

US - China conflict / war / future / hegemony.

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The ~~relation~~ between the Peoples Republic of China (PRC) and the United States of America (USA) has been complex since 1946 with mutual distrust leading to complications. The relationship is one of the close economic ties (economic ties grew rapidly after 1980), as well as hegemonic rivalry in the Asia-Pacific. The U.S - China relationship is confronting its most daunting challenge in the forty years since the two countries established diplomatic ties. Current trends portend steadily worsening relations over

the long term, with increasingly adverse consequences for all actors involved. Specifically Beijing and Washington are transitioning from a sometimes contentious yet mutually beneficial relationship to an increasingly antagonistic, mutually destructive set of interactions. The often positive and optimistic forces, interests, and beliefs that sustained bilateral ties for decades are giving way to undue pessimism, hostility, and a zero-sum mindset in almost every area of engagement. Both sides bear responsibility for this pervasive deterioration, but at present the USA under president Joe Biden is unquestionably contributing most publicly to it, primarily through its ill-considered rhetorical and other overreactions to perceived Chinese misbehavior. While nothing about this degenerating relationship is inevitable (despite the uninformed alarmist predictions of doomsayers on both sides), the threat

of an even more precipitous and dangerous decline in the relationship is very real and demands serious corrective measures to avert a potential catastrophe.

History has witnessed cycles of rise and fall of civilizations, empires and regional as well as global powers. In past, military power was the only decisive factor in "balance of power" among nations. Its strength ensured their expansion and influence while its weakness precipitated their fall and disintegration. Through, it is still an important element, many other factors like economy, ideology, political stability, statesmanship and diplomacy have played substantial role in determining the status of the country among the comity of nations in this globalization world. The world order has been more dynamic due to the unprecedented

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developments in international affairs in the last century - ranging from multipolar, bipolar and unipolar. The USA has enjoyed unilateral and unparalleled status in the international affairs. But as history repeats itself, the might of America power is visibly diminishing due to nonconservative and imperialistic policies, and new centres of power and emerging to shape the "multipolar world order".

USA has not been able to acquire absolute power due to increasing competition from other major powers, particularly emergence of China, resurgence of Russia, and union of European countries globally and Iran, Venezuela regionally. The scope of America's global hegemony is admittedly great but its depth is shallow, limited by both domestic and external restraints. After forty years of reform and opening up by China,

between China and the world has undergone tremendous changes. What drives the China's reforms and externalities, especially external openness.

On opening up, China has gone through three stages: The first stage 'Economic Liberalization' started in 1978 when China's economic volume was negligible in the entire world economy and its GDP per capita was \$156. In order to progress, China took the initiative and opened to foreign investment, referred to as 'open door' policy. China actually pursued a 'unilateral openness' policy, regardless of whether other countries are open to China or not, China opened its door to these countries.

The second stage was 'Integration', which occurred during the process of

China's admission to the World Trade Organization, in the late 1990s. In order to join the World Trade Organization, China made great efforts to carry out large-scale reforms of various internal laws, systems and policies to comply with international norms.

The third stage was 'going out', stage which is a process since the beginning of this century. Joining the World Trade Organization can be said to be the starting point for the China's massive 'going out' policy. This going out policy can be divided into two stages. The first is the 'going out' of Chinese manufactured goods. After joining the World Trade Organization, China soon became a manufacturing factory in the world and the products made in China started coming to all corners

of the world, essentially in the west. Second is 'going out of capital.' In just a few decades, China quickly turned from an economy with a high capital shortage to an economy with surplus capital. 'Going out' began to change the nature of the relationship between China and the international community.

Belt and Road Initiative (BRI) of China has provided a platform for the developing countries to share progress and development. Therefore, China's exchange of resources, technology, and knowledge between developing countries, also known as countries of Global South, are transforming the Global South countries. International Monetary Fund and Silk Road Fund are also financing BRI. ~~Initiative~~ BRI has six corridors:

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New Eurasian Land Bridge; China-Mongolia-Russia; Bangladesh-China-India-Myanmar Corridor; China-Pakistan Economic Corridor (CPEC); China-Indonesia Peninsula Economic Corridor; and China-Central Asia West-Asia Economic Corridor. It stretches over three continents - Asia, Africa and Europe - and is now extending to Latin America and Caribbean Countries.

The Asian Infrastructure Investment Bank (AIIB) is a multilateral development bank that aims to improve economic and social outcomes in Asia. It is the world's second largest multi-lateral development institution. The bank currently has 106 members, including 14 prospective members from around the world. The United Nations has addressed the launch of AIIB as having potential for "scaling up financing for sustainable

development and to improve the global economic governance. The starting capital of the bank was US\$ 100 billion, equivalent to two-third of the capital of the Asian Development Bank and about half that of the world bank. The bank was proposed by China in 2013 and the initiative was launched at a ceremony in Beijing in October 2014. It received the highest credit ratings from the three biggest rating agencies in the world, and is seen as a potential rival to the world Bank and International Monetary Fund.

Similarly, Shanghai Cooperation Organization (SCO) is another initiative of China. SCO is a Eurasian political, economic, international security and defence organization. It is the world's largest regional organization in terms of geographic scope and population, covering

approximately 60% of the area of Eurasia, 40% of the World population, and more than 30% of global GDP. Although the SCO is not exclusively a military alliance, its member states do participate in joint military exercise and war games. With the induction of India and Pakistan, four SCO members have significant nuclear capabilities and this has definitely strengthened the bloc against North Atlantic Treaty Organization (NATO).

Horizon of global politics is shifting toward Asia like, BRI establishment of BRI project, establishment of AIIB to compete ADB. Voting bank of USA, Australia, India, and Japan in ADB is 45%, but voting bank of China and Pakistan in ADB is 6.5% and 2.5% respectively; therefore, AIIB is ^{being} established to compete ADB. Asia is the world's

largest regional economy and, as its economies integrate further, it has the potential to fuel and shape the next phase of globalization. Asia is increasingly the center of the world economy.

America is thinking that the world's superpower will shift from America to Asia; therefore, America is so fed up with China's growing power, and America has created many rivals and allies against China. Build Back Better World, ^(B3W) North America Free Trade Agreement (NAFTA), Quadrilateral Security Dialogues (QUAD) are the examples of such allies, which the America is building with other countries. AUKUS is a trilateral security pact between Australia, the United Kingdom, and the United States, announced on 15 September 2021 for the Indo-Pacific region. Under the

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Pact, the US and UK will help Australia to acquire nuclear-powered submarines. The aim of these nuclear submarines is to stop the influence of China in Indo-Pacific region.

Build Back Better World (B3W) is an initiative undertaken by the G7. Launched on June 12, 2021, it would provide an alternative to China's Belt and Road Initiative (BRI) for infrastructure development of low- and middle income countries. According to G7 countries China is not working on Transparency, Environmental degradation, and Labour rights through BRI, but B3W claims that they will better address these three domains. According to them ~~China~~ most of China's projects are coal based, which are degrading the environment, and there is a lot of labour right violation within BRI.

Similarly, North America Free Trade Agreement was an agreement signed by Canada, Mexico, and United States that created a trilateral trade bloc in North America. The agreement came into force on January 1, 1994, and superseded the 1988 Canada-United States Free Trade Agreement between the United States and Canada. The NAFTA trade bloc formed one of the largest trade blocs in the world by gross domestic product. After US President Donald Trump took office in January 2017, he sought to replace NAFTA with a new agreement, beginning negotiations with Canada and Mexico. In September 2018, the United States, Mexico, and Canada reached an agreement to replace NAFTA with the United States-Mexico-Canada Agreement (USMCA), and all three countries had ratified it by March

2020. NAFTA remained in force until USMCA was implemented. Therefore, the establishment of NAFTA and USMCA were to contain China's hegemony.

In the same way, Indo-Pacific Quadrilateral Dialogue, commonly known as the Quad was established between Australia, India, Japan and United States that is maintained by talks between member countries. During the 2017 ASEAN Summit in Manila, all four former members led by Abe, Australian Prime Minister Malcolm Turnbull, Indian Prime Minister Narendra Modi, and US president Donald Trump agreed to revive the ~~quadrilateral~~ alliance in order to counter China militarily and diplomatically in the South China Sea. Tenstones

between Quad members and China have led to fears of what was dubbed by some commentators "a new cold war" in the region.

In recent times, The United States refused communist revolution of China and also vetoed People Republic of China (PRC), to gain membership of the United Nations. United States and United Nations refused PRC and admitted Taiwan as a member of United Nations. In 1970s when policy of the United States changed, instead of considering Taiwan ^{the} official legitimate representative to United Nations, they started considering PRC the official legitimate representative to United Nation. Recently, Nancy Pelosi - ~~the~~ US Speaker - visit to Taiwan, in time of China-Taiwan ~~crises~~ conflict, became the centre of a huge problem.

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Both The US and Taiwan have a democratic system, which clearly shows that the US helped Taiwan to antagonize China. In response, China suspends ~~links~~ military ties with America, and advised them not to play with fire.

China and US are at daggers drawn on the issue of South China sea. It is the tension creating issue between China and USA where both the states are having their own claims. China, being the sovereign, claims that all territorial waters belong to China and the imaginary nine dotted line, that is found on Chinese maps of the sea, belongs to China according to its domestic law. China is having tensions with Phillipines and Vietnam on the issue whereas America seems to be opposing China up to the

maximums possible extend. The gestures of US clearly depict that US is not going to tolerate China in the South China sea. The US - Vietnam combined navy exercise in the sea and the flights of F-16 were an illustration of that. Similarly, ASEAN countries have deep concerns over the issue, as member states are parties to the dispute. The member seeking alliance of US in the issue has been a question on ASEAN's efficiency in the region and the member states consider it their weakness if any of the members has to look towards US to seek security in any circumstances.

US politicians have long threatened a trade war with America's longest trading partner in goods. A trade deficit occurs when exports are less than imports. In 2017, the United States exported \$130 billion to China. U.S

imports from China were \$506 billion. A lot of imports are from U.S. manufacturers that send raw material to China for low-cost assembly. Once shipped back to US, they are considered imports. As a result, tariffs hurt US corporations as well as foreign ones. American companies can't compete with China's low costs, so it loses U.S. manufacturing jobs. Americans of course want these goods for the lowest prices. Most are not willing to pay more for "Made in America".

Although the global climate has been strained by the ongoing talks on the trade war, Pakistan remains far from the melee. It is not likely to be disrupted by the split between the Western alliance as we export very little of the products that are targets of the tariffs. We have a

Very small volume of trade with US with no trade on steel and aluminium. Pakistan will hardly feel any impact in the short term as the tariffs are mostly on products not of our interest. If the tariff war escalates to products such as textiles and clothing, we could gain some market share at the expense of other countries. However, if the tariff war results in a global recession, Pakistan's economy could suffer as happened in the 2008 recession economic crisis. Pakistan is not a major international economic power and thus has a very small amount of trade with the US, largely favouring Pakistan in this scenario.

On March 8, 2018, President Trump announced a 25 percent tariff on steel imports and a 10 percent tariff

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on aluminium. Trump said, "Trade wars are good, and easy to win," but the market disagreed. Stock markets around the world tumbled in fear of a trade war between the world's three largest economies.

The U.S. congress is the only body to authorized to impose tariffs, but Trump used a special power granted by congress in 1982. It allows a president to curb imports that threaten national security. The commerce department reported that dependence on imported metals threatens the U.S. ability to make weapons, but the Aerospace Industry Council said Trump's tariffs would instead raise costs for the military and exporters.

Eight countries have filed formal complaints with World Trade Organization.

Many of these countries, like Canada, India and EU, are allies. They say Trump cannot justify the tariffs on the basis of national security. The other five complaints are Mexico, Norway, Switzerland, China, and Russia. America is the world's largest steel importer, Trump believes the tariffs would protect the 147,000 workers in US industries that import steel. A trade war raises costs for steel users, like automakers.

On March 26, 2018, Trump exempted South Korea from the steel tariff. The U.S ally is the third largest foreign supplier of steel. In return, South Korea agreed to amend the 2012 bilateral trade agreement. The United States will keep its 25 percent tariff on pickup trucks for an additional 20 years. Under the original agreement,

the tariff on pickup trucks for an additional 20 years. Under the original agreement, the tariffs would have expired in 2021. South Korea agreed to double its import quotas for US cars. Argentina, Australia, and Brazil were also exempted.

In July 2019, China posted its slowest economic growth in 27 years, i.e. 6.3% as tensions continue to mount. However, this could be part of a deliberate strategy to slow down to avoid the ominous fall as the growth rate was fairly within the years target range of 6 to 6.5% growth. A key US demand for ending the war was a reformation in China's state-directed economic model and "Made in China 2025 plan" which hampered the free market system generally and American competitive

advantage particularly. Conversely, China is strengthening the very small economic model. Domestically, in Beijing's policymaking and Chinese academic circles, there exists a vocal faction which calls for sticking to the current development model, regardless of the pressure exerted from the US side.

For Pakistan the issue of US-China trade war is a lot more pertinent. Pakistan and China - the all-weather allies' - are in the middle of completing a multi-billion economic corridors, i.e., CPEC. Pakistan must craft an all-out strategy that manages its relations with global powers, while preventing itself from any external effects by increasing its foreign relations with regional and extra-regional countries via internal

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balancing domestically and reenergizing its foreign policy through proactive diplomacy and soft power projection.

Mark Carney, Governor Bank of England, warns of the political damage the global economy may face because of this trade war,

The business investment growth rate in G7 countries has already slided to half since escalation of tensions,

leaving global expansion a subject to consumer spending. Bloomberg Economics modeling for the global risk of trade war portend that falls of exports of each contender may impose a direct risk to economies which are linked to their supply chain. With a decline in

China's exports to US, Asian economies like Taiwan, South Korea and Malaysia would be most impacted. Similarly, affectee list for US side include

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Mexico, Canada, and Kingdom of Saudi Arabia among the rest.

In today's new geopolitical landscape, the United States mainly deals with China and Russia. President Donald Trump while setting out the National Security Strategy accepted that United States is engaged in a new era of competition with China and Russia. Also, US National Security Strategy report of 2017 listed China and Russia as "the greatest threats." Former President Barack Obama and Bill Clinton regarded China as a strategic partner rather than a strategic competitor. The conflagration between big powers will be counter-productive for the mankind. Competition and conflict will only give birth to crises and inequalities whereas mankind deserve the better.

Because of many glaring features, the BRICS nations may play a significant role in the political economy of the world. Forecasting for combined currency: BRICS nations are managing to launch a combined currency for all their trade to compete dollar so it will affect world economy in future. Reserve funds: BRICS has planned for future to keep reserve funds for assisting the developing nations. In this regard 'China alone' will provide \$41 billion, Russia \$22 billion, India \$12 billion, Africa \$7 billion, BRICS has a well-developed banking sector to facilitate developing states and flow of trade. Critics think it as a serious competitor for IMF and for the west in future.

China's policy is very clear that it does not want war with anyone, but it wants to improve its economy.

China is setting up its projects all over the world to facilitate trade with other countries, but on contrary, America is trying to stop China's growing power. America's only problem with China is that the policies of China are against America's interest. If China makes policies which benefits America then the relationship between these two countries can be good in the future. All the enemy countries of the world have agreed on the fact that war does not benefit anyone, the whole world must stay together for the best prosperity and betterment.

International conflicts arise when different states tend to follow incompatible and competitive goals. Situation gets more dangerous when one or more states ^{make} use of force. Trade war in long run costs jobs. It

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depresses economic growth for all countries involved. It also triggers inflation when tariffs increase the prices of imports. America and China should increase trade between themselves and not engage in war with each other, this not only damaged the economy of their own country, but also damaged the economies of the countries of the world which directly or indirectly connected with them. Trade war between China and America could lead to Global recession.