



# **From Engagement to Strategic Competition: Analysing China's Rise and Its Implications for US Global Leadership**

**BY**

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## **Abstract**

Over the past four decades, the People's Republic of China (PRC) has transformed from a peripheral actor to a central pole of global power, reshaping the international system and challenging the United States' long-standing primacy. This study examines China's rise across three interlinked dimensions economic, military, and diplomatic and assesses the implications for US strategic, economic, and normative interests. Drawing on power-transition theory, great-power competition frameworks, and contemporary scholarship on US-China relations, the research adopts a qualitative and analytical approach, synthesising secondary data from official documents, scholarly publications, and empirical reports. Findings indicate that China's sustained economic expansion, technological innovation, military modernisation, and assertive diplomacy have generated a multifaceted challenge to US dominance. The United States faces pressures to recalibrate its grand strategy, secure resilient supply chains, reinforce alliances, and maintain influence in critical regions, particularly the Indo-Pacific. At the same time, China's rise is uneven and context-dependent, leaving space for selective engagement, hedging, and co-existence. The study concludes that US-China relations are defined by a complex mix of interdependence, strategic competition, and normative contestation, with profound consequences for global security, economic governance, and international order. It recommends that US policymakers adopt a nuanced strategy combining deterrence, engagement, and multilateral coordination while recognising the contingent nature of the rivalry, and that both powers pursue mechanisms for crisis management to avoid escalation.

**Keywords:** *China, United States, Power Transition Theory, Belt and Road Initiative, Modernisation*

## **1.0 Introduction**

Over the past four decades, the international system has been fundamentally reshaped by the

dramatic rise of the People's Republic of China (PRC), which has transitioned from a peripheral

actor to a central pole of global power. Economically, China has become the world's largest trader in goods, a key hub of global manufacturing, and a major outward investor, with capabilities rivaling those of the United States in several strategic sectors (Grosse, Gamso, & Nelson, 2021). Militarily, sustained post-Cold War defence spending and an ambitious modernisation programme have produced advanced naval, cyber, space, and missile capabilities, prompting US defence planners to identify China as the "pacing challenge" for American strategy (U.S. Department of Defense, 2024). Diplomatically, Beijing has extended its influence through the Belt and Road Initiative (BRI), multilateral platforms, and partnerships in the Global South, signalling its ascent as a great power (Ali & Ali, 2021; Roper, 2024).

This multidimensional rise has significantly altered the global order. Scholarship increasingly suggests that the post-Cold War "unipolar moment" dominated by the United States is giving way to a more competitive structure. Lind (2024) argues that China's emergence has pushed the system "back to bipolarity," with Washington and Beijing constituting the two poles around which global power, alignments, and institutions revolve. Others emphasise that the US-China relationship blends deep economic interdependence with intensifying strategic rivalry, creating a "geoeconomic contest" over trade, technology, and supply chains that drives partial decoupling (McDonagh, 2025). Regardless of whether the system is bipolar or competitively multipolar, China's rise has become the central axis of contemporary debates about the future of

international politics.

For the United States, China's ascent presents both a practical policy challenge and a symbolic test of its long-standing claims to global leadership. Official discourse has shifted from engagement and the notion of a "responsible stakeholder" to "strategic competition." The 2022 US National Security Strategy identifies China as the only state with both the intent and capacity to reshape the international order, framing it as the foremost long-term competitor to US interests and values. Complementary documents, such as the Indo-Pacific Strategy, emphasise defending a "free and open Indo-Pacific," deterring aggression, particularly across the Taiwan Strait, and ensuring resilient supply chains with allies (U.S. Department of Defense, 2024).

Recent research highlights the conceptual shift entailed by "strategic competition." Winkler (2023) notes that it has become a catch-all framing both US and Chinese policy narratives, marking a departure from assumptions of convergence toward enduring rivalry across military, economic, and ideological domains. Applying power-transition theory, Ali and Ali (2021) describe China's rise as a classic great-power contest in which an established hegemon is increasingly challenged by a rapidly ascending state whose gains in economic and technological capacity challenge existing hierarchies. Consequently, tensions over trade, advanced technologies, the South China Sea, or Taiwan reflect a deeper structural redistribution of capabilities rather than isolated disputes. Nevertheless, debate persists over whether China's rise necessarily threatens US primacy or

the liberal international order. Grosse, Gamso, and Nelson (2021) caution that while China's growing influence heightens the risk of trade conflict and supply-chain disruption, it does not automatically imply the collapse of globalisation or the wholesale replacement of Western-led institutions. Roper (2024) similarly notes that China's ascent is uneven, shaped by broader capitalist dynamics, suggesting that the emerging order may be more complex than a straightforward transition from US hegemony to Chinese dominance. These debates underscore that China's rise is a multifaceted, contingent process whose implications depend on the strategic responses of both Beijing and Washington.

Empirically, competitive dynamics are increasingly visible across multiple arenas. In security, US strategy documents and congressional hearings highlight concerns over Chinese military modernisation, coercive activities in the South and East China Seas, and potential crises over Taiwan (U.S. Department of Defense, 2024; Pacific Forum, 2023). Economically, disputes over tariffs, investment screening, export controls on semiconductors, and industrial policy have spurred discussions of "decoupling" from China-centred supply chains (McDonagh, 2025). In terms of influence, both powers compete to shape third-country preferences through infrastructure initiatives, alliances, development finance, and narrative framing. Chang-Liao and Huang (2025) demonstrate how China's partnership diplomacy can act as a "wedge strategy" to dilute US influence within its alliances.

The stakes of this rivalry extend beyond the

bilateral relationship. As Lind (2024) notes, competition between system-defining powers sets the tone for global security, economic governance, and normative standards. How the United States and China manage or mismanage this rivalry will shape regional stability in the Indo-Pacific and affect the global capacity to address transnational challenges such as climate change, pandemics, and financial crises. Third countries, particularly in the Global South, face the delicate task of navigating this rivalry while extracting benefits from engagement with both powers (Pacific Forum, 2023; McDonagh, 2025).

This study examines China's rise as a global power and its implications for the United States, focusing on the strategic, economic, and normative dimensions of the relationship. It situates China's ascent within contemporary debates on power transition and great-power competition, analyses Beijing's growing capabilities and activism, explores Washington's strategic responses, and assesses the broader implications of US-China rivalry for the evolving global order. By providing a balanced, empirically grounded account, this study goes beyond narratives of inevitable conflict or smooth accommodation, highlighting the contingent and contested nature of this defining twenty-first-century relationship.

## **1.1 Background of the Study**

China's rise encompasses three interconnected dimensions economic, military, and diplomatic each reshaping the global balance of power and governance in ways that directly affect the United States. Economically, China has transitioned from an agrarian, low-income country in the late 1970s

to the world's largest manufacturing economy, accounting for 28 per cent of global manufacturing output by 2019 (Song et al., 2021). This transformation reflects not only cheap labour and export-oriented assembly but also gradual upgrading in industrial capabilities, innovation, and services. Brühl (2025) highlights policy initiatives such as "Made in China 2025" and the "dual circulation" strategy, which aim to pivot China toward higher-value innovation while leveraging global markets.

China's integration into global value chains (GVCs) has created structural dependencies in intermediate goods, electronics, and machinery, making foreign firms and economies reliant on Chinese production networks (Grosse, Gamso, & Nelson, 2021; Wang, 2025). Despite discussions of "decoupling," Jiang and Xing (2025) show that China's GVC connections remain resilient, often strengthened by domestic capability upgrades and trade partner diversification. China now exemplifies selective re-wiring: reduced exposure in sensitive US and EU sectors alongside deeper ties with emerging markets and regional agreements such as the Regional Comprehensive Economic Partnership (RCEP). Outward foreign direct investment (OFDI) has expanded China's influence across Asia, Africa, Latin America, and parts of Europe, while reinforcing its dominance in critical supply chains for rare earths, batteries, 5G equipment, and solar panels (Wang, 2025).

Militarily, China has modernised the People's Liberation Army (PLA) across land, sea, air, cyber, space, and nuclear domains, aiming for a "world-class" force by mid-century (U.S. Department of Defense, 2023). The PLA Navy

(PLAN) operates the world's largest fleet, including modern multi-mission destroyers, cruisers, and aircraft carriers, projecting power across the Western Pacific and beyond (Palmer, Carroll, & Velazquez, 2024). Investments in long-range precision missiles, integrated air-defence, cyber capabilities, and nuclear forces further signal a robust deterrent and growing strategic reach (IISS, 2025).

Diplomatically, China has shifted from cautious engagement to proactive agenda-setting. Initiatives such as the Belt and Road Initiative (BRI), the Asian Infrastructure Investment Bank (AIIB), and digital and health cooperation platforms enable China to shape global governance in a multipolar world (Brühl, 2025; Chaudhry, 2025). BRI participation reconfigures trade routes and global value chains while eliciting strategic responses from other powers (Moradi Haghghi, 2025). Beyond Eurasia, China's diplomatic footprint has expanded to Africa, Latin America, the Middle East, and even the Arctic, blending economic tools and narrative framing to secure influence (The Arctic Institute, 2025; Azizi, 2025).

Taken together, these economic, military, and diplomatic dimensions help explain why analysts increasingly view the international system as evolving toward de facto bipolarity, with China emerging as a counterweight to US-centered unipolarity (Lind, 2024). For the United States, China's rise is not merely a matter of GDP growth or trade volumes but represents the emergence of a state capable of challenging US dominance, shaping international rules, and offering alternative sources of finance, technology, and

security to third countries. This context frames the study's aim: to systematically analyse how China's growing capabilities and activism present strategic, economic, and normative challenges to US power and interests, and what this implies for the evolving global order.

## 1.1 Theoretical Framework

This study is anchored in the major International Relations (IR) theories that have been most widely used to interpret the evolving relationship between China and the United States: realism (including power transition theory as a specific variant), liberal institutionalism, and constructivism. Rather than treating these perspectives as mutually exclusive, the framework uses them in a complementary way to capture material power shifts, institutional and economic interdependence, and the role of ideas and identities in shaping US-China dynamics. Recent scholarship explicitly argues that a multi-theory lens is necessary to understand why and how the two states compete, and how that competition might be managed (He & Feng, 2025).

From a realist standpoint, the rise of China is primarily a problem of shifting material capabilities in an anarchic international system. Realists focus on relative power, security dilemmas and balancing behaviour. Structural or offensive realism sees Beijing's growing economic and military capabilities as an inherent threat to the existing hegemon, prompting Washington to hedge, contain, or balance China through alliances and military deployments in the Indo-Pacific (Tahir, 2024). Recent work on US-China strategic competition in Asia argues that both sides increasingly view each other through a

zero-sum lens, with US freedom of navigation operations, Chinese militarisation of the South China Sea, and intensified alliance politics in the region all interpreted as rational responses to shifting power and perceived vulnerability (He & Feng, 2025; Tahir, 2024).

Power transition theory (PTT) builds on this realist logic but pays particular attention to the relative speed and direction of change. PTT suggests that the international order is most dangerous when a rising challenger approaches parity with a dominant power, especially if the challenger is dissatisfied with the existing order. Recent research frames US-China rivalry explicitly as a power transition, describing an emerging "conflict bipolarity" in which the two states increasingly anchor opposing economic and security blocs (Degterev et al., 2021). Örmeci, Kisacik and Helvaciköylü (2024) apply power transition theory directly to US-China competition, arguing that China's rapid economic growth and technological upgrading have narrowed the capability gap and intensified mutual threat perceptions, even though Beijing remains below the United States in overall power. Other PTT-inspired work links China's Belt and Road Initiative (BRI) to a broader attempt to reshape the distribution of influence in Eurasia and the Global South. Zhang and James (2022) combine systemism and power transition theory to show how BRI operates simultaneously at global and regional levels, enhancing China's structural position and potentially eroding US-led institutional and economic dominance. At the same time, Zhao (2025) demonstrates that power transition logic does not apply uniformly across

all regions: in the Middle East, for example, US primacy persists despite China's economic presence, indicating that local alignments, regime preferences and strategic satisfaction can mediate or dilute a global power shift. These studies are useful for this paper because they highlight both the strengths and limits of PTT: it captures the macro-level shift in capabilities and status, but it may overpredict confrontation if it ignores regional variation and degrees of satisfaction with the existing order.

Liberal institutionalism offers a different, though related, lens by emphasising economic interdependence, international institutions and rules. Liberal perspectives argue that dense trade, financial and technological linkages between the United States and China create both constraints and incentives that cannot be reduced to raw power politics. The notion of "competitive interdependence" has gained prominence as scholars show that economic ties have not prevented security tensions but have made outright decoupling costly and incomplete (Pearson et al., 2022). Ryan and Burman (2025), for example, analyse the US-China "tech war" and show how US export controls and investment screening aim to restrict China's access to "emerging and foundational technologies" while still operating within a globalised production system where firms on both sides remain deeply entangled.

Liberal institutionalist accounts stress that regional and global institutions such as the World Trade Organization, the G20, and Asia-Pacific multilateral forums still provide arenas where the United States and China cooperate, bargain and

signal intentions, even amid rivalry (He & Feng, 2025). At the normative level, work on liberal democracy and US grand strategy argues that America's response to China is shaped not only by material competition but also by the desire to preserve a liberal order of open markets and democratic values (Xia, 2023). In this view, the challenge is to manage competition in ways that preserve the benefits of openness and institutionalised cooperation while addressing real concerns about economic coercion, unfair trade practices and technological dependence. For this study, liberal institutionalism helps to explain why the United States has pursued strategies such as "de-risking" rather than full decoupling, and why many allies seek to diversify without severing ties with China altogether.

Constructivism adds a further layer by focusing on how identities, norms and shared meanings shape behaviour. Constructivist analyses of US-China relations argue that rivalry is not simply a mechanical response to material power shifts but is mediated by how each side interprets the other's intentions and role in the international system. Badea (2021) shows that the language of "strategic competitor" and "revisionist power" in US discourse, and parallel narratives of "national rejuvenation" and "century of humiliation" in Chinese discourse, co-constitute a relationship in which both sides increasingly see their interests as fundamentally opposed. Jamison (2021) similarly argues that perceptions, historical memories and domestic narratives about status and respect are central to how both Beijing and Washington define what counts as acceptable compromise, escalation or restraint.

More recent constructivist work traces how third countries and regional media construct identities for China and the United States. Li et al. (2025), for example, examine Kazakhstani media and show how portrayals of China as a pragmatic economic partner and the United States as a distant security actor evolve in the wake of Russia's invasion of Ukraine, drawing on constructivist identity theory to highlight the fluidity of "friend" and "competitor" images. Li (2025) also conceptualises China-US rivalry through the lens of changing structure-agency dynamics under globalisation, arguing that leaders' discourses and domestic coalitions can either exacerbate or soften systemic pressures toward rivalry. These insights are important for this paper because they suggest that the "threat" posed by China's rise is not given; it is interpreted and framed through domestic politics, media narratives and elite beliefs in both countries and among their partners.

Taken together, these three perspectives provide a layered theoretical framework for analysing China's rise and the resulting challenges to the United States. Realism and power transition theory supply the core explanation for why competition has intensified as China's capabilities have grown and as the relative distribution of power has shifted (Degterev et al., 2021; Örmeci et al., 2024). Liberal institutionalism draws attention to the constraining effects of interdependence and institutions, helping to explain why the rivalry is so deeply embedded in trade, technology and finance rather than confined to military confrontation (Pearson et al., 2022; Ryan & Burman, 2025). Constructivism, finally,

highlights how evolving identities, narratives and norms on both sides and among third parties shape perceptions of threat, legitimacy and acceptable behaviour (Badea, 2021; Li, 2025).

Building on He and Feng's (2025) argument that realism best explains the "why" of US-China competition while liberal and constructivist insights clarify the "how" and "how to manage" questions, this study adopts a primarily realist-power transition lens, supplemented by liberal-institutionalist and constructivist perspectives where appropriate. Realism and power transition theory guide the analysis of China's material rise and its implications for US primacy, liberal institutionalism informs the discussion of economic and institutional entanglements, and constructivism is used to interpret how ideas and identities affect the trajectory of rivalry. This combination provides a coherent but flexible framework for examining how China's rise reshapes global power and what that means for the United States as an incumbent hegemon.

## 2.0 Literature Review

### 2.1 Overview of the Literature on China's Rise and US-China Relations

Existing scholarship on China's rise and the evolving US-China relationship is large and still expanding, but several broad strands can be identified. Recent work emphasises that China's growing power is simultaneously economic, military and institutional, and that its impact on the international order depends not only on aggregate capabilities but also on how Beijing and Washington interpret and respond to one another's moves (Grosse, 2021; Heldt & Park, 2025; Roper,

2024).

## **2.2 China's Economic Rise and Global Economic Governance**

A first cluster of studies focuses on China's economic ascent and its implications for global economic governance. Grosse (2021) argues that China's economic and political weight now broadly rivals that of the United States, creating new frictions over trade, supply chains and foreign direct investment, but not necessarily signalling the end of globalisation. Heldt and Park (2025) similarly contend that China's rise is reconfiguring global economic governance across development finance, trade and sovereign debt restructuring. They show that Chinese initiatives sometimes complement existing institutions and sometimes bypass or challenge them, leading to a more fragmented but not wholly "post-liberal" order. Roper (2024) extends this debate by examining how China's ascent and the US response are reshaping the liberal international order, noting that the United States has begun to reinterpret China less as a partner in interdependence and more as a systemic rival.

## **2.3 The Belt and Road Initiative and Economic Statecraft**

Within this broader political-economy literature, the Belt and Road Initiative (BRI) has become a central reference point. Recent empirical work suggests that the BRI is not just a foreign policy slogan but a mechanism that changes patterns of investment and production. Todo (2025), using a gravity-model approach, finds that BRI participation significantly increases Chinese outward FDI and also affects investment from other major economies, indicating that China's

economic statecraft is altering competitive dynamics in host countries. Moradi Haghghi (2025) shows that BRI projects are reshaping global value chains by deepening China's role in infrastructure, logistics and trade corridors linking Asia, Europe and Africa, while also raising concerns about debt sustainability and asymmetrical dependence. In parallel, Heldt and Park's (2025) special issue demonstrates that Chinese-created or Chinese-led institutions (such as the Asian Infrastructure Investment Bank) can both plug gaps in Western-led governance and function as alternatives that enhance Beijing's agenda-setting power.

## **2.4 Domestic Political Economy, Party-State Capitalism, and Decoupling Debates**

Another stream of scholarship examines how China's domestic political economy and party-state capitalism interact with this global expansion. Pearson, Rithmire and Tsai (2022) argue that changes in China's political economy particularly the greater securitisation of economic policy and the blurring of boundaries between state and private capital have generated "security dilemma dynamics" with advanced industrial economies. Western governments increasingly treat Chinese firms and technologies as potential security risks, prompting tighter investment screening, export controls and campaigns to exclude certain Chinese companies from critical sectors. This insight feeds directly into recent debates on economic "decoupling" or "de-risking": McDonagh (2025), for example, shows how US-China competition and mutual suspicion have driven discussions of partial decoupling in trade and technology, even as deep economic

interdependence proves difficult to unwind. Ryan and Burman (2025) similarly argue that US legislative efforts to constrain Chinese access to “emerging and foundational technologies” reflect a durable “tech war” that is likely to persist regardless of which administration is in power.

## **2.5 China’s Military Modernisation and Regional Security Dynamics**

A second large body of work focuses on China’s military modernization and changing regional security balances. Official US assessments highlight the scale and pace of People’s Liberation Army (PLA) modernisation, including rapid growth in China’s nuclear arsenal, the development of long-range missiles and the expansion of the People’s Liberation Army Navy (PLAN). The US Department of Defense’s 2023 and 2024 China Military Power Reports note that China now fields more than 500 operational nuclear warheads and is investing heavily in conventional capabilities that can hold US and allied forces at risk across the Indo-Pacific. Complementing these official reports, the US Naval Institute’s analysis of Chinese naval modernisation suggests that the PLAN is now the world’s largest navy by ship numbers and that its capabilities are increasingly oriented towards power projection and anti-access/area-denial roles. CSIS research on China’s naval build-up adds that Beijing’s shipbuilding capacity and sustained investment could leave the PLAN better placed than the US Navy in a prolonged great-power conflict if current trends continue.

## **2.6 Organisational and Doctrinal Reforms in the People’s Liberation Army (PLA)**

Beyond hardware, analysts point to organisational

and doctrinal reforms that seek to turn these capabilities into usable power. An ORF study of contemporary trends in China’s military modernisation highlights the creation of new joint commands and information-warfare units, including the Information Support Force, which are intended to increase the PLA’s ability to fight “informatized” and “intelligentised” wars. For many authors, these developments feed directly into US threat perceptions and alliance politics, especially around flashpoints such as the South China Sea and Taiwan, reinforcing a narrative of intensifying military rivalry.

## **2.7 Diplomacy, the BRI, and Influence in the Global South**

Diplomatically, the BRI is widely discussed as a vehicle for China’s coalition-building and influence-seeking, especially in the Global South. Zhao (2024) argues that the BRI has become a key instrument in China’s competition with the United States over infrastructure, norms and political support in developing regions. Heldt and Park (2025) likewise emphasise that Chinese initiatives in development finance and debt restructuring can both complement and displace Western-led institutions, depending on the issue area and the responses of incumbent powers. Loke (2025) extends this line of inquiry by showing how China combines connectivity strategies such as infrastructure, trade and digital projects with security partnerships to consolidate its regional influence in the Indo-Pacific, even as some states hedge by deepening ties with the United States and its allies.

## **2.8 United States Responses and the Framing of Strategic Competition**

Against this backdrop, a substantial literature analyses how the United States has responded and how the relationship has been reframed as one of “strategic competition.” Winkler (2023) traces the evolution of the term “strategic competition” in US policy discourse and International Relations scholarship, arguing that it has become an umbrella concept that blurs analytical distinctions between cooperation, rivalry and conflict. Cook (2025) adds a complexity-theory perspective, suggesting that strategic competition should be understood as a dynamic system of interactions rather than a linear contest, which has implications for how both sides manage escalation risks. On the policy side, Ross (2023) characterises US strategy as a form of “reluctant retrenchment,” arguing that Washington is adjusting its military posture in East Asia while simultaneously deepening security partnerships to offset growing Chinese capabilities. Montolalu (2022) provides a more focused case study of the US–Australia alliance, showing how it has been adapted as part of a broader balancing strategy in the Indo-Pacific.

## **2.9 Strategic Competition in New Domains: Technology, Cyber, and Space**

Other authors explore how strategic competition spills into new domains such as space, cyber and advanced technologies. Ryan and Burman (2025) interpret US export controls and investment screening in high-tech sectors as part of a deliberate strategy to maintain technological primacy over China, even at the cost of fragmenting global markets. McDonagh (2025)

similarly links world-order debates to the prospect of economic decoupling, arguing that the US-China rivalry is increasingly expressed through restrictions on trade, investment and technology flows rather than traditional tariff wars alone. These studies reinforce the view that the economic and security dimensions of the relationship are now tightly intertwined.

## **2.10 Synthesis and Research Gap**

Taken together, the literature paints a complex picture. There is broad agreement that China’s economic rise, military modernisation and diplomatic activism have created a sustained challenge to US primacy, but less consensus on whether this amounts to a fundamental rupture of the international order or a messy process of adaptation and partial reconfiguration (Grosse, 2021; Heldt & Park, 2025; Roper, 2024). While many studies examine individual dimensions such as BRI projects, naval modernisation or US Indo-Pacific strategy fewer works systematically connect these strands to show how China’s multi-faceted rise simultaneously generates opportunities and constraints for US power. This paper builds on the existing scholarship by bringing these economic, military and institutional perspectives into a single analytical frame and by focusing specifically on how China’s rise translates into concrete challenges for the United States as a global power.

## **3.0 Methodology**

This study adopts a conceptually oriented, qualitative, desk-based approach, designed to interpret and explain how China’s multidimensional rise economic, military, and diplomatic creates strategic challenges for the

United States within the evolving international system. Rather than seeking to measure attitudes or produce statistical causality, the research prioritizes the nuanced understanding of strategy, perceptions, and long-term shifts in global power, phenomena that are inherently complex, historically layered, and context dependent (He & Feng, 2025; Pearson, Rithmire, & Tsai, 2022; Roper, 2024).

To achieve this, the study relies entirely on secondary data, including peer-reviewed journal articles and monographs in International Relations, security studies, and international political economy, which examine China's economic transformation, military modernization, the Belt and Road Initiative (BRI), and US strategic responses (Grosse, 2021; Moradi Haghghi, 2025; Heldt & Park, 2025). These sources are complemented by policy reports and think-tank analyses from reputable institutions such as the Center for Strategic and International Studies and the Pacific Forum, providing timely assessments of Chinese military capabilities, naval expansion, technological controls, and alliance dynamics (Palmer, Carroll, & Velazquez, 2024; Pacific Forum, 2023). Official documents, including the US National Security Strategy, Indo-Pacific Strategy, and annual China Military Power reports, are treated as key texts that reveal how Washington publicly frames China's rise and its associated risks (The White House, 2022; U.S. Department of Defense, 2023), while Chinese white papers, speeches, and statements are consulted to capture Beijing's self-representation and strategic intentions.

Descriptive context is further supported by official

datasets, such as IMF World Economic Outlook figures and defense assessments from the U.S. Naval Institute, to provide empirical grounding for indicators like GDP, growth rates, and naval strength (IMF, 2024; U.S. Naval Institute, 2025). Data collection was conducted through structured keyword searches, focusing on publications from 2021 onward, and documents were thematically organized into economic, military, diplomatic, US response, and theoretical categories (Pearson et al., 2022; Heldt & Park, 2025). Analysis employed qualitative content analysis and thematic synthesis, combining deductive coding informed by theory with inductive identification of emergent themes, allowing for both theory-driven and data-driven insights (He & Feng, 2025; Nowell & Albrecht, 2024). Initial familiarization with the documents enabled identification of recurring concepts and causal claims, such as "power transition," "bipolarity," "security dilemmas," and "competitive interdependence" (Grosse, 2021; Winkler, 2023).

Deductive codes reflected the theoretical framework, including economic rise, military modernization, BRI, geoeconomics, US strategic response, alliance politics, world order, and realist, liberal, or constructivist interpretations, while inductive codes captured emerging phenomena such as technological rivalry, de-risking, coalition-building, supply chain vulnerabilities, and narratives of national rejuvenation (Pearson et al., 2022; Ryan & Burman, 2025). These codes were then synthesized into broader themes corresponding to research objectives: economic rise and structural power, military modernization and regional

security, and US strategic competition and policy adaptation (Heldt & Park, 2025; Palmer, Carroll, & Velazquez, 2024).

Finally, these themes were interpreted through International Relations theories, with realism elucidating balancing and power-transition dynamics, liberalism highlighting interdependence and institutional mechanisms, and constructivism providing insight into identity, narratives, and variations in threat perception (He & Feng, 2025; Degterev, Ramich, & Tsvyk, 2021). This integrated, conceptually grounded approach enables the study to present a coherent and empirically informed account of how China's rise is reshaping the strategic environment for the United States and influencing the broader global order.

#### **4.0 Discussion of the Findings**

The findings of this study highlight the multifaceted nature of China's rise and the complex challenges it poses to United States global influence. Economically, China's transformation from a largely agrarian economy in the 1970s to the world's largest manufacturing hub and a central node in global value chains underscores the depth of its structural power. The analysis confirms that China's integration into global production networks has made many countries, including the United States, partially dependent on its manufacturing and technological capacities (Grosse, Gamso, & Nelson, 2021; Wang, 2025). Initiatives such as "Made in China 2025" and the dual circulation strategy reveal Beijing's deliberate effort to shift towards higher-value production and domestic innovation while simultaneously leveraging global markets (Brühl,

2025). The study also demonstrates that China's outward foreign direct investment, particularly in infrastructure and critical technology sectors, is not merely an economic tool but a strategic instrument of influence, enhancing its reach across Asia, Africa, Latin America, and parts of Europe, while shaping the preferences and policies of third countries (Moradi Haghghi, 2025; Wang, 2025).

Militarily, the findings illustrate the profound implications of China's modernization for regional and global security. The People's Liberation Army's (PLA) advances across naval, missile, cyber, space, and nuclear domains signal a capability-driven challenge to long-standing US dominance in the Indo-Pacific (U.S. Department of Defense, 2023; Palmer, Carroll, & Velazquez, 2024). The study's review of PLAN expansion, joint exercises, and nuclear modernization indicates that China is not only increasing its capacity to project power but is also shaping the operational environment to influence regional security dynamics and complicate US strategic calculations. This aligns with the observed shift in US defense planning from engagement to strategic competition, highlighting a recognition that Chinese military capabilities now constitute a system-defining factor rather than a peripheral concern (U.S. Department of Defense, 2024; Pacific Forum, 2023).

Diplomatically, the analysis underscores China's proactive institution-building and agenda-setting role, particularly through the Belt and Road Initiative (BRI), the Asian Infrastructure Investment Bank (AIIB), and other multilateral engagement platforms (Brühl, 2025; Chaudhry, 2025). These initiatives are not only instruments

of economic statecraft but also mechanisms for reshaping global governance norms and creating new dependency networks that enhance Beijing's influence in both emerging and strategic markets (Azizi, 2025; Bunnak, 2024). The findings suggest that China's diplomatic strategy blends economic incentives, narrative framing, and relational diplomacy, offering third countries alternatives to Western-led institutions while reinforcing its own status as a rising pole in a gradually more multipolar system (The Arctic Institute, 2025).

From the United States perspective, the study confirms that China's rise has catalyzed a recalibration of grand strategy. US policies now emphasize strategic competition across economic, technological, military, and normative domains, reflecting the dual challenge of managing interdependence while containing potential threats (Winkler, 2023; McDonagh, 2025). Evidence from policy documents and strategic reports indicates that the United States perceives China as both a structural and normative challenger, necessitating measures ranging from alliance reinforcement and supply chain "de-risking" to technological safeguards and regional deterrence postures (Pacific Forum, 2023; Palmer et al., 2024).

Conceptually, these findings underscore the interplay between structural power, strategy, and perception in shaping US–China relations. Realist insights are reflected in the balancing behaviors, military modernization, and great-power competition observed, while liberal and constructivist dimensions illuminate the role of institutions, interdependence, norms, and identity narratives in framing each side's responses (He &

Feng, 2025; Degterev, Ramich, & Tsvyk, 2021). Importantly, the study highlights that the US–China relationship is not a deterministic path toward conflict; rather, it is a contingent and negotiated process in which strategic choices, economic interdependencies, and normative constructions interact to define the global order. Overall, the discussion demonstrates that China's rise is simultaneously an economic, military, and diplomatic phenomenon with tangible effects on US global strategy and influence. It confirms that the dynamics of strategic competition are complex, multi-dimensional, and contextually grounded, suggesting that future outcomes will depend not only on capabilities but also on the choices and perceptions of both Beijing and Washington, as well as the responses of third-party actors navigating this evolving international system.

## 5.0 Conclusion and Recommendations

The rise of China from a cautious regional actor to a confident global power has fundamentally reshaped the structure, norms, and expectations of the international system. This study has shown that the shift from engagement to strategic competition between China and the United States reflects not only material power transitions but also deeper ideological, technological, and institutional contestations. China's expanding economic networks, assertive diplomatic outreach, and accelerating military modernisation have collectively challenged long-standing assumptions about US dominance in global governance. At the same time, the United States faces the complex task of balancing strategic competition with the

need for selective cooperation on global issues such as climate change, technological governance, and international trade stability. The findings therefore underscore that the emerging global order is neither a simple continuation of American hegemony nor an abrupt Chinese takeover, but rather a contested, fluid, and strategically charged environment that demands careful navigation.

Drawing from these insights, several key recommendations emerge. First, the United States should adopt a more adaptive and forward-looking grand strategy that aligns its traditional alliances with emerging partnerships, especially in the Indo-Pacific, Africa, and Latin America. Strategic competition requires not only military strength but also credible economic engagement, sustained diplomatic presence, and investment in soft-power instruments that rebuild global trust in American leadership. Second, both China and the United States must deepen institutional dialogue to prevent miscalculations, particularly in technology governance, maritime security, and trade. Competition without communication increases the risks of escalation, especially in regions where both powers have overlapping interests. Third, middle powers and regional organizations should be empowered to play stabilising roles, serving as mediators, norm-setters, and balancers within an increasingly polarized landscape. Their voices can help diffuse tensions and ensure that global governance does not become a zero-sum theatre dominated solely by superpower rivalry.

Finally, the study recommends that future scholarship and strategic thinking should explore pathways for cooperative competition a framework that recognizes rivalry but also creates

room for joint action on existential global challenges. As the world navigates this pivotal moment, the ultimate test for both China and the United States will be whether their pursuit of power advances global stability or accelerates systemic fragmentation. A disciplined, enlightened, and strategically calibrated approach from both sides remains essential for sustaining a balanced and peaceful international order.

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