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## China's Rise in the Contemporary World

**Abstract:** *The advent of the 21st century has seen a shift from unipolarity to multipolarity, mainly due to China's rise. Chinese ambitions are aligned and expansive, which are driven by nationalism, economic uplift and military modernization. China is evolving as a major powerhouse of the current world order. Trade, economic reforms, up gradation of the military, appealing to the masses through its culture and peaceful settlement of disputes are Chinese means for shaping new world order. America's decreasing sphere of influence in multilateral agreements such as the Paris Agreement and the Iran Nuclear deal is proving windows of opportunities for rising powers like China. China aims to strengthen its position in the international system.*

**Key Words:** China Economy Military Soft Power

### Introduction

The future of the world order, which has been reinforced by the American-led liberal order, will gradually be affected by the emergence of China as a strong power in the international system and the means by which America can act as a catalyst for the rise of China (Leon, 2017). With the advent of the twenty-first century, the global power dynamics have shifted from Europe to the Asia Pacific, mainly because of China's rise (Sutter et al., 2013). China, with its second-largest economy and the second largest military, has also generated debate in academic circles about the impact of the rise of China on the international system. Beijing is viewed as an emerging power that, in future, can acquire the ability to establish a new world order.

China's rise in the 21st century and its unparallel growth and expansion have opened up

new avenues for cooperation among states. At the World Economic Forum in 2017 (Yushan & Jun, 2018), Chinese President Xi Jinping promised to build "A community of shared destiny." China has carefully crafted and sequenced reforms in the international system which sets it apart from other states in the system. In the past two decades, China has experienced economic evolution and military up-gradation to the extent that it can position itself as a global power, capable enough of shaping the world order (Yushan & Jun, 2018).

Witnessing China's military and economic progression in Asia, it is widely assumed that China would soon emerge as a dominant power in the region (Fisher & Carlsen, 2018). China's ascent has been initiated previously in Asia but has expanded to other regions such as Europe and Africa. At present, China is the only state strong

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enough to challenge US dominance around the world. For this, China has to adopt the strategies of coalition and cooperation. Thus, Chinese realpolitik is set to widen its sphere of influence from East to West. In the future, China is expected to lead the power corridor with the support of many developed and developing countries.

### **China's Economic Rise**

Over the past few years, China has boosted its economy to the extent that it has become the world's second-largest economy. Beijing has been transformed into a manufacturing base and the chief destination for growing international trading networks that produce goods, particularly for exports to developed countries. As an outcome of globalization, the Chinese economy became progressively global, and their massive cheap labour pool turned out to be very competitive when equated to the rest of the world ([Kirshner, 2012](#)). With its large-scale infrastructure development, China has emerged among the top ranks in the production of steel and other metals, electronic goods, cement, ships, cars and textiles ([Sutter, 2005](#)).

From being a state that was poverty-stricken half a century ago, China has managed to become an economic powerhouse. There are two primary reasons for China's economic growth;

1. Large-scale capital investments.
2. Production efficiency.

These two factors have worked to lift the Chinese economy. The initiation of economic reforms led to a boost in the economy and eventually increased resources for investment in the economy. China has managed to maintain a high rate of savings since the economic reforms. This has allowed China to increase domestic investment. Surprisingly, China's gross domestic saving levels surpassed its domestic investments, allowing China to become a global financier. Thus, China is also widely known for its aid programs, especially in Africa.

An increase in productivity has been central to China's economic output (Morrison, 2018). The enhancement in productivity is large because of the reallocation of resources to sectors that have the potential to grow. For example,

reforms in the agricultural sector boosted productivity. Additionally, China allowed its local government to establish enterprises without government interference. The Foreign Direct Investment in China also bought with itself new technology that helped increase efficiency.

### **Reforming the Global Financial System**

America constructed economic institutions in the 1940s under the Bretton Wood System and dominated the international order afterwards. These institutions functioned well for over half a century and facilitated economic growth. However, the inefficiency of these economic institutions was evident from the global financial crisis of 2008. However, the crisis originated in the US but had spillover effects worldwide. Moreover, the rise of emerging economies, like BRICS nations, has called for substantial reforms in the global institutions, especially IMF (Qu, 2010). These emerging powers want more representation in these institutions and an increased say in their decision-making process.

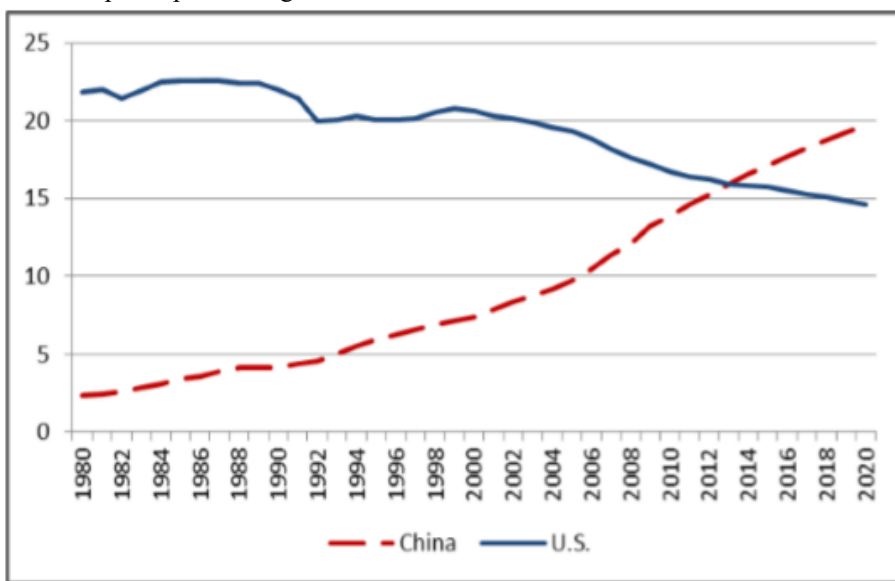
Developing countries have been calling for the restructuring of global financial institutions since the mid-1990s. This idea gained momentum with China's participation in it. China had the capacity and strong will to actively push for reforms in the global financial system. G20, along with other international forums, had decided to set an agenda for restructuring the global financial system. China has managed to take the driving seat of the G20 forum, which is a primary agent in the reformation of IMF. Beijing also chaired the G20 summit in 2016. China was one of the most vocal advocates of reforming IMF's voting rights and quota allocation for better representation of the world economies. China has increased its contribution to IMF by increasing its emergency fund and became the third largest member country of IMF ([Drysdale et al., 2017](#)).

In March 2017, US President Donald Trump made budget cuts that reduced American contribution to the World Bank by \$650m and scaled-down US participation in the IMF ([Gallagher, 2017](#)). As the US downsized its share in global economic institutions, China has been scaling up its participation in these institutions.

Beijing has two strategic goals to fulfil while calling for reforms in the international financial system. Firstly, to pursue its goal of domestic development, China needs to ensure stable external economic settings. China has transformed into the largest trader of commodities, the largest holder of foreign reserves and the 2nd largest host state of Foreign Direct Investment FDI. Hence stability of the global financial system is very crucial for China's economic transformation. Secondly, China needs to enhance its participation in global economic

affairs to ensure a systematic framework for the balanced and sustainable growth of the world economy (Zhang, 2011).

The figure below shows that China's global GDP rose from 2.3% in 1980 to approximately 18% in 2017. At the same time, the US share of GDP decreased from 24.3% to 15% during the same period. The IMF predicted that in 2022, the Chinese economy would be 46.6% larger than the American economy measured in PPP.



**Figure 1:** Chinese and US GDP (PPP Basis) as a Percentage of Global Total: 1980-2016 and Projecting Through 2020.

*Source:* IMF, *World Economic Outlook*, October 2017. <https://fas.org/sgp/crs/row/RL33534.pdf>

To address the economic interests of developing countries, China has opted for an alternative approach to creating new monetary institutions. These organizations will be more representative of the developing countries, which the existing system fails to ensure. Even though China, alongside other emerging economies, has welcomed the reorganization of the current financial system, actual reformation is taking place at a slow pace. The delay by the US Congress in reforming the governance structure of international financial institutions has lent support to China's push to establish a parallel set of economic institutions such as the Asian

Infrastructure Investment Bank. China, with its new organizations, aims to promote a culture of parity among nations, unlike the Western-backed establishments that promote their own interests (Beeson, 2016).

### China's New Institutional Framework

China established new institutions like the Asian Infrastructure Investment Bank (AIIB) developed in 2016 because of the inefficiency of the IMF and World Bank (SR, 2014). To establish this \$100 billion bank, fifty countries congregated in Beijing in June 2015. This

marked China's first step toward establishing a parallel set of international institutions to contest American hegemony in Asia. AIIB is a multilateral financial institution perceived as an alternative to the World Bank and other international economic institutions. The AIIB has so far invested in nine mega projects in Asia, Europe and the Middle East. Moreover, it has granted loans to countries such as Pakistan and Bangladesh for infrastructure development projects. The total amount of loans lent by the bank in 2016 was \$1.7 billion, much higher than the set target of \$1.2 billion ([Hsu, 2017](#)).

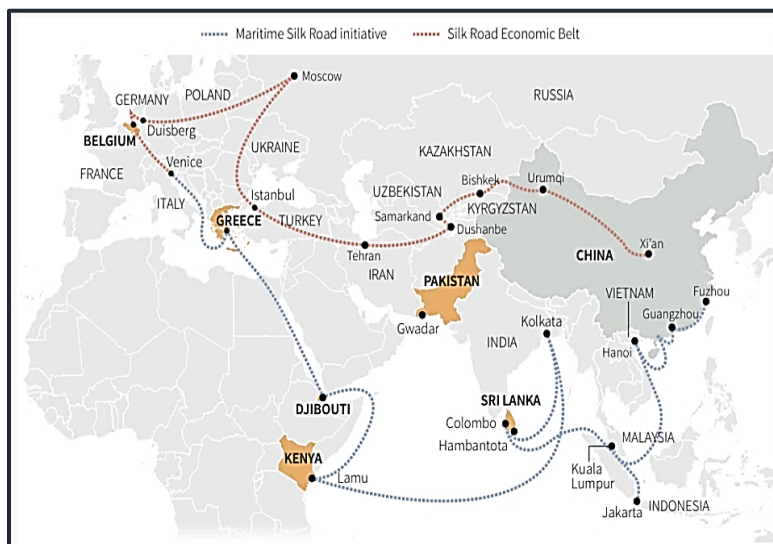
Though the United States has dissuaded its allies from joining AIIB, nevertheless, the prominent players in the international system, such as the United Kingdom, France and Australia, have joined it ("Asian Infrastructure Investment bank formally established in Beijing", 2015). The accession of several European powers is a testament to China's bulging role in the reconstruction of the world economic order. AIIB is the manifestation of China's long-held desire to rewrite the rules of global economic governance. Chinese-led institutions have the potential to compete with existing players for global dominance. World Bank and Asian Development bank lack the political will and adequate finances to meet the growing demands of the developing world. This paves the way for China to dominate with its strong financial muscle. Beijing roughly has US\$3.9 trillion in foreign reserves, more than any other country in the world ([Huang, 2015](#)). China offered to provide US\$ 50 billion to formulate the Asian Infrastructure Investment Bank. The bank's success can be seen in the popularity it has gained on a global scale. Four permanent members of the United Nations Security Council, 18 members of the Organization for Economic Co-operation and Development, and all members of the Association of Southeast Asian Nations have joined the bank.

In July 2014, New Development Bank (NDB), formerly known as BRICS Development Bank, was launched by BRICS states ("BRICS Bank launched in China as an alternative to

World Bank, IMF", 2015). The five emerging economies of Brazil, Russia, India, China, and South Africa launched the billion-dollar bank in Shanghai in 2016. This bank is thought to be a blend of World Bank and IMF. The \$100 Billion bank aims to mobilize resources for infrastructure development in member countries. The development of AIIB and NDB is said to complement existing financial institutions rather than completely overriding them.

### **Global Trade Projects of China**

Heydarian wrote in his article in 2017 that the One Belt, One Road project proposed by China, also referred to as the Silk Road initiative, aims to revive the ancient trade routes from Asia to Europe and Africa. The "belt" refers to the "Silk Road Economic Belt", which runs through Central Asia, Turkey, Iran and Eastern Europe, while the "road" denotes the "Maritime Silk Road", which strides through Southeast Asia, and South Asia, Africa and the Mediterranean. This project is backed by institutions such as 'Silk Road Fund' and 'Asian Infrastructure Investment Bank.' Beijing has initially set up a \$40 billion Silk Road Fund, while the AIIB has allocated \$ 50 billion for the project. China Development Bank has also reserved \$890 billion for about 900 projects under this initiative which includes the development of railway networks, sea ports, dry ports and industrial parks. The success of these initiatives would define China's monopoly in other regions such as Central Asia, Europe and Africa. It will allow China to establish partnerships with developing countries and advance their economic interests ('One Belt, One Road; a Snapshot', 2017). This project has made China the centre of geopolitics and seeks to advance its vision of ensuring equal opportunities and mutual benefits for all. OBOR has gained significant attraction, depicting that many economies are eager to become part of this innovative effort to improve global economic governance. China's OBOR vision is based on the notion of a win-win situation and has become the main platform for collaboration between China and other states.



**Figure 2: One Belt, One Road Map**

*Source: Zheping Huang. Your guide to understanding OBOR, China's new Silk Road plan. Quartz. May 15, 2017, <https://qz.com/983460/obor-an-extremely-simple-guide-to-understanding-chinas-one-belt-one-road-forum-for-its-new-silk-road/>*

For the past two decades, American and Chinese economies have been integrated. Beijing is also the largest stakeholder in US debt, amounting to about \$1.3 Trillion (Long, 2016). Though America enjoys a healthy economic relationship with China, its recent economic strategies give more leverage to China. A trade agreement known as the Trans-Pacific Partnership (TPP) was signed between 12 nations\* on February 4 2016, but the agreement could not enter into force. With Trump in power, the US backed out of the Trans-Pacific Partnership (TPP), which set

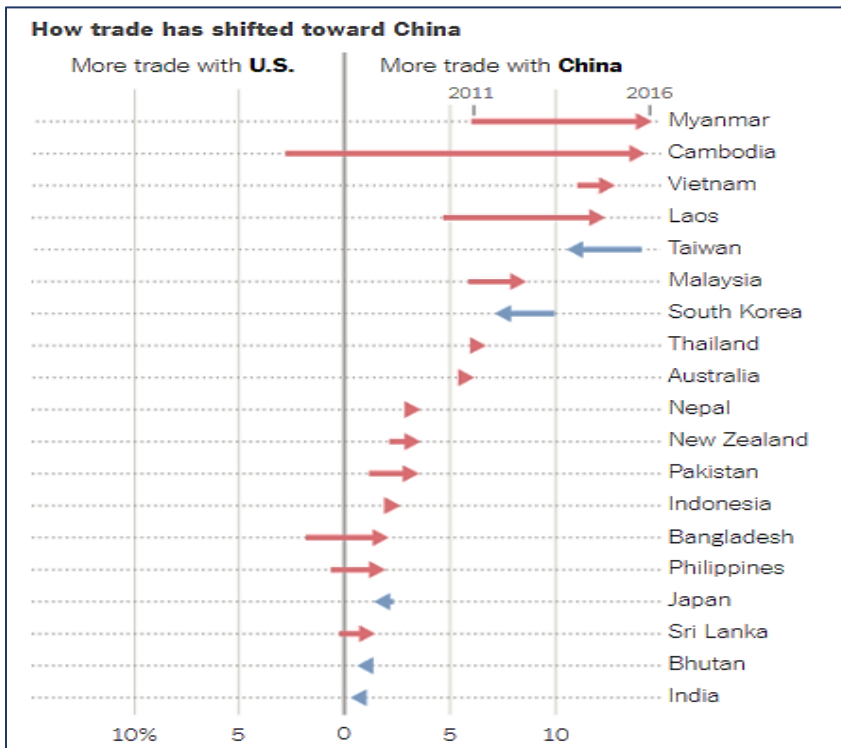
Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, and the United States are a progression of geopolitical recalculations all over the world. The 12-nation bloc was likely to contribute to 40% of world trade (Granville, 2017). Nevertheless, the remaining 11 nations reached an agreement on the trade deal without the US in 2018. The trade deal was also renamed as Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). It was the latest transition in Asia from American dominance to the mutual interest of all states.

US withdrawal from the trade agreement gave a spotlight to Chinese economic initiatives.

The decision by Trump has provided room for another regional trade deal, which is the Regional Comprehensive Economic Partnership (RCEP). RCEP is a free trade deal being negotiated between ASEAN members and six trading partners: Australia, China, India, Japan, South Korea and New Zealand. This is currently the only multilateral trade initiative being negotiated in Asia. Countries participating in the trade deal have already signed bilateral and multilateral foreign trade agreements (FTAs) with each other. This trade agreement focuses on trade and investment liberalization, intellectual property rights, and competition policy and would influence economic regulations by governments. Progress on the deal has been sluggish because of the disagreement between members over trade rules and tariffs. However, RCEP would increase economic integration and reduce trade costs within the region by harmonizing customs procedures and standards (La, 2017). Such projects complement Chinese designs of economic expansion. Chinese investments surpassing those of the US in South East Asia can help China claim a stronger presence in the region. Trade between China and Cambodia has doubled since 2012, and it reached \$4.8 billion in 2015 (Kurlantzick, 2012).

Similarly, Myanmar's biggest trading partner is China, accounting for 40% of their economy in 2015. According to figure 1.4 below, Cambodia and Bangladesh have made a remarkable shift, trading more with China compared to the US. Other countries such as Pakistan, the Philippines and Sri Lanka are

increasing trade ties with China than with the US. In Beijing's neighbourhood, countries like Taiwan, South Korea, and Japan tend to shift towards the US for trade rather than maintaining a trade relationship with China. These three countries are also strong US allies and tend to counter China's dominance around the world.



**Figure 3:** The Difference in Total Trade as Percentage of GDP between each Country and China and each Country and the United States.

*Source:* World Bank; Ministry of Finance of Bhutan; Ministry of Finance of Taiwan, and the International Monetary Fund. The most recent data for Vietnam, Thailand, Nepal and Bangladesh is from 2015. *Cited in:* Max Fisher and Audrey Carlsen. *How China is Challenging American Dominance in Asia.* New York Times. March 9, 2018. <https://www.nytimes.com/interactive/2018/03/09/world/asia/china-us-asia-rivalry.html?smid=li-share>

The figure below shows China's major trading partners in 2017 around the world. Beijing's top three export markets are European Union, the USA and Hong Kong, while its major source of imports is from the EU, ASEAN and South Korea.

**Table 1.** Major Trading Partners of China

Country	Total Trade	Chinese Exports	Chinese Imports	China Trade Balance
European Union	618.1	373.7	244.4	129.3
United States	581.5	431.8	149.7	282.1
ASEAN	501.3	281.3	220.0	61.3
Japan	302.1	137.1	165.0	-27.9
Hong Kong	287.8	281.0	6.9	274.1

Country	Total Trade	Chinese Exports	Chinese Imports	China Trade Balance
South Korea	280.2	102.9	177.3	-74.4
Taiwan	198.8	43.6	155.2	-111.6

*Source:* China's customs administration. <https://fas.org/sgp/crs/row/RL33534.pdf>

*Note:* Rankings According to China's Total Trade in 2017. China's Bilateral Trade Data often Differ from that of its Trading Partners.

Chinese investment has also been on the rise in Africa for the past few years. China-Africa relations witnessed a newer strategic partnership after a summit between the two countries in Johannesburg in 2015 ([Qadeer, 2016](#)). Resultantly, China has announced assistance in the form of loans amounting to up to \$60bn for the development of the region. Consequently, China is the largest investor in Africa, with investments of more than \$200bn in infrastructure, oil, agriculture etc. ([Jadesimi, 2017](#)). Beijing is also an important source of foreign aid in Africa, complementing its trade and investment ventures ([Jaffarani, 2012](#)). In 2011, Chinese investment in Africa grew from USD 210 million in 2000 to 3.17 billion ("Report on Development of China's Outward Investment and Economic Cooperation 2011-2012, 2012). Africa is rich in natural resources and has immense market potential but requires funds for infrastructure development. Chinese aid to Africa would eventually cover the financial costs of infrastructural development ([Sun, 2014](#)).

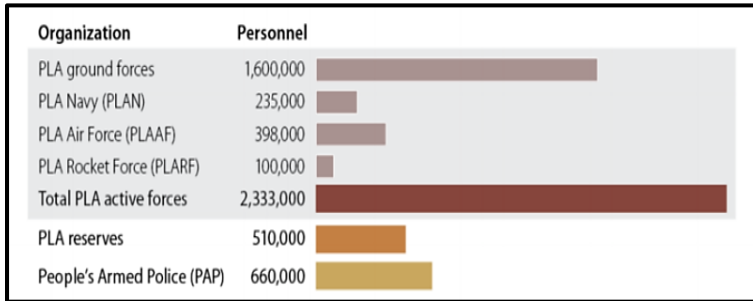
### China's Military Modernization

The Chinese military had undergone rapid transformation, which took a boost when Xi Jinping became the President ([Ji, 2015](#)). Xi Jinping, who also heads the People Liberation Army's (PLA) controlling Central Military Commission, realized that corruption and poor morale overshadowed the army's capabilities. To rectify the situation, Xi launched a massive crackdown on corruption in the PLA, followed by a reorganization of the PLA's structure. Xi has also redesigned China's seven military commands into five theatres command and downsized the number of troops in the army ([Chan, 2017](#)). Whereas, it is still early to say that PLA will successfully transform into a modern force capable of projecting power across the globe. Reforms introduced by Xi Jinping and

modifications in the organizational structure of the military have moved China closer to the pursuit of hard power.

China has the second most powerful military after the US ([Jaishankar, 2018](#)). A catalyst for China's military transformation is the yearly increase in its military budget over the past two decades ([Bitzinger, 2018](#)). China's Ministry of Finance, on March 5, 2018, proposed an increase in the defence budget by 8.1% compared to last year when it was at 7.6%. This has increased China's defence spending making it \$174.6 billion (China power team, 2018). For at least a decade, Beijing's defence spending saw a double-digit increase. Previously, China increased its defence budget by 10.7% in 2013, 12.2% in 2014, 10.1% in 2015 and from 2016, it began to come down to a single-digit growth rate of 7.6% from 2016 onwards ([Rajagopalan, 2018](#)). However, the budget figures that China announced may not be entirely accurate. Sources such as the US Department of Defence and Stockholm International Peace Research Institute (SIPRI) state that China's military expenditure is more than what they state.

China has the world's largest military in terms of the number of troops. In 2015, China reduced its army's size to 2.3 million soldiers compared to 1.4 million US military troops ([Rajagopalan, 2018](#)). The figure below shows an estimated number of Chinese military personnel. Beijing also has the world's second-largest fleet of jet fighters, while the US maintains its position at first. Since the short war in Vietnam in 1979, China has not indulged itself in any other war. At the same time, the US has been fighting wars overseas, such as those in Iraq and Afghanistan. These extended wars have been costly for the US and have drained their resources. Unlike the US, the Chinese refrain from indulging in unnecessary armed conflicts that would put a burden on their economy.



**Figure 5:** Chinese Military and Security Personnel. Approximate Figures.

**Source:** The Military Balance 2016, International Institute of Strategic Studies (London: Routledge, 2016). Cited In: Alex Lockie. ‘How the world's largest military stacks up to the US armed forces. Business Insider. August 5, 2016. <http://www.businessinsider.com/chinese-us-military-comparison-2016-8>

In an effort to display its growing naval power, Beijing built its first aircraft carrier and launched it in April 2017. The carrier has a speed of 31 knots and a displacement of 70,000 tonnes. In June 2017, China launched the most advanced and largest warship in Asia. Named a Type 055 guided-missile destroyer, it has a weight of 12,000 tons. This destroyer is said to be stronger than South Korea's DDG-991 and Japan's Atago class, which weigh about 10,000 tons. China's DF-16 ballistic missile was displayed at a military parade in Beijing in 2015. The missile is believed to have a range of 1000 km, capable of striking Okinawa, home to US military installations, as well as the Japanese home islands, Taiwan and the Philippines ('10 Chinese Military Milestones', 2017).

China opened a military base in Djibouti in August 2017. This is China's first overseas military base and is adjacent to US AFRICOM. This base will allow China to deal more efficiently with the peacekeeping forces, humanitarian efforts in Africa, and regional maritime operations. The base in Djibouti represents China's growing engagement in the African continent. Many of China's initial moves as a global power have been initiated in this continent. For example, China's first overseas peacekeeping mission was set up in South Sudan, deploying almost 700 Chinese troops. Beijing has also been part of UN peacekeeping missions in African countries such as Congo, Mali and Liberia. Djibouti's base also holds strategic importance for China. The base is

located near the Suez Canal, through which 10% of the international oil trade takes place (Kuo, 2017). Djibouti is also part of China's One Belt, One Road initiative, as shown on the map in figure 1.3. China's growing presence in Africa has initiated debates about the nature of Chinese involvement.

### China's Soft Power Diplomacy

With signs of declining American leadership roles across the globe, China has positioned itself as a reliable custodian of global governance (Pan, 2006). In 2007, at the 17<sup>th</sup> National Congress of the China Communist Party, soft power was officially referenced in the national policy of China. President Xi Jinping, in 2014, said,

“We should increase China's soft power, give a good Chinese narrative, and better communicate China's message to the world,” calling for a positive effort to convince the world of its peaceful intentions (Albert, 2018). By expanding its diplomatic and cultural tools, Beijing aims to enhance its appeal around the world. China's soft power tools consist of both conventional and unconventional means that sets China apart from other countries.

### Conventional Soft Power Tools

Chinese leaders have turned to traditional means of soft power that include educational and cultural exchanges, teaching the Chinese language etc. In the 1990s, with China

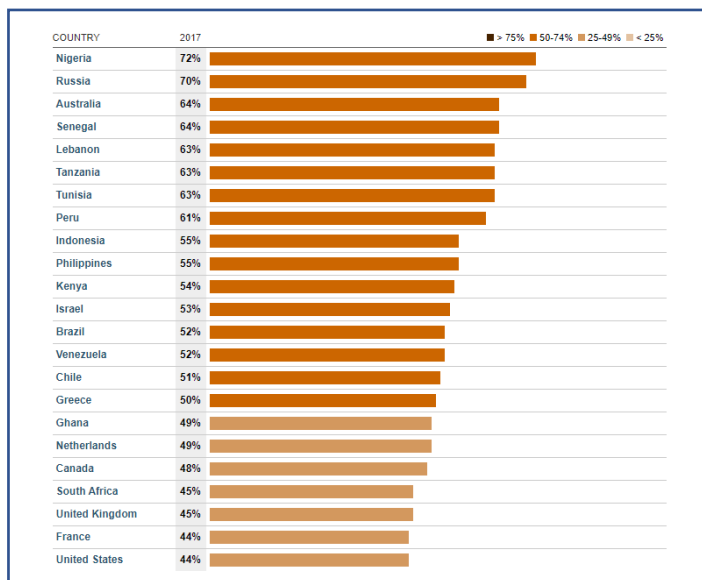


undergoing astounding economic growth, there arose what was called "Confucius fever." Hundreds of books, both scholarly and popular, were written on Confucius and the Confucian traditions (Naughton, 2007). The first Confucian institute was built in 2004 in Seoul, South Korea (Palit, 2010). At present, there are more than five hundred Confucian institutes around the world. These institutes provide cooking and calligraphy classes and Mandarin language courses and celebrate Chinese national holidays. Confucianism is viewed as a symbol of Chinese culture.

China's education ministry has announced a new initiative to boost Chinese language learning in American universities and other language institutes around the globe. According to the Institute of International Education, China was

ranked 3<sup>rd</sup> among the most popular destination for study in 2017. Around 440,000 international students study in China (Albert, 2017). According to statistics from the China scholarship council, these students come from countries such as the US, Pakistan, South Korea, Thailand and India.

Figure 7 below shows whether citizens of listed countries hold a favourable or unfavourable view of China. According to the polls, Nigeria holds a more favourable view of China (72%) than any other country in the world. This is mainly because of increased Chinese investments in West Africa. Other nations having a more positive view of China include Russia, Australia, Senegal and Lebanon. In contrast, the rest of the nations have a relatively less favourable view of China.



**Figure 7:** The Polls Conducted in 2017 Showed Public Opinion of the Listed Countries on Favorability and Unfavourability of China.

*Source:* Pew Research Centre, *Global attitudes and trends 2017*.  
<http://www.pewglobal.org/database/indicator/24/survey/19/>

### Unconventional Soft Power Tools

Chinese aid has become a strong, soft power tool to appease other nations, especially the developing and underdeveloped nations. The aid program initiated by China does not conform to

the international development trade standards. Rather, it focuses on South-South cooperation in the developing world. The aid programs consist of interest-free loans, largely bilateral and come without conditionality. Aid has become an important policy instrument for China.

Africa has been a top recipient of Chinese aid. At the end of 2009, Africa had received 45.7% of the RMB\* 256.29 billion cumulative foreign aid from China ([Albert, 2017](#)).

### Confucianism and China

The guiding principles behind China's rise are embedded in its Confucian culture. China's traditional values play an important role in defining its national interests and foreign policy goals. The concept of harmony in Confucianism provides some key ideas for their foreign policy. One of them is to seek harmony but not uniformity. According to this principle, differences do exist in society. However, they do not necessarily result in conflict or confrontation. This has been China's approach so far in the region. Sometimes differences might evolve into contradictions and at other times constitute the necessary condition for harmony.

Another idea which Chinese scholars support great powers respecting small powers is and vice versa. Big powers need to win the trust of smaller states by keeping a low profile and not asserting their power. This idea is exemplified in the Chinese government's policy of nurturing a cordial, secure, and prosperous neighbourhood. Hence, by emphasizing more on sovereignty, non-interference in internal matters of other countries, and their concepts of equality, mutual benefit and cooperation.

By following Confucius's principles, China has pursued active diplomacy at four different levels. Firstly, China has created strategic partnerships with second-tier powers. This includes the signing of strategic partnership treaties with the EU, Russia and India, and much more would strengthen China's relationships with these states and help counter American influence. Secondly, China has focused on promoting a "good neighbour policy" in Asia. This can be seen in her relationship with Pakistan, where China has made numerous trade investments in the form of CPEC and OBOR. Besides, China has positioned itself as an important trade partner, especially in East Asia, where the economies also enjoy a trade surplus with China. Thirdly, China has continuously sought to cooperate with the US and avoid any

confrontation. Beijing has been very clear about its ambitions that in no way challenge the status quo. Fourthly, neglecting Japan (Xia, 2007).

Under the presidency of Xi Jinping, China's Communist Party has increased its efforts to rehabilitate Confucius's ideology. Though the manifestation has not surfaced, actions such as the President talking about Chinese values like honesty, benevolence and righteousness at a Politburo session in February 2014 are a glimpse of Confucian philosophy ([Gardels, 2014](#)). The President also attended Confucius's birthday party in September 2014 and became the first party chief to do so. He also spoke of China being a peace-loving nation which he said had "very deep origins in Confucian thinking" ("[Confucius says, Xi does.](#)", 2015). Confucian ethics and its key principles demonstrate how they can be applied to effectively maintain relations among states. The underlying theme of Confucian ideas is preaching peace through "*Coordination and seeking harmony with all*" (Jinping, 2014). China's current foreign policy is a manifestation of this principle.

### Conclusion

China, for the time being, has depended on peaceful but discreet measures to strengthen its impact and reinforce its standing by initiating military modernization, gigantic economic initiatives, and the use of carrots and sticks diplomacy. With China becoming an economic giant, prospects for their bright political future seem to be high. As a rising power, China has embarked on a journey toward Global governance were adopting new structural changes is the key element. Debate on China's rise has pitted optimistic liberals against pessimistic realists. John J. Mearsheimer, a proponent of Realism wrote about China's rise in his book "*The Tragedy of the Great Power Politics*." He believes the rise of China would eventually result in a conflict that would escalate into a war (Mearshiemer, 2014). He argues that it is doubtful that a country with growing economic and military power will not threaten its neighbours. Realists believe that if China continues to grow, it might dominate Asia in the coming time, and the United States will do

everything to counter China's influence. They predict that a parallel to Cold War might happen where both China and America would try to balance out each other.

Joseph Nye, a proponent of the Liberal school of thought, is of the view that China can rise peacefully without inflicting concrete damage upon the existing world order ([Nye, 2005](#)).

Liberals argue that the openness of the current International Order can accommodate China's rise. China is not a revisionist power that would overthrow the existing order and establish one based on its own liking. Beijing is more likely to thrive in the current international order rather than wage a costly, destructive war against its counterparts. In an era of economic interdependence, Asian economies are more integrated than before. The dependence of these economies on China and vice versa can help furnish concerns regarding China's ambitions as a rising power. Liberals view China's rise as a way forward for institutions to flourish. Keeping in view China's progressive policies, it can be concluded that China aims to reconstruct the current International Order to pave the way for its growth.

The most recent conflict zone for China has been the South China Sea territorial dispute. This has not resulted in an armed clash between contesting parties and is not likely to happen in the future. Western meddling in Asian politics is what concerns China the most. Whether China's rise will be peaceful or not depend upon Chinese behaviour and how the US accommodates it. The United States and China have not been in a direct war with each other since the post-cold war era. Given their history, it is dubious that a war between them would erupt anytime soon. China, with its rise, has not yet indulged in a deadly conflict with any nation. While the US, since its emergence as a Superpower after 1989, has

fought six major wars in which Afghanistan and Iraq have been fatal.

The twenty-first-century world order has been dominated by the United States, which is far more advanced than all other states. The foremost priority of US foreign policy has been exporting democratic values around the world. After the end of the Cold War, promoting democracy seemed a viable alternative to US containment policy. Since Ronald Reagan, the Democrat and the Republican party has joined hands to export American values around the world ([Heer, 2018](#)). Nonetheless, with Trump in power, he is less likely than his predecessors to export democracy abroad ([Haass, 2018](#)).

This would allow China's communist party (CCP) to excel with their ideas. The undefined strategy of the new US administration has smeared hopes for U.S-China cooperation. Donald Trump's ambiguous actions regarding the "One China Policy" has raised a debate on the clear line of the policy of the US government ([Kausican, 2018](#)).

Moreover, American scholars have a misperception regarding China's ability to lead the current global order. Chinese President Xi Jinping clearly stated at the World Economic Forum in Davos in 2017 that China is prepared to lead the global order if the United States is not willing to lead. China asserts that, unlike Western powers, it can rise peacefully due to its unique Confucian cultural traditions. "Confucian exceptionalism" will exempt China from the traditional historical patterns of conflict when rising powers bump up against status quo powers ([Bebber, 2015](#)). How US and China would house each other and comprise their interest is what would determine the likelihood of China's upsurge. The liberal world order is in a state of collapse. If not carefully managed, the chances of conflict between major powers are high ([Muggah & Tiberghien, 2018](#)).

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