DATE: 2025 IR-II (Past paper) DAY:

Q:8 How does the competition between the United States and China shape global dynamics in the economic, IT, and military sectors, and what implications does this rivalry have for the emerging world order? [20 Marks]

Ans: Introduction:

The United States (US) - China rivalry has emerged as the central axis of global politics in the 21st century. Unlike the Cold war, which was primarily ideological, this competition is multi-dimensional - covering economics, technology, and military power. Both states seek to preserve or expand their influence, and their contest is shaping the rules, institutions, and alignments of the emerging world order. This rivalry illustrates the transition from unipolarity to multipolarity, with profound implications for global governance.

2. Economic Dimension:

The economic contest is the most visible front of US-China rivalry.

- GDP and Trade: In 2025, the US economy stands at $27 trillion nominal GDP, while China's is $18 trillion, though, China surpasses the US in purchasing power parity (PPP) terms. This reflects China's dominance in manufacturing and trade. Bilateral trade remains massive despite tariff wars, with the US reducing tariffs from 125% to 10% in recent negotiations.

- Competing Models:

  The US promotes Build Back Better World (B3W) to counter China's ~~BRI~~ Belt and Road Initiative (BRI). While BRI has attracted over 140 countries with infrastructure investments, B3W emphasizes transparency and sustainability.

- Global Impacts: Developing countries often find themselves balancing between US-led liberal capitalism and China's state-

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driven development model. This duality is reshaping global economic governance, with institutions like the IMF and AIIB competing for influence.

3 IT and Technological Competition:

Technology is the new battlefield of power politics.

- **Artificial Intelligence (AI):**

  The US invests around $120 billion in AI research, while China follows closely with $100 billion, aiming to become the global AI leader by 2030. Platforms like Deep seek highlight China's rapid Progress.

- **Semi-conductors:**

  The US has imposed restrictions on advanced chip exports to China, recognizing semiconductors as the backbone of modern economies. China, in response, is investing heavily in domestic chip production.

- **Digital Governance:**

  The rivalry is producing digital bifurcation. The US Champions open

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internet systems, while China promotes controlled, sovereign digital governance. This division risks creating two parallel technological ecosystems, forcing states to align with one ~~on~~ or the other.

- Global Impact:

For emerging economies, this competition offers opportunities for technology transfer but also pressures them to choose sides in digital infrastructure, cyber-security, and AI ethics.

4. Military Dimension:

Military competition underscores the security dilemma between the two ~~partie~~ powers.

- Defense Spending:

In 2025, US defence expenditure is $860 billion, compared to China's $230 billion. While the US maintains global reach, China focuses on regional assertiveness, particularly in the Asia-Pacific.

- Strategic Postures:

The US has labeled China a "strategic

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competitor" under the Strategic Competition Act (2021). China, meanwhile, has modernized its navy and missile systems, challenging US dominance in the South China Sea.

- Alliances and Counterbalances:

  US-led alliances such as Quad (US, Japan, India, Australia) and AUKUS (UK, US, Australia) are designed to contain China's rise. China counters with closer ties to Russia and regional initiatives.

- Global Impact:

  Militarization of the South-China Sea and Taiwan Strait raises risks of conflict. Smaller states in Asia are compelled to hedge, balancing economic ties with China against security reliance on the US.

Comparative Chart

Indicator	United States	China
GDP (Nominal, 2025)	$ 27 trillion	$ 18 trillion
Defense Spanding (2025)	$ 860 billion	$ 230 billion
AI investment (2025	$ 120 billion	$ 100 billion

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5. Implications for Emerging World order:

- **Shift to multipolarity:**

  The rivalry erodes US unipolar dominance, paving the way for multi-polarity with China, EU, and regional powers asserting influence.

- **Fragmented Governance:**

  Competing economic and digital standards risk dividing the world into US-aligned vs China-aligned blocs.

- **Security Dilemmas:**

  Arms buildup and technological decoupling increase instability, particularly in Asia-Pacific.

- **Opportunities for Developing States:**

  Emerging economies can leverage competition for better trade deals, infrastructure, and technology transfer, though at the cost of strategic autonomy.

6. Conclusion:

The US-China rivalry is not merely bilateral but systemic, shaping the economic, technological, and military

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foundations of global politics. It signals the end of unipolarity and the rise of a contested multipolar order.

Good
You have got potential
Good luck!

Theory application is required