

US vs. CHINA: A BATTLE FOR THE 21st CENTURY

Dušan PROROKOVIĆ*

Abstract: The continuous deterioration of relations between the US and China is taking on increasingly dramatic forms. The introduction of various trade and financial restrictions led to a decline in mutual trust and caused a whole series of political disagreements. From a structural realism perspective, the current and future deterioration of these relations does not come as a surprise. The establishment of a new balance of power in international relations does not occur through cooperation but through confrontation. This paper examines the question of the further dynamics of that confrontation as well as its consequences for international security. The paper consists of three parts. The first part describes the ongoing deterioration of US-China relations. The second part is dedicated to the concept of the balance of power and the specific case study to which this concept refers, and the third part analyses the dynamics and consequences of the confrontation between the US and China. The assumption being proven is that the confrontation will continue with unabated intensity and that this is a consequence of the character of international relations that take place in an anarchic environment. The theoretical framework is based on structural realism, and the methodological framework is based on the methods of descriptive analysis and case study. The time frame is limited to the period from the second decade of the 21st century onwards.

Keywords: China, US, confrontation, balance of power, international security.

THE DETERIORATION OF RELATIONS AND THE US-CHINA TRADE WAR

Secretary General of NATO, Jens Stoltenberg, at a lecture at the “Heritage Foundation” in January 2024, stated: “China is clearly the biggest challenge

* Senior Research Fellow, Institute of International Politics and Economics, Belgrade, Serbia; Email: dusan@diplomacy.bg.ac.rs, ORCID: 0000-0003-3064-2111.

The paper presents the findings of a study developed as a part of the research project “Serbia and Challenges in International Relations in 2024”, financed by the Ministry of Science, Technological Development and Innovation of the Republic of Serbia and conducted by the Institute of International Politics and Economics, Belgrade, during the year 2024.

we face. China is getting closer to us. We see them in Africa, we see them in the Arctic, and we see them trying to control our critical infrastructure. The idea that we apostrophise Russia while not paying attention to China or vice versa is senseless” (Stoltenberg, 2024). He also mentioned a parallel between today’s events in Ukraine and the similar development of the situation in Taiwan in the future. From NATO’s point of view, China is aggressive; it is expanding the geographical scope of its presence. China is in Africa, China is in the Arctic, and China is even in the Middle East. In all this, NATO is innocent. NATO is only a defence alliance that is increasingly concerned about global security. Of course, the Chinese view of current international relations and the historical events that created such international relations are quite different.

Over the decades, Chinese-African cooperation has expanded and intensified; it has acquired completely new elements. Today, China is, by far, the largest investor in Africa and the most important foreign trade partner for 38 of the 54 African countries (Zhao, 2015). China is becoming present in the Arctic thanks to the strategic agreement with Russia, which was concluded for the development of the Northern Sea Route (Wegge, 2014, pp. 84-91). A new route in maritime trade, shorter than usual, represents a huge potential for global development. The infrastructure is being built as part of the implementation of the Belt and Road Initiative, a project the world has not seen since the Marshall Plan.

At the same time, the American arming of Taiwan, which has been going on for decades, the wars on the Chinese borders with Korea and Vietnam, the military presence in Japan, the establishment of SEATO, right up to the creation of the latest QUAD format, are not evidence of the defensiveness of the collective West. On the contrary (Gallagher, 2022, pp. 3-8; Rorvik, 2020; Heydarian, 2019; Madan, 2022, pp. 50-54), the US has never left China’s neighbourhood. With its allies and vassals, it has persistently and patiently implemented the geopolitical idea of limiting China for more than half a century. Moreover, there were unsuccessful attempts to provoke internal crises in mainland China, from Hong Kong to Xinjiang and Tibet.

From China’s point of view, the US is everywhere, and for that, it uses numerous international platforms and military-political alliances, the most important of which is NATO (Schuman, Fulton & Gering, 2023). Different perceptions have contributed to the dramatic deterioration of relations between the US and China, just as the continuous deterioration has caused

the described perceptions to be entrenched and further developed. It is most often stated that in this context, Donald Trump's victory in the US presidential elections in 2016 was a turning point (Tao, 2017). Since then, without any dilemma, one can really follow and analyse the rapid deterioration of bilateral relations between the two great powers. However, as will be explained in the second part of this paper, bearing in mind the character of international relations, the deterioration of American-Chinese relations was inevitable. The only unpredictable thing was to what extent relations would deteriorate and how that would manifest.

Generally, the deterioration of relations is manifested in several different areas. First, on the political level, there are numerous tensions linked to the geopolitical interests of both sides. Political tensions are the reason for the permanent mutual mistrust that existed also while bilateral relations were being developed. Of course, in those historical stages (the last decade of the 20th century and the first decade of the 21st century), trust was "shallow" and not openly discussed by high officials. Nevertheless, the US has continuously warned about the lack of human rights and freedoms in China (Cooper & Yitan, 2006). On the other hand, the US attitude towards Taiwan, which over time became and remained one of the most militarised areas in the world, was not acceptable to China. With the deterioration of relations, mistrust was getting "deeper", so officials began to speak more and more openly about numerous political disagreements. The US reacted harshly during the protests in Hong Kong (which were qualified by Washington as repression against democratic activists), focusing on the issue of the rights and freedoms of the Uyghur minority in Xinjiang (Roberts, 2021, pp. 140-235). It created a narrative of how a "genocide" taking place in Xinjiang was an organised activity, and all leading Western media played a role in that (Maizland, 2022). China's performance is based on the thesis of the end of American hegemony, thus igniting anti-American sentiment in different parts of the world.

The dynamic growth of the Chinese economy has also caused an increasing volume of Chinese investments abroad (Tuman & Shirali, 2017, pp. 155-162). China's economic presence has expanded at lightning speed in various world macro-regions during the last two decades. Hungry for energy sources, critical raw materials, and markets where it can market its products, the Chinese economy concentrated first on the immediate environment

(Southeast and Central Asia), then on the Indo-Pacific region and Africa, and finally on Europe and Latin America (Scobell et al., 2020).

Moreover, unlike the American approach, Chinese initiatives to expand bilateral economic relations did not include an ideological component. Insisting on values, American institutions (and, after them, EU structures) often conditioned cooperation with others on the acceptance of the Western (neoliberal) ideological pattern. Thus, by acquiring the status of an undisputed arbiter who could judge what is democratic and what is undemocratic, the US expanded its political influence and created a framework for the installation of desirable political elites who would uncritically accept the ideological patterns of the collective West. Chinese influence is spreading at lightning speed because economic and even political bilateral cooperation is not conditioned in such a way. Investments and technologies flow from China to other parts of the world without ideological or political restrictions.

Therefore, on the one hand, due to technological development and the conquest of the market for sophisticated products, the Chinese economy is becoming increasingly competitive with the American one. On the other hand, due to a different political approach, Chinese investors and financial institutions are expanding the geographical range of their influence to unprecedented proportions. China is emerging as an alternative on a global scale, and the US backlash was inevitable (Economy, 2024, pp. 8-22). It was necessary both to slow down China's technological development and to narrow the geographical scope of the expansion of Chinese influence.

What is today referred to as the US-China trade war (actually, it would be more accurate to say US vs. China) in journalism and/or academic work began in 2018 with the introduction of tariffs on Chinese steel and aluminium. The Trump administration decided to take that step, referring to the principle of ensuring national security. However, it should be remembered that Donald Trump spoke of deindustrialisation (which also refers to the production of steel and aluminium) of the American economy two years earlier during the election campaign, promising major changes in this regard.

The expected Chinese reciprocal measures were perceived in Washington as retaliation, which was already a political challenge for the unstable Trump administration, facing numerous problems on the domestic front. Washington's further measures included the introduction of new tariffs on hundreds of billions of dollars worth of Chinese goods sold in the US market,

arguing that Chinese manufacturers were resorting to intellectual property theft and unfair trade practices. Also, restrictions on technology transfer and future cooperation in this area have been introduced (Kwan, 2020, pp. 55-69). In this context, the Trump administration openly pressured other countries (including European ones) to abandon their intentions to build 5G networks in partnership with Chinese distributors, which was directly aimed at Huawei and ZTE.

China responded again with its own tariffs on US goods, leading to an escalation (Liu, 2020). The negative effects of these measures and countermeasures produced global implications that were reflected in increasing prices of various products and services, increasing production costs, reducing purchasing power, and disrupting supply chains. Trying to control the crisis, the US and China signed an agreement in early 2020 that concerned the normalisation of trade relations, the resolution of intellectual property issues, and China's obligation to buy more American products. However, the planned subsequent phases of the implementation of the provisions of this agreement were not realised, and the attempt to control the crisis remained unsuccessful.

As a result, from the commercial level, the disruption of relations moved to the geopolitical level. The trade war arose as a result of a change in the balance of power in the global economy and world politics. However, it soon became an accelerator of frontal confrontation between the US and China in other fields.

ESTABLISHING THE BALANCE OF POWER AS A GENERATOR OF THE FUTURE CRISIS

The conclusion that the disruption of bilateral relations between the US and China was inevitable can be drawn by relying on the theoretical framework of structural realism. Among other things, Kenneth Waltz established through this concept that the actors in international relations tend to create a balance of forces in international relations. In this way, states, as key actors, try to ensure their own survival through greater autonomy in decision-making and by expanding their influence on other actors (Waltz, 1979, pp. 95–104).

International relations are anarchic; that is their key characteristic. The anarchy of the world political system causes constant disruptions of relations between actors since, due to the absence of central authorities, a clear hierarchy, and formally regulated relations of superiority and subordination, states must look for ways to ensure their own existence. They do this by applying the principle of self-help, that is, by relying on available resources, thanks to which they can defend their position and realise defined interests. The world political system “emerges from the coexistence of states, although no state intended to participate in the formation of a structure that would have a limiting effect on themselves. The system is formed and maintained by the principle of self-help applied to the actors” (Waltz, 1979, p. 92). Anarchy represents the principle of organising a system through which power is distributed between the great powers. Constant new distributions of power in the international system, which arise due to the application of the self-help system, lead to the appearance of functional similarity between the units of the system. That is why the principle of action of the actors remained the same despite different circumstances at different historical stages.

When it comes to the great powers, the most important actors in the world’s political system, they want to overcome the unwanted effects of anarchy by creating a desirable order for themselves (Proroković, 2018). By applying the principle of self-help, the US wanted to preserve the order created in the post-bipolar era, in which it became the undisputed global leader. In the past decade and a half, China has been creating a balance of power with the US to reduce dependence and gradually take a better position towards the US. The problem in the relationship between these two actors arose from the fact that the US did not want to accept China as an equal partner, and China no longer agreed to a second-class role in world politics. China saw itself as an equal partner (Proroković & Stekić, 2024). Simply put, by accepting China as an equal partner, the US would voluntarily agree to change the order, and if China agreed to the role of a weaker partner, it would mean that there could be no change in the unfavourable order. For this reason, bearing in mind the anarchy of international relations, there is the emergence of increasing mistrust and disruption of bilateral relations. The problematization of mutual trade relations is a consequence of mistrust since each of the parties sees them differently, and further acceleration of conflict in other fields comes as a logical epilogue. The US defends the old order, and China wants to create a new one.

GEOPOLITICAL CONFRONTATION AND ITS CONSEQUENCES

The inevitability of the disruption of bilateral relations between the two great powers means that further confrontation between the US and China is also inevitable. As a result, the confrontation acquires its own geopolitical dimension. This development was also influenced by two events not directly related to American-Chinese relations. The first is the COVID-19 pandemic that left indelible effects on both the global economy and international relations, and the second is the escalation of the conflict in Ukraine (Mavroudeas, 2020; Sebastian, 2022).

The first event contributed to a kind of “bloc division”, i.e., strengthening and intensifying cooperation to overcome the effects of the COVID-19 pandemic within the existing “blocs”. The US, together with the EU and Japan, sought solutions within the framework of the G7 and “transatlantic partnership”, and China, together with Russia and partners from the Global South, sought solutions within the framework of the BRICS platform. Contrary to the growth of mistrust between the US and China within these blocs, trust has been refreshed and strengthened, which is especially visible after February 2022. The second event showed that the measures of the transatlantic community or the collective West directed against Russia were not followed by anyone else. It may seem paradoxical at first glance, but with the escalation of the Ukrainian crisis, China’s partnership with Russia has even strengthened. “It can be seen that the Chinese-Russian partnership is of a strategic nature; it has been repeated and confirmed countless times; it cannot be threatened by any armed conflict nor by the pressure of the political West. Regardless of the fact that the various statements of Chinese officials from the first days and weeks of the crisis were ‘loaded’ with different meanings, it is obvious that Beijing is not ready to sacrifice that strategic partnership for the sake of appeasing the US and its partners. And, when we look at the successes of Chinese diplomacy in the new circumstances, then there is no reason to sacrifice that partnership. The Chinese did not vote against Russia in the UNGA even at times when the overwhelming majority of others did” (Proroković, 2023, pp. 76-77).

In the countries of the Global South, even after the escalation of the Ukrainian crisis, the growth of anti-American and/or anti-Western sentiment is noted, and the BRICS countries not only strengthened mutual relations but also gained five new members in 2023 with a tendency to further expansion.

In addition, this international configuration highlighted a clear intention to work more actively on de-dollarising the global economy and reducing the importance of Western international institutions in the world economy (Proroković, 2024).

The US leads the G7, and China leads the BRICS, with diametrically opposed and conflicting strategic goals. China did not side with the collective West after the escalation of the Ukrainian crisis because Russia is Beijing's strategic partner, indispensable in building a balance of power towards the US (which is key in maintaining NATO and the G7).

The fact that China was guided by its own strategic goals was also manifested in the Middle East after the new Israeli-Palestinian conflict that began in the fall of 2023. To a large extent, this was expected because Chinese President Xi Jinping, in December 2022, in Saudi Arabia, supported efforts to resolve the issue of Palestinian statehood. In the more than seventy-year history of the People's Republic of China, this visit was the most significant diplomatic event at the highest level with representatives of the Arab world. Three summits were organised in three days. The first was organised in a bilateral China-Saudi Arabia format; the second was between China and the regional economic integration Gulf Cooperation Council (six countries from the Persian Gulf region); and the third was between China and the Arab League (twenty-two Arab countries). On the third day of the visit, at the closing of the last summit, Xi Jinping pointed out that it was a "defining event in the history of Sino-Arab relations". The key topics of this visit were definitely the energy deals.

China has long been the largest single buyer of Middle Eastern oil. About a quarter of the "Saudi black gold" export ends in China and as much as 77 per cent in the Asian market. If there is no growth in the Chinese economy, the demand for Arab oil in the entire Asian market also declines, reducing consumption everywhere. Quite simply, China is the growth engine of the Asian economy, and much depends on the dynamics of its further development on the world's most populous continent, both directly and indirectly (Andrews-Speed & Lixia, 2022, pp. 227-240). Logically, the Chinese supported the initiative of "avoiding the shutdown of major energy sources", which is the response of the oil-producing countries to the American-European "green agenda". At the same time, the hosts "received the

message” of Xi Jinping’s insistence on greater use of the yuan in mutual trade, which is China’s strategy aimed at de-dollarising the global economy.

In short, China will support Saudi Arabia and other Arab countries in the project of slowing down the American-European energy transition. On the other hand, Saudi Arabia and other Arab countries will help China de-dollarise international financial flows. As much as it is a matter of economic interests, it is also a matter of politics. That is why Saudi Arabia joined the BRICS Plus in 2023, together with the United Arab Emirates, another Gulf and Arab country. It should be added that Iran also joined the BRICS Plus in 2022, when Chinese diplomacy mediated the restoration of bilateral relations between Saudi Arabia and Iran. China assumes one of the key roles in Middle Eastern geopolitics, and this is reflected in the Israeli-Palestinian conflict that has lasted for more than seven decades.

The Belt and Road concept plays a special role in the geographical expansion of Chinese influence. Over 150 countries and regional organisations are involved in this megaproject, and thanks to it, China has become a key trading partner, investor, or creditor in different parts of the world (which was already described in the introduction of the work by citing examples from Africa).

At the same time, the strategic goal of the US concerns China’s containment, and this strategy is implemented on three levels. The first is global and implies the instrumentalisation of the G7 and NATO. Joseph Biden had the ambition to create a counterpart to the BRI by establishing the Alliance for Democracy, but the two summits so far have not achieved any noteworthy results (Biden, 2020). Containing China on a global level will, therefore, first of all, mean the coordination of anti-Chinese activities between countries that are included in the countries of the collective West or are strategic allies of the US (in addition to the EU and Japan, Australia, New Zealand, and South Korea can also be included), to delegitimise Chinese initiatives and win over some of the big or regional powers to their side (hence US initiatives like QUAD aimed at India). The second level is regional and concerns the problematization of China’s position in the Indo-Pacific area. The most noticeable American initiatives are in Taiwan, but close cooperation with Japan, South Korea, Australia, New Zealand, and the Philippines should also be included. The US is developing relations in a bilateral format with other regional actors, which is, for example, visible in the case of Vietnam. By withdrawing from Afghanistan, the US most likely gave up continental

containment of China, but because of this, concentrated activity on maritime containment intensified. In this regard, the most important issue is the demarcation in the South China Sea, which is a point of disagreement between China and a number of neighbouring countries and, from the American point of view, is an excellent topic for stirring up anti-Chinese sentiment. At the same time, the problematization of this issue is a first-class geopolitical threat for China since it is hindered in this way from accessing the open sea. The third level concerns the creation of geopolitical hotspots within mainland China. Attempts to destabilise Hong Kong were supported by the collective West for this purpose, but the furthest in this regard was the construction of the “genocide against the Uighurs” narrative. The term “genocide” began to be used in political traffic and the media, especially during the Winter Olympic Games in Beijing in 2022. The idea behind the actualisation of the “genocide” subject is to inflame anti-Chinese sentiment in Muslim societies, but also on a global scale.

It is noticeable that China, aware of the threat of containment, is additionally investing in its armed forces. “Its advances in missile technology, nuclear weapons, and artificial intelligence have caused serious concern among many Western observers, who believe a fundamental shift in the global balance of military power is underway. President Xi Jinping has ordered China’s armed forces to modernise by 2035. They must, he says, become a ‘world-class’ military force capable of ‘fighting and winning wars’ by 2049. China has overtaken the US to become the country with the largest navy in the world, but experts point out that a simple comparison of the number of ships leaves out a number of factors that determine the capabilities of a navy. The US Navy predicts that, between 2020 and 2040, the total number of Chinese naval ships will increase by nearly 40 per cent” (Braun, 2021).

This framework determines not only the present but also the future relations between the US and China. While China persistently and patiently establishes the balance of power with the US in international relations, counting on the global majority and major and regional powers interested in creating a new order, the US projects its initiatives at the global, regional, and local levels to throw China out of the game and prevent creating a new project. For the US and its allies, the projects of de-dollarisation of the global economy, denial of access to critical raw materials in Africa (in this issue, especially in the interest of France), loss of populous markets in Latin America

and Asia, as well as displacement of Western influence from geopolitically neuralgic points such as the Middle East, are extremely dangerous. For China, the primary threat is attempts at creating crises in Xinjiang, Hong Kong, and Tibet, the maritime containment of the country, and its introduction into a regime of hostilities with certain neighbouring states.

Establishing the balance of power through reliance on the principle of self-help (which includes the creation of partnerships) leaves far-reaching consequences for changes in international relations. The disruption of bilateral relations between the US and China, observed and recorded so far, is only the beginning of this process that will continue in the coming period, possibly in the coming decades. Hence, Jens Stoltenberg's statement that China is the biggest threat to NATO is quoted at the beginning of this paper.

REFERENCES

- Andrews-Speed P. & Lixia, Y. (2022). China's evolving energy relations with the Middle East, in: J. Fulton (Ed), *The Routledge handbook of China–Middle East relations* (pp. 227-244). New York, Routledge.
- Biden, J. (2020). Why America Must Lead Again, *Foreign Affairs*, 99(2), pp. 64-76.
- Braun, D. (2021, December 27). Zašto bi Kina mogla da dobije novu globalnu trku u naoružanju, *BBC*, retrived from <https://www.bbc.com/serbian/lat/svet-59756946>. Accessed 17 August 2024.
- Cooper, D. A. & Yitan, L. (2006). U.S. Economic Sanction Threats Against China: Failing to Leverage Better Human Rights, *Foreign Policy Analysis*, 2(4), pp. 307–324.
- Economy, E. (2024). China's Alternative Order and What America Should Learn From it, *Foreign Affairs*, 103, pp. 8-24.
- Gallagher, M. (2022). A New US Balancing Act: Rejecting War & Protecting Taiwan, *Marcellus Policy Analysis – Spring 2022*, pp. 1-24.
- Heydarian, R. J. (2019, September 22). ASEAN Wants a U.S. Counterbalance to Chinese Regional Ambitions, retrieved from <https://nationalinterest.org/print/feature/asean-wants-us-counterbalance-chinese-regional-ambitions-82281>. Accessed 25 June 2024.

- Kwan, C. H. (2020). The China–US Trade War: Deep-Rooted Causes, Shifting Focus and Uncertain Prospects, *Asian Economic Policy Review*, 15(1), pp. 55-72.
- Liu, K. (2020). China's Policy Response to the China US Trade War: An Initial Assessment, *The Chinese Economy*, 53(1), pp. 158-176.
- Madan, T. (2022). The Quad as a Security Actor, *Asia Policy*, 17(4), pp. 49-56.
- Maizland, L. (2022, September 22). China's Repression of Uyghurs in Xinjiang. Council on Foreign Relations, retrieved from <https://www.cfr.org/backgrounders/china-xinjiang-uyghurs-muslims-repression-genocide-human-rights>. Accessed 4 August 2024.
- Mavroudeas, S. (2020). The Economic and Political Consequences of the COVID-19 Pandemic, *International Critical Thought*, 10(4), pp. 559-565.
- Proroković, D. (2018). *Era multipolarnosti*. Beograd, Službeni glasnik.
- Proroković, D. (2023). Kina i Ukrajinska kriza: nesvrstavanje u antiruski blok, u: N. Vuković & M. Kopanja (ur.), *Rat u Ukrajini: ono što znamo i ono što ne znamo* (pp. 71-80). Beograd, Institut za međunarodnu politiku i privredu, Fakultet bezbednosti.
- Proroković, D. (2024). Uloga BRIKS u uspostavljanju ravnoteže snaga u međunarodnim odnosima. *Srpska politička misao*, 84(2), pp. 39-60.
- Proroković, D. & Stekić, N. (2024). New Balance of Power in the International Relations and the Role of China, in: D. Proroković, P. Sellari & R. Mifsud (Eds.), *Global security and international relations after the escalation of the Ukrainian crisis* (pp. 132-152). Belgrade, Institute of International Politics and economics and Faculty of Security studies; Rome, Sapienza University, Department of Political Science; Clarksville, Austin Peay State University.
- Roberts, S. R. (2021). *The war on the Uyghurs*. Manchester, Manchester University Press.
- Rorvik, K. A. (2020). *21st Century SEATO: a Renewed Approach to Security in the South China Sea*. Newport, Naval War College.
- Schuman, M., Fulton, J. & Gering, T. (2023, 21 June). How Beijing's newest global initiatives seek to remake the world order, retrieved from <https://www.atlanticcouncil.org/in-depth-research-reports/issue-brief/how->

- beijings-newest-global-initiatives-seek-to-remake-the-world-order/. Accessed 18 June 2024.
- Scobell, A., Burke, E. J., Cooper III, C. A., Lilly, S., Ohlandt, C. J., Warner, E. & Williams, J. D. (2020). *China's Grand Strategy: Trends, Trajectories, and Long-Term Competition*. Santa Monica California, RAND Corporation.
- Sebastian, N. (2022). Russia – Ukraine Conflict: Issues and Implications for Regional and Global Politics, *NCC Review*, 142(3), pp. 762-773.
- Stoltenberg, J. (2024, 31 January). Speech by NATO Secretary General Jens Stoltenberg at the Heritage Foundation followed by audience Q&A, retrieved from https://www.nato.int/cps/en/natohq/opinions_222258.htm. Accessed 15 June 2024.
- Tao, X. (2017). China-U.S. Relations during the Trump Administration, *Asia Policy*, 24, pp. 5-12.
- Tuman, J. P. & Shirali, M. (2017). The Political Economy of Chinese Foreign Direct Investment in Developing Areas, *Foreign Policy Analysis*, 13(1), pp 154–167.
- Waltz, K. (1979). *Theory of International Relations*. Reading, Addison – Wesley.
- Wegge, N. (2014). China in the Arctic. Interests, actions and challenges, *Nordlit*, 32, pp. 83-98.
- Zhao, S. (2015). *China in Africa. Strategic Motives and Economic Interests*. New York, Routledge.