

Current Affairs Question 2.

Q40 Examine the emerging strategic competition between China and the US and its impacts on global order.

Answer

Emerging strategic competition between China and United States has long-term impacts on the global order. From the analysis of the dimensions of the competition among two countries.

1) - US is the World superpower.

United States is the world superpower. It is the world largest economy. It has world largest military, strongest navy and airforce. Dollar is the currency of international trade, and is the currency of largest organizations like International Monetary Fund (IMF) and the world bank. It is the world first nuclear power.

2) - China is going to be the largest power.

China is the second largest economy and is going to be the largest economy by 2030. It has also developed the strongest military, navy and airforce. China's involvement in the organization is a threat to the US-hegemony. China is trying to play its role best in the dedollarization process.

3) - Markets Competition.

China is the ^{second} largest exporter to the European Union and is going to be the largest exporter by 2030. China is trying to replace US in the international market. Chinese.com

make products that compete with the US made products. They make products on the basis of demands. Their products quality varies from country to country.

4) Competition in the Indian Ocean.

US has development its hegemony on the world economy and the world trade sea route. But now china is emerging as a countering force to the US- hegemony. China is trying to make its feet stronger in the Indian ocean. Through BRI it has developed shortest trade route to the international market. China has spread the network throughout the world through Build and Road Initiative. It has controlled the sea lanes of communication and the important sea choke points. It is not acceptable to US. US is making strategies to counter china.

5). BRI VS B3W

Build and Road initiative is the world largest infrastructure programme. Through BRI, china has got access to the global market through the shortest possible route. It has increased its economy. It has developed multi-lateral relationships with the member states of BRI.

US has made developed B3W as a counter project to the BRI. It has set condition to be a member of B3W, one must not be the member of BRI. The competition is going on.

and stranger with passing years.

6)- US-debt Crisis and opportunities for China.

United-States has crossed its debt ceiling (govt) in June - 2023 that is about 31.4 trillion USD. Because of clashes on debt ceiling between the US congress and Treasury Department it increases the risk of government shutdown. Which may result in economic instability.

US has taken debt from China. China is ready to compete US. If US economy decline occur it will increase the opportunities for China.

7. De-dollarization.

De-dollarization is in the process led by China. ^{Some countries} European Union have decided to quit from dollar and developed their own currency in Euro. Secondly China's involvement in the organization and challenges to World Bank will play a role in it. BRICS platform has provided this opportunity like the development of **BRICS-Fund**. Similarly, ASEAN Development Bank are trying to replace World Bank. The China and UAE have formed / signed an agreement for trading in Yuan currency. But, the fact is that America is still the largest economy and de-dollarization is not happened yet. Dollar is still the world trade currency.

Impacts on World Order

1) - Anti-China and/or versus Anti-US Agenda

US is promoting the Anti-China propaganda. She forms alliance with the countries who are pro-American and anti-Chinese. And also provides financial and strategic support to such countries. Similar is the case with China. China makes alliance and supporting the countries who are anti-American. This competition will push the world in another direction.

2) - US - India Alliance Vs Pakistan China Alliance

US-India Bilateral alliance is formed to counter Pakistan-China Alliance. More specifically to counter China's performance in the BRI and Indian Ocean. Both rivals have made significant strategic and economic agreement with countries. China needs market for weapon and Pakistan needs weapon, so, Pakistan is the largest importer of Chinese weapon. In past, Pakistan was the largest importer of US-weaponry. Similar is the case with other commodities.

On other hand, India is the largest importer of US-weaponry. It also provides financial, technological and security support to India.

2023.12.10 05:45

3) - Role of China and US in the Middle East.

In the past United States had a strong hold over middle eastern countries and Persian Gulf. They are hydrocarbon rich countries. But now China is going to replace US in middle east. China has made several strategic ~~the~~ agreement with such countries. Through BRI, China made higher investment in middle east. US was the largest importer of Iranian hydrocarbon but now China has invested in the energy sector of Iran of 480 bn USD. Now China is the largest importer of Iranian hydrocarbon.

4) - Role of US and China in Russia-Ukraine conflict.

US provides the strategic, financial and military support to Ukraine in war against Russia. While, China is openly defending Russia and provides all types of support to Russia. Here, both enemies are also trying to counter each other.

5) - Multipolarity

US and China are competing powers while Russia is again re-emerging as a power. On the other hand, India is also emerging as a rising economy. Because different alliances world power is distributed on different poles. So, world order is changing from Unipolar to Bi-polar. Now it is in the way of Multipolarity.