



Report

The US, China and International Order

30 November 2021, Tuesday

On 30 November, the International Peace Research Initiative (IPRI), National Institute of Advanced Studies (NIAS), Bangalore in collaboration with the Konrad-Adenauer-Stiftung (KAS) India Office organized a lecture as part of the “Peace Lecture Series” at Hotel Taj West End, Bangalore. The lecture was on “The US, China, and International Order” by Dr Gudrun Wacker, Senior Fellow, SWP. Besides, Dr Wacker, Prof Dr Carlo Masala, Professor at the Universitat der Bundeswehr; Prof Dr Heribert Dieter, Senior Fellow at the German Institute for International and Security Affairs, SWP, Berlin; and Mr Peter Max Rimmele, the Resident Representative of Konrad-Adenauer-Stiftung Office, India delivered their opinions on the theme.

Today, the US and China are the two most powerful states with massive economic, political, and military capabilities that induce their power around the world. For decades, the US has been the leading world power after facing rival great powers, two World Wars and a Cold War. The post-Cold War era allowed the US to reign in global politics as a ‘unipolar state.’ But since a few years, the equation has begun to change. China’s rise to global power has been the most recent and sudden. Given China’s global aspirations are evidently altering the interna-



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tional order. With the slow end of American primacy, Washington now has an unrivaled leader Beijing in the international world order. The world will have to slowly embrace the idea of a 'clash of systems' and shift into the competition of ideologies, politics, economy, and military.

Peter Rimmele

China- the elephant in the room

Mr Peter Rimmele kicked off the lecture by saying that the liberal world order changed soon after World War II and has been under siege with the involvement of different actors and challenges. First, Mr Rimmele calls China "the elephant in the room" and claims "the Communist Party of China (CCP) has sought to change the rules-based world order." China has the self-confidence of a country perceiving itself as the "antithesis of the USA in an increasingly bipolar world," says Mr Rimmele. Second, according to him, Beijing is trying to change the "concepts and mechanisms for human rights and norms of internet governance." With the BRI project, Mr Rimmele believes China is investing an

estimate of \$1 trillion to "build interdependence with many countries" around the world. He stresses that Beijing uses its "economic clout" to explore techniques and technologies which facilitate the maintenance of their rule. Third, China's complex set of motives challenges the liberal world order. Mr Rimmele elaborates these motives are by the consolidation of various actors "spearheaded by Xi Jinping and his China dream". He says the major motive other than maintaining economic growth and increasing China's influence and status is "CCP's monopoly of political power in China." Mr Rimmele explains that China's determination creates inevitable conflict wherein liberal democracies feel threatened. He expressed that "right should take the might not



the other way around". Quoting a senior political scientist Michael J. Mazarr on the US-China rivalry, "US and China are competing to shape the foundational global system" along with an "ultimate competition of norms, narratives, and legitimacy". He further added that the US being committed towards democracy is not an "empty rhetoric" unlike China. Concluding, Mr Rimmele put forth his opinion that "neither of the two superpowers will gain the upper hand unless other key states join their frame" and commenting on India's role in this new world order it can be a "pacemaker or a peacemaker".





Dr Gudrun Wacker

From the past to the present: A take on the US-China relations

Dr Wacker began her lecture with a historical revisiting of how the US-China relations fared; the initial days being characterized by the US' constant attempts to balance the USSR and China. In this regard, she believes that the US has always followed a combination of engagement and containment – eventually termed as ‘conengagement’ during

the 1990s – an apt term defining the bilateral relations. Examples of the same were cited such as during the Taiwan Strait crisis of 1996 and the US talks backing Chinese accession into the WTO. If the former saw the US' containment efforts, the latter was a clear move at engaging China. In terms of the US elections too, she pointed out how China predominantly played a negative role. Considered a competition, all presidential campaigns with the exception of Barack Obama's, saw China as a priority. Although Obama had the financial crisis to focus on, his Asia pivot, she says “involved only a half-hearted response”. From the Chinese perspective, the transition from Obama to Trump was rather welcoming. Even during the campaigning days, the widespread Chinese support for Trump directly pointed to China's fear of an anti-China policy given the “bad blood China had with Hillary Clinton when she was the Secretary of State”. However, the tables turned quite harshly when Trump chose an independent America-first policy with no support from allies.

Dr Wacker, however, believes that China learnt two major lessons from the USSR's



demise, during this period. One was of a domestic nature – that no political reforms were to be undertaken before economic reforms. The second lesson was international – to not prematurely engage or provoke an open competition with the US. In order to avoid the USSR's fate, China chose to keep a low profile, essentially, hiding their strength until they were capable of being more “self-assertive”. Dr Wacker, further elaborated on how China has, more often than not, been paranoid and suspicious of US efforts to change the country from within via policies.

In terms of a transition in the relations, Dr Wacker believes the turning point in the US-China relations was during the global financial crisis. The West was in a decline, and China saw this as an opportunity to impose the fact that the former could no longer deliver. The Chinese, who previously argued their inability to be a model for anyone else to emulate, realized that their approach was more effective. Attempting something never done before – China decided that the world was ready for a ‘Chinese approach’. Dr Wacker commented that President Xi Jinping's ambitions took shape during this time by aspiring to make China a world leader in multiple sectors. Though the Trump to Biden transition held



expectations of a change in the China policy, all that was seen was a pushback against China that saw a competitive mobilization of allies.

Dimensions of the US-China rivalry

Talking about the dimensions of the strategic rivalry, Dr Wacker questioned the analogy of the present US-China relations being a ‘new cold war’. Denying the appropriateness of such an analogy, she went on to state that in terms of certain elements, the relations could be regarded as such. Clarifying the same, she stated





how the US-China relations are quite different from the US-USSR relations of the Cold War period, drawing similarities of the bilateralism to the 1980s US-Japan relationship.

According to Dr Wacker, there exists a multidimensional rivalry between the two countries. First, is in terms of trade and investment. The US has constantly maintained that China propagates “unfair trade practices, lacks a level playing field, and fails in reciprocity of relations”. This, Dr Wacker states is an argument that “the European Union (EU) too would back”. Second, is a military dimension. Since the 1990s, Dr Wacker states, the Chinese military build-up and modernization has not been appreciated by the US. It has reiterated the Chinese denial of entry into the region, essentially pushing out the former from the Pacific Ocean. This, she states, would allow for China to “capture island chains, eventually allowing free access over the region”. This makes it harder and costly for the US to intervene in a potential scenario of a Chinese invasion into Taiwan. Third, is the geopolitical and geo-economic rivalry. This, Dr Wacker says, began with China’s Belt and Road Initiative (BRI). The strong presence that China has in Africa and Latin America is impressive. Although the West was forced to offer alternatives in terms of connectivity, not much progress has been witnessed in this regard with the

exception of Japan. The fourth dimension, according to Dr Wacker, is Chinese technological supremacy. She says, this is the “central dimension to the rivalry” since it connects all the other dimensions. The US was surprised with China’s ability to surpass them in dealing with Artificial Intelligence (AI) given the support provided by the former in acquiring and developing the technology. The fifth and final dimension is an ecological one which is brought forth by the US rather than China. According to the US, Dr Wacker states: “this is the final battle between democracy and autocracy.” China has never attempted to “export its political system to any other country, since they are aware of ineffectiveness, and it is kind of impossible for other countries to adopt this system”. However, the recent trend of emulating Chinese policies – especially on foreign NGOs – is on the rise.

The question largely remains: “Who will set the standards, rules or norms?” According to Dr Wacker, China has the ambition to reform the rules in a way “compatible with China”. This is done “not necessarily by undermining international organizations, but by infiltration and institutional changes”. She elaborates: “Institutions did not change China, China changed the institutions.”

Implications for the international order

The final part of her lecture included the possible implications of the bilateral relations on the international world order. She is clear on the fact that we are cur-



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Gudrun Wacker



rently in a transition period. The unipolar moment of the US is over, so is the bipolar period of the US and the USSR. According to Dr Wacker, the present world order lacks order since most of the international organizations are, more or less, “dysfunctional”. A study conducted by Dr Wacker’s colleagues, she states, found the World Health Organization (WHO) to be the only international organization that was properly functioning. She retorted on how inappropriate the finding was today in the face of a global health crisis. She further stated that the lost bipolarity did not imply a complete absence of the same. Bipolarity would exist via two blocs pitted against each other in terms of a binary political system with technological standards. This would result in a fragmented world since different norms applied in different countries. She concluded the insightful lecture with a strong statement: “This leads to the question where all of we stand in this rivalry, and where we position ourselves because it might not be possible to manoeuvre and navigate your way without at one point make a decision on whose side you are.”

Dr Carlo Masala
China, the revisioned power

Dr Carlo Masala commented that the world will reach bipolarity in almost two decades

and will reach a point of “informal negotiation between liberal democracies and China’s rules of international system.” Dr Masala says the new bipolar system would be different from the old bipolar world which was highly militarized. First, he stated: “China is a revisioned power.” Second, the theory of power transition. According to Dr Masala, in the situation of the US-China power struggle: “the danger of war increases.” “Logically it would make sense either the declining power to attack the rising power or the rising power to attack declining power,” he stated. Dr Masala predicts that there will not be an all-out war between the US and China keeping in mind the nuclear weapons and second-strike capabilities. But he expressed his concern about the situation in Asia and around China where there is an



escalation “which no one is looking for”. “Taiwan is the litmus test for Chinese hegemony in the region,” says Dr Masala. He confirms that the reactions from the Asian countries, the US, Europe is evidence of the escalated tensions but will be a limited number of “conventional aggression”. Dr Masala elaborates, “the rise of China in relative terms with the decline of the US” will lead to an inadvertent escalation in the coming years. Third, China is preparing for bipolarity. Dr Masala explains the US is not convinced of the increase in China’s military capabilities which was non-existent two decades ago and its capability to double its nuclear warheads quicker than the US expected. “China was relying on a minimal deterrence strategy,” says Dr Masala. He further added that he agrees with the idea of minimal deterrence and says it gives “a wider range of options to formulate the deterrence strategy which doesn’t rely on minimal deterrence.”

Dr Heribert Dieter

A slow economic decline of China

Dr Heribert Dieter discussed the economics of the US and China. First, the US. Dr Dieter started by quoting the research paper ‘The China Shock’ and how it changed the trade dynamics for the US. He then mentioned economist Paul Samuelson’s paper on the economic effects of the Free Trade Agreement of the US with China and compared the Free Trade Agreement with China to immigration of mass unskilled labor into the US. And in 2004, Samuelson argued that the US will suffer because of the

FTA with China. Second, China. Dr Dieter agreed with Dr Wacker saying: “2008 was the defining moment of China but also the year of China drowning in debt.” He commented that till 2008 the growth of GDP and debt has been in the same line but after that, the gap has been increasing. Dr Dieter says, “China’s leadership is in a serious fiasco” wherein one side they have the growing debt on the other is the obligation to provide the country with economic growth. He proposes a theory where “They (China’s leadership) are portraying the rest of the world as hostile to China in order to be able to justify the slow economic growth.” To the question of whether China is an exceptional case, Dr Dieter says, USSR, Japan saw a certain rise but could not keep up and countries failed to be consistent because there was no increase in productivity. Dr Dieter says in the case of China, “there is an increase in human capital there is an increase in the capital but not an increase in productivity”. He elaborated that the Chinese government is aware of the slow decline in the workforce because of the aging population and is currently trying to keep up with the production with the help of robots. Responding to one of the questions from the audience on the latest actions by the Chinese government regarding private firms and disappearances of famous personalities Dr Dieter said: “Xi Jinping does not want to take China off the map but he wants to reduce the level of indirect action.” Concluding, on the sustainability of the Chinese economic model Dr Dieter said: “Chinese economic model is less sound than it looks and it may go down... we may not have to deal with a further rise of China but with a slow decline of China.”



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About IPRI

The International Peace Research Initiative (IPRI), initiated in 2018 at the National Institute of Advanced Studies (NIAS), is part of the Conflict Resolution and Peace Research Programme. IPRI pursues peace research as an independent discipline outside the conflict and security studies. The initiative aims to create a niche in peace research in developing countries and bring policy-relevant discussions through scholarly publications, young capacity-building, academic outreach and 'peace networks.'

IPRI undertakes research on varied issues affecting a peace process every year. Of particular interest are issues like radicalisation, sustainable peace, gender roles in peacebuilding and global protest movements. IPRI has led discussions in identifying the types, causes and consequences of radicalisation on groups, individuals and the State. While focusing on peace processes, the initiative has aimed to question the rationale of each process with special reference to South Asia. Confounded with a new trend across the world, IPRI has presently dedicated itself in understanding the political protests and mass movements from Chile to Hong Kong.

