



Navigating Security Challenges in a Globalised World: The Complex Dynamics Between the USA and China

Sorang Ita

Student, M.A International Relations, Amity Institute of International Relations, Noida

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ABSTRACT

In an increasingly interconnected and globalised world, the security landscape is undergoing significant shifts, with the relationship between the United States and China emerging as a focal point of geopolitical tension. This article explores the multifaceted dynamics between these two global powers, delving into the complexities of their interactions and the implications for global security. From economic competition to military posturing and technological rivalry, the relationship between the US and China encompasses a wide range of security challenges that require nuanced understanding and strategic navigation. By examining the historical context, current geopolitical trends, and potential future scenarios, this article aims to shed light on the intricate interplay between the US and China and provide insights into navigating these complex security challenges.

I. Introduction:

In an era characterised by globalisation, the security landscape is no longer confined by national borders but is intricately interconnected on a global scale. Amidst this backdrop, the relationship between the United States and China stands out as one of the most consequential dynamics shaping international security. As the world's two largest economies and military powers, the USA and China wield significant influence on the global stage. However, their interactions are marked by a mixture of cooperation and competition, fuelled by divergent interests and strategic objectives. This article seeks to analyse the complex dynamics between the USA and China, examining the various dimensions of their relationship and the security challenges they pose in a globalised world.

Historical Context:

The historical trajectory of the US-China relationship provides important insights into its current dynamics. Following the end of World War

II, the USA emerged as the preeminent global superpower, while China underwent a series of transformations, including the establishment of the People's Republic of China in 1949 and the subsequent period of isolation under Mao Zedong's leadership. The normalisation of diplomatic relations between the US and China in 1979 marked a significant turning point, leading to increased economic engagement and cooperation.

On December 16, 1978, both the Chinese and American governments simultaneously published the Joint Communiqué of the People's Republic of China and the United States Concerning the Establishment of Their Diplomatic Relations. In the Communiqué the US Government accepts the three principles raised by China for establishing diplomatic relations, namely (the United States) cutting off diplomatic relations with Taiwan, withdrawing its armed forces and military facilities from Taiwan and annulling the treaties signed by the United States and the Chiang Kai-shek regime. Starting from January 1, 1979, the two countries officially established diplomatic relations, marking a historic turning point in the bilateral relations. From then on, the Sino-US relationship entered a new stage.¹

However, underlying tensions persisted, particularly in areas such as human rights, Taiwan, and territorial disputes in the South China Sea.

Economic Interdependence:

Economic interdependence has been a defining feature of the US-China relationship, with bilateral trade and investment reaching unprecedented levels in recent decades. The trade

¹ Ministry of foreign affairs of
republic of china

https://www.fmprc.gov.cn/eng/ziliao_665539/3602_665543/3603_665545/201403/t20140325_697794.htm#:~:text=Starting%20from%20January%201%2C%201979,relationship%20entered%20a%20new%20stage.



relationship between the US and China is the cornerstone of their economic interdependence. Despite occasional tensions and trade disputes, both countries heavily rely on each other's markets for exports and imports.

The extensive trade ties have created a form of economic deterrence, wherein the disruption of trade flows could inflict significant economic harm on both parties. However, this very dependence also renders them vulnerable to disruptions caused by geopolitical tensions or protectionist measures, thereby heightening security risks. China's rapid economic rise has transformed it into a global manufacturing powerhouse, while the USA remains a key market and source of technology and capital.

As America's unipolarity in the international system has waned, there has been renewed focus on the role of major powers in the international system, including the European Union, Russia, India, and Japan. Each of these powers has a major population and substantial economic weight or military heft, but as my Brookings colleague Bruce Jones has observed, none have all. Only the United States and China possess all these attributes.²

However, this economic interdependence has also become a source of contention, as evidenced by trade disputes, accusations of currency manipulation, and concerns over intellectual property theft.

The trade war initiated by the Trump administration highlighted the fragility of this economic relationship and underscored the need for recalibration.

U.S.-China bilateral relations took a nosedive in 2018 when then U.S. president Donald Trump's obsession with trade deficits led him to impose punitive tariffs on China. The tariffs were followed by restrictions on both China's access to high-tech U.S. products and foreign investments involving security concerns and by allegations of unfair Chinese commercial practices.

Despite pleas from the U.S. business community to ease tensions, U.S. President Joe Biden so far has amplified his predecessor's policies by strengthening anti-China alliances and implementing additional sanctions. Biden now characterises the U.S.-China conflict as "a battle

² The "new normal" in US-China relations: Hardening competition and deep interdependence
Ryan Hass
August 12, 2021
<https://www.brookings.edu/articles/the-new-normal-in-us-china-relations-hardening-competition-and-deep-interdependence/>

between the utility of democracies in the twenty-first century and autocracies."³

Military Posturing and Regional Security:

Military posturing in the Asia-Pacific region has emerged as another key aspect of the US-China relationship, fuelled by strategic competition and territorial disputes. The USA's military presence in the region, anchored by alliances with countries such as Japan and South Korea, has long been viewed as a stabilising force. However, China's assertive behaviour in the South China Sea, including the construction of artificial islands and the establishment of military facilities, has raised concerns among its neighbours and prompted responses from the USA and other regional actors.

Until 1973, the PRC's stated interest in the South China Sea had been limited to small disputed islands. It was only after it joined negotiations for a UN Convention on the Law of the Sea (UNCLOS) – a unique international treaty governing state jurisdiction over maritime spaces – that year that the PRC began asserting wide-ranging administrative rights over the waters in the area.

Policy-wise, the article suggests that scepticism is warranted regarding PRC claims that its assertiveness is a response to external provocations, such as when Beijing deployed anti-ship cruise missiles to the Spratly Islands in 2018, citing activity by the US Navy. But it also suggests officials should be cautious about attributing assertive acts to other-directed motives like undermining their deterrence credibility or weakening alliances. What appears, or feels, like a targeted move may be just another step toward a stated long-term goal.⁴

The risk of unintended escalation and conflict looms large, underscoring the importance of dialogue and confidence-building measures.

Technological Rivalry and Cybersecurity:

Technological rivalry has emerged as a defining feature of contemporary great power

³ The U.S.-China Trade War Has Become a Cold War

Yukon Huang

SEPTEMBER 16, 2021 COMMENTARY

<https://carnegieendowment.org/2021/09/16/u.s.-china-trade-war-has-become-cold-war-pub-85352>

⁴ Continuity and Change: China's Assertiveness in the South China Sea Andrew Chubb

https://www.e-ir.info/2021/01/27/continuity-and-change-chinas-assertiveness-in-the-south-china-sea/#_google_vignette



competition, with the USA and China vying for dominance in key strategic sectors such as artificial intelligence, 5G telecommunications, and quantum computing. China's Made in China 2025 initiative and its ambitious pursuit of technological innovation have raised concerns in the USA and other Western countries about unfair trade practices, forced technology transfer, and national security risks.

The U.S. and China are likely to continue amassing disproportionate weight in the international system going forward. Their growing role in the global economy is fuelled largely by both countries' technological sectors. These two countries have unique traits. These include world-class research expertise, deep capital pools, data abundance, and highly competitive innovation ecosystems.

Both are benefitting disproportionately from a clustering effect around technology hubs.

For example, of the roughly 4,500 artificial intelligence-involved companies in the world, about half operate in the U.S. and one-third operate in China. According to a widely cited study by PricewaterhouseCoopers, the U.S. and China are set to capture 70% of the \$15.7 trillion windfall that AI is expected to add to the global economy by 2030.⁵

Moreover, cybersecurity threats emanating from state-sponsored hacking activities and cyber espionage have further exacerbated tensions between the two countries, highlighting the need for enhanced cooperation and norms-building in cyberspace.

Geopolitical Implications:

The complex dynamics between the USA and China have far-reaching geopolitical implications, shaping the strategic calculations of other major powers and regional actors.

The USA's efforts to strengthen alliances and partnerships in the Indo-Pacific region through initiatives such as the Quad and the Free and Open Indo-Pacific vision reflect its desire to counter China's growing influence and preserve a rules-based order.

In recent months, the Trump administration has been calling for a "free and open Indo-Pacific"

⁵ The "new normal" in US-China relations: Hardening competition and deep interdependence
Ryan Hass
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<https://www.brookings.edu/articles/the-new-normal-in-us-china-relations-hardening-competition-and-deep-interdependence/>

(FOIP), a vision for Asia built around the concept of a strong coalition of like-minded regional democracies.

Extending from Japan in the east to India in the west, FOIP would aim to defend against the ways a rising China ostensibly threatens the rules-based international order, universal liberal values, and free access to the maritime global commons. In reality, however, FOIP is likely to have the opposite effect, provoking Beijing, alarming other Asian nations, and driving the region toward a highly tense, zero-sum competition.

By adopting an ideological and confrontational posture toward China, the Trump administration risks creating a pointless Cold War with Beijing. What Asia needs instead is a far more constructive regional approach grounded in a stable balance of power and in mutual compromise.⁶

Meanwhile, China's Belt and Road Initiative (BRI) seeks to expand its economic and strategic footprint across Eurasia and beyond, raising questions about its geopolitical intentions and implications for global governance.

Because of the described past evolution and uncertainties surrounding the rather

'Fluid' nature of the BRI, one could ask whether it is a concept here to stay. However, since the Communist Party of China has incorporated it into its constitution in 2017 (Xinhua, 2017), and the BRI features in the 14th Five-year plan (Zhu, 2020) published in 2021 (NDRC, 2021), it becomes evident that the BRI will remain China's major foreign policy pillar. This long-term outlook makes the question of the BRI's future evolution all the more relevant. Also, given the multitude of discussed motivations, many global trends and developments could influence the BRI's future course, such as the trade war between the US and China, increasing digitisation, sustainability, and the pandemic.⁷

The competition for influence in emerging regions such as Africa and Latin America further underscores the geopolitical stakes involved.

⁶ Creating an Unstable Asia: the U.S. "Free and Open Indo-Pacific" Strategy Michael D. Swaine, MARCH 02, 2018 FOREIGN AFFAIRS
<https://carnegieendowment.org/2018/03/02/creating-unstable-asia-u.s.-free-and-open-indo-pacific-strategy-pub-75720>

⁷ The Belt and Road Initiative (BRI): What Will it Look Like in the Future?
<https://www.sciencedirect.com/science/article/pii/S04016252100740>



Future Scenarios and Policy Considerations:

In envisioning future scenarios and policy considerations for the United States and China, a myriad of factors come into play, encompassing geopolitics, economics, technology, and social dynamics.

One conceivable scenario entails a continued trajectory of escalating competition and rivalry between the two global powers, characterised by strategic manoeuvring, economic entanglements, and technological innovation. This scenario could potentially lead to a new Cold War-like era, marked by intense competition for dominance in key domains such as trade, technology, and military prowess. In such a scenario, policy considerations for both the United States and China become paramount.

For the United States, a coherent strategy balancing competition and cooperation is essential. Prioritising investments in cutting-edge technologies, bolstering domestic innovation ecosystems, and fortifying alliances to counterbalance China's rise would be critical.

Concurrently, fostering avenues for constructive engagement and dialogue with China on issues of mutual concern, such as climate change and global health crises, can help mitigate tensions and promote stability.

On the other hand, China must navigate its ascent on the global stage with careful diplomacy and strategic foresight.

Pursuing continued economic reform to address structural imbalances, enhance market openness, and strengthen intellectual property rights protection could foster greater trust and cooperation with the international community.

Additionally, China's leadership must remain vigilant against the risks of overreach and miscalculation, balancing assertiveness with pragmatism to avoid provoking unnecessary conflicts.

Furthermore, both countries must confront shared challenges that transcend bilateral relations. Climate change stands out as a paramount issue requiring coordinated action. Collaborative efforts to reduce greenhouse gas emissions, develop clean energy technologies, and build climate resilience can yield substantial benefits for both nations and the global community at large. Similarly, addressing global health pandemics, cybersecurity threats, and nuclear proliferation demands joint strategies and multilateral cooperation.

Moreover, as technological innovation accelerates, the United States and China must grapple with the implications of emerging technologies such as

artificial intelligence, biotechnology, and quantum computing.

Establishing robust regulatory frameworks, ethical guidelines, and international norms governing the responsible development and deployment of these technologies is imperative to ensure their benefits are equitably distributed and their risks are adequately managed.

In the realm of trade and economic policy, efforts to resolve bilateral trade disputes and promote fair and reciprocal trade practices should remain a priority. Constructive engagement through bilateral dialogues and multilateral forums such as the World Trade Organisation can facilitate the resolution of trade tensions and the negotiation of mutually beneficial trade agreements.

Additionally, fostering people-to-people exchanges, cultural understanding, and educational cooperation can help bridge the gap between the peoples of the United States and China, fostering mutual understanding and building trust from the grassroots level upward.

II. Conclusion:

The complex dynamics between the USA and China present both opportunities and challenges for global security in a globalised world.

While economic interdependence has fostered cooperation in some areas, strategic competition and geopolitical rivalries have also intensified, raising concerns about stability and order.

Navigating these security challenges requires a deep understanding of the historical context, current trends, and future scenarios, as well as a concerted effort to forge common ground and manage differences through dialogue and diplomacy. By addressing the underlying sources of tension and pursuing a balanced approach that combines competition with cooperation, the USA and China can contribute to a more peaceful and prosperous world order.