RISING TENSIONS: THE EFFECTS OF CHINA’S RISE ON THE UNITED STATES, CHINA’S REGIONAL NEIGHBORS, AND THE INTERNATIONAL SYSTEM

by
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Abstract

The United States and the liberal democratic international system have remained largely unchallenged since the fall of the Soviet Union. However, scholars and policymakers have been keenly aware of any changes, both real and perceived, to the existing global order. China’s economic growth has turned China from an impoverished third world country to a global economic power, a regional military player, and a powerful voice in the international system. Reactions have ranged wildly from alarmist to naïve as experts look to understand what China’s rise means. Will China look to join the global order, overthrow it, or alter it to align with its national interests?

The growth in power of any nation affects the global order in some manner, and China’s rise, mainly due to its economic prowess, looks to have far-reaching effects for the international system. This thesis seeks to understand what these effects are by examining the effects of China’s rise on the United States, China’s regional neighbors, and the international system. The paper will use international relations theory to look at the military, economic, and political ramifications for these groups.

This thesis asserts that scholars and policymakers often exaggerate the effects of China’s rise. This is not to say that China is not on the rise or that it will not affect the global order. However, the United States and the international system still retain a preponderance of power which will not be overcome any time in the near future. China will instead look to subtly alter the international system and global order to advance its national interests without getting into direct conflicts with other nations, particularly the United States.

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Dedication

This thesis is dedicated to my parents, John and Eladia Medin, for their love and support through my most difficult times. “Without whom the world would be a cruel and dark place” as they like to remind me.
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Introduction

China is on the "rise" and could become a risk to the United States, China's regional neighbors, and the existing international system. However, this is unlikely in the short term and can be negated in the long term with proper policy and planning. The commonly accepted consensus is that the People's Republic of China (PRC) is on the rise and has become a significant player on the world stage. This term "rise" generally refers to a nation that is rapidly growing in power economically, militarily, and politically. For decades, China had been at the mercy of major world powers, beginning with its defeat in the First Opium War by the British Empire in 1839. This incident would commence the period later known as the "century of humiliation," where the Western powers and the Empire of Japan exploited China for their economic gain.1 Even after the end of World War II and the subsequent communist takeover by Mao Zedong, China was a poor third world country with very little influence on the world stage. However, since the 1970s, China has risen from a poor, developing country to a significant economic power. China's economy has grown exponentially to become the second-largest economy in the world with a reported gross domestic product (GDP) of $13.6 trillion (USD).2 China’s economy has maintained over 6 percent growth for several decades and has been dubbed the “world’s workshop” as the world's largest trading nation.3 This dramatic economic growth has allowed it to modernize and achieve numerous, rapid successes for its citizens. As of 2018, only 1.7 percent of Chinese citizens live below the national poverty level as opposed to 17.2 percent in 2010.4

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Army (PLA) is seeking to modernize the military and build a blue-water fleet, which is a navy that can operate globally on the open ocean and is not restricted to coastal waters. It is constructing several military installations on artificial islands atop reefs in the South China Sea. The PRC has rapidly spread its influence around the globe through investment and infrastructure building projects, an enhanced diplomatic presence, and the joining or creation of international organizations such as the Asian Infrastructure Investment Bank (AIIB). However, the question remains surrounding what effects China’s rise will bring to the global order.

This question is hotly debated by policymakers and scholars alike as it has real-world ramifications for national security and international policy. It also provides a new case study for international relations theorists. World leaders and policymakers must contemplate this question as they look to craft their nations' responses to China's growing power. If these policymakers view China as a malicious actor, a potential partner, or something in between it will drastically alter what policies the nation will enact. This question affects all policy areas including defense, economics, and diplomacy. These policymakers must have a clear understanding of the subject, its effects, and the most effective way to pursue their national interests in order to create a successful policy to handle a rising China. Misunderstanding even one of these points could lead to disastrous results down the road if their assumptions are mistaken.

This debate also has implications for international relations theory and will provide a new case study for scholars to examine. Many scholars are curious as to how this rising China will interact with the current global hegemon, the United States of America. Current international relations theory has several ideas on whether a rising power will seek to overthrow the existing

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6 Swaine, *America’s Challenge*, 5-11
power. There are also several theories on how the existing hegemon will react to a challenger. Scholars are also interested in observing how China will interact with its regional neighbors and vice versa. Will China seek to dominate its neighbors through economic, military, or political means, or will it look for ways to foster cooperation and find mutual benefits? Will these neighbors seek to join China, or will they join forces to resist China? The rise of China will be the first time the western liberal democratic system will be in a position to be challenged since the Cold War. Will China seek to destroy the current system, alter it, or remain within it?

**Research Question**

This paper seeks to answer how a "rising" China will alter the geopolitical power of the global order and the current status quo of the existing international system. To accomplish this goal, the paper will study the effects of China's rise on the economic, military, diplomatic power, and institutions of the United States, its regional neighbors, and the international system through the lens of international relations theories regarding general geopolitical relationships. The hypothesis is, in the short run, China's rise will be detrimental to the geopolitical power of the United States and its regional neighbors as well as the western liberal international system. However, the rise of China is unlikely to change the current world order dramatically.

**The Literature on China’s Rise**

There are three primary schools of thought regarding China's rise and how it affects the world order. These schools of thought are China is rising and it is a malevolent actor, China is rising and is a potential partner, or China is not at all rising or at the very least, its rise is exaggerated and is not an existential threat. This paper most closely aligns with the idea that China's rise is exaggerated. However, it seems clear that China is on the rise and, mainly due to its
authoritarian form of government, has no intention of changing itself. Therefore, its future as a malevolent actor or a potential partner mainly depends on how nations and the international system will decide to interact with China now and in the future.

Most scholars and policymakers will agree that China is "rising," which is often illustrated by its economic growth, military buildup, and growing power in international relations. Other nations have previously experienced rapid growth and were predicted to become the next world power, such as Japan in the 1980s and 1990s, only to plateau or fall into decline. However, China seems poised to continue its growth for a variety of reasons such as its natural resources and large population. Some experts have taken the position that China is a malign actor who is only biding its time to overthrow the current international order. They often point to a variety of factors, such as the Chinese Communist Party’s (CCP) autocratic form of government. The international community has criticized the PRC for its general lack of regard for human rights, such as their treatment of the Uyghur minority in China, as well as China's support for North Korea, which is in opposition to what is generally accepted by the world community. Economically, they have been accused of currency manipulation, corporate espionage, and intellectual property theft. Militarily, China has become increasingly aggressive, particularly in the South China Sea, where it has begun establishing bases on man-made islands on disputed territory and using controversial tactics, such as a maritime militia, to discourage challenges to its territorial claims. These scholars and policymakers often point to the 24-character strategy of Deng Xiaoping who was the de facto ruler of China following the death of Mao Zedong. This strategy states that China must “hide

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capabilities and bide time,” so it could grow before China tries to pursue its interests aggressively.\(^9\) These policymakers and academics highlight the idea that China is hiding its capabilities and biding its time as a signal that China will strike when it feels ready to do so.

Still, other scholars and policymakers think China's rise is a good thing for the international system, believing they could become a potential partner. Many proposed that as China became wealthier and more developed, it would become more democratic. This theory was one of the main reasons that the Clinton administration pushed to normalize trade relations with China in 2000 which paved the way for China to join the World Trade Organization (WTO) in 2001. For the most part, this has not turned out to be the case, but there have been significant reforms, mainly economic, since the early days of communist China. They also point out that China has refrained from using its considerable growth in power to engage in overseas ventures and has acted in a restrained manner. China's strong belief in the territorial sovereignty of nations, which it fiercely defends in international forums, is seen as an indicator China desires to maintain peace and stability rather than to upend the global system. The PRC has also become more engaged on the world stage, such as increasing funding and personnel for the United Nations (UN) and UN peacekeeping missions.\(^{10}\)

Lastly, some experts believe China may not be rising, or at least its rise is exaggerated. They point to several past instances that seemed to be on the rise only to fall or plateau or decline in power, never rising to become a threat to the international system. Policymakers and academics highlight that China also does not have the system of alliances the western powers have developed,

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nor does it have a military that can challenge them in a large-scale conflict.\textsuperscript{11} China does have significant sway on the international economy. However, as is often pointed out, their economy pales in comparison to the combined economies of the United States and the western powers. Despite China’s economic growth, many economists believe the CCP continues to exaggerate its official financial numbers, and there are signs that economic growth is beginning to slow.\textsuperscript{12} China has survived and even profited from global economic crises, such as the Great Recession, but it is unclear how China will handle a domestic economic crisis. The recent COVID-19 outbreak has brought China’s economy to a standstill and will create long-lasting ramifications for China.

This paper will closely align with the idea China's rise is exaggerated and cannot substantially alter the current international system. China simply cannot compete with the United States and its network of alliances either economically, militarily, or politically. However, where this paper will differ is the belief that China is rising and could become a significant threat in the future if left unrestrained. China has already begun to flex its power in East Asia with its territorial disputes and has sought to increase its prestige abroad with diplomacy and economic ties with various nations around the world. Nevertheless, China’s rise becoming a threat is not a foregone conclusion. With a strong commitment by the United States and the international community to maintain its current system of alliances and push back against China's increasingly aggressive actions, the adverse effects of China’s rise can be counteracted.

\textsuperscript{11} Nye, \textit{Is the American Century Over?}, 114-117.
Methodology

This paper seeks to answer how a "rising" China will alter the geopolitical power of the global order and the current status quo in the Asia-Pacific. The three chapters will be studying China's effects on the United States, its regional neighbors, and the international system, respectively. These three lenses allow scholars and policymakers to understand the main points on how China’s rise is currently affecting the global order.

Chapter one seeks to answer how a rising China will challenge or alter the United States' geopolitical power and leadership role. This chapter will entail a case study between the United States and the PRC. It examines the effects of China's rise on the United States' economy, military power, and leadership role through a historical lens and political theories regarding geopolitical relationships such as the Thucydides Trap and the responsible stakeholder theory. This case study was selected because the United States is the current world leader and superpower, which dominates and, to no small extent, controls the international system. Therefore, studying these two nations will be most useful for understanding the effects of a rising power because it will be focused enough to provide clear insights on the impacts of China's rise on the United States, but also illustrate the effects more broadly on the international system. These two nations will continue to be some of the most, if not the most, powerful and influential countries in the world, and understanding their relationship is vital to avoiding tension and conflict which could affect the world as a whole. A case study is necessary because while studying this effect, there is not a significant amount of quantitative data to write a paper that answers the research question utilizing other methods. However, some data can be used to bolster the case study. Finally, it will allow the testing of current international relations theories such as the Thucydides Trap. A drawback of this approach is that there will not be a large sample size to compare. However, it will be possible to
look at historical cases detailing the relationships between rising and declining powers as well as add more case studies in the subsequent chapters. Applying these international relations theories to this case study will allow policymakers and scholars to understand better the relationship between existing and rising powers which will inform the decisions of policymakers.

Chapter two reviews three case studies on the nations of Japan, Vietnam, and the Philippines. The chapter studies the influence of China's rise on the economic, military, and diplomatic power of these regional neighbors through the lens of international relations theories regarding general geopolitical relationships such as the theories of balancing, bandwagoning, or peaceful coexistence. These case studies were chosen because they are three major players in the Asia-Pacific and have varying degrees of relationships with China and the United States. Japan is an essential long-term ally of the United States and has an antagonistic relationship with China due to historical and territorial disputes. The Philippines has traditionally been an ally of the United States. However, under President Duterte, the Philippines have been moving away from the United States, partly because they are increasingly unsure of the commitment of the United States in the Asia Pacific, and becoming increasingly friendly with China. Vietnam has been historically close, though not without disputes, to China based on their relationship during the Vietnam War and the governments’ similarities. However, Vietnam has been moving away from China due to territorial disputes in the South China Sea. Vietnam has also been moving towards establishing better relations with the US, but both countries still have tensions stemming from the Vietnam War. Therefore, studying these three nations is useful to understand the effects of China's rise on its regional neighbors as it increases in power since these nations have different relationships with China. China will likely continue to rise and become one of the most powerful and influential countries in the world, while these three neighbors will remain key regional actors. A case study
is necessary because the relations between nations are difficult to measure or quantify. However, numerical data, such as economic growth indicators and defense budget numbers, can be used to reinforce case studies. Because a significant amount of case studies exists, we will have adequate data to maintain a large, comparable sample size. Finally, the case study will allow testing of current geopolitical theories such as bandwagoning or balancing.

Chapter three seeks to answer how a rising China will alter the current international system, specifically the current western liberal global order which has existed since the end of World War II. To accomplish this, it examines the effects of China’s rise by comparing the current international system and China’s actions within the system, including its creation of rival international institutions. It will look at the effects that China’s rise has had on economic, military, and diplomatic international organizations. This chapter reviews three case studies that will cover the UN, a comparison between the Shanghai Cooperation Organization (SCO) and the North Atlantic Treaty Organization (NATO), and a comparison between the World Bank and the Asian Infrastructure Investment Bank. These three case studies were chosen because they are the major international organizations currently in the global system, and they encompass the full spectrum of economic, military, and political power. The UN is the undisputed leading institution in the international order, which, although predominantly led by the western powers, is heavily influenced by China due to its presence on the UN Security Council. The SCO is the closest Chinese-led international organization to NATO which covers security collaboration, as well as other aspects such as economic cooperation among nations despite not being a collective security organization in contrast to NATO. The comparison between the World Banks and AIIB is a more direct comparison that covers the economic aspects of the international system. Studying these three case studies is useful in understanding how China is co-opting current global systems for its
benefit or creating new ones to serve its purposes. A case study is necessary because while studying this effect, there is not a significant amount of quantitative data to do a paper utilizing other methods. However, numerical data will be used to reinforce the case studies by observing shifts in economic and military power. The chapter also examines a significant number of case studies to maintain a large sample size to compare.
Chapter 1: The Effects of China’s Rise on the United States’ Geopolitical Power

The perception of a “rising China” has been a growing area of interest and concern during the past several decades. The PRC has experienced rapid and sustained growth, which has allowed it to modernize and become a world power.\(^\text{13}\) The United States, as the sole superpower and de facto world leader, is wary of China as it continues to grow. The PRC, on the other hand, is concerned that the United States will attempt to smother China’s rise in an attempt to maintain its preeminent status. Experts and policymakers are worried that both nations will be set on a collision course if current tensions evolve into great power competition.\(^\text{14}\) It seems clear the PRC will continue to grow more powerful over the coming years. How its rise will progress and what that signifies for the United States, however, remains to be seen. Will the United States resort to war to prevent the growth of China? Will China rise peacefully to join the United States as a world superpower? Are there other possible outcomes?

Concerns about the relationship between an established and a rising power are not new. Thucydides wrote one of the earliest attempts to explain this predicament in his *Histories of the Peloponnesian War*.\(^\text{15}\) He describes the reactions of the Greek City-State of Sparta to the growing power of its rival, Athens. Sparta, feeling threatened by Athens's rise, decided to eliminate its rival before it became too powerful, which sparked the Peloponnesian War. Thucydides argued, in what

\(^\text{13}\) World Bank, “China,” *Country Profile*, Accessed November 04, 2018
tbar=y&dd=y&inf=n&zm=n&country=CHN.
is now commonly known as the Thucydides Trap, war may be inevitable as one power threatens to displace another.\textsuperscript{16}

Not everyone, however, agrees with Thucydides. Some have observed that there are instances when a new power can rise to replace a declining power peacefully.\textsuperscript{17} One prominent example of this occurred when the United States overtook the United Kingdom as a world leader without war or conflict.\textsuperscript{18} Others have argued China may not displace the United States at all and that these concerns are unfounded. These writers often point to the examples of Japan or the “Four Asian Tigers,” whom many believed would overtake the United States but ultimately failed to do so.\textsuperscript{19} How the United States and China interact in the upcoming years will have a significant impact on the relations between these two nations.

**Literature Review**

Since the 1970s, China has grown rapidly and maintained over 6 percent growth to become the second-largest economy and the world's largest trading nation.\textsuperscript{20} This dramatic economic growth has allowed it to quickly modernize and achieve numerous successes for its citizens, including reducing poverty levels as well as increasing the education levels and life-expectancy among its citizens.\textsuperscript{21} China has embarked on a remarkable infrastructure building campaign within China including an impressive system of highways and railways.\textsuperscript{22} The Peoples’ Liberation Army is determinedly enacting measures to modernize and expand its military forces. A crucial part of

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\textsuperscript{17} Shambaugh, *The China Reader*, 20.


\textsuperscript{19} Nye, Joseph S., *Is the American Century Over?*, 28-29.

\textsuperscript{20} Shambaugh, *The China Reader*, 1.


\textsuperscript{22} Shambaugh, *The China Reader*, 1.
this program is the creation of a blue-water fleet and the construction of several military installations on artificial islands atop reefs in the South China Sea. The PRC has rapidly spread its influence around the globe through investment and infrastructure building projects, an enhanced diplomatic presence, and the joining or creation of international organizations.

American policymakers at all levels of government and the military have watched these developments with suspicion. China’s rise as an economic power and its geostrategic significance in Asia has alarmed American policymakers as they perceive China’s emergence as a risk to the United States’ power and leadership status in the region and on the global stage. This concern has become more prevalent as China has grown economically and militarily, and it is being exacerbated by its image as an authoritarian government which refuses to adhere to certain international norms such as human rights.

**International Relations Theories**

For decades scholars and policymakers have attempted to provide rational explanations and theories to explain how nations interact with one another and the international system. These international relations theories provide a conceptual framework and a lens through which to view activities and events on the global stage. Several schools of thought have propagated competing theories, and scholars have attempted to provide explanations for a complex topic that is continuously evolving. The most prevalent and relevant international relations theories when discussing the relationship between China and the United States are realism and liberalism.

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Realism

Realism emphasizes the role of the state, national interests, and hard power in international relations as opposed to other factors such as global institutions. Among the first authors of realist thought were Thucydides, Niccolò Machiavelli, and Thomas Hobbes. Classical realists focused on what they considered to be a critical flaw in human nature, which was that humans are inherently self-interested. This flaw makes it difficult for humans to establish and maintain an international system. Neorealism rose in the 1970s and was popularized by Kenneth Waltz in his book, Theory of International Politics. For Waltz, the world is in a state of anarchy, which means there is no global order or central institution capable of regulating the actions of nations. This anarchical world system inevitably means each state must pursue its national interests with the survival of the state being the top priority of any government. Realists are pessimistic about the ability of reforms or international institutions to end this anarchy.

However, Realism has received criticism over the years because it has failed to account for significant systemic changes in international relations, such as the rise of globalization. It also fails to explain the example of cooperation when states forgo their national interests to work together in support of a common goal, such as combating climate change. Critics have attacked realism for being pessimistic and a self-defeating theory, which does not allow for the possibility of making improvements to the international order.

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28 Morgenthau, 4-10.
29 Morgenthau, 4-10.
30 Morgenthau, 4-10.
Liberalism

In comparison, Liberalism believes it is possible to increase the cooperation between states, and the global order can be improved. Liberal theorists emphasize the role of institutions to shift international norms and morals. Unlike realism, which focuses on military power and the part of the state, liberal theorists regard military force as a last resort and advocate diplomacy and multilateralism to resolve disputes. They also stress the importance of multinational political structures and international organizations.  

Liberal international relations theory can trace its beginnings to the 18th and 19th century with writers such as Immanuel Kant, John Locke, and Adam Smith. These early writers theorized international commerce and law could change the global system by increasing interdependence between nations and decreasing the chances of war. These authors, notably Kant, coined the "democratic peace theory," which claims the nation's type of government affects its behavior, and democracies are less likely to go to war. The liberalist theory of idealism gained followers before World War II as a liberal international relations theory. It proposed that states should approach international politics in a manner that advances moral goals. Idealism believed humans could revise the global system to an ideal environment. These idealist views were advanced and popularized by President Woodrow Wilson who demonstrated this through his desire to form the League of Nations following World War I.  

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Ultimately, idealism disappeared after the theory, which heavily championed the League of Nations as a way to end wars, failed to prevent the outbreak of World War II. However, idealism served as a precursor to today’s liberal international relations theory. Neoliberalism was popularized by writers Robert O. Keohane and Joseph S. Nye, who sought to revise certain aspects of liberalism such as Kant’s democratic peace theory. These writers acknowledge democracies will still go to war. Still, they are less likely to go to war with nations with similar governments and morals as well as those with which they have significant economic ties.

Nevertheless, Liberalism has several weaknesses which it struggles to explain. International norms and laws are difficult to enforce, as there is no sovereign entity to implement them. Each state can choose to follow the ruling of an international organization or they can ignore it as is the case when powerful states refuse to abide by global decisions. Increased globalization and free trade have also increased inequality and conflict in some cases as nations struggle economically. It is clear that interdependence, economic or otherwise, will not always prevent a dispute should the national interests of countries be opposed.

**China’s Peaceful Rise**

During the last several decades, in-depth analysis and studies have been conducted to study the effects of China’s growing power on the United States. Early theorists and liberal scholars viewed China’s recent rise in a positive light for the United States. The common belief was that China would become more democratic and an active participant in the international community as it became wealthier and more developed. Liberal theorists predicted China would rise peacefully.
and would not attempt to upend the international order or threaten the United States and its interests. China has cultivated the policy of China’s “peaceful rise” to alleviate the fears of the international community regarding China’s economic and political growth. Chinese officials frequently stated that China was committed to the international system and maintaining global peace because they benefited greatly from it.\(^38\) At the time, Premier Wen Jiabao noted that this peaceful rise “will not come at the cost of any other country, will not stand in the way of any other country, nor pose a threat to any other country.”\(^39\)

In recent years, this has been coined as the “responsible stakeholder” theory by Robert B. Zoellick, who served as Deputy Secretary of State during the Bush administration from 2005 to 2006.\(^40\) Zoellick did not give China a free pass; instead, he critiqued its stance on the theft of intellectual property and its North Korean policy. Nevertheless, Zoellick saw the potential for China to cooperate with the United States and the broader international community, to resolve a wide range of issues. Zoellick believed that China could become an essential part of supporting the global system if the United States could encourage China to be a responsible stakeholder and foster constructive cooperation.\(^41\)

While Zoellick viewed China’s rise as mostly a positive development, couched in their participation with the international community, others take the concept of engagement as a bellwether for China’s potential world status. For example, one study advocates the United States

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pursue greater dialogue with China, the creation of new multilateral forums, and the resolution of
domestic economic problems to engage China and encourage its development into a responsible
stakeholder. These concepts view the United States as a facilitator for China’s rise as a
responsible stakeholder through cooperative engagement, while also maintaining a strong presence
in Asia in the political, economic, and military realms. The balance here, however, is that the
United States must weigh its interests against possible Chinese appeasement, which could stifle
American interests.

Some scholars and policymakers continue to advocate for this idea that the US policy
should look to integrate China into the prevailing liberal, rule-based, international order. One study
noted that the United States has shared interests such as counterterrorism efforts, combatting
climate change, and preventing nuclear proliferation. The United States and China also rely
heavily on trade, which would be in jeopardy should they enter into a war with one another. These
points would disincentivize them to engage in a conflict harkening back to the liberal idea that
interdependence and commerce decrease the likelihood of war. In addition, the study states that
these beneficial aspects are far more critical than the current disputes, which it calls mostly
symbolic. A key point in the study is that it blames the US as trying to block China’s growth in
influence by denying it additional powers in international institutions, which could make it a more
responsible stakeholder.

42 Swaine, America’s Challenge, 7-8.
43 Swaine, America’s Challenge, 7-8.
44 Swaine, America’s Challenge, 15.
45 Amitai Etzioni, Avoiding War with China: Two Nations, One World. Charlottesville: University of Virginia Press,
2017, 152.
46 Etzioni, Avoiding War with China, 152-153.
47 Etzioni, Avoiding War with China, 153.
China’s Non-Peaceful Rise

Several realist scholars take an opposite approach to China’s rise. Instead of believing China will become a benevolent partner, they regard China as an aggressor who actively seeks to undercut the United States’ geopolitical power and national interests while working to overturn the international order.\footnote{United States. Congress. U.S.-China Economic and Security Review Commission. 2019 Report to Congress of the U.S.-China Economic and Security Review Commission, Washington, D.C.: Congress, 2019, 1-2.} Realist theory and the Thucydides Trap would suggest that a rising power would attempt to continue its climb with the end goal of becoming the leading power. In contrast, the current world power would do whatever it took to stifle the rising power so that it could maintain its supremacy.

For example, one study argues China has had a long-term strategy to supplant the United States and the current international order by asserting China has duped the United States into assisting China’s rise. It also posits the United States’ current policies are allowing China to supplant the US.\footnote{Michael Pillsbury, The Hundred-Year Marathon: China’s Secret Strategy to Replace America As the Global Superpower, First Edition. New York: Henry Holt and Co., 2015, 33-51} This argument is contrary to a series of common assumptions, including the belief that engagement will bring cooperation, that China is moving towards democracy and liberalization, or that China desires to be like the United States.\footnote{Pillsbury, The Hundred-Year Marathon, 7-16.} Instead, the study concludes China will grow to threaten US regional interests and geopolitical power if left unchecked by the United States. It advocates a new, active US foreign policy to prevent China’s plan to replace the United States as the global superpower.\footnote{Pillsbury, The Hundred-Year Marathon, 214.}

One of the most cited thinkers in geopolitical balance, Graham Allison, maintains it will be difficult for the United States to avoid a Thucydides Trap with China and claims a clash may
be inevitable. Unlike other nations, such as Germany and Japan, it appears unlikely China will become a liberal democracy. Allison posits this is because of the cultural differences between China and western civilization, including the idea of the role of government and individualism. He believes these two different civilizations are incompatible, and both sides will grow increasingly competitive and be unable to cooperate. Allison argues China will try to avoid conflict if possible but will use force if they feel the long-term trend of their rise is threatened. Instead, China “will bolster its diplomatic and economic connections with its neighbors, deepening their dependency on China, and use economic leverage to encourage (or coerce) cooperation on other issues.” The PRC may look to oust the United States as the world's leading power unless the United States actively pursues policies to counteract these efforts.

**China’s Exaggerated Rise**

Lastly, there is another belief China’s rise will not radically affect the United States’ geopolitical power or leadership position in the international community. This position is skeptical of the idea China will surpass the United States as the world's leading power and argues it is premature to make any assumptions about whether China will oust the United States. This theory has both liberal and realist supporters, though it remains more in the camp of realism as it maintains that the United States is still powerful enough, and China will not rise quickly enough to become the global hegemon rapidly. Joseph Nye writes, “among the range of possible futures, ones in which a new challenger such as Europe, Russia, India, Brazil, or China surpasses the United States and precipitates the end of the American centrality to the global balance of power are not

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53 Allison, "China Vs. America: Managing the Next Clash of Civilizations", 80-86.

54 Allison, "China Vs. America: Managing the Next Clash of Civilizations", 89.
impossible, but not very likely.”\textsuperscript{55} Nye argues, although China seems to be on a continuous upward trajectory, this trend is by no means assured.

To add, China’s growth is also expected to slow in the coming years, even without any severe economic problems. He also points out China’s geopolitical disadvantages as it is surrounded by several powerful Asian states such as Japan and India, who are also distrustful of China’s rise.\textsuperscript{56} Nye stresses the United States’ key strengths are based in its alliances and control of the international system, while America’s soft power and military strength continues to dwarf China’s capacity.\textsuperscript{57} He also points out that, despite its own problems, the United States still has several advantages, such as its technology and geography. Unlike China, the United States has only two close neighbors, Mexico and Canada, which the US has good relations with, and both are not particularly powerful nations. The United States is also geographically separated from any significant rivals by two oceans that are patrolled by its technologically superior navy which China is unable to compete with at this point. He states that “describing the twenty-first century as one of American decline is likely to be inaccurate and misleading.”\textsuperscript{58} Nye ultimately concludes China can surpass the United States, but the United States has more than enough opportunities and power to ensure this outcome does not come to fruition.

One study asserts it is unlikely for the United States and China to enter an armed conflict, and instead, China could further integrate with the global community. The author argues the most likely outcome is the maintenance of the status quo.\textsuperscript{59} The study suggests that the United States

\textsuperscript{55} Nye, \textit{Is the American Century Over?}, 114-115.
\textsuperscript{56} Nye, \textit{Is the American Century Over?}, 114.
\textsuperscript{57} Nye, \textit{Is the American Century Over?}, 114-117.
\textsuperscript{58} Nye, \textit{Is the American Century Over?}, 116.
will wait to adjust to China’s growing power, while China attempts to understand its new role in the international system. The author claims if war occurs, it would most likely be due to “failed engagement of China by an unnecessarily impetuous United States” before admitting “it is possible an overassertive China will precipitate the conflict.”

The study asserts, if a power transition was to transpire, the later this transition occurs, the less likely there would be conflict.

Another study argues the United States is still able to maintain a power preponderance over China. It emphasizes the need for the United States to actively preserve its series of bilateral alliances in Asia, including Japan and Korea, while also working to address the historical disputes between its allies. The study also advocates the United States take steps to include China in the international system and for the region to become more connected economically to ensure a continual US dominance does not dissatisfy China over the international order. The author believes “inducing China to be less dissatisfied with the status quo is one answer that the power transition theory provides for the United States to peacefully manage the era of the rising China in the region.”

This chapter will contribute to the existing literature by looking at a case study regarding China and the US. Realism appears to be the closest international theory to explain how China’s rise has affected the United States. The United States has taken clear steps to limit the rise of China as it pivots from the Middle East to the Asia-Pacific region. The United States has taken economic, political, and military actions to ensure that it remains the preeminent power in the world. However, liberalism would assert that the United States and China should work together for mutual

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gain and that the international system should be utilized to handle disputes. Both China and the United States remain a close working relationship, particularly concerning the economy, which both nations rely upon to maintain their prosperity. The United States also utilizes the international system to place pressure on China for overstepping international law, such as the case in the South China Sea. The United States has worked together with China, albeit with limited success, to deal with a nuclear North Korea. Despite this, these actions can mostly be interpreted as each nation using the tools at its disposal to achieve its national interests.

**Economic effects**

The rise or decline of nations will affect the balance of geopolitical power, whether it is on the regional or international stage. The country, its adversaries, its allies, and its neighbors are always vigilant for changes in geopolitical power, which they must guard against or can exploit. The rise of China has impacted the United States’ economy, military power, and its traditional role as a regional and international world leader. China’s economic growth has a definite impact on the United States’ geopolitical power and China moving steadily towards supplanting the United States as the world’s largest economy. China’s state management of its economy, including state-owned enterprises (SOE), has distorted the global market and undermined US competitiveness. It has allowed China to fund various initiatives and programs to counter US influence, and it has increased China’s ability to resist US economic influence and pressure.

China’s rise has impacted the world economy, particularly the United States’ economy. The United States has remained the world’s largest economy for decades. Some studies have tried

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64 Allison, "China Vs. America: Managing the Next Clash of Civilizations", vi-x.
to predict when China will overtake the US as the world’s largest economy with varied results between 2030 and 2040. However, it remains to be seen if these predictions will become a reality and there is a good chance that they may never come to pass. Nevertheless, China has already become a global economic superpower in its own right with growth that has averaged 10 percent for the past three decades. In 2014, China’s GDP based on purchasing power parity surpassed the United States. China’s economy has become large enough to significantly affect the global economy, global growth, and other nations. This economic growth has led to a growing trade deficit for the United States and an overreliance on Chinese manufacturing and certain imports such as steel and aluminum.

Additionally, China has been effective at manipulating the US-led global economic system to its advantage while simultaneously weakening the United States. China’s state-driven economic model challenges the United States’ financial interests. The PRC will often exercise control over sectors of its economy, which it identifies as vital for its’ national interests. The PRC will allot resources, financial support, and political backing to ensure Chinese companies have strategic advantages over other companies in China and overseas. China also forces foreign companies to comply with specific terms to enter the Chinese market, including technology transfer requirements, which has caused China to be often accused of stealing technology for the benefit

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of Chinese firms.\textsuperscript{72} China has inadequate intellectual property rights, so these companies which have intellectual properties copied or stolen have very little recourse to contend with Chinese businesses.\textsuperscript{73}

This economic growth and the expansion of China’s economy has allowed it to fund its various priorities and programs. These programs enable China to extend its influence and project power further than ever before. China has been aggressively expanding and modernizing its military forces to include a blue-water navy. This expansion and modernizations will enable its military to operate and sustain itself quickly within the region and eventually even outside of the Asia-Pacific region.\textsuperscript{74} President Xi Jinping has directed the military to accelerate its military modernization program to become a modern military by 2035. However, the ultimate goal is that the PLA would become a “world-class” military by the mid-2000s.\textsuperscript{75}

In the past two decades alone, Chinese defense spending has increased almost eight-fold.\textsuperscript{76} As a part of this modernization program, China stated its official government defense budget for 2019 would be 1.19 trillion yuan, about $177.5 billion (USD), which is a 7.5 percent defense spending increase from 2018.\textsuperscript{77} However, the definite amount China spends on its military is often debated by outside sources who suspect that the defense budget is more substantial than China admits. Defense spending is difficult to assess as there is no universally accepted standard defining

\textsuperscript{74} Bergsten, China's Rise, 11.
defense spending and this confusion is compounded by China’s lack of transparency which makes it difficult for outside organizations to draw comparisons.\textsuperscript{78} For example, the Chinese government’s official figures reported the country’s 2018 defense budget at $175 billion (USD).\textsuperscript{79} The Stockholm International Peace Research Institute (SIPRI) disputes this assessment and places its estimates for the overall 2019 military budget figure at $250 billion (USD).\textsuperscript{80} The United States Department of Defense (DoD) provides a more conservative estimate of over $200 billion (USD).\textsuperscript{81} This spending has been used to fund research and development for new military systems such as next-generation aircraft, anti-ship missiles, and a blue-water fleet, including two aircraft carriers. It has also supported the construction of military installations on the newly built man-made islands in the South China Sea.\textsuperscript{82} This military spending would not be possible without China’s growing economic power.

China’s economic power has also enabled it to fund various programs and organizations which affect the United States' power abroad. China launched expensive new projects such as the Asian Infrastructure Investment Bank, and the ‘One Belt, One Road’ initiative.\textsuperscript{83} The AIIB has been seen as a Chinese competitor to the International Monetary Fund (IMF) and the World Bank. It would fund development in countries outside of the western international system dominated by the United States. China has paid a significant amount of the funds required to start the AIIB by

providing nearly $30 billion (USD) of the $100 billion (USD) managed by the AIIB.\footnote{Asian Infrastructure Investment Bank, "Articles of Agreement." Members of the Bank - AIIB. Accessed November 26, 2018. https://www.aiib.org/en/about-aiib/basic-documents/articles-of-agreement/index.html.} These start-up funds have granted China 297,804 votes of the total of votes of 1,000,000, far more than any other member.\footnote{Asian Infrastructure Investment Bank, "Articles of Agreement", https://www.aiib.org/en/about-aiib/basic-documents/articles-of-agreement/index.html.} This preponderance of votes leaves China with significant control over the AIIB and frees the AIIB from the influence of the United States. The Belt and Road Initiative (BRI) was proposed to develop infrastructure in the region, which China would finance bilaterally with other nations such as the Central Asian States.\footnote{Dollar, "The AIIB and the 'One Belt, One Road'," https://www.brookings.edu/opinions/the-aiib-and-the-one-belt-one-road/.} By 2016, this initiative had $432.2 billion (USD) in outstanding loans and equity investments.\footnote{U.S.-China Economic and Security Review Commission, 2018 Report to Congress of the U.S.-China Economic and Security Review Commission, 12.}

China has also been the driving country behind the Shanghai Cooperation Organization. The SCO was formed initially as an organization devoted to demilitarizing borders after the fall of the Soviet Union.\footnote{Council on Foreign Relations, “The Shanghai Cooperation Organization." Accessed November 24, 2018. https://www.cfr.org/backgrounder/shanghai-cooperation-organization.} The organization’s agenda has expanded over the years and now includes military, counterterrorism, and intelligence cooperation among its associates. The SCO has also worked closely with regional economic initiatives within member states.\footnote{Council on Foreign Relations, “The Shanghai Cooperation Organization", https://www.cfr.org/backgrounder/shanghai-cooperation-organization.} The spending required for the organizations and initiatives would not be possible without China’s growing economic power.

This economic growth has allowed China to resist pressure from the United States’ economic influence. The adoption of the Bretton Woods system after World War II established a new global economic order. The Bretton Woods conference created the World Bank, the IMF, and
the World Trade Organization (WTO) which were vital in maintaining the influence of this system. Since the United States was the principal architect of this new international order, and the dollar was designated as the global reserve currency, the United States has held a significant advantage in this new global economic system.

The United States has been able to use its economic power as a tool to pressure nations into cooperating with the United States and international norms. Sanctions have become a more effective tool for governments as the global financial system has become more complex and interconnected. The United States has implemented sanctions frequently on nations such as North Korea and Iran to punish bad behavior and encourage change. This global financial system has allowed the United States to maintain its hegemony over the world and gives it a tremendous advantage over other countries. However, China can no longer be effectively pressured by United States economic power due to its status as an economic superpower. This power has become quite clear in a multitude of instances, such as in the current trade war between the United States and China. The United States has also been unable to use economic pressure to force China to reform its behavior, particularly in the realm of human rights.

This effect can be clearly seen in the ongoing trade war between the United States and China, which began in 2018. Both economies have suffered due to the rounds of tariffs the United States and China have placed on each other. The trade war has hurt the United States as much of the increased economic costs to companies have been pass on to the consumer with the increases.

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94 Swaine, America’s Challenge, 279-306.
in the prices of goods and services. However, the trade war has caused China’s imports of tariffed products to the United States to decline by about 25 percent.\textsuperscript{95} The trade war has also allowed other nations to take advantage of the trade war for their economic benefit, including Mexico, Vietnam, the European Union, and Taiwan. Despite this pressure, China has been able to maintain its position mostly intact, and many economists think that the United States is taking the brunt of the trade war.\textsuperscript{96}

There are extenuating circumstances to be discussed regarding these economic effects. China’s economy will most likely begin to slow down significantly in the future for a variety of reasons. Its growing debt burden, changes in demographics, and wasteful investments could be a severe threat to China’s long-term economic future.\textsuperscript{97} In fact, its officially reported GDP growth numbers were the lowest in almost thirty years and some experts estimate that economic growth was at 4.5 percent, well below the government claims of 6 percent.\textsuperscript{98} The United States also has the ability to combat these economic effects through a variety of policy tools such as looking for ways to enforce China’s trade commitments, strengthening laws to counter unfair trade practices, and establishing new trade agreements with China to produce a fair environment for US companies to compete.\textsuperscript{99} These actions could also strengthen Chinese market liberalization and increase

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opportunities for US companies. Both China and the United States can contribute or counteract the continuing economic effects of China’s rise.

National Security Effects

China’s rise has a definite impact on the United States’ geopolitical power in the realm of national security. China’s military modernization program brings China closer to military parity with the United States; it is now able to resist US military influence and pressure while projecting its own power further than ever before. For decades, China has been uninterested in pursuing any global security role outside of its borders and has instead focused on economic growth. However, China has demonstrated a growing willingness to question and challenge the United States’ presence in the region and take aggressive actions to pursue its national interests.

President Xi has drastically accelerated China’s military modernization goals for the PLA. These new goals call for the military to hasten its military modernization program to become a modern military by 2035. These new directives move up the previous timelines by nearly 15 years. China’s investments in next-generation military technologies have begun to erode the historical, technological US advantages. The PLA navy has experienced a rapid buildup as China seeks to create a highly capable blue-water navy, including aircraft carriers. These new ships may be operational as early as 2025. This modernization program would allow China to project its

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power over the region, particularly in conflict zones such as the South China Sea, which has numerous competing territorial claims.\textsuperscript{104}

China has also begun to modernize the PLA Air Force by recruiting more personnel, acquiring advanced military equipment, and building new aircraft, such as the Chinese made J-20 stealth fighter.\textsuperscript{105} These new aircraft challenge the United States’ control of the air space in the region, and the United States can no longer guarantee overwhelming air superiority in a conflict.\textsuperscript{106} The PLA has continued to develop new air, ground, and sea-based missile systems, which can threaten US military installations and surface ships. These new missiles, including the so-called carrier-killer missiles, present a dangerous threat to the United States’ ability to operate in the region as it is heavily reliant on its’ navy, especially its aircraft carrier battle groups, to project power overseas.\textsuperscript{107} China has also invested heavily in modernizing its information warfare capabilities. The PLA Strategic Support Force directly challenges the United States information warfare capabilities in space and cyberspace, which will be critical realms for future conflicts.\textsuperscript{108}

The United States has been a global military superpower since World War II and has maintained a military hegemony over the world since the fall of the Soviet Union. With the threat of military power, the United States has been able to pursue its national interests abroad with limited interference from other world powers. This military served as a strong deterrent for possible adversaries and other nations that might try to interfere with US interests. This power was

made clear when the United States deterred the PRC from invading Taiwan after the United States signed a treaty alliance with Taiwan in 1954 following the Korean War.109

The United States has had a history of sending an aircraft carrier battle group to problematic regions whenever tensions rise. However, China’s growing military and economic power have begun to allow China to resist efforts by the United States to deter China from specific actions.110 The United States has been unsuccessful in preventing China from constructing military installations on man-made islands in the South China Sea. These projects have continued to proceed despite the United States' ongoing naval patrols, military exercises, and freedom of navigation maneuvers being conducted in the South China Sea. As China rises and its military becomes modernized, it will be increasingly difficult for the United States to dissuade China from threatening US power in the region.111

The rise of China not only gives it the ability to resist US influence but also to project power and pursue its agenda in the region. China is interested in limiting US geopolitical power in the area, pursuing its national interests unimpeded by the United States, and regaining its perceived historical role as the regional power.112 The military installations being constructed on man-made islands in the South China Sea as well as its increased naval patrols near contested islands, such as the Senkaku Islands, are ways China is projecting its power over its neighbors in the region. China is capable of overpowering many of the key regional players in the area if they are without

109 Bergsten, China's Rise, 171-176.
the aid of the United States.\textsuperscript{113} The military installations and their anti-ship and surface-to-air missiles also give China a distinct advantage in conflicts with the United States in the region.\textsuperscript{114} All of these factors hinder the United States' ability to operate and project power in the area, thus weakening its geopolitical power.

However, there are also factors to the national security effects to be taken into consideration. The United States still maintains a significant military technological advantage over the PLA and has a significantly higher military budget compared to China. The United States spent 3.2 percent of its GDP on defense in 2018, while China spent about 1.9 percent of its GDP.\textsuperscript{115} China’s military may be able to give it a regional advantage in a conflict. Still, the United States’ military, along with its allies, would be more than capable of handling themselves in a conflict. The PLA still needs a substantial amount of time to develop military technologies, modernize its military, and train its soldiers before it can reach parity with the United States military.

**Effects on Regional and Global Leadership**

China’s rise has an impact on the United States’ geopolitical power by affecting its status as a regional and international leader. China has actively sought to challenge the United States leadership role economically, militarily, and ideologically by offering an alternative strategy and partner to the global community. China has also been able to exploit the United States’ absence in the region due to its long, concentrated efforts on the War on Terror. In turn, China has sought to


fill the regional power vacuum. This effort has been made easier by the United States’ reluctance to engage abroad after decades of war and turmoil at home.

China has shown itself to be a very successful alternative economic model from the traditional western economic model. China has successfully averaged 10 percent growth for the past three decades while relying on a financial system dominated by the state. This model is attractive for many nations who have not felt the benefits promised by the economic models supported by the United States and western-backed institutions. China offers an alternative commercial partner for these interested countries through organizations such as the AIIB and BRI.

Concerning security, China also provides an alternate partner for military cooperation and protection. The Shanghai Cooperation Organization is not a collective security organization such as the North Atlantic Treaty Organization. The SCO was formed initially to demilitarize borders after the dissolution of the Soviet Union. However, the organization’s mission now covers military and counterterrorism cooperation as well as intelligence sharing. Although the SCO is not a collective security organization, it still gives other nations a genuine security partner, and the SCO’s mission could evolve in the future to include collective security. China has also expanded its arms exports to other small and medium-sized countries. China itself has been more interested in economic growth, but it will need security partners if it wishes to challenge the United States.

In addition, China’s success challenges the ideological belief that the most successful and capable form of government is a democracy, as many political theorists have suggested. China’s rise as an authoritarian state opens the possibility for other authoritarian states to maintain their current government structures and reject western-backed reforms.\footnote{Stefan A. Halper, \textit{The Beijing Consensus: Legitimizing Authoritarianism In Our Time}. New York: Basic Books, 2012, 209-210.} China places territorial and national sovereignty as its highest priority, as opposed to the western ideals of democracy and freedom.\footnote{Halper, \textit{The Beijing Consensus}, 98.} As a result, China has not been hesitant to provide financial or military backing for countries which would be rejected by international institutions for violating international law and norms such as human rights and unfair elections.\footnote{Halper, \textit{The Beijing Consensus}, xii.} Authoritarian nations who do not want to make concessions to the United States will find an ally in China who is willing to overlook their allies’ violations of international norms.

The last several US administrations have spent the majority of their time and effort in the Middle East combatting terrorism, despite President Obama’s idea of the pivot to Asia, and this has left China to expand its influence as a regional leader in Asia.\footnote{William T. Tow, and Douglas T. Stuart. \textit{The New US Strategy Towards Asia: Adapting to the American Pivot}. Abingdon, Oxon: Routledge, 2015, 17-18.} The Trans-Pacific Partnership (TPP) under the Obama administration was an attempt by the US to maintain its leadership role in Asia.\footnote{Tow, \textit{The New US Strategy Towards Asia}, 102-103.} However, the Trump administration’s “America First” policy and withdrawal from the TPP has further damaged the United States’ leadership role. Traditional regional allies are questioning the United States’ commitment to their alliances and whether they can count on the US to defend them in case of a conflict.\footnote{Stewart Patrick, "How U.S. Allies Are Adapting to "America First"." Foreign Affairs. January 23, 2018. Accessed November 26, 2018. https://www.foreignaffairs.com/articles/world/2018-01-23/how-us-allies-are-adapting-america-first.} Beijing has been increasingly willing to take a leadership
role in the region and create relationships with its neighbors. China is interested in undermining the US alliances and partnerships, which it views as being a significant obstacle to gaining regional influence and control.126

However, China will find it hard to undercut the United States’ system of alliances and the international system. Many of China’s neighbors have multiple political and economic reasons to resist China and remain partners with the United States, including the territorial disputes in the South China Sea and fears of an aggressive China. China’s antagonistic actions in disputes with its neighbors have further distanced these nations from willingly partnering with China.127 China has also been unable to gain full control over Taiwan despite its instance that Taiwan is only a province of the PRC. China has also been a significant beneficiary of the current international system and would harm itself if it caused damage to it. Ultimately, it is unlikely China will be able to drastically alter or replace the international institutions which are already well established.

Analysis

All these factors of China’s rise will likely harm the United States’ geopolitical power and leadership position in the region. Barring any significant military conflicts or domestic issues such as a domestic economic collapse. China will almost certainly continue to grow in power in the coming decades. In stark contrast to Deng Xiaoping’s “hide your capabilities and bide your time” strategy, the PRC has begun to challenge the United States openly.128 President Xi Jinping publicly stated the world should not maintain “the fantasy of forcing China to swallow the bitter fruit of

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damaging its own interests.” China’s rise has contributed to China’s growing economic and military strength, combined with its growing willingness to engage internationally and challenge the United States. The US hopes that economic, security, and diplomatic engagement would result in a democratic and liberal China have mainly been futile.

The aggressive actions by China initially support the idea of China’s rise as non-peaceful and an attempt to displace the United States as predicted by experts such as Graham Allison. These actions, combined with the lack of liberalization by China, also seem to disprove the idea of China’s peaceful rise based on engagement leading to liberalization and democracy. The PRC has not become the “responsible stakeholder” that Robert Zoellick had hoped. However, even if China does not incur any significant political or economic setbacks, this does not imply it will surpass the United States to become the global superpower. The considerable growth rates sustained by China over the past several decades have begun to slow, and this inclination is likely to continue. China also has begun to take on an increasing debt burden, which could affect China’s long-term economic growth and stability. For the first time in two decades, China experienced an account deficit of $28.3 billion (USD) in the first half of 2018.

The United States also maintains a significant military advantage over China and spends significantly more money on defense. The United States spent over 3.2 percent of its GDP on defense in 2018. In contrast, China already has a smaller GDP than the United States and only

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130 Shambaugh, The China Reader, 26-27.
spent 1.9 percent of its GDP on defense during 2018.\textsuperscript{133} Despite modernization efforts, China’s military remains technologically inferior to the United States.\textsuperscript{134}

The United States also still maintains a reliable system of alliances with countries, including Japan and South Korea, who have a compelling interest in keeping China from gaining control of the region.\textsuperscript{135} These alliances extend the United States a critical advantage as these countries are near China and serve as forward bases for the United States, which can provide manpower and material support in case of a conflict. Although the United States has endured setbacks, it is not clear whether it is in “decline.” The United States still has advantages in demography, technology, and energy. It also has other advantages such as geography and an open entrepreneurial culture.\textsuperscript{136} With these factors, the theory of China’s over-exaggerated rise is the most plausible, and the United States will most likely maintain its status as the world superpower for the foreseeable future.

**Conclusion**

The rise of China and the displacement of the United States is by no means guaranteed. The United States retains many advantages and policy options which it can implement to maintain its geopolitical power and leadership role. China has taken advantage of the global economy to grow rapidly, which has hurt the United States. These effects could be overcome by enforcing China’s trade commitments, strengthening laws to counter unfair trade practices, and establishing new trade agreements with China to level the playing field for US companies.

\textsuperscript{134} Shambaugh, *The China Reader*, 321-322.
\textsuperscript{135} Nye, *Is the American Century Over?*, 116.
\textsuperscript{136} Nye, *Is the American Century Over?*, 116.
China’s military modernization program and construction in the South China Sea have several adverse effects on the United States’ military. However, the US still holds military and technological hegemony and will continue to do so. China’s attempts to hinder the US alliance system and alter the international order has had some effect, particularly in nations disaffected by western liberal values. However, the United States remains the preferred ally of many countries, and the international system is so entrenched that it is unlikely to be drastically changed.

Overall, the rise of China will have a limited negative impact on the United States’ geopolitical power and regional leadership role in the short term but will not drastically impact the United States’ international leadership in the next few decades. China will seek to pursue its national interests, with an increasing capability to do so, which may not be in the best interests of the United States. However, the United States has significant resources at its disposal to prepare for this event.
Chapter 2: The Effects of China’s Rise on its Neighbors

China’s economy has developed at an extraordinary rate since the 1970s and has altered the global distribution of power. This economic boom has allowed the PRC to modernize and develop into a regional power.\(^\text{137}\) China is generally considered to have been on the rise for the past several decades, which has attracted the interest and concern of academics and policymakers alike. This development has particularly alarmed China’s neighbors as they have scrambled to determine how to best respond, particularly in the face of a growing uneasiness with the United States’ commitment to their defense. Nations such as Japan, Vietnam, and the Philippines have begun to formulate national policies to handle the perceived threat. The PRC will continue to grow more powerful and influential in the decades to come barring severe, unforeseen circumstances. However, it remains to be seen how China’s rise will progress and what that signifies for its neighbors. Will China seek to gain dominance of the Asia-Pacific? Will it peacefully rise and coexist with its many neighbors? What will China’s neighbors do in response to China’s rise?

Studies regarding the relationships between a strong power and its weaker neighbors are not new. Some scholars believe these more vulnerable nations will ally themselves to protect against a possible aggressive, stronger power. These nations may also seek to ally themselves with the rising power in hopes of receiving benefits or rewards for their allegiance. These realist academics view the world as anarchic, and states will do what they perceive as best to ensure the survival of their nation. Others believe the international system can allow these new powers to rise peacefully, leading to prosperity for its regional neighbors.\(^\text{138}\)

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\(^{138}\) Allison, Destined for War, 85.
Not everyone agrees with these two views. Some have argued China may not rise as dramatically as it may seem. These writers often point to examples of other rising nations whom scholars initially believed would surpass the United States but saw their economic growth eventually slow.¹³⁹ For example, in the 1980s and 1990s, many anticipated that Japan’s economy and GDP would overtake the United States. However, poor policy decisions, demographic and population issues, and a lack of natural resources have dramatically slowed the growth of the Japanese economy. Japan has developed into a highly industrialized and modern nation with the third-largest economy in the world, but it pales in comparison to the United States. Others argue there may be a middle ground for these nations to ensure their survival by pushing back against an aggressive, rising power by not capitulating entirely to its demands.

These different schools of thought provide a unique lens into understanding the relations between China and its regional neighbors. China’s rise has had a profound impact on the economic, military, and diplomatic power of its local neighbors. Other regional powers such as Japan, Vietnam, and the Philippines have taken steps to address the effects of China's rise on their national interests. Although all three nations have taken steps to protect themselves from any potentially aggressive actions by China, they have all employed different tactics to do so. Japan has sought to increase its military strength while trusting its relationship with the United States to ensure its sovereignty. Vietnam has sought to increase its military capability as well while relying on regional and international institutions to restrain overly aggressive actions by China. The Philippines has increased military spending as well, though it has moved to enhance its relationship with China to prevent conflict. Despite taking steps to protect themselves from a potentially aggressive China, all these nations seek to maintain good economic relations with China to encourage their economic

¹³⁹ Nye, *Is the American Century Over?*, 28-29
growth. How China chooses to interact with its neighbors and the subsequent responses from these nations will ultimately determine who controls the Asia-Pacific region.

**Literature Review**

China’s economy has thrived, maintaining a growth rate higher than 6 percent since the 1970s. The PRC is the second-largest economy in the world with a reported gross domestic product (GDP) of $13.6 trillion (USD) in 2018.\(^{140}\) This economic growth has allowed China to bring prosperity to its citizens and rapidly modernize. Education and life expectancy have increased significantly, and poverty has fallen drastically since the 1970s.\(^{141}\) The PRC has embarked on a massive infrastructure building campaign, including thousands of kilometers of highways and railways, as well as significant city-building projects.\(^{142}\) This economic growth has enabled the PLA to begin an ambitious military modernization program.\(^{143}\) China has already started to take an interest in spreading its influence around the globe through a combination of investments, infrastructure projects, diplomatic outreach, and participation in international organizations.\(^{144}\)

These combined factors have allowed China to rise as a regional power and expand its influence and power throughout the Asia-Pacific region. China has increasingly sought to flex its dominance over the area through aggressive actions such as in the South China Sea, where they have built military installations atop man-made islands. These actions have alarmed China's neighbors as they have scrambled to determine how to best respond, particularly in the face of a growing uneasiness with the United States’ commitment to their defense. Nations such as Japan,

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Vietnam, and the Philippines have begun to formulate their national policies to handle the perceived threat.

Balancing Against China’s Rise

For decades international relations theorists have conducted many in-depth analyses and studies regarding how states will react to the threat of a rising power. Realists and Neorealists view the international order as anarchic and affirm a state’s primary goal is their survival. Power is the key to the security and durability of each country, not as an absolute concept, but instead concerning other states.\(^{145}\) Realists view one of the manners in which states will react to a rising power that threatens them is to balance against the rising power by forming alliances with other nations. If one country becomes more powerful than its neighbors, its neighbors will fear they will be attacked or taken advantage of by the stronger state, thereby motivating these nations to establish a defensive coalition.\(^{146}\) This theory has been named the "balance of power" theory or simply as “balancing” by international theorists, and it was popularized by Kenneth Waltz, a leading international relations theorist.\(^{147}\)

Scholars point to a series of factors they believe suggest these smaller states will seek to balance against a rising China. Increasing nationalism in the region has caused many countries to take a hardline stance against China in the name of their national interests and pride.\(^{148}\) China has aggressively pursued its national interests, which have placed it in conflict with its neighbors and alienated many from forming close ties to China. The aggressive actions by China in the South China Sea have only solidified these uneasy feelings as nations, such as Japan, openly defy China’s

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maritime territorial claims. Analysts believe regional conflict is more likely to occur since these small states have specific national interests, the capacity to pursue them, and established links with other local neighbors allowing them to defy China. Many of these nations, including Japan and Vietnam, have also begun to spend more money on defense and modernizing their military forces. Scholars also point out that the United States has already started to pay more interest to the Asia-Pacific region as it disengages from its long wars in the Middle East. China will find it difficult to dominate its neighbors if the United States indicates a willingness to push back against China’s aggressive actions and provides security for its regional allies.

One study asserts these states have pursued a more nuanced form of maintaining the balance of power by exploring subtle ways to balance against China while seeking to maintain a positive economic relationship. This strategy is known as "hedging," which aims to keep the threatening power at arm's length by hedging against possible attacks but still engaging in mutually beneficial interactions. This strategy relies heavily on the United States as an insurance policy since these states are not forming defensive coalitions to contain or deter China.

**Bandwagoning With China’s Rise**

Realists also propose that these weak states have another option besides balancing available, known as bandwagoning. Bandwagoning refers to a smaller state allying with the rising power instead of resisting its growing power. Weak states may favor this option for a variety of reasons. One possibility is that there are no viable partners to build a coalition to balance against the rising power. Another is that the state may be offered lucrative incentives for joining the rising

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power such as territorial or economic gains. The idea of bandwagoning, as with bandwagoning, was popularized by Kenneth Waltz.

States may seek to accommodate China’s rise if they perceive it as being inevitable, as generating goodwill and providing gains to the bandwagoning nation. Scholars view this option as increasingly likely should the United States continue its current course of disengaging from the world to focus on domestic issues. If the threatened Asia-Pacific countries believe they can no longer depend on the United States for regional security, they may join China to ensure their security and survival. They also may pursue bandwagoning if they cannot ally themselves with the United States or seek to balance against the United States, such as is the case with North Korea. Nations who do not have security concerns with China and instead have strong ties and shared values may also be more inclined to bandwagon with China, such as the countries Myanmar and Cambodia.

**Peaceful Co-existence Amongst Neighbors**

Other scholars posit a completely different approach to international relations and reject the realist’s principles of the international relations theory. Liberals believe the power relations described by realists are not the only options available to states and instead highlight the potential for international cooperation and mutual benefit. They heavily encourage the utilization of international organizations, such as the United Nations, and non-governmental organizations to shape outcomes. Proponents of liberalism assert smaller states can maintain a peaceful mutually

beneficial coexistence with China as it continues to rise. They argue that economic interdependence between these nations would make war less likely to occur. International norms and laws would also prevent potential conflict.158

Scholars point to a variety of indicators they consider encouraging. China has regular diplomatic meetings and established relations with nearly all its neighbors. It participates in a wide range of international and regional organizations, such as the Asia-Pacific Economic Cooperation (APEC), which has assisted it in its interactions with its neighbors.159 China has provided bilateral and multilateral aid to its neighbors, and multilateral development banks have established, such as the AIIB.160 Liberals believe China and its neighbors will grow closer and peacefully coexist through this course of action. Several scholars also point to the economic interdependence between China and the world due to its heavy reliance on exports to fuel its growth. They assert that as China’s economy becomes more intertwined with its neighbor’s, the chances of conflict diminish due to a continued desire for economic prosperity brought about by regional stability.161 Many assume that China would not risk a dispute with the United States or wish to have its regional neighbors form a defensive alliance to counter China’s rise.

Realism appears to be the most compelling international theory in explaining the current effects of China’s rise on its regional neighbors despite what would appear to be mixed evidence. Each of China’s neighbors has had a slightly different reaction to China’s rise and its subsequent actions. Realism would expect these nations to either balance against or bandwagon with China. Liberalism asserts these nations should seek ways to integrate for mutual gain. However, China's

159 Steven F. Jackson, *China's Regional Relations in Comparative Perspective: From Harmonious Neighbors to Strategic Partners*. Abingdon, Oxon: Routledge, 2018, 281.
160 Jackson, *China's Regional Relations in Comparative Perspective*, 282.
neighbors seem to be taking a middle road by hedging against China’s rise by utilizing alliances and increased military spending to protect themselves from China’s expanding influence and power. Meanwhile, they are attempting to maintain close economic and diplomatic relations to obtain the benefits of China’s rise. Despite the seeming inconclusive nature of the evidence, these actions are a mixture of balancing and bandwagoning rather than the cooperation which liberalist theory would argue. Each nation is pursuing its national interests in an anarchic international system. This chapter will contribute to this literature by examining case studies of China’s regional neighbors to illustrate this point.

Japan

Japan has remained a reliable partner of the United States following World War II and maintains close economic and military connections with the United States. These close ties have led the Japanese government to firmly back the United States in its disputes with China. Japan has strong economic relations with China due to the size of their economies, but their diplomatic ties remain brittle and tense between the two nations. Most of this animosity is due to the Chinese perception of the “century of shame” and Japan’s actions during World War II. China now views its rise as a matter of course and believes Japan should now acknowledge China’s leading role in Asia. China also claims Japan has not apologized adequately for its atrocities during World War II, while Japan believes they have already done so. According to a 2019 Pew public opinion poll, only 14 percent of the Japanese hold a favorable impression of China. This is up from a 2016 Pew public opinion poll which had only 11 percent of Japanese holding a favorable impression of

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162 Rudolph, The China Questions, 111.
China compared to China’s 14 percent favorable impression of Japan.\textsuperscript{165} This animosity has only been intensified by China’s recent activities in the South China Sea, particularly regarding the disputed Senkaku/ Diaoyu Islands.\textsuperscript{166} As an island nation, Japan is reliant on open and secure oceans for its economic and national security. Japan views China's actions as an inherent threat to Japan's national interests.\textsuperscript{167} These relations have indeed shaped Japan's reactions to the rise of China.

After the normalization of US-Sino relations and the end of the Cold War, Japan was free to pursue economic ties with China. It was in both nation’s interests to have close economic ties due to their economy’s sizes. China and Japan are the second and third largest economies in the world, with GDPs of $13.6 trillion (USD) and $4.9 trillion (USD) in 2018.\textsuperscript{168} It is in Japan and China’s long-term interests to maintain these economic ties for the continued economic prosperity of their nations. However, China’s economic growth has also worried Japan, which is concerned China may use its new might to redress its historical grievances or prevent Japan from playing a lead role in the Asia-Pacific.\textsuperscript{169} In 2010, a Chinese fishing trawler rammed two Japanese coast guard vessels; China subsequently suspended exports of rare earth metals to Japan, which Japan relied on for it the economy, particularly in its technology sector. Since then, Japan has sought to reduce its dependence on China by seeking other bilateral trade partners such as Vietnam, Kazakhstan, Australia, and India.\textsuperscript{170} Japan has also been an ardent supporter of the Trans-Pacific

\textsuperscript{166} Rudolph, The China Questions, 111-112.
Partnership (TPP), which it views as being able to promote the Japanese economy while constraining China's economy or at least forcing China to abide by an agreed-upon economic order.\textsuperscript{171}

Japan’s constitution, specifically article 9, explicitly renounces Japan’s right to wage war and maintain an offensive military force.\textsuperscript{172} Japan maintained this agreement throughout the decades following World War II and has instead relied on the United States for its national defense. In 2010, following rising tensions with China, Japan began to shift its military posture from a passive stance to a more active, wary posture.\textsuperscript{173} Japan's 2010 National Defense Program Guidelines (NDPG) explicitly mentions China's military modernization and increasingly aggressive activities in the Asia-Pacific. Japan has begun taking an increasing interest in ensuring its defense as it worries the United States may no longer have the will to guarantee their defense or is incapable of dealing with disputes in "gray zones" such as territorial disputes in the South China Sea.\textsuperscript{174} The Japanese government, under Prime Minister Shinzo Abe, has taken steps to loosen the constitutional restrictions on the Japanese Self-Defense Force (JSDF). However, they have not repealed Article 9 for now.\textsuperscript{175} In 2019, Japan approved the eighth consecutive annual defense spending increase to 5.31 trillion yen ($48.56 billion USD), which is an increase of 1.1 percent over the previous year.\textsuperscript{176}

It has taken steps to enhance its intelligence, surveillance, and reconnaissance (ISR) capabilities. The JSDF has looked to expand these capabilities through a combination of enhancing

\textsuperscript{171} Hornung, "Japan's Pushback of China", 173-174.
\textsuperscript{172} Suisheng Zhao and Xiong Qi. 2016. "Hedging and Geostrategic Balance of East Asian Countries Toward China." Journal of Contemporary China 25 (100): 486.
\textsuperscript{173} Hornung, "Japan's Pushback of China", 168-169.
\textsuperscript{174} Zhao, "Hedging and Geostrategic Balance of East Asian Countries Toward China", 486.
\textsuperscript{175} Ross, Strategic Adjustment and the Rise of China, 157-159.
defense radar facilities, warning systems, and unmanned aerial vehicles (UAVs).\textsuperscript{177} Japan has prioritized the development of its navy and air force instead of its ground forces. The Maritime Self-Defense Force (MSDF) has moved to acquire two new Izumo class helicopter destroyers, which would enhance the MSDF’s anti-submarine capabilities, new Aegis class destroyers, and new Soryu class submarines.\textsuperscript{178} The Air Self-Defense Force (ASDF) is moving to acquire new stealth F-35 fighters as well as upgrading the capabilities of their existing F-15 and F-2 forces.\textsuperscript{179} Japan has also sought to increase its military ties with other nations, including the United States, Australia, and India.\textsuperscript{180}

Japan has sought to increase its diplomatic ties with other nations, particularly those who share Japan's concerns regarding the rise of China. Japan has continued to cultivate its relationship with the United States. In 2015, the US-Japan Security Consultative Committee fashioned new strategies for US-Japan Defense Cooperation to include cooperation in conflicts around Japan rather than focusing on the Korean issue.\textsuperscript{181} Japan has reached out extensively to the Philippines and Vietnam, who have similar territorial disputes with China, by enhancing dialogues, bilateral defense cooperation, and government visits.\textsuperscript{182} Japan has moved to increase ties with all ASEAN nations such as Singapore and Indonesia through multilateral and bilateral talks.\textsuperscript{183} Japan has also sought potential allies further afield, such as India and Australia, who have concerns with a rising China.\textsuperscript{184}

\textsuperscript{177} Hornung, "Japan's Pushback of China", 168.
\textsuperscript{178} Hornung, "Japan's Pushback of China", 168.
\textsuperscript{179} Hornung, "Japan's Pushback of China", 169.
\textsuperscript{180} Hornung, "Japan's Pushback of China", 170.
\textsuperscript{181} Ross, \textit{Strategic Adjustment and the Rise of China}, 160.
\textsuperscript{182} Hornung, "Japan's Pushback of China", 171.
\textsuperscript{183} Hornung, "Japan's Pushback of China", 171-172.
\textsuperscript{184} Ross, \textit{Strategic Adjustment and the Rise of China}, 167.
Japan's reactions to China's rise and its aggressive behavior during the past several years, particularly in the South China Sea, would seem to indicate a strong case for realist international relations theory. Japan has pursued a soft balance against China by increasing its military capabilities and looking for allies to help protect itself should conflict with China occur. However, increased economic ties and the unwillingness of Japan to make a sharp break with China would indicate the liberal theory on economic interdependence being a deterrent for conflict has some credence. International relations are complicated, and the overall result can be difficult to predict. Only time can tell whether the realist argument that power and the national interests will prevail over the benefits of interdependence and capitulation or vice versa.

Vietnam

Vietnam has had a very different relationship than Japan with both China and the United States. Vietnam and the United States have had a problematic relationship, even one of outright hostility, for most of its history after its independence from France due to the Vietnam War and Vietnam's subsequent fall to the Communist Party of Vietnam (CPV). However, since the beginning of Vietnam’s Đổi Mới policy, a series of economic market reforms, the relationship between Vietnam and the United States has gradually improved from enemies to partners working in areas of shared interests. Relations have continued to improve even going so far as the United States lifting its ban on lethal arms sales to Vietnam in 2016. Vietnam has had a close relationship with China based on its historical ties, similarities in their political systems, economic relations, and their mutual mistrust of the United States and the West. China was a strong supporter

186 Tsvetov, *Vietnam's Foreign Policy Under Doi Moi*, 236.
of Vietnam during the Vietnam War and, following the Communist North Vietnamese victory over South Vietnam after the withdrawal of US troops, should have led to a close friendly relationship. However, several disputes have prevented Vietnam from closely allying with China despite the benefits. China invaded Vietnam in 1979, sparking the Sino-Vietnamese War, in response to Vietnam's invasion of Cambodia in 1978 to depose the Khmer Rouge regime under Pol Pot.  

China and Vietnam also had had continual territorial disputes, dating back to 1974, regarding the Paracel and Spratly Islands in the South China Sea and their surrounding exclusive economic zones (EEZ) when the PLA expelled Vietnamese troops from the islands and occupied the islands themselves. In 2014, this dispute came to a dangerous confrontation over the Chinese deep-water oil rig, Haiyang Shiyou 981, which began oil exploration efforts in the areas claimed by Vietnam. This action led to dangerous brinkmanship naval activities as both China and Vietnamese vessels sought to obstruct each other's actions and ultimately led to two deadly anti-China riots in Vietnam. These actions have caused Vietnam to seek ways to balance between China and the United States as well as establish good relations with its regional neighbors.

Vietnam's economic growth has been heavily dependent on trade with China, and trade between the two nations continues to increase. Trade accounted for over 200 percent of Vietnam’s GDP in 2018, so its major trade partners, such as China, hold considerable influence over its decisions. In 2017, Vietnam imported $58.5 billion (USD) from China which was over 27 percent of its total imports. During that same period, Vietnam exported $41.5 billion (USD) to

188 Tsvetov, Vietnam's Foreign Policy Under Doi Moi, 8.
189 Jackson, China's Regional Relations in Comparative Perspective, 186.
190 Tsvetov, Vietnam's Foreign Policy Under Doi Moi, 72.
191 Tsvetov, Vietnam's Foreign Policy Under Doi Moi, 72-73.
China which was over 16 percent of their total exports.\textsuperscript{193} The only county Vietnam exported more goods to was the United States with about $41.5 billion (USD), about 19 percent of exports.\textsuperscript{194} Tourism is now also an important industry in Vietnam, which relies heavily on Chinese tourists and has been affected by the strained relationship between the two nations over the territorial disputes in the South China Sea.\textsuperscript{195}

However, despite this dependence, Vietnam has experienced rapid and sustained growth over the past 30 years as a result of the Đổi Mới economic reforms, and its economy has become increasingly diverse, to include manufacturing and tech industries. Continued global economic growth and internal domestic reforms have driven Vietnam's economic growth, which has enabled Vietnam to develop from one of the poorest countries in the world to a lower-middle-income nation.\textsuperscript{196} Vietnam’s GDP increased by 7.1 percent in 2018 due to the growth of several critical industries including manufacturing, fishing, and service sectors. Current projections see the Vietnamese economy continuing to grow by 6.5 percent in 2020 and 2021.\textsuperscript{197} The manufacturing industry grew by 13 percent, the agriculture industry grew by 3.9 percent, and the service sector grew by 6.9 percent.\textsuperscript{198} Vietnam has continued to pursue close economic ties with China. However, it has also been seeking to reduce its dependence on any single nation, most notably China, and increase its trade relations with other nations such as the United States and other regional neighbors. Vietnam was a supporter and signatory of the Tran-Pacific Partnership and has received significant economic benefits from the current trade disputes between China and the United States.

\textsuperscript{195} Jackson, \textit{China's Regional Relations in Comparative Perspective}, 196.
One benefit is that tech companies have begun to relocate to Vietnam to escape the tariffs imposed on China by the United States.\textsuperscript{199} Vietnam has relied heavily on Russia for over 90 percent of its arms sales and military equipment as China has not made any arms transfers to Vietnam since 2004, and the United States only recently lifted the arms embargo on Vietnam in 2016.\textsuperscript{200} Vietnam has aggressively sought to modernize and expand its naval and air forces. It has also sought ways to dampen China’s anti-access/area-denial’ (A2/AD) weapons system while increasing its A2/AD capabilities. Vietnam purchased six diesel-electric Kilo-class submarines from Russia in 2010 for $2.4 billion (USD) which are highly capable and modern submarines capable of competing with any Chinese submarines in their fleet.\textsuperscript{201} Vietnam also purchased reconnaissance aircraft from Canada as well as radar systems, helicopters, and army transport aircraft from France.\textsuperscript{202}

Vietnam’s foreign policy has remained stable and consistent due to its authoritarian regime led by the country’s one-party system under the CPV. Unlike Japan and the Philippines, which may shift foreign policies depending on the government in power, Vietnam has not significantly altered its foreign policy. However, it has searched for ways to balance its national interests with the communist party’s interests.\textsuperscript{203} Vietnam has continued to keep China close while still maintaining distance in response to its territorial disputes in the South China Sea. It continues to seek ways to solve the dispute peacefully and is a strong advocate of the United Nations Convention on the Law of the Sea (UNCLOS).\textsuperscript{204} Vietnam has sought to improve relations with the United States to balance against China’s aggressive actions, attempting to be friends with both


\textsuperscript{200} Jackson, \textit{China's Regional Relations in Comparative Perspective}, 198.

\textsuperscript{201} Zhao, "Hedging and Geostrategic Balance of East Asian Countries Toward China", 488.

\textsuperscript{202} Zhao, "Hedging and Geostrategic Balance of East Asian Countries Toward China", 488.

\textsuperscript{203} Tsvetov, \textit{Vietnam's Foreign Policy Under Doi Moi}, 4.

\textsuperscript{204} Tsvetov, \textit{Vietnam's Foreign Policy Under Doi Moi}, 13.
nations by remaining in the middle and neutral in most disputes. Vietnam has also sought to balance against China by deepening its ties with its regional neighbors, such as Cambodia and Laos, which have shared historical, geographic, economic, and security ties. Vietnam has also placed a significant emphasis on the role of regional multilateral organizations such as the TPP and the Association of Southeast Asian Nations (ASEAN). Vietnam heavily promotes ASEAN and its principles of non-interference, equal sovereignty, peaceful coexistence, and diplomatic settlement of disputes. Vietnam views this organization as strengthening regional peace and the preference for international relations based on international norms and law. Vietnam also views the TPP as a way to promote its economy but also increases the economic connectivity of the nations in South-East Asia. In the end, Vietnam practices “bamboo diplomacy” by avoiding being committed to one side of the ensuing great power rivalry between China and the United States and diversifying its partners to maintain its sovereignty and pursue its national interests.

It is difficult to discern which international relations theory, realism or liberalism, is more accurate. Vietnam has taken concrete steps to hedge against China's rise by increasing its military power and developing allies and partners should a conflict break out. However, its emphasis on the roles of international institutions to encourage international norms and law places its actions at odds with its more realist theory actions. It would appear that Vietnam is hoping that international institutions will be enough to curb China's aggressive activities. However, it is unwilling to place its future solely in the hands of the global community.

205 Tsvetov, Vietnam's Foreign Policy Under Doi Moi, 168.
206 Tsvetov, Vietnam's Foreign Policy Under Doi Moi, 168.
The Philippines was controlled and occupied by the United States following its annexation at the end of the Spanish-American War. The Philippines has traditionally remained a close ally after 1946 when the Philippines became an independent state.\textsuperscript{207} Since then, the United States has had ongoing economic and security ties with the Philippines. They signed a bilateral Trade and Investment Framework Agreement in 1989, and the United States remains one of the Philippine's largest overseas investors.\textsuperscript{208} The two nations signed the 1951 US-Philippines Mutual Defense Treaty (MDT), which provided the framework for robust security cooperation.\textsuperscript{209} The US designated the Philippines as a Major non-NATO ally in 2003.\textsuperscript{210} In 2014, the United States and the Philippines signed the Agreement on Enhanced Defense Cooperation, which raised the security cooperation of the 1951 MDT.\textsuperscript{211} The Philippines has remained wary of China's rise and has had several territorial disputes in the South China Sea. The Philippines claims an EEZ, which covers several small islands in the Spratlys which are currently occupied by China. The most significant dispute remains over the Scarborough Shoal and the Macclesfield Bank, which contain two fertile fishing grounds.\textsuperscript{212} The Philippines filed a case with the Permanent Court of Arbitration (PCA), disputing China's nine-dash line territorial claims. Although the PCA ruled in favor of the Philippines, a new administration announced it would not press the verdict and instead would be willing to work with China for a solution.\textsuperscript{213} President Rodrigo Duterte’s administration has

\textsuperscript{212} Jackson, China's Regional Relations in Comparative Perspective, 187.
\textsuperscript{213} Jackson, China's Regional Relations in Comparative Perspective, 187.
favored one that prioritizes closer relations with China and is less dependent on the United States, which is a sharp contrast from the foreign relations policy of previous administrations.\textsuperscript{214}

The Philippines is much more insulated from the effects of China's economy than many Southeast Asian countries and has been heavily influenced by the United States. The United States traded more than $29 billion in goods with the Philippines during 2018.\textsuperscript{215} However, China, due to the sheer size of the economy, still does influence the economy of the Philippines. In 2018, China was the 4\textsuperscript{th} largest importer of Filipino goods as the Philippines exports to China are worth $8.6 billion (USD) with a partner share of 12.8 percent.\textsuperscript{216} During the same period, China is the number one exporter to the Philippines. However, the Philippines imports from China worth $22.5 billion (USD), which is about 19.6 percent of the Philippines' total imports.\textsuperscript{217} Despite the Philippines' traditional close economic relationship with the United States, the new administration under President Duterte has taken a friendlier stance with China. It has been confrontational with the United States mainly due to the United States' criticism of human rights violations. Duterte's state visit to Beijing in late 2018 ended with $13.5 billion in trade and commercial deals, and President Duterte was allowed to join China's Belt and Road Forum for International Cooperation.\textsuperscript{218}

The Philippines has one of the weakest militaries in the region and amongst its ASEAN partners. Most of its air force is from the pre-Vietnam War era and many of its naval and coast guard vessels are from World War II.\textsuperscript{219} In 2010, partly due to the rising tensions over territorial

\textsuperscript{214} Jackson, \textit{China's Regional Relations in Comparative Perspective}, 187.
\textsuperscript{218} Jackson, \textit{China's Regional Relations in Comparative Perspective}, 197.
\textsuperscript{219} Zhao, "Hedging and Geostrategic Balance of East Asian Countries Toward China", 188.
disputes with China, the new Benigno Aquino administration began to pursue a defense modernization program aggressively. Aquino spent more than $395 million (USD) in his first year in office, which was a drastic rise from the average $51 million (USD) spent annually throughout the previous 15 years.\textsuperscript{220} The Philippines procured $1.8 billion in 2013 for over 140 defense projects, including building or renovating several air and naval bases.\textsuperscript{221} The administration set up a joint task force to develop a Long-Term Capability Development Plan to upgrade its military while focusing specifically on its maritime services.\textsuperscript{222} The new administration under President Duterte has continued the military modernization program, including funding for the second phase of the Armed Forces of the Philippines (AFP) modernization program.\textsuperscript{223} However, he has tried to limit military interactions with the United States to build a good relationship with China. The administration has sought to remove all American forces from Mindanao and to move joint US-Philippine naval maneuvers out of the South China Sea.\textsuperscript{224}

The Philippines has had an unusual reaction to China's rise as it appears to be balancing and bandwagoning nearly simultaneously. It has sought to improve its armed forces while maintaining its relationship, albeit tenuously, with the United States to protect itself against China. However, it has also sought to ingratiate itself with Beijing to gain benefits from China’s rise. It has also shown itself willing to utilize international institutions to resolve questions of international law despite the new administration’s attempts to downplay the results to appease China. Similar to the other nations in the region, the Philippines look to cooperation and interdependence to prevent conflict but are seeking to hedge their bets against the possibility of it failing.

\textsuperscript{220} Zhao, "Hedging and Geostrategic Balance of East Asian Countries Toward China", 188.
\textsuperscript{221} Zhao, "Hedging and Geostrategic Balance of East Asian Countries Toward China", 188.
\textsuperscript{222} Zhao, "Hedging and Geostrategic Balance of East Asian Countries Toward China", 188.
\textsuperscript{224} Zhao, "Hedging and Geostrategic Balance of East Asian Countries Toward China", 188.
Conclusion

The rise of China and its effects on its neighbors is incredibly complicated and revolves heavily around these nations' desire to gain the economic benefits of a relationship with China and fear for their national security and interests. Each nation in this case study has had a different approach to China, often based on the values, history, and national interests of the individual nations. Vietnam is primarily concerned with maintaining its sovereignty over its territory, which has meant they have been more actively moving to limit China's rise because of the numerous territorial disputes. Japan has had a historical enmity with China and a close relation with the United States, which has led it to maintain a balancing action against China. The Philippines have begun to move more towards China because President Duterte is more concerned about economic growth even at the cost of human rights. However, they have ultimately all taking actions to hedge against China's rise to protect their interests.

China's rise will have adverse effects on its neighbors in the region as they become increasingly dependent on China economically and unable to compete militarily. However, they do have several options to hedge against China’s rise by balancing their relations between the United States and China, as well as looking to enhance regional organizations such as ASEAN. Modernization of their militaries, as well as diversification of their economies, will also help reduce their dependency on China and improve their abilities to defend their territorial integrity and national interests. It is unlikely that Chinese power will grow so swiftly that these nations will not be able to continually modify their foreign policies to deal with any changing situations.

Overall, the rise of China will have a limited adverse impact on its regional neighbors but will not drastically impact them in the next few decades. China's rise has severe implications for the current global order. China will have an increasing capability to pursue its national interests
and may seek to alter the international system for its advantage. With the current US administration’s disinclination to engage in the Asia-Pacific and with no real regional competitors, international institutions may need to search for ways to enforce international norms and laws to ensure peace in the region. However, the United States should see this as a major opportunity to draw these regional neighbors away from China’s sphere of influence and to foster a new balance of power in the region. These neighboring countries are fearful of China’s rise, particularly due to China’s recent willingness to exert its power in the South China Sea, and are looking for ways to protect themselves. However, they will need to be assured of the United States’ willingness to support them against aggression.
Chapter 3: The Effects of China’s Rise on the International System

The modern international system was established by the western powers, predominantly led by the United States, following the end of World War II. After the devastation of World War II, the western members of the Allied Powers began rebuilding and preparing themselves to defend against the growing threat posed by the Soviet Union, one of the WWII victors and a former ally. These powers established the current international system with a series of international organizations. The Bretton Woods Conference formed the IMF and the International Bank for Reconstruction and Development, which would later become the World Bank.\textsuperscript{225} This conference, combined with the agreement that the US Dollar would be the world's reserve currency, effectively ensured that the global financial system was part of a western-backed international system.\textsuperscript{226} Despite the failure of the earlier League of Nations, the United Nations was founded on October 24, 1946, to prevent conflict and promote international cooperation.\textsuperscript{227} Due to the growing threat posed by the Soviet Union, the United States and its Western European allies formed the North Atlantic Treaty Organization on April 4, 1949, as a collective security organization. These organizations created the foundation for how the international system would be operated for decades to come. This system was further strengthened after the fall of the Soviet Union in 1991, which left the United States and the international system it championed as the only real contender on the world stage.\textsuperscript{228}

The PRC, which for decades had been an impoverished and developing nation, has rapidly modernized and grown since the 1970s. Today, its economic power has transformed it into a significant regional power and an international economic powerhouse. For most of its existence, the PRC has focused solely on economic development and modernization and has avoided responsibility or serious involvement in international affairs. However, in recent years, China has begun to take a more active and aggressive role on the world stage, including its actions regarding territorial disputes in the South China Sea. China has also begun developing its own group of international organizations that compete with the traditional Western-backed international institutions. China created the SCO in 2001 as a political, economic, and security alliance between several Eurasian nations.\(^{229}\) China also established the AIIB in 2015 to financing infrastructure projects as an alternative option for the IMF and World Bank.\(^{230}\) However, it remains to be seen how China’s rise will alter the international order. Will China seek to overthrow or join the western-backed international order? Will it seek to alter the current international order to suit its needs? How will the international community and organizations respond to China’s rise and its competing institutions?

The majority of scholars believe that China is on the rise as can be demonstrated economically, militarily, and politically. Nevertheless, scholars differ on what the rise of China means and how it will affect the current western-backed international system, which is guided by liberal democratic ideals. One school of thought is that China will radically alter the current international system. Some of these scholars believe that China is a malevolent actor who seeks to

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overthrow international order and replace it with their system.\textsuperscript{231} Others believe that China will seek to maintain the current international system but alter it to better suit its agenda.\textsuperscript{232} However, not all scholars believe that China will significantly alter the international system at all and that the current reactions are overblown in no small degree. These scholars believe that the current international system will remain mostly intact.\textsuperscript{233}

**Literature Review**

The PRC's rapid economic growth has allowed China to move from a developing nation to a significant world power. It has allowed China to modernize its infrastructure and technology while bringing increased prosperity to most of its citizens. The economic growth has allowed China to move beyond solely focusing on internal domestic improvements to begin relooking at their foreign policy objectives. Its military has begun to modernize, and this program is enabling it to challenge international norms, particularly regarding territorial disputes in the South China Sea. It has also begun a serious effort to spread its influence throughout the world through a combination of bilateral agreements, participation in international organizations, as well as creation of its own regional or international institutions.

These actions have caused a stir in the international community and provoked a variety of responses from the global community and international organizations. Attempts by China to challenge international norms, gain more power in already existing international organizations and their creation of new organizations have concerned the international community. These groups have started to look increasingly at how China's rise will affect them, for good or bad, and how to

\textsuperscript{231} Pillsbury, *The Hundred-Year Marathon*, 35-51.
\textsuperscript{233} Nye, *Is the American Century Over?*, 28-29.
formulate a coherent strategy to deal with this question. These are particularly important for the United Nations, security organizations such as NATO and SCO, as well as economic organizations, including the World Bank and the AIIB.

**China’s Rise as a Promoter of International Stability**

During the last several decades, scholars have been studying China’s rise to understand how it will affect the international world order. Early liberal theorists believed that China would promote international stability because they theorized China would become more liberal and democratic as it began to interact more with the western liberal rules-based world order.\(^{234}\) It was theorized that China would then become a supporter of the global order and its established international institutions. Therefore, these theorists believed that it was in the best interest of all parties that China would be allowed to participate in the international system and called for recognition of the PRC in the United Nations, rather than the Republic of China (Taiwan). They also strongly supported the PRC’s inclusion in other organizations such as the WTO. This inclusion would enable China to integrate with and become a responsible member of the international community that would help support the international system and global stability.\(^{235}\)

China itself professed the goal of a peaceful rise or development and that the PRC was committed to maintaining global peace and stability.

Despite these early hopes and a series of economic reforms, China has not embraced the western style of governance and has not become a liberal and democratic nation as it was initially hoped. Scholars and policymakers have thus changed their ideas that, despite their authoritarian style of government, China could still become an essential part of maintaining the international

The responsible stakeholder theory states that China has already become an integral part of the international system and cannot be excluded from it. China and the international community also have many shared goals, such as economic prosperity and global stability, which means that they should be able to cooperate effectively in pursuit of these shared goals. Thus, the theory sees that the best option is to integrate China more fully into the system and encourage it to become a responsible stakeholder in the existing world order.

Many scholars believe that, despite the tension in recent years, China can play a crucial part in upholding the international system and that China is already doing a lot to fulfill that goal. China has mutual interests with the international community, including economic prosperity, counterterrorism, and climate change, which can bring opportunities for cooperation. It has also begun to increase funding for the U.N. and U.N.'s peacekeeping missions. China has begun vigorously funding projects and investing in developing nations in places around the world, such as Asia and Africa. They acknowledge that China still has disagreements with the rest of the international community on issues such as democracy and human rights but that the benefits to global stability and prosperity outweigh these negative aspects.

**China’s Rise as a Threat to the International System**

China has been warily regarded as a threat to the western led international system since the Cold War when the Communists, led by Mao Zedong, defeated Chiang Kai-Shek's Nationalists.

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237 Etzioni, 152.
239 Etzioni, 154.
Such a sizeable communist nation was considered an existential threat to the international system because it would add power to the Soviet Union and would put the Asian region at risk. This threat of communism inspired the realist idea of the “domino theory” that was first introduced by American President Harry Truman and later popularized by President Dwight D. Eisenhower. This theory posited that if one country in a region fell to communism, then the surrounding countries would eventually fall to communism if it was not opposed to vigorously.\textsuperscript{241} Although the Soviet Union has long since collapsed, many scholars continue to view China as a threat to the current world order.

Some scholars have argued that China and the western-backed international community will clash due to the differences in their culture. This idea of a "clash of civilizations" was popularized by Samuel Huntington. He argues that the western civilization's ideas of the eventual democratization of the world and the idea of universal norms are unlikely.\textsuperscript{242} He theorizes that several distinct civilizations exist in the world today. Huntington asserts that the Western and the East Asian civilizations will clash as China is becoming more powerful due to their economic growth.\textsuperscript{243} Huntington believes that China will become a regional hegemon, and its neighbors will bandwagon with China. This East Asian civilization is unlikely to adhere to the west's ideas on issues such as human rights, non-proliferation of nuclear weapons, and democracy.\textsuperscript{244} He thinks it is likely China will clash with the rest of the western-backed international system and seek to go its own way.

\textsuperscript{241} Jones, \textit{China's Challenge to Liberal Norms}, 262-263.
\textsuperscript{243} Huntington, \textit{The Clash of Civilizations and the Remaking of World Order}, 229-238.
\textsuperscript{244} Huntington, \textit{The Clash of Civilizations and the Remaking of World Order}, 229-238.
One study asserts that China does not seek to overthrow the current international system or completely adhere to its existing norms. Instead, China looks for ways to bend the current international system to its liking. It does this by challenging the international norms in a variety of ways. China frequently states its objections to certain norms of the international order. It fragrantly ignores certain norms and international laws such as human rights or UNCLOS. Ultimately, China advocates its own definitions of norms through the creation of new institutions and reframing the definitions of international norms. All told, the study does not anticipate that China will destroy the current "liberal ideology" of the international system but rather alter the definition of that liberal ideology.

Some scholars write that China's rise brings the current international order itself into question. For decades after the collapse of the Soviet Union, it was theorized that democracy was inevitable, and the Washington Consensus of democracy, free markets, and adhering to international norms such as human rights was the path to a nation's success. However, China's success offers a new "China model" as an alternative to the current international order whose credibility was shaken after the global financial crisis in 2008-2009. This very existence of an alternative challenges the international system and is enticing to those whom the global community shuns, such as authoritarian governments and human rights abusers. The study states that we have entered a "post-Washington Consensus" where there is no consensus at all. Nations and policymakers can no longer claim that the ideas which underly the Washington Consensus are the only way for a nation to succeed and develop because there is at least one proven alternative.

245 Jones, China's Challenge to Liberal Norms, 262-263.
246 Jones, China's Challenge to Liberal Norms, 256-260.
247 Jones, China's Challenge to Liberal Norms, 256-260.
249 Chŏng, Assessing China's Power, 239-240.
Lastly, there is a belief that China's rise will not significantly affect the international system because its rise is nonexistent, flawed, or exaggerated. Joseph Nye asserts that the current international system will remain intact because it has the backing of the United States and that the United States still maintains many advantages over China. He believes that China’s power has been exaggerated and that it will not overtake the United States anytime soon. Nye points to China’s smaller economy, whose growth has been slowing, its smaller and less advanced military, and its lack of a robust system of alliances compared to the United States. He also thinks that China has too much to gain from the global order to bring it into chaos. He acknowledges that the United States cannot stand still if it hopes to keep the current international system intact, but that China's rise is not as significant a threat as many have made it out to be.

One study asserts that China's economic growth and continued rise is unlikely. It asserts that China has mismanaged its economic growth because, despite allowing China to rise to its current level of power and prestige, it focused solely on sustained rapid economic growth at all costs. This focus on economic growth caused the CCP to embrace globalization but only based on crony capitalism with little to no protection of intellectual property rights even after the economic reforms of the 1990s. This development has inevitably caused “growth without development” as Chinese firms can only compete in the low end of the global value chain. China's economy has already begun to slow, and the study claims that it can only continue to grow

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251 Nye, *Is the American Century Over?*, 114-117.
if it changes from an "extensive export- and investment-driven growth to intensive consumption- and innovation-driven growth" which it is unable and unwilling to do.\textsuperscript{254}

Another scholar writes that China is not as strong and stable as it may appear to the outside, but instead has severe internal problems that threaten its continued rise. He writes that China has a critical weak point in its government because of the absence of a rule-based system and checks and balances. Its decentralized governance structure makes it hard for the central government to maintain accountability over local officials who may abuse their powers.\textsuperscript{255} China also has a severe demographic problem because of its one-child policy, which has caused fewer children to take over for the more numerous, older generation and fewer women due to the cultural preference of male sons.\textsuperscript{256} The disparity between rural and urban Chinese citizens is vast, which has led to increasing unrest in the countryside.\textsuperscript{257} Corruption and nepotism are also pervasive in the country and the government.\textsuperscript{258} He does not assert an inevitable outcome but states that it remains to be seen what would happen to China if these structural weaknesses were stressed due to a crisis.\textsuperscript{259} The CCP may not be able to survive a severe economic downturn as it mainly derives its legitimacy from the country's economic growth and its ability to provide for China's citizens.

The United Nations

The United Nations was founded on October 24, 1946, in the aftermath of World War II, to maintain international peace and security, protect human rights, uphold international law,
promote development, and provide humanitarian aid.\textsuperscript{260} China was placed in a unique position following World War II when, despite its lack of geopolitical power, it was given a preeminent position on the United Nations Security Council (UNSC) as one of the five permanent members, in recognition of its struggles against the Empire of Japan during the war. This honor was initially granted to the Republic of China (ROC) led by the Chinese nationalist leader, Chiang Kai-Shek. Even after the CCP won the Chinese Civil War in 1949 against the Chinese nationalists, it was not until 1971 that the PRC was admitted into the U.N. and granted its place on the UNSC.\textsuperscript{261} The PRC has, for the most part, supported the status quo in the United Nations.\textsuperscript{262} However, it has gradually been altering the ways that the international community looks at the goals of the U.N. due to its desire to maintain global stability, policies of non-intervention in the internal activities of states, and its strong advocacy of national sovereignty. These goals can be seen in China’s actions and positions regarding peacekeeping operations, human rights abuses, and its call for reforms in the U.N.

China has long been an opponent against intervention in conflicts around the world and contributed very little to the U.N. peacekeeping operations in China’s early years in the UN.\textsuperscript{263} Its top desire has been to maintain global stability due in part to the idea that its economic growth and the development of China would best be accomplished by international peace. China has been particularly vocal about its disagreements with and interventions or peacekeeping missions that are conducted for goals such as promoting democracy, regime change or to punish human rights

violations. China was alarmed when the US-led NATO Coalition intervened in the Balkans in the early 1990s.\footnote{Yunling Zhang, *Rising China, and World Order*. Hackensack, NJ: World Scientific, 2010, 186.} The PRC was concerned that this would impact global stability and that the U.N. would interfere in its affairs such as Taiwan or Tibet, which, in China's view, would infringe on its sovereignty as a nation.\footnote{Swanström, “China's Role in U.N. Peacekeeping”, https://www.isdp.eu/publication/chinas-role-un-peacekeeping/.}

Nevertheless, China has begun to play a more active role in these peacekeeping operations in recent years. The PRC has become the second-largest contributor of funds to the U.N's peacekeeping budget. In 2018, China provided 10.3 percent of the UN peacekeeping budget, which was an increase of 3.7 percent from the previous year. It also provides over 2,500 personnel for peacekeeping operations, which is higher than any of the other members of the permanent UNSC.\footnote{Center for Strategic International Studies, “Is China Contributing to the United Nations' Mission?” 2020. ChinaPower Project. January 24, 2020. https://chinapower.csis.org/china-un-mission/.} China has changed its policy because it now views peacekeeping as a way to maintain global stability, which it relies upon for economic growth, with relatively low costs. Peacekeeping missions allow the PRC to selectively choose ones which can protect its national interests, such as its commercial dealings in Africa. This stance also enables China to increase its international prestige and project that it is a supporter of the international system.\footnote{Swanström, “China's Role in U.N. Peacekeeping”, https://www.isdp.eu/publication/chinas-role-un-peacekeeping/.}

However, its new support for peacekeeping does not necessarily align strictly with the international community's view on the matter. China actively promotes its "three principles of peacekeeping," which are neutrality of the peacekeeping forces, approval by the nation where the operation would take place, and no use of force unless in circumstances of self-defense or have
been authorized by the U.N. It is hard to say that these principles are wrong or that the international community would not also agree with them. However, this topic does change the conversation on peacekeeping because it places a greater emphasis on the sovereignty of nations and non-intervention in a country’s internal dealings. This alteration of the international system can also be seen clearly in the debate that followed the Responsibility to Protect (R2P) principle.

R2P states that nations have a responsibility to protect their citizens from atrocities, and it is the international communities' responsibility to intervene if a nation fails to do so. When the UN was initially discussing R2P, China was strongly opposed to it because it believed this doctrine would challenge state sovereignty, could be abused by self-interested nations, and could be used against nations who did not conform to the western view of government or human rights. China, leading other like-minded nations, succeeded in drastically changing the 2005 approved R2P language to restrict R2P only to cover nations who have entirely failed at protecting its citizens. They also ensured that any action must receive prior authorization by the UNSC and that it could only be applied to “genocide, war crimes, crimes against humanity, and ethnic cleansing.” China did not continue to strictly oppose R2P, following the 2005 provisions, but pushed back on any attempts to expand the concept of R2P. In 2009, a follow-up report articulated a three-pillar strategy for R2P. These three pillars were that states bear primary protection responsibilities, the international community should assist states in meeting their obligations, and the international

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community should be prepared to use force as a method of last resort. China has become more supportive of R2P in recent years, but it remains wary of the third pillar and believes R2P should only be used under the 2005 approved language. Thus, China has worked within the international system to maintain global stability with peacekeeping operations while altering the system to suit its preferences and interests.

China has also been hostile to the western led international system's aggressive stances against human rights abuses. Although being a party to several human rights treaties and a member of the UN Human Rights Council, China has consistently sought to obstruct international efforts to tackle the issue of human rights. China has done this by using its growing power in the UN to alter the powers used to fight human rights violations. The PRC fundamentally does not agree with the traditional definition of human rights supported by most of the international community. The CCP agrees that there is a range of human rights, including civil, political, and economic. However, they believe that providing for its people and ensuring the economic prosperity of their citizens is the primary function of government. Thus, ensuring the economic rights of their citizens is of greater importance than the west’s ideas of political and civil rights. Any attempts to exercise what the international community would call civil and political human rights which are detrimental to the ruling government is viewed as an impediment to this essential human right. This concept means that dissenters are a threat to the economic prosperity of China's citizens and

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275 Primiano, China, the U.N., and Human Rights, 13-14.
that the government must suppress them. Therefore, their repression of those who challenge the government is not an abuse of human rights at all.276

As a vocal supporter of the sovereignty of nations, China views human rights abuses as the domestic concerns of nations. As a result, the PRC views that the international community should not use human rights abuses as a reason to intervene in other nations’ affairs. China has moved to use the UN as a means to stop criticisms of its actions regarding human rights violations, such as its control of Tibet or the treatment of the Uighur minority. The PRC has hindered attempts by the UN to act against human rights abuses using a variety of means. China has partnered with other members on the UN Human Rights Council, the so-called "Like-Minded" group, to oppose resolutions targeting specific countries, such as North Korea and Syria, and weaken the UN's human rights mechanisms to combat abuses.277 The PRC has also consistently blocked or weakened UN resolutions regarding strengthening protections of civil or political human rights. China has been successful in stifling this debate or any attempts to strengthen human rights due to its political and economic clout, as well as its position concerning the UNSC. Many nations are unwilling to anger China on this matter, and thus again, China has altered the international system to its advantage.278

Additionally, China has become an outspoken proponent of reforming the UN, by claiming it is unable to handle the current challenges facing the world today, such as transnational threats, international development, cybersecurity, and epidemic prevention.279 The PRC also alleges that

276 Primiano, China, the U.N., and Human Rights, 13-14.
the UN has lost credibility as it has proven ineffective at solving these crises, and nations, such as the United States, have become less willing to support the UN and its mission. Its primary target for reform has been the UNSC.

The UNSC is perhaps the most influential body of the United Nations as its role is to maintain international peace and security. As such, it can authorize peacekeeping operations, international sanctions, and military actions through binding resolutions. However, the UNSC only has fifteen members. This membership includes ten non-permanent members who are elected to represent a region for two-year terms. The five others are permanent members of the UNSC and are the real power brokers in the UNSC. These permanent members were the victors of World War II including the United States, the United Kingdom, France, Russia, and China. The primary power that these permanent UNSC members have is their veto authority. This veto authority gives these permanent UNSC members the capability to block any UNSC resolution unilaterally. China asserts that the UNSC should be reformed to give more representation and power to other nations, including developing nations, to enable a more multilateral process.

However, this does pose the question of why China would support this when it stands to lose power by opening up the UNSC to more members. The key outcome for these suggested reforms is that it allows China to dilute the power of western nations, including the US, France, and the UK, whom it sees as controlling the international system. It also allows China to give developing nations that share their interests and priorities a greater voice in the deliberations of

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the UN. China has already begun to establish good relationships with many developing nations due to its increased activities in funding development in Africa and Asia.\textsuperscript{282}

China has had a curious effect on the United Nations as it has begun to work more closely with the UN, including providing more funds, personnel, and resources while at the same time limiting the UN role to not interfere with its objectives. There can be the argument that China is becoming a more responsible stakeholder as liberal theorists would suggest. However, it seems more likely that China's effect on the UN comes more from a realist theory of China pursuing its national interests. Because China cannot overthrow the system, it is better to alter it to suit its needs better.

The North Atlantic Treaty Organization and Shanghai Cooperation Organization

Following the end of World War II, many world powers were concerned with ensuring that another world war did not occur and that the mistakes that sparked the war would not happen again. These nations believed that they could have stopped the war if they had cooperated earlier, instead of adopting a policy of appeasement, when Germany began to defy the Treaty of Versailles and expand its power. Due to this belief, they became increasingly fervent supporters of the idea of collective security. Collective security is the idea that if nations joined into a collective security arrangement, any aggression against one of the nations would be considered an act of aggression against all the members of the agreement. This concept was envisioned as a method to stop war because it would deter aggressive nations from attacking even the smallest and weakest nations for fear of incurring the wrath of all its partner nations.\textsuperscript{283} Collective security would become a


significant part of the Western-backed international system as it sought to prevent the spread of communism and defeat the Soviet Union during the Cold War. The US created collective security alliances with Japan and South Korea following World War II, but the most well-known collective security organization remains the North Atlantic Treaty Organization. NATO began with twelve nations including the United States, the United Kingdom, Italy, France, Canada, Norway, Belgium, Portugal, the Netherlands, Denmark, Iceland, and Luxembourg. Today, NATO has thirty members with the latest addition of North Macedonia in early 2020. China has specifically avoided engaging in collective security agreements or alliances as it has argued that it does not wish to interfere in the sovereignty of other nations. However, China created the Shanghai Cooperation Organization in 2001 as a political, economic, and security partnership between several Eurasian nations.\textsuperscript{284} This organization, although not a collective security organization, has security implications for the international system as it lays the framework for a potential challenger to the current international security environment.

The SCO was formed initially as an organization devoted to demilitarizing borders after the fall of the Soviet Union.\textsuperscript{285} The organization has been misunderstood by outside observers because, although it conducts joint activities and operations, it is not a military alliance. Nevertheless, the organization's agenda has expanded to include military, counterterrorism, and intelligence cooperation among its member nations which include China, Russia, India, Pakistan, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. Afghanistan, Belarus, Iran, and Mongolia are already working with the SCO as “observer states” and are interested in ultimately joining as full members. Armenia, Azerbaijan, Cambodia, Nepal, Sri Lanka, and Turkey also interact with

\textsuperscript{284} Plater-Zyberk, \textit{Strategic Implications of the Evolving Shanghai Cooperation Organization} 1-5.
the SCO as dialogue partners and take part in certain aspects of the organization while not being members.\textsuperscript{286} The most significant security aspect of the SCO is the “Regional Anti-Terrorist Structure” (RATS) which officially began in 2002.\textsuperscript{287} RATS has grown since its inception to focus on combatting terrorism, particularly in central Asia which has shown itself to be a capable force albeit limited.

Although the SCO is not a military alliance, it does have implications for the international system. The SCO creates an alternate system of security cooperation, currently focused on anti-terrorism efforts, among a series of countries that do not always conform to the current international norms and values such as China, Russia, and the Central Asian states. Although it does not currently have a collective security aspect, this does not mean that it will not potentially evolve in the future. The SCO's existence also limits the ability of western international institutions to interact and affect these Central Asian nations as they become more dependent on China for security assistance and funding. The SCO is open to admission to new members, which could draw other nations, such as Turkey, a current NATO member, to develop closer security relations with China and potentially move further away from the current international security organizations.\textsuperscript{288}

However, it is improbable that the SCO will become a significant rival to NATO or other international security organizations due to a variety of factors. First, China’s aversion to interfering with the internal domestic issues of nations has ensured the organization does not have a strict collective security focus and remains committed to cooperation rather than intervention.\textsuperscript{289} The

\textsuperscript{287} Plater-Zyberk, Strategic Implications of the Evolving Shanghai Cooperation Organization 20.
\textsuperscript{289} Wang, "Counter-Terrorism", 78-79.
political environment between the member nations also makes it difficult to see any chance for the SCO to agree on any significant security agreement. Russia is concerned about the threat China poses to itself as they both have a vast land border with one another.\footnote{Wang, "Counter-Terrorism", 13-17.} Russia and China are both seeking to maintain control of Central Asia as Russia sees it as a part of its old Soviet sphere of influence. At the same time, China is profoundly concerned about terrorist threats that may stem from the region. This tension can be seen from Russia's CSTO which is a collective security organization that has overlapping members in the Central Asian region. Both Pakistan and India have been accepted into the SCO which brings additional complexities to the organization as India and Pakistan have poor relations, and India also has had major disputes with China in the past. This makeup of the membership makes it nearly impossible for the SCO to coordinate any coherent security policy which could threaten the current international system.\footnote{Wang, "Counter-Terrorism", 13-17.} Also, many of the member nations, including the Central Asian states, want to maintain their ties with the international system and do not want only to have the SCO to rely upon for aid. As such, they will try and maintain good relations with the SCO and other international organizations.\footnote{Plater-Zyberk, Strategic Implications of the Evolving Shanghai Cooperation Organization, 29.}

China's decision to avoid collective security organizations or create military alliances is in stark contrast to what realist theory would suggest. Realist theory would posit that China should be looking for security partners that could eventually challenge the international system, including the United States and its extensive system of alliances. Instead, China has opted to follow liberal theory and look for ways to cooperate with its neighbors for mutual security benefit. However, this remains to be seen if China is simply avoiding cultivating military allies because it is not yet strong
enough to challenge the United States and current global order or because it genuinely believes this course of action will lead to peaceful relations with the international community.

The World Bank and Asian Infrastructure Investment Bank

The current global financial system resulted from the Bretton Woods Conference of 1944. This conference established the IMF and the International Bank for Reconstruction and Development which would later become the World Bank. These institutions, combined with the agreement that the US Dollar would be the world's reserve currency, effectively ensured that the global financial system was part of a western-backed international system.293 However, China's rise has opened the possibility that the established global financial system may not remain unaltered or unchallenged. The World Bank was created initially to rebuild countries that had been devastated after World War II but now has become one of the critical sources of funding for developing nations to finance development projects. The World Bank did not give equal voting shares to each member but divided voting shares by the amount of money contributed to the World Bank, becoming dominated by the US and other western powers.294 The World Bank has also established strict criteria for lending, which include human rights and environmental protection as well as western-style market efficiencies and structural adjustments to receive funding.295 These criteria were predicated on the idea of the "Washington Consensus," which was the theory that western ideals, such as democracy and human rights, were a necessity to the prosperity for developing nations.

The Asian Infrastructure Investment Bank was founded in 2014 by China and 20 other nations. Similar to the World Bank, voting shares would be divided among the participating nations by GDP, allowing China to have a more significant share of the votes. Eventually, 57 countries, including several European powers, became founding members of the AIIB by 2015. China stated that the AIIB was primarily focused on investment for infrastructure and not poverty alleviation.\textsuperscript{296} The United States opposed the establishment of the AIIB as it was viewed as a Chinese backed competitor to the World Bank. China's rise has left open the question of how it will affect or challenge the global financial system. The establishment of the AIIB can be seen as the result of the destruction, or at least weakening, of the Washington Consensus and promoting an alternative, the “Beijing Consensus.”\textsuperscript{297}

Following the end of the Cold War, the western international system assumed that the world would inevitably trend towards a future where the norms and beliefs of the rest of the world would fall in line with their manner of thinking. Theorists believed that the real way for development would be through the western-backed international system and that developing nations would be forced to turn to it for funding and backing. In doing so, the western-backed international order could place conditions on these developing nations in exchange for their assistance.\textsuperscript{298} These nations would have to commit to a series of economic and political reforms, including transparent government, the rule of law, anti-corruption, effective budgeting, and other reforms. Thus, this Washington Consensus would apply carrots, like international aid, and sticks, such as sanctions, to alter the behavior of other nations. These nations would gradually become more like the western nations and observe the values and norms of the international community.

\textsuperscript{296} Wan, \textit{The Asian Infrastructure Investment Bank}, 44-49.
\textsuperscript{297} Halper, \textit{The Beijing Consensus}, 208-210.
\textsuperscript{298} Halper, \textit{The Beijing Consensus}, 210-211.
This end was considered inevitable and the best way for these nations to develop. However, it has become clear that this consensus was misguided at best and catastrophic at worst because it imposed a one size fits all for the development-aid packages. The World Bank and IMF requirements were unsuitable for dealing with the myriad of specific circumstances for each country by solely focusing on free markets, privatization, and liberalism. It did not account for the damage these policies were inflicting on these nations, including destroying certain parts of their economies and growing inequity among citizens. The aid packages were also unable to rectify the health of the financial and legal systems and pervasiveness of corruption. Due to these factors, the Washington Consensus has failed spectacularly in developing nations across South America, Africa, and Asia. The strict adherence to the Washington Consensus has dropped the annual growth rates in some nations from 6 percent and higher to below 2 percent. It has also increased poverty and unemployment while decreasing income among citizens in these afflicted nations. The success of China’s economic system and the creation of the AIIB may be the final nail in the coffin for the Washington Consensus.

China's economic rise has proven that there is not a one-size-fits-all list of policies for developing nations to succeed. China has maintained economic growth and brought prosperity to its citizens despite their authoritarian style of government, pervasive corruption, state-owned enterprises, human rights abuse, and lack of social freedoms. Instead, they have flexibly mixed aspects of socialist and capitalist systems through a gradual series of economic reforms that have allowed it to thrive and for the CCP to remain in power. This success has dispelled the idea that

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300 Halper, *The Beijing Consensus*, 58-60.
301 Halper, *The Beijing Consensus*, 211.
the only way for developing nations to succeed was to follow the prescriptions of the western-backed international system, which left the door open for authoritarian regimes to continue governing as they see fit.\textsuperscript{303} Now that these nations no longer feel the need to follow the rules and norms of the international system to develop, they need a way to secure funding.

The Chinese-led AIIB follows China's idea of non-interference in the affairs of sovereign nations. As such, the AIIB does not enforce conditions such as environmental protection, political or economic reforms, or other western norms upon the recipients of the aid packages that the AIIB grants. They also have laxer requirements for nations applying for aid than the World Bank which makes it attractive to nations who, although they believe in international norms and values, desire an easier way to acquire funds for development projects.\textsuperscript{304} The AIIB thus has created a rival to the World Bank and other organizations of the current international order and severely weakened the international system's ability to enforce its norms and values upon developing nations.

Although liberal theory proponents may point to several actions taken by China as positive signs that China is becoming a more responsible stakeholder, such as increasing funding for the UN or providing funding and aid for developing countries, its actions actually fall into the tradition of realist theory. China’s efforts to become more involved in the global economic system is just another means for China to advance its national interests to maintain its economic growth, spread its influence across the globe, and undermine the current global order by eroding the values and norms which underpin it. Without a drastic reform of the way the IMF and World Bank handle financing to better compete with the AIIB, it seems likely that more nations will seek its services as a more accessible and effective means of securing funding.

\textsuperscript{303} Chow, “Why China Established the Asia Infrastructure Investment Bank”, 1285.
\textsuperscript{304} Chow, “Why China Established the Asia Infrastructure Investment Bank”, 1285.
Conclusion

The rise of China and its effects on the international system is a complex balancing act. China must weigh the benefits it gains from maintaining the current international system while looking at ways it can alter the system in its favor without provoking the wrath of the system itself. While China has significantly benefitted from the current international order, it has sought to make incremental changes that would favor its interests mainly upon the lines of maintaining its preference for the non-intervention in the domestic affairs of sovereign nations.

China's rise will harm the current western-backed international system because it is based on liberal norms and values which have begun to be eroded by China's rise. However, the international system is still mainly controlled by the western powers of the United States and the European Union who maintain a distinct advantage over China economically, politically, and militarily. Their extensive system of alliances, which have been cultivated over the last several decades, also means that the international system has a loyal following of backers committed to its maintenance and continuance. It is unlikely that China or the developing or authoritarian nations it attracts will rise enough to the level where it could make an actual direct challenge to the existing global order.

Overall, the rise of China will have a limited adverse impact on the international system but will not be a severe threat to the existing global order or its institutions. China's rise will allow it greater power and flexibility to allow it to alter the international system along the edges. However, the international system has been so ingrained into the current world order and has been instrumental in the rise of China to the point that it is unlikely and unwise for China to do so. For instance, China has a vested interest in maintaining the status quo, particularly economically, because it enables China to cheat the system by allowing it unrestricted access to global markets.
while giving it an unfair advantage both at home and abroad with its economic policies and state-run economy. However, China's desire to alter the international system is clear, and it would be unwise for the powers that be to ignore it at their own risk.
Conclusion

The main inference from this paper is that China’s rise will have a limited negative impact on the United States, China’s regional neighbors, and the international system. China will continue to look for ways to erode the United States’ preponderance of power, bully its regional neighbors to advance China’s national interests, alter the international system to advance its goals better, and continue economic policies which will continue advancing China’s rise at the expense of its trading partners. Nevertheless, China’s rise will not have a drastic impact, for good or bad, on the current global environment because it does not currently have the strength to enforce its will completely. However, the United States, China’s neighbors, and the international community must be aware that China is actively trying to alter the global order to suit its national interests and cannot be disregarded. China’s current capabilities may not allow it to pursue its national interests aggressively, but if its capabilities increase, it will most likely change its behavior and show different motives. The current international community can work constructively with China. However, it should not be afraid to push back when China tries to push an agenda that is against accepted international norms and values. The international community, led by the United States, must force China to end its unfair economic policies which give China a critical advantage and is the primary source of its power. They must also enforce the ideals which they espouse to hold dear, such as human rights, and publicly call out China for its offenses. Working constructively with China should not mean ignoring bad behavior, but instead working together when possible while taking concrete and united policy steps to alter China’s behavior.
Executive Summary

China has experienced rapid and sustained economic growth during the last several decades that has allowed it to grow from an impoverished developing nation to a world power. This economic rise has allowed the nation to modernize, expand its military power, and give it greater leverage on the global stage. Due to these factors, China’s rise has affected the global order, including the United States, China’s regional neighbors, and the international system. China can resist pressure from and even challenge the United States in specific domains, threaten its smaller regional neighbors, and alter the international system in its favor.

China’s rise has economic, military, and diplomatic implications for the United States which has remained the world's sole superpower since the fall of the Soviet Union. China’s rise has negatively impacted the United States’ economy as China has taken advantage of globalization by utilizing a series of unfair trade practices and preferential treatment to its domestic companies to give them an advantage over US companies. Its economic growth also grants China the ability to withstand pressure from the United States to force China to adhere to international norms and values, as can be seen with the ongoing trade war between the US and China. The PLA’s modernization program and expansion have begun to close the gap between US military superiority as battle spaces can no longer be counted as remaining uncontested. On the international stage, the United States and its role as the world leader is no longer unchallenged as China looks to alter or challenge the United States’ leadership globally. However, the United States maintains a preponderance of power economically and militarily. It also maintains an extensive system of alliances and control over the most important international institutions. China’s rise will not overthrow the hegemony of the United States in the near future, but the United States should take steps now to ensure it maintains its geopolitical power in the long run. The United States must
force China to end its unfair trade practices which give Chinese companies a critical advantage in today’s global economy. China’s greatest strength is its economy which is its primary source of influence. Forcing China to adhere to fair trade practices would curtail its attempts at challenging the United States and altering the international system. These efforts should include China ending the forced transfer of intellectual property, enhanced intellectual property rights and enforcement of these laws, and ensuring that US and other foreign companies have a level playing field in Chinese markets. The United States should also bolster its extensive system of alliances to give it a distinct advantage over China both militarily and economically. China is hurting from the ongoing trade war with the United States, but it could be much more effective if the US was able to get buy-in from its allies to join in the endeavor.

China’s rise has implications for its regional neighbors as they seek to weigh the benefits and risks of cooperating with China. Each nation desires to reap the economic benefits of China’s rise. However, they are concerned that their security and national interests will be at risk if China decides to take advantage of them. Each nation weighs not only the cost-benefit analysis of their relations with China but also the values and histories each nation has with China. Vietnam, similarly to China, is primarily concerned with the sovereignty of nations. Due to this analysis, China’s actions regarding the territorial disputes in the South China Sea have been seen as a threat and an attack on Vietnam’s sovereignty. These actions caused Vietnam to make decisions that would move it away from China’s sphere of influence and to look for ways to limit China’s rise. Japan’s poor relations with China along with ongoing disputes has caused Japan to look at expanding its military forces and continuing its reliance on the United States for its security. The Philippines, which had previously been a stalwart ally of the United States, has sought to cultivate its relationship with China due to the new administration under President Duterte. His new
administration’s primary objective is economic growth, regardless of the means. This goal has caused the Philippines to become more amicable with China even going so far as to withdraw its case regarding territorial sovereignty in the international courts. China's rise will have adverse effects on its neighbors in the region as they become increasingly dependent on China economically and are unable to compete militarily. However, these nations have a variety of options to push back against Chinese, using the United States to balance against China, looking to regional or international organizations for assistance, diversifying their economies, and pursuing military modernization programs. Overall, the rise of China will have a limited adverse impact on its regional neighbors but will not drastically impact them in the next few decades.

The international system, which can be defined as the western-backed liberal system that has existed since the end of World War II, is being impacted in subtle ways due to China’s rise. China's rise will harm the current western-backed international system because China has utilized its newfound strength the erode the liberal norms and values which the system is based on. China has looked for ways to contribute to the international system while altering the system to suit its ideals of non-intervention in the domestic affairs of sovereign nations. China has used its growing influence to curtail and limit attempts by the international system to deal with a variety of issues, including human rights. It has also looked for ways to undermine the Washington Consensus, which advocates for political and economic reforms in nations, for its own Beijing Consensus that only focuses on the economic growth of nations. This new concept has further undermined the norms and values of the international system as other nations can look for aid and funding from an alternative source which is not as concerned about social and political reforms such as environmental protections, anti-corruption measures, and human rights. However, the international system is still principally controlled by the Western powers of the United States and
the European Union who maintain a distinct advantage over China economically, politically, and militarily. Their extensive system of alliances, which have been cultivated over the last several decades, also means that the international system has a loyal following of supporters committed to its maintenance and continuance. China's rise will allow it greater power and flexibility to allow it to alter the international system along the edges. However, overall, the rise of China will have a limited adverse impact on the international system as China alters the system around the edges by looking for ways to erode the values and norms, such as human rights and democracy, using its influence. However, it will not be a severe threat to the existing global order or its institutions because it has an interest in maintaining the status quo and does not have the power to alter it drastically.

In conclusion, China’s rise will have a limited negative impact on the United States, China’s regional neighbors, and the international system. These impacts include unfair economic trade practices that hurt the United States and other nations around the world while continuing to fund its rise. This economic growth enables China to increasingly challenge the United States and bully its regional neighbors in pursuit of China’s national interests and the growing ability to withstand diplomatic pressure attempting to China’s bad behavior, such as its aggressive actions in the South China Sea and flagrant violations of human rights. China also uses this economic power to pressure other nations, fearful of economic repercussions, into altering key aspects of the international system to better suit China’s interests and condone bad behavior. However, the United States, China’s neighbors, and the international community have the power to limit and roll back these short-term negative effects. Policymakers and scholars are becoming increasingly aware that China is actively trying to alter the global order to suit its national interests and cannot be ignored. China’s current capabilities may not allow it to pursue its national interests
aggressively, but if its capabilities increase, it will most likely change its behavior and show different motives. The United States and international community can continue to work constructively with China on a variety of issues of mutual interest such as counterterrorism and North Korea. However, they can no longer be afraid to push back against China’s actions. The top priorities should target China’s main source of power, its economy, by forcing China to end its long-standing unfair trade practices. It should also enforce the international norms and standards that the international system claims to stand by publicly calling out China for any of its offenses. Working constructively with China should not mean giving in to China’s demands as it so frequently has in the past. Now is the time for the United States and the international community to create a united front to firmly reject when China oversteps while the US and the international community have the upper hand.

**Weaknesses of this paper**

This paper does have several weaknesses that provide limits to its effectiveness in explaining the effects of China’s rise. This author has never visited China, nor does he claim to speak or read Mandarin. He has also not visited Vietnam, Japan, or the Philippines nor does he speak the languages of those nations. These facts limit the literature used to research this topic, and the paper is reliant on English sources and those who have been translated from the native language of the discussed nations to English. For the most part, this has been negated as many scholars of these nations who have written extensively about this topic have been written in or translated to English.

Another weakness is that the paper assumes that the trajectory of China’s rise will remain the same or at least close to it. China is expected continue this upward trajectory before its economic growth begins to plateau as it becomes more developed unless there is a significant event
that cripples its economy. However, it is difficult or nearly impossible to predict when, how, and to what extent an event like this may occur. The current coronavirus outbreak has brought a severe economic downturn, and its economy shrank by over 6 percent for the first quarter of 2020. Nevertheless, it remains to be seen to what effect it will have on China and its rise in the long term. The CCP has built the legitimacy of its rule on its ability to provide for the citizens of China through economic growth. Not only could a significant economic catastrophe cripple China’s rise, but it could also call the leadership of the CCP into question. However, this is unlikely as China has been able to weather the most recent economic crises, such as the 2008 financial crisis and the ongoing COVID-19 outbreak, because of its government involvement in the economy.

Additionally, though the paper covers numerous nations, it does not cover some of the largest and most significant of China’s neighbors. Russia remains a significant player on the world stage with a complex relationship with China. India is also a significant nation that borders China, has been experiencing decent growth and has had numerous conflicts with China in the past regarding territorial disputes. These two nations will be significant contenders that China must deal with if it ever plans on being the undisputed regional hegemon. This weakness was necessary due to time constraints as the paper wanted to discuss China’s smaller neighbors because the impacts of China’s rise are more visible on them.

One final weakness to discuss is the paper's lack of discussion on the state of the international system and the assumption that the system will continue. The world has seen an increasing rise in nationalism among nations and the degradation of the importance given to alliances among nations. These trends have been clear with events such as the election of Donald Trump in the United States and Brexit in the United Kingdom as citizens who are negatively affected by aspects of globalization seek to correct their grievances. If this trend continued it would
have a drastic impact on this thesis. However, this is unlikely for two major reasons. Most countries, particularly the most powerful nations, see the advantages of maintaining the current international system. The United States has a large system of alliances to ward off threats from potential rivals such as China and Russia and controls the international financial system. China has benefited from the status quo to grow economically and needs continued globalization to export its manufactured goods around the world. So long as these nations gain benefits from the current global order, it will likely remain. Secondly, despite the evidence of increased nationalism, it remains to be seen whether this trend will continue. President Trump's chance of reelection remains uncertain and Brexit has been ongoing for several years now with many of the UK's citizens seeming to regret the initial decision. This rise of nationalism should be taken into consideration when thinking about how it may alter the international system. However, the idea of wholesale dismemberment of the existing global order is incredibly unlikely.

Future Research

The number one subject that should be studied for future research is the effect of the COVID-19 outbreak on the Chinese economy. The Chinese economy shrank by an unprecedented 6.8 percent in the first quarter of 2020. This event was the first contraction of this scale since the PRC began reporting its quarterly GDP numbers in 1992. The IMF predicts that China will only grow by 1.2 percent for the year 2020. This prediction has major implications for China as this is the first time it has been severely impacted by an economic downturn. Future research should study how this event will affect China in the short run and long run. It should also analyze what effects, if any, this outbreak will have on the credibility of the CCP and its leaders who have based their primary legitimacy on the growing economic prosperity of its citizens. Unfortunately, it was
impossible to incorporate this event into the thesis due to the timing of the writing of the paper and the COVID-19 outbreak.

This paper has sought to answer what are the effects of China’s rise, but it does not go into much detail on what the nations involved should do about this information. This paper is primarily focused on analyzing these effects that have occurred and the international relations theory behind these effects rather than policy prescriptions. Future research should focus on realistic and practical policy recommendations that would allow these nations to thrive in the changing global environment. Future research should also investigate whether China’s rise could survive a severe economic crisis and what the factors would have to be to bring China’s rise to an end.

Additionally, there is also a need to look at China’s relationship with Russia which is a serious regional power that has a vast arsenal of nuclear weapons. Although Russia is considered by many in the international community to be a revisionist power that seeks to disturb the international order, Russia is also concerned about China’s rise due to its close proximity, shared borders, and historical tensions. China’s rise not only is a direct threat due to its modernizing military and large population, but also it could degrade what influence Russia has over the region, particularly in Central Asia. There may be room for the United States and other nations to work with Russia to ensure China does not become a more significant threat in the future.

Future research should also investigate how the reliability, or at least perceived reliability, of the United States would alter the reactions of China’s regional neighbors and the international system. The United States under the Trump administration has continued to back away from its international leadership role, such as withdrawing from the TPP, criticizing NATO countries' military expenditure, and demanding more money from South Korea to pay for the basing of US forces in the country. Allied nations and international organizations have already expressed unease
at this change. However, it remains to be seen at what point would these nations seek to abandon the current global order or even join with China as an alternative option.

Future research that, unfortunately, did not make it into this paper as a chapter should examine the effects of China’s rise on developing nations. China has begun to invest heavily in developing nations around the world such as nations in South America and Africa. However, it remains to be seen what this investment has done for these developing nations. We have seen some serious issues from aid to these developing nations from the United States and international organizations. But many nations seem worse off for their dealings with China as they end up with massive debt to China and often do not maintain control of the infrastructure built in their nations.

**Possible Future Outcomes**

I decided to write this paper because the hysteria trumpeting China’s rise as an existential and immediate threat to the United States and the global order seems overblown and prevents serious dialogue on how the United States and the international community should look to deal with China. The same can be said for those who believe that China is harmless and only looks to maintain global stability and a harmonious relationship with the rest of the world. The first view is alarmist, while the latter is naïve to the real nature of states.

I am a realist, and it seems clear that China tries to match its motives and goals with its existing capabilities. This point can be seen when China miscalculated by acting too aggressively and too quickly in the South China Sea. China believed that the regional neighbors would not push back as much as they did nor that the international community and organizations would get involved. I predict that the global order with the United States as the world's sole superpower and global hegemony is coming to a close. The world is moving towards a more bipolar and perhaps
multipolar world. The United States is beginning to pull back from its extensive engagements in the world. The long wars in Iraq and Afghanistan have cost the United States blood, treasure, and the willpower to unilaterally intervene in the world. As nations become increasingly unsure of the United States, they will seek new ways to protect their interests. Due to this, I believe we will soon pass from a unipolar world to a multipolar world with the United States, China, and the European Union as the leading powers. Russia and India will also be major regional players in the years to come. It is unlikely that China will ever become the global hegemon because the Western powers determined the very creation of the international system and it provides them distinct advantages that China will not overcome unless the very system itself breaks down.

However, it is clear that China is looking for ways to alter the existing global order to suit its needs, and world leaders and policymakers must take a close look at these effects and if they want it to continue. It is far easier to stop any negative alterations now than when China becomes more powerful or the changes become accepted by the international community.
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Biographical Statement

John Medin was born on June 30, 1992 in La Mesa, California. He attended Claremont McKenna College in Claremont, California where he received a Bachelor of Arts in History and Government in 2014. Upon graduating, he commissioned into the California Army National Guard as a 2LT and worked in local government in San Diego, California. John moved to Washington, D.C. and currently works as a Legislative Associate for The American Legion while still being a member of the Virginia Army National Guard. He began work on his Master of Arts in Government with a concentration in Security Studies in 2018 with the purpose of combining his interests in government and defense policy.