economic growth. This does not mean that China compromise its national interest. China is focusing more on originating "strategical partnerships" with many regional and extra-regional powers and states, to compete with supremacy American in Asian Pacific region.

**B. Reciprocal Access Agreement (RAA): Anti-China Alliance-USA-Japan-Australia Trio**

On January 6, Japan and Australia signed the RAA, a milestone document aimed at institutionalization of security cooperation between the two countries. According to the Australian PM, the signing of the RAA is a "pivotal moment" for both countries in regard to "the uncertainty we now face". Although China was not mentioned explicitly there is no doubt that the statement is targeting China. Then on the very next day USA and Japan held a ministerial level meeting (2+2) and signed a new cost sharing agreement and worked through issues related to COVID-19 and US military bases throughout the country. The Washington-Tokyo deal is aimed at the collaboration in research and defense areas including ways to counter threats from hypersonic weapons. On January 7, the US-Japan Security Consultative Committee meeting concluded with the two countries signing a new 5-year agreement on sharing the cost of US Military presence in Japan. Japan has agreed to pay 9.3 billion dollars to share the upkeep of US forces in Japan. US Defence Secretary Lloyd Austin said that there is "an extraordinary level of mutual cooperation across the full spectrum of military capabilities".

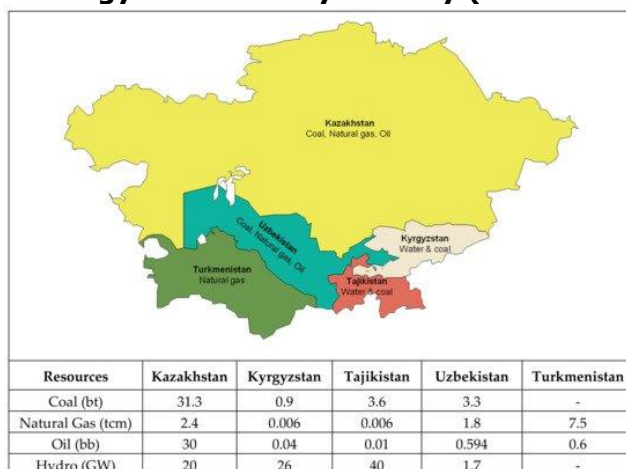
A joint statement was issued that reiterated that both countries will build deterrence towards the threat of "Senkaku Islands" (Chinese Diayou Islands) to "maintain peace and stability" in the Asia-Pacific region. The Pentagon reaffirmed that the US-Japan alliance is "a cornerstone of peace and prosperity in the Indo-Pacific region."

**C. A Quest for the Dominion of Asian Resources**

Central Asia has today transformed into the pivot of global geopolitics of energy. Trade relations between the republics of Central Asia and China continue to grow because of underdeveloped infrastructure, energy resources, politics, and security dynamics. After the disintegration of the USSR, the republics of Central Asia have been a priority of China due to their international security dynamics. Central Asia is said to be an important source of energy resources required to meet the needs of the rapidly growing Chinese economy. Through the SCO, China was able to succeed to build bilateral relations with the republics of Central Asia.

Reducing terrorist threats is the key objective of the US in Central Asia. The United States wants to encourage and promote the integration of the region to decrease Central Asia's dependence on China and Russia as they have the potential to weaken the presence of the United States in geopolitical affairs. In terms of economic objectives, the US has an interest in constructing a regional energy market for Central Asia that is linked to Afghanistan, South Asia, Europe, and East Asia. The US also has eyes on the Caspian Sea which contains vast oil and gas fields. To control the pasture or fields and the export of oil and gas from Central Asia, strategic capabilities and presence in the region are needed as a means to control the oil and gas transport infrastructure.

**Figure 2: Available energy resources by country (data according to World Bank)**



**5. US Interests in the Middle East**

The United States has considered the Middle East for decades as an important region of interest. Intruding in the political affairs of many countries in the region just for its personal geostrategic and economic benefits and facilitating radicalization in the Middle East, had

become the new structure of US foreign policy. The emergence of "Zionism" was equally supported, an ideologically, ethnical, and popular national movement, demanding a separate state in Arab Palestine for Jews. This was also being commemorated by the Pentagon as outstanding event to occur in history. The US provided assistance of movement to Jews in terms of helping them taking over of the region and in their influx to Palestine from Europe and parts of Africa.

US administration carried out its policy of assisting and abetting Israel to set out initial grounds for possible domination of the entire region. The search of oil and the expansionist ambitions to dominate led US to be entangled in the region for years, having no notable benefits in return. The policy has ushered an unimaginative adversity to the whole region in the form of civilian wars, political and ethno-religious violent crisis. There is a need to reconstruct the priorities by policymakers in US and make peace a part of their interests in the Middle East. Only through this the country will somehow enable to do some progress in eliminating the peril from the region of terrorism and extremism. This will also bring prosperity and stability in the Middle East. Moreover, the US is required to not take sides in the conflicts but rather play an arbitrary role in solving these issues of the region and by maintaining itself a neutral player.

## **6. Thriving US and Indian Relations**

By improving its relations with India, America is playing a major role in cultivating India as its lever to realize a goal that has become fundamental to its strategy in the post-Cold War era. This goal requires the US to remain firmly embedded in Asian affairs at a time when the continent is emerging as the world's new center of gravity, and China could be a challenger to the US. The US-India strategic partnership is likely to remain strong, to pile pressure on Beijing and to balance its presence in the Indo-Pacific region, to achieve specific goals. In short, the China-centric approach has played an important role in the Indo-US strategic amity. As a result, new alliances were formed, and the Asian region became a center stage for great power politics. India features prominently in the US strategic plans for the region, as evident from the revival of the Quadrilateral Security Dialogue with Japan, Australia, and the US. Through the strengthening of the US and Indian relations, the US is helping India to become an Asian power, rather than a regional power, to counter the threat of a rising China.

## **7. Sino-Russian Relations**

The global order changed from a bipolar world towards that of a unipolar world. Former USSR, Russia, restarted its pursuit of other alliances and partnerships to regain its previous position. As the rift of Russia with the West grows, it expanded its economic and strategic cooperation with other considerable states. An example of this development is flourishing Chinese and Russian relations or the Sino-Russian collaboration. The desire for a multipolar international power structure is the reasoning that has brought Russia and China both closer. Far Eastern Russia is closest to China than the Russia's capital itself and therefore China plays an important part in the sense of foreign trade. Both China and Russia are being mobilizing significant meetings aims to discuss the security concerns of each other such as counterterrorism, avoid bilateral discords, security of border, and limiting United States.

## **8. The Chabahar Port Project: China's Alliance with Iran**

China and Iran have had cordial relations from the start of the 20th century till now, with China remaining a consistent buyer of natural gas and crude oil from Iran even during the harsh sanctions imposed by America. In this deal, the Chabahar Port is the pivotal point and so are the projects related to it. It is more or less similar to the Chinese-operated Gwadar port; however, more advanced projects come under this deal. The Chabahar port will connect to Zhedan through a rail route in such a way that it will stretch from the borders of Iran and into Afghanistan and Central Asian Nations – eventually linking the whole region.

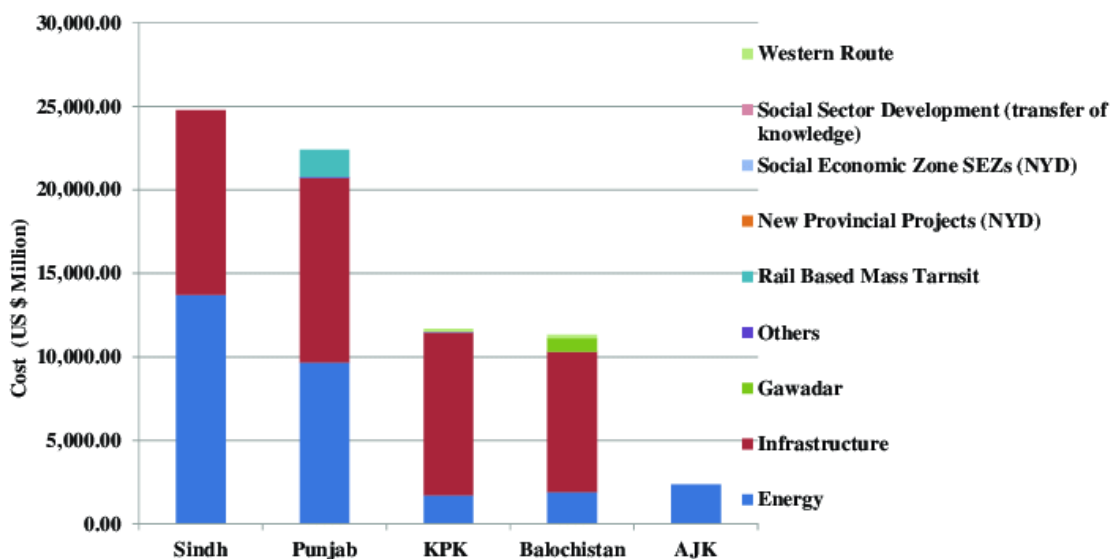
Therefore, more economic corridors will be created within this region which will provide a win-win situation for stakeholders in Iran, China, and Pakistan. Under this project, \$120 billion will be spent on transportation and infrastructure, and around \$280 billion in the Iranian petrochemical, gas, and oil sector development. This will help Iran with its economic regeneration, and in return, Iran will sell its oil to China at discounted prices. A striking feature of this project is the 5G telecommunications network installation by tech giant Huawei, and the

deployment of the latest technology. China will be making its payments in soft currencies, that is, China won't be using any banks to transfer these huge amounts. Furthermore, China doesn't make payments in dollars and uses the digital currency e-RMB to reduce the dominance of the dollar.

### 9. China's Economic Strategy against US: The CPEC Project

The Sino-Pakistan signed an agreement in 2015 to build an economic corridor entitled CPEC that connects Xinxiang with Gwadar port. It targets at revamping the connectivity and integration between Pakistan, China and the region Vis roads, rails, fiber optic cables, energy pipelines, industrial clusters and Special Economic Zones (SEZs). The SEZs are to be completed in three phases, second of which is currently being worked upon. The CPEC is the 'flagship project' of Belt Road Initiative (BRI), which connects Asia with Europe and Africa, and CPEC is a significant part of the geopolitical shift. President Xi Jinping endorses the proposed project called CPEC during his visit in Pakistan. Both countries signed various MOU to China would invest \$46 billion in this project initially and reached around \$62 billion as of 2018. This investment is focused on energy and infrastructure development to support Pakistan's economy as well as helpful for China to connect with the Arabian Sea through the shortest route and get easy access in the international market. It is reported that the economic value of CPEC is more than twenty percent of Pakistan's annual GDP. In addition, Pakistan would expand the existing communications network and promote investment for development of the board belt of territory in the economic corridor. New industries and businesses are expected to be established by Pakistani and Chinese enterprises. USA has always a concern over CPEC, owing to the expanded Chinese influence in the region and growing economy.

**Figure 3: Distribution of Investment in Various Development Projects in CPEC**



#### A. Impact of US-China Rivalry on Pakistan

Pakistan has historically maintained strong relations with the U.S. and China primarily based on political, security-related and economic interests. United States remains the biggest export marketplace for Pakistan's merchandise and a selection for the Pakistani elite of education destination. Contrarily, China has become a largest provider of arms to Pakistan, and it's unexampled economic cooperation through CPEC, which is worth of \$62 billion. Pakistan has aspirations to reclaim its importance as a bridge state and recalls how it simplifies US-China reconciliation during the era of President Nixon and became a "melting pot" of intersecting China's and America's interests to accelerate regional profitability. By doing so, Pakistan could reap the simultaneous economic and security benefits that come with maintaining mutual beneficial relations with the two supreme global powers without becoming too dependent on any of them.

Along with Pakistan's boosting military and defence ties with China, there's an increasing economic dependence of Pakistan on China because of CPEC, being an important component of China's progressive Belt and Road Initiative (BRI). The allocation \$6 billion IMF



loan last year, for the three-year period (additional \$1.4 billion in it to combat COVID-19) has facilitated reduce Pakistan's requirement to count solely on China. It is likely that any financial penalties imposed by FATF for a possible down gradation would inevitably force Pakistan becoming more dependent on China, setting aside debate about authenticity or motivation of FATF ranking system.

Although Pakistan has grown financial dependency on China, it has not indolent in its trading with the potent backer. The idea of developing a sea port in Gwadar was actually of Pakistan. It is not a Chinese initiative in Indian Ocean of promoting "string of pearls" doctrine for putting in place a powerful naval presence. Pakistan's increasing cooperation with China offers opportunities to tackle the economy challenges and maintaining strong strategic position. On the other hand, it has also posed new shortcomings in the bilateral relations between Pakistan and United States. Pakistan has growing and old friendly bindings with China, it still heavily depends on US military sales and export market of US. A strong economic relationship with United States will definitely useful to expand Pakistan available political options. However, as there is an absence of the subsisting political thought of the US to majorly enlarge bilateral cooperation with Pakistan, it shall be up to Pakistan decision-makers to look upon viable options for bilateral collaboration with the US, as well as a closer embrace with China.

## **10. Pandemic Diplomacy: A Chinese vs American Stance**

The year 2020 has been a watershed in human history as the sudden onslaught of Covid-19, halted the cross-border movement, and negatively impacted the global economic growth on a scale not experienced since at least the global financial crisis. The Covid-19 situation in the region has created an opportunity for the two competitors to engage in pandemic diplomacy. China has extended its support to states across the world, especially the developing states by providing them billion dollars' worth of medical supplies, technical equipment, and shipping around 260 million vaccine doses to around 55 countries. Yet, at the same time, the US, which is China's arch-rival, has taken a back seat. It's withholding WHO funds worth \$400 million, accusing it of being a puppet of China, and the former US President Donald Trump's continuous engagement in the "blame game" by calling Corona virus a "Chinese virus" has weakened its prominence across the globe. There have been a lot of controversies regarding Covid-19, with China calling it as part of the US great game and a planned move against China. No matter what, it's a fact that China despite all the criticism it faced for being labeled as the originator of Corona virus is the first country to effectively deal with it and has not faced the second wave. Rather, it is extending its supporting hands to other states in crisis. Hence, the Covid-19 has created an opportunity for China to use "pandemic diplomacy" as a soft power tool to enhance its status across the world.

## **11. Conclusion**

The rivalry between China and United States has been a crucial discussion in international relations, over the past two years. It constructs the economic development, military advancement, politics designs, and strategical debt. The compelling factor of contention between the two gigantic powers is the quest of global hegemony. The trade war of US and China is moreover politically disinclined for the changing world order reason. It remains to be unfold that if or when China ousted America as an economic superpower how that conquest will affect the security battle between the two states.

By the aforementioned respects, this can be speculated China will hit back to the US containment strategy but might not follow the path to war. Beijing has to get going with prospering economic power by peaceful means itself and also should hasten the defensive rejuvenation. The United States would go after its policy of containment in the Asia region by maintaining military might against China. In the ongoing situation, China needs to continue making a strategic alliance in the Asian Pacific area and beyond through deterrence. Washington and its supportive partner alliances should involve in effective economic competition with Beijing, rather than engaging in military field. The direct face-off and clash can proved disastrous for the world security and economic interests, including both the global as well as regional circles.

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