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The Rise of China and Transitional Anxieties

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1. Introduction

China has seemingly become a formidable force at the global stage, owing to its rapid economic growth in recent decades. China's economic growth for the last thirty years is unprecedented, and still the country is maintaining a solid GDP growth of over 7.5 percent and there is all the likelihood that China will continue to grow this way for some time.² Some analysts believe that China will soon overhaul the United States to be the number one economy in the world in terms of Purchasing Power Parity (PPP). China's rise is not confined to economy only, militarily it is getting stronger and its assertive diplomacy in the East Asia, Africa and Latin America is noticeable. On the other hand, the relative decline of the United States as a global hegemon poses the question whether a shift in global order is looming. As China rises, there seems to be a growing concern about power transition and its consequences among the political analysts around the world.

Given that China has witnessed an unprecedented growth during the last three decades, some analysts believe that the gravity of world power is shifting to the East from the West. With the rise of China as great power, some pundits go on to the extent to predict that the unipolar moment enjoyed by the United States is coming to an end and the global order will soon be dominated by the East. Historian Niall Ferguson also echoed the same and went on to state that the twentieth century has witnessed "the descent of the West" and "a reorientation of the world" toward the East. As United States is in relative decline and China continues to rise, realists see the events unfolding through the lens of 'power transition theory.' The realists think that the rising power would try to reshape the global

² "China GDP Grows 7.5% in Second Quarter," The Wall Street Journal, accessed September 7, 2014, <http://online.wsj.com/articles/china-gdp-rises-slightly-in-second-quarter-1405476158>

norms and institutions to its own favour, and the declining hegemon would devote all its power to prevent that happening. The consequence of the tension, distrust and conflict of interests between the rising power and the declining hegemon will end up in war – these are essentially the typical facets of power transition.

The objective of the paper is to scrutinize whether the typical features of power transition is surfacing in the case of US-China relations that would ultimately lead to war. The paper would also try to shed some light whether China intends to rise peacefully or engage in confrontation with United States. Finally, the term paper would come up with some policy options for United States on how it can accommodate China's rise in the international system. The study is predominantly based on secondary sources that include – international journals on security issues, books, newspapers, news magazines, and internet resources. Insights from class room discussions of 'Security in Asia Pacific' at the Lee Kuan Yew School of Public Policy, National University of Singapore have also been taken into consideration while writing the paper.

2. Literature Review

Power transition theory has recently gained momentum in international security discussions. The theory seems to have gained some credibility to the policy makers and analysts and its focus remains on Asia.³ Whenever the question of a potential conflict between United States and China arises, power transition theory automatically comes into agenda. Experts seem to be widely divided in their arguments over the notions and variants of power transition theory. In his opinion regarding the theory, former US Assistant

³ Aaron L Friedberg, 'The Future of United States–China Relations: Is Conflict Inevitable?', *International Security*, 30(2), 2005, pp. 7–45.

Secretary of State Susan Shirk puts the blame on the rising power to provoke war.⁴ While explaining the causes of great power warfare, Robert Gilpin claimed in his book '*War and Change in World Politics*' that balance of power between the leading powers and rising powers usually lead to war.⁵ Like Susan Shirk, Gilpin believes that the declining powers have incentive to alter the international system than the rising powers. The rising powers are tempted to reshape the international system, the spheres of influence, and above anything else, distribution of territory.⁶ On the other hand, the existing hegemon finds preventive war as the most lucrative means to get rid of the threats posed by the rising power. Gilpin provided the correlation of power transition theory and great power warfare, and used major wars such as- the Peloponnesian War, the Thirty Years War, the Second Punic War, the wars of Louis XIV, the French Revolutionary and Napoleonic Wars, and World Wars I and II for his study.⁷ In order to fulfill the conditions of power transition theory, Organski and Kugler emphasized that the rising power must be displeased with the current international order before it is willing to go on to war in order to alter the global norms and institutions to its favour.⁸ Lemke and Werner also made the same argument that dissatisfaction with the status quo is the significant driver for warfare than the balance of power.⁹ Werner and Kugler also found the dissatisfaction factor of the rising power

⁴ Ibid.

⁵ Robert Gilpin, *War and Change in International Relations*, Cambridge: Cambridge University Press, 1981.

⁶ Gilpin, *War and Change in International Relations*, p. 187.

⁷ Gilpin, *War and Change in International Relations*, p. 200.

⁸ Organski and Kugler, *The War Ledger*, University of Chicago Press, 1980, p. 19.

⁹ Woosang Kim, 'Alliance Transition and Great Power War', *American Journal of Political Science*, 35(4), 1991, pp. 833–50; Douglas Lemke, *Regions of War and Peace* (Cambridge: Cambridge University Press 2002); Douglas Lemke and Suzanne Werner, 'Power Parity, Commitment to Change, and War', *International Studies Quarterly*, 40(2), 1996, pp. 235–60.

correlated with the extraordinary military build-ups as the key motive for great power warfare.¹⁰

Given that power transition theory has been rejuvenated in the realist paradigm, and its extensive application to United States-China relations is bound to surface, it is imperative to justify the claims of power transition theorists. In this regard Lebow and Valentino tried to assess the empirical basis of power transition theories by examining seven cases. In their study, Lebow and Valentino failed to find any strong correlation. They also mentioned that power transition seldom occur and in most cases power transitions are the direct consequences of wars, rather than the source of war.¹¹ Nonetheless some realists seem to be enthusiastic about the potential ‘epic battle’ between the United States and China. Some analysts think that as China is emerging as a great power and the United States’ power and influence is eroding, China might be tempted to reshape the existing international system to its own favour and the United States would try to prevent this happening. John Mearsheimer is one the main proponents of this view and he thinks that competition for power between the rising power and the declining hegemon would ultimately lead to potential war.¹² Many realist scholars around the world seem to believe in John Mearsheimer’s thesis. The fear of power transition derives from the late nineteenth century European theatre where the major European powers Germany, Britain, France and Russia were engaged in constant security competition and strategic realignments, which ultimately

¹⁰ Suzanne Werner and Jacek Kugler, ‘Power Transitions and Military Buildups: Resolving the Relationship between Arms Buildups and War’, in Jacek Kugler and Douglas Lemke (eds), *Parity and War: Evaluations and Extensions of the War Ledger* (Ann Arbor: University of Michigan Press, 1996), pp. 187–207.

¹¹ Richard Ned Lebow and Benjamin Valentino, ‘Lost in Transition: A Critical Analysis of Power Transition Theory’, *International Relations*, 2009 23: 389

¹² G. John Ikenberry, “The Rise of China and the Future of the West”, *Foreign Affairs*, January/February 2008 Issue, accessed September 5, 2014, <http://www.foreignaffairs.com/articles/63042/g-john-ikenberry/the-rise-of-china-and-the-future-of-the-west>

led to war. John Mearsheimer and his followers see this dynamic surfacing in the case of US-China relations. In this paper, let us scrutinise the actions of United States and China, and foresee whether they are moving on that direction or not.

3. Discussion and Analysis

Power transitions are not a new phenomenon in international relations. The reason being there is so much of debate over power transition and a likely conflagration between the United States and China is due to China's emergence as a global power. China has witnessed phenomenal economic growth since the liberalization of china's economy in the later part of 1970s and is likely to ascend as the number one economy soon replacing the United States. In congruence with its economy, China's military spending has also been on the rise. After the Second World War, the rivalry between Soviet Union and the United States was confined to military counts only, but China seems to be emerging as a rival both militarily and economically. The analysts ponder whether China would seek to overthrow the current international system that would provoke a likely confrontation between the two great powers.

China might emerge as the dominant power in near future, but that does not necessarily mean that the two nations would ultimately go into war. As discussed in the earlier section, empirical evidence shows that power transition rarely causes war. Rather Lebow and Valentino (2009) argue that war causes power transition. There are not many instances that can infer that power transitions lead to war. Power transitions can take place peacefully as well. The early twentieth century witnessed the decline of Britain and the rise of the United States as the global hegemon without any conflict, even the two nations continued to be allies since then. Even Japan at the end of twentieth century emerged as one of the global

economic power houses, but it did not seek militarisation of the state and integrated well with the current order.

Power transition does not always take place in a similar fashion, in fact a variety of factors shape the nature of power transition. If a rising power is unhappy with the current international order, it intends to alter the global rules and institutions. On the other hand, if the existing order is accommodative, the rising power might choose to integrate with the system with limited adjustments.¹³ China is apparently one of the major beneficiaries of the current international order. The rise of China will not necessarily trigger a struggle for leadership of the global order. If China overtakes the United States, power transition between the two powers can be qualitatively very different from those of the past because of the nature of current international order. Unlike the institutions of the past, the current international order is based on open, integrated and rule based criteria. The current global order is a product of farsighted US leadership who intended to build durable institutions by accommodating all the major powers including China.

As China is well set to emerge as a formidable global power, unsure of its future intentions, the United States has undertaken a ‘two pronged policy’ toward China.¹⁴ On the one hand, encouraging it to integrate into the existing international system and be a responsible stakeholder; on the other, the United States pursued a ‘strategic hedging’ to counter China’s aggressive behaviour or potential threat to its allies in East Asia. For this, the United States has emphasised on preserving its alliances in the Asia Pacific – with Japan, South Korea

¹³ G. John Ikenberry, “The Rise of China and the Future of the West”

¹⁴ Ashton B. Carter and Jennifer Bulkeley, “America’s strategic response to China’s Military Modernization”, *Harvard Asia Pacific Review*, accessed September 3, 2014, http://www.hcs.harvard.edu/~hapr/winter07_gov/carter.pdf

and Australia; pursuing a deeper engagement with Philippines, Singapore and India. But there is no such evidence that the United States is actively seeking to contain China.

The invention of nuclear weapons made power transition all the more critical in the present context. Power transition in this century would be very different than the transitions that took place in the past among great powers, since none of the great powers possessed atomic weapons then.¹⁵ Given the fact that the United States, China and all the other great powers have nuclear weapons at their disposal, the outbreak of war among power contenders is less likely. Nuclear deterrence to a large extent, rule out the possibility of war between United States and China. Unlike power transition in the late nineteenth century, the case of United States and China may not be the same as some realists are contemplating the ‘epic battle’.

Power transition between China and United States is different from the transitions that took place in the past on another account. If China grows consistently, it might be possible for China to overtake the United States individually on many counts as the leading power of the world in near future. But China will fall short to go past the combined western forces, the United States and its West European allies, who share mutual interest to preserve the current international order. Conversely, China does not have such an alliance like that of the United States, although in recent times, China improved its ties with Russia. Observers believe that it would be unlikely for China to overturn the existing international order, given the advantages that the United States enjoys.

¹⁵ G. John Ikenberry, “The Rise of China and the Future of the West”, *Foreign Affairs*, January/February 2008 Issue, accessed September 5, 2014, <http://www.foreignaffairs.com/articles/63042/g-john-ikenberry/the-rise-of-china-and-the-future-of-the-west>

Throughout the history, different types of power transitions have taken place. There are states which have grown dramatically - both militarily and economically, but still chose to accommodate with the current order. Some states were not content with the status quo and sought to alter the order. Some transitions caused the collapse of the existing order and tried to establish a new hierarchy. On the other hand, there are states that did not completely overthrow the current order, merely brought about limited adjustments. There are many underlying factors why nations seek power transition in different ways. Much depends on the very nature of the rising states' regime and the level of its dissatisfaction toward the existing global order. We have witnessed that the United States, situated many miles away from Europe, but still was ready to accept the Britain dominated international order than Germany was, during the late nineteenth century. However, the features of the global order are even more important since it determines the rising powers' choice whether to integrate with the system or to change the order.

The postwar international system is in many ways exceptional. Prior to the establishment of post war international order, usually the powerful states used to create the international order to its own favour at the expense of other powers. But the US led international system is quite exceptional than the rest, as it has been exceptionally liberal, open, more sustainable and legitimate. It is quite diverse with a wide range of stakeholders integrated into it – making it easy to be a part of it and difficult to overthrow it. It was the intention of the founding fathers of the current order to build institutions sustainable, functional and integrative. Drawing lessons from the mistakes of the previous powers, the United States attempted to create an international order taking on board all the major powers. The new international order integrated the defeated powers and focused on great power cooperation.

China has actually gained out of the current international system. China is one of the five permanent members of the United Nations Security Council (UNSC), a privilege enjoyed by china in equal terms and conditions with the other four great powers, including the United States. In fact, United States was instrumental to include China as a permanent member at the UNSC, as President Franklin Roosevelt intended to build a more accommodative institution with diverse great powers unlike its predecessors, despite significant opposition from Winston Churchill.¹⁶ China has gradually embraced the western capitalist economy following the economic reforms initiated by Deng Xiaoping. The United States has also paved the way for China to be a member of World Trade Organization (WTO). China has been immensely benefitted from its inclusion in the global trading system led by the capitalist bloc. As China values its continued economic growth, interestingly it has a shared interest with the West to sustain the existing economic institutions. Considering the underlying factors, it is unlikely for China to attempt to overthrow the existing rules and institutions and involve in any confrontation with the United States anytime soon.

A growing interdependence is very much discernible in Sino-American relations, as trade between the two nations jumped from USD 2 billion in 1979 to USD 562 billion in 2013, making China the second largest trading partner of the United States, its number one source of imports and third largest export destination.¹⁷ China stood by United States during its financial crisis in 2008 and became the top holder of US treasury securities which is as

¹⁶ G. John Ikenberry, "The Rise of China and the Future of the West"

¹⁷ Wayne M. Morrison, "China-U.S. Trade Issues", *Congressional Research Service*, accessed September 7, 2014, <http://fas.org/sgp/crs/row/RL33536.pdf>

high as USD 1.3 trillion as of April 2014.¹⁸ Given the high trade volume and increasing interdependence between China and US, escalation of conflict is less likely.

The Chinese leadership is well aware of the fact that the United States will remain vital for its continued growth and development, being its largest export destination. Although China is modernising its military and military spending is increasing in conjunction with its economic growth, but unlike Soviet Union, economy remains is its top priority. At the same time, from the United States' point of view, a prosperous and growing Chinese economy is in the interest of the United States and the global economy. Given the fact that Chinese economy is a dynamic factor for the global economy, a cold war like containment strategy against China is highly unfeasible. In an age of globalization and growing interdependence, power transition will not be played out in the same old fashion.

The Chinese leadership has been constantly claiming that China's rise would be a peaceful one. But the United States and its regional allies are skeptical about China's future intentions. China is not only witnessing a rapid economic growth, the country is also rapidly increasing its military spending what Washington believes intended to achieve parity with its military capabilities. China's annual military spending is no less than \$200 billion which is approximately less than two percent of its GDP. Compared to the United States, it is only less than a third of its military spending. The United States still maintains its supremacy in military spending with \$600 billion a year, which is almost 3.5 percent of its GDP. If China maintains the current growth rate of its military expenditure, it will not be until 2030 to match with Washington. The annual spending of the United States' allies and partners is around \$400 billion, still way ahead of China.

¹⁸ Ibid.

Unlike Soviet Union, which mainly focused on its military buildup at the expense of the economy during the Cold War years, China is prioritising more on its economic development. Although it is gradually augmenting its military expenditure, it is still no match to the United States and its allies. As economic growth is at the top of its agenda, China makes it clear that its real intention is to rise peacefully rather than engaging in military confrontation with the dominant power.

Even if China surpasses the United States on every count, many analysts ponder about its future course of action – whether it would behave aggressively or play a responsible role. China has so far played a responsible role in the global affairs, if one analyses its track record. China has up to now abstained from authorising ‘use of force’ in the UNSC, as a means to resolve political disputes, portraying its intent for peaceful resolution of disputes. Considering the facts discussed above, we can conclude that the United States and China share mutual interest in preserving the existing international system and possibility of war between the rising power and the declining hegemon is a less likely option during transition period.

4. Policy Options for US to Accommodate the Rise of China

The unique feature of the current world order is that it has a remarkable capacity to accommodate rising powers, and to a large extent it has done so. Rising powers have the opportunity in the US led current international system to enjoy a global power status and can play a constructive role in at the global stage. Recognising the rise of China as a great power, the United States should endorse China to play a critical role and be a responsible stakeholder of the international community. It is a fact to bear in mind that all the major powers, including the United States and China have nuclear weapons at their disposal.

Nuclear weapons make it unlikely for a rising power to knock over the current international system.

The United States is well aware of the fact that it has to accommodate the rising China and should find ways to provide more space for the Asian Dragon within the current framework of rules and institutions. China has made full use of the current international institutions to ensure its economic development. China is a permanent member of the UNSC that gives it the same authority and leverage like other four permanent members. China is also an important stakeholder of the global trading system and china is aware of the fact that its sustained economic growth is to a large extent dependent on the current capitalist trading institutions.

The global capitalist system does not only provide access to communist China, its dispute settlement mechanism also provides protection and safeguards against any trade related discrimination that china might face. China has fully embraced the capitalist trading rules and institutions and by doing so it thrived economically. China has continued to embrace trade liberalization and undertaken many economic reforms. The United States should facilitate China to assume a prominent role in the global financial institutions like International Monetary Fund (IMF) and the World Bank. China can make full advantage of its economic might, as voting share in these institutions is based on economic shares. As China remains a client of these institutions to date, Washington should create space for China to integrate it into these institutions as a patron rather than a client if it intends to prevent China from launching competing financial institutions. In order to make these institutions relevant to the present context, bringing China and other key players into the leadership of these financial institutions is imperative. If the United States intends maintain

its leadership, it must proceed with reform measures within these institutions that promote engagement and integration. The United States has to ensure that it provides China its due space as a great power, and also need to make sure that these institutions will survive even after the United States loses its primacy as the only super power in the world.

5. Conclusion

The rise of China will not necessarily lead to a war between the rising power and the global hegemon for the leadership of the global order. The western powers have the capacity to turn the looming shift of power in a peaceful manner as well as on terms favorable to the United States. China is on the rise and there is nothing much the United States can do to thwart China's rise, considering the fact that any military confrontation would be imprudent in a nuclear era.

The United States must work on to make sure that the current international order is just and rule-based. The current order should be inclusive for all the major powers so that China finds little incentive to create its own set of institutions once it overtakes the United States. Apart from maintaining the transparency and sustainability of the current international order, the United States should also take steps to integrate the other rising powers and provide them more space into the major international institutions. By bringing all the emerging powers including China into the leadership of the key global institutions, the United States can make attempts to sustain the current order.

It is perhaps likely for China to surpass the United States alone to become the number one power at the global stage, but it is less likely that China will surpass the combined Western powers anytime soon. China's economy will not be able to surpass the economies of the combined western order in near future. Militarily, it is even more unmatchable, as China is

still lagging far behind than the United States. The capitalist bloc is very much capable of sustain the current international order. If the Western order ensures that there are enough incentives for the rising power to accommodate, China will find it difficult to challenge the order.

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