China as a Threat to the U.S.: Myth or Reality?

Steven R. Hall & Hafiza Sarwat Fatima

Abstract

The surprising presidential election result in the United States (U.S.) has brought a profound shift in the tone of rhetoric towards China. This change highlights competing views over whether China's continuing ascension in the international systems can be accommodated peacefully or will constitute a threat to U.S. interests. In this article, we apply extant international relations theory to China's recent foreign policy behavior across several regions. We evaluate whether China's actions represent the natural increasing presence of a growing power or the actions of a revisionist state headed ultimately toward conflict. We conclude that China's rise, while creating important challenges for U.S. foreign policy, is unlikely to be a threat.

Introduction

With the dawn of the new millennium, a new power pattern in international politics has emerged with the rise of China (People's Republic of China), as a global superpower. With a quarter of the world's population and nuclear arsenals, China has attained the status of a major Asian power such that no issue of regional security can be addressed without its involvement. This shift has been decades in the making, with a wide range of observers fearing potential destabilization. Henry

---

Steven R. Hall, (PhD) is Associate Professor in the Department of Political Science at Ball State University in Muncie, Indiana, U.S. and Hafiza Sarwat Fatima, is graduate of Area Study Centre, Quaid-i-Azam University and Assistant Professor at Government Viqar-un-Nisa Post Graduate College for Women Rawalpindi, Pakistan. Requests should be sent to srhall@bsu.edu.

Kissinger suggested that the world's largest Communist society would become the world's richest capitalist economy in less than a century, while Nixon foresaw conflict with the U.S.: "By then the Chinese may threaten to withhold MFN status from United States." Across the Cold War divide, even Leonid Brezhnev worried about the growing threat of China's military and economic power more than a quarter of century ago (Lee, 1997).

Yet, while the rapid shift in China's stature in the international system is clear, the implications of this change for the U.S. and the international system remain a topic of debate. Jacques (2009) argues that not only will China's rise eclipse the U.S., but that it will lead to radical and threatening changes in the international system. Lacking the commitment to a domestic liberal social order, China's rise may well mean the retreat from the rules-based international order established by the U.S. after World War II (WWII). By contrast, Friedman (2010) views U.S. power and influence so deeply entrenched in the economic and technological makeup of the world that China could not overtake it. Acemoglu and Robinson (2012) echo Friedman's prediction that China will ultimately collapse under its own weight.

Differences in the extent to which China is viewed as a threat also have developed between the U.S. public and its political leadership. In the early 2000s, this gulf developed over economic competition and was exemplified by populist pressures coming through Congress to force the U.S. Treasury to declare China a currency manipulator. However, the nature of this divide has shifted to security over time with a Pew Research Center finding in 2012 that over half of all Americans had come to view China as a major threat, by comparison to less than a third of government officials, business leaders, and academics (Matthews, Kohut, & Roy, 2012). U.S. policy has largely remained one of engagement with China, but with

rising tensions and flashpoints will cooperative relations continue?

The growing influence of China has created innumerable challenges for the U.S. ranging from regional security, political influence, military control, economic dominance, and competition in technology. This article explores whether China's rise constitutes a threat to the U.S. or to the stability of the global order. Competing approaches from international relations (IR) theories including realism, liberalism, and domestic political models are considered to assess the possible outcomes of this process. This article aims to view how existing IR theories interpret the concept of China as a threat to the U.S. and it highlights hypotheses in the existing literature about this threat.

China as Threat –Theory

Contemporary IR theories offer competing views as to whether China's rise poses a significant threat to U.S. interests. The perception of China as a threat grew in the 1990s with China's rapid economic growth rate of 9.5%. Should China overtake the U.S., it may result in global instability and the re-structuring of the international political and economic order (Storey & Yee, 2004). Alternatively, China's rise might be peacefully accommodated with little disruption.

Power transition theory, an IR theory, predicts that challenges to the hegemony of a dominant actor are inherently destabilizing and likely to lead to violent conflict (Organski, 1968; Organski & Kugler, 1981). The theory is rooted in historical approaches and attempts to place China's ascendance in the context of patterns of the rise and fall of the great powers like Great Britain, Germany, and France in the eighteenth and nineteenth centuries, and that of the United States in the twentieth century. When concentrations of military power

(particularly, naval power) and economic innovation begin to diffuse, the hegemonic power's leadership is weakened (Rasler & Thompson, 1994). Rising challengers resent the existing world order put in place by the hegemon to suit its interests (e.g., the 'exorbitant privilege' of the U.S. under Bretton Woods). This leads to conflict between China and U.S. over global leadership. The major questions for the power transition theorists who advocate the theory that China is a threat are: Will the U.S. be able to secure its political interests, economic control and military dominance over China? Or, will China be a security threat to its neighbors and the region in its attempt to establish a new political order (Art, 2010, p. 45)?

Power transition theory can be interpreted to suggest that one might expect China's rise to result in increasing challenges to a status quo favored and created by the U.S. The growth and change in China in the last three decades may signal a power transition as the gap between China and the U.S. powers has narrowed (Morrisey, 2010). Jacques (2009) suggests that not only is China poised to eclipse U.S. power, but also that the U.S. and China have profoundly different outlooks and preferences over the nature of world order. Based on this analysis, power transition theory predicts increasing tension and conflict between China and the U.S. over the governance of the international system. If this theory is correct, China's agenda and actions should demonstrate not just attempts to make marginal changes to existing relations to accommodate China's rise, but an effort to make fundamental shifts in patterns of economic and political relations to redistribute control to China. This would suggest that China's rise should certainly be viewed as threatening.

Structural realist theories and liberal institutionalist approaches, often at odds with one another, suggest that China's rise is likely to be less threatening than power transition theory would predict. Realists explain international

relations on the basis of power and its distribution in the international system. State power is a function of military capabilities, economic capabilities, and resolve or political will. Because power is a social relationship, realists view power relations as a zero-sum game. From this standpoint, a shift in power where China might rival the U.S. in capabilities would be inimical to U.S. interests. Yet, absent a power transition that would represent U.S. decline, this need not be threatening. Waltz (1964) contends that bipolar international orders are most stable as they confer clarity of alignments and clear responsibility among the two powers for managing interactions. From this perspective, a bipolar rivalry between the U.S. and China, constrained by nuclear deterrence, might bring order and predictability to the international system. Certainly, this might involve concessions by the U.S. to align the distribution of benefits and influence with the distribution of power. But, as with the transfer of the permanent seat on the UN Security Council from Taiwan (Republic of China) to China in 1971, this need not necessarily entail a substantial threat to U.S. interests. From this perspective then, China will seek to make marginal changes designed to ensure its security in nearby areas of vital interest.

Liberal theories of IR highlight the possibilities for cooperation engendered by the deep and growing interdependence between the U.S. and China. As the largest economies of the world, the two nations share deep trade and financial ties along with increasingly intertwined production systems. Liberal approaches highlight the positive nature of such transactions, where joint gains are generated. While there may be conflict over what rules will govern these exchanges and how joint gains will be divided, liberal theory suggests that such conflict can be resolved within the confines of international institutions as has been done between the U.S., Europe, and Japan since WWII. The U.S. approach of trade engagement and lack of elite level concern over China's holdings of U.S. debt might be

viewed in this way (Matthews et al., 2012). From the liberal perspective, China's rise can be accommodated through institutions that maintain its interdependence with the U.S. and help to deal with the politics of relative gains.

In the following sections, we consider these competing hypotheses about China's threat. First, we examine whether there is evidence that a power transition is presently under way. Second, we look at current flashpoints for conflict in China's immediate vicinity and consider how they inform our understanding of China's long-term agenda. Third, we look at China's objectives more broadly in the world and what challenges they present for U.S. leadership.

China and U.S. Capabilities: Revisionist Power and Power Transition

As China gains an ever greater share of the distribution of power in the international system, the concern among U.S. observers is whether China's government is committed to a revisionist agenda that would be antithetical to U.S. interests. China's authoritarian socialist political system, slow political reforms as compared to South Korea, Taiwan, and the Philippines in the 1990s, and the event of 1989 at Tiananmen Square further enhance Western perceptions of China as a threat. Rising nationalism or anti-Americanism after the Tiananmen Square incident and subsequent economic sanctions imposed by Western countries silenced the pro-Western voices inside China (Yee & Storey, 2002).Taken together, China's military modernization, its effect on regional security and economy, its territorial disputes, its desire of unification with Taiwan after Hong Kong in July 1997 and Macau in December 1999 have raised concerns that its strategic expansion represents an attempt to build a 'Greater China' as an historical empire.

If China is indeed a revisionist power, it must acquire sufficient capabilities to alter substantially the global order in a way that would threaten U.S. interests. At the root of U.S. concern regarding China is the dramatic shift in power capabilities that has occurred over a relatively short time. Following economic reforms under Deng Xiaoping in the 1980s, China's meteoric economic rise began in earnest in the 1990s with sustained annual economic growth rates near 10%. With its GDP roughly two thirds the size of the U.S. economy, China will only need to maintain its growth differential for a little while longer to surpass the U.S.

China's economic growth also has given the government resources to channel into military power, a growing concern for the U.S. China's current military force structure has traditionally provided effective defense against any effort to invade and seize China's territory, with a force of over a million soldiers, 7,000 tanks, 8,000 artillery pieces, and close to 3,000 aircraft (Office of the Secretary of Defense, 2016). But, increasingly, its approach has shifted outward including, notably, the acquisition and launching of its first aircraft carrier in 2012. China also has increased its arsenal of anti-ship missiles, expanded its ballistic program, and modernized its nuclear arsenal. This has been accomplished by ramping up the defense budget at an average inflation-adjusted annual rate of 9.8% over the last ten years (Office of the Secretary of Defense, 2016, p. ii).

Despite these rapid changes, China still remains rather far behind the U.S. in both economic and military terms. Rasler and Thompson (1994) identify the concentration of leading economic sectors and naval capabilities as the two key indicators of hegemonic power and its transition. In military terms, China relies on dated technology, having purchased an aging, semi-completed carrier from Russia, as compared to the ten fleet carriers in service in the U.S. Navy. China also lags

behind the U.S. in its nuclear force and air capabilities. While its growth in the last decade has been impressive, projections do not suggest that China's military power could conceivably overtake U.S. forces in the next few decades (Office of the Secretary of Defense, 2016).

More fundamentally, the economic basis for China's military expansion may not allow it to keep pace with the U.S. While China will likely surpass the U.S. eventually in total GDP, the gap between the U.S. and China's GDP per capita is liable to remain substantial. This gap represents a deficiency in technology and human capital that Chan (2007) estimates could not be closed in fewer than three decades. For Acemoglu and Robinson (2012), the extractive nature of China's political institutions will ensure that this gap will not be closed. While China has benefited from a period of extractive growth, it lacks the institutional structure to allow for the creative destruction associated with the technologies of the leading economic sectors.

This suggests that China will not overtake the U.S. economically and, in turn, will lack the resources to overtake the U.S. militarily. While it is possible that China might overcome these difficulties and maintain its exceptional growth, it is clear that a full power transition will be quite a long time in coming, if at all. Hence, the realist scenario, where China's greater share of the distribution of power is accommodated by shifting benefits, and the liberal scenario, where China's changing role is managed and integrated within institutions, both appear more likely than a challenge to U.S. leadership from a power transition.

Flashpoints in Nearby Waters

Whether a full power transition will happen or not, the presence of flashpoints in China-US relations makes escalation

a possibility. China's modernized military capability is already being felt through its' territorial disputes. These include an intense desire for unification with Taiwan after Hong Kong in July 1997 and Macau in December 1999. Observers have been alarmed that China's strategic expansion in the region might signal a desire to build a 'Greater China' as an historical empire. These initial outward manifestations of China's rise are consistent both with the power transition approach and realist and liberal theory. In this section, we consider how China's actions in nearby waters speak to these theories.

One important area of nearby conflict in the South China Sea is the Spratly Islands. The Spratly Islands are important due to their reserves of oil and natural gas. With oil reserves well in excess of those held by Kuwait, the Spratly's boast the fourth richest deposits in the world (Guo, 2006). Control of the archipelago has been contested for more than a hundred years. Currently, claims made on the chain include those by Brunei, China, Malaysia, the Philippines, Taiwan, and Vietnam. Recently, China has attempted to bolster its claim by dredging reef areas to create manmade islands to establish its control of the waters. These new landmasses host a military presence, including airstrips, and have been protected by more extensive naval patrolling. Most recently, a tribunal at The Hague adjudicating a suit brought by the Philippines specifically rejected China's claims over the Scarborough Shoal and, more broadly, rejected China's arguments of a historic claim on the South China Sea (Perez, 2016).

The U.S. has also refused to recognize these claims, sending naval patrols inside what China now considers its territorial waters. This is part of a larger effort of the U.S. to maintain a consistent naval presence to attempt to contain China's expansion. In 2013, for instance, the U.S. sent an aircraft carrier with two guided missile cruisers, a destroyer, a supply ship and a fast attack submarine with about 6,000 military

personnel to Manila in the Philippines as a show of force (Holmes, 2013). Along with this effort, the U.S. had worked with other countries in the region to bolster pressure against China. For example, Malaysia had announced that it would be building a naval base on Bintulu in the South China Sea, just 60 miles from the disputed part of the James Shoal. Singapore is another country in the region that already provides a naval base for U.S.

As part of the escalating tension with the U.S. and regional players, China has countered these moves with naval maneuvers of its own. China has regularly conducted military/naval exercises in the region as the "first open-sea drill with maritime and air forces from all three of China's fleets taking part" in October 2013. These drills were conducted to prepare for "open-sea combat" to safeguard national security and maritime interests (Santolan, 2013).

Further disputes in the East China Sea involve a group of uninhabited Senkaku Islands in Japan, the Diaoyu in China, and the Tiaoyutai Islands in Taiwan. The U.S. has not staked out a clear diplomatic position on who should control these islands. However, security arrangements with Japan would require the U.S. to intervene on their behalf if their control of the islands were challenged militarily, a commitment U.S. officials have repeatedly stated would be honored (Eckert, 2012). To reduce the chances of military conflict in the South China Sea, an agreement was reached between China and Vietnam after talks between China's Prime Minister Li and his Vietnamese counterpart, Nguyen Tan Dung, in October 2013 to form a working group to jointly explore the disputed waters in the South China Sea. It is being considered a diplomatic breakthrough.

China also considers Taiwan as an integral part of its territory, breaking diplomatic relations with countries that recognize

Taiwan. U.S. President Obama's administration has theoretically maintained the one China framework on the issue of Taiwan, but official exchanges and military links have long continued between the U.S. and Taiwan. Recent large sales of advanced weapons by the U.S. to Taiwan have been cited by China as very damaging to China-US relations. Ultimately, the possibility of China's military conflict with Taiwan and a U.S. military intervention have been cited as China's People's Liberation Army's most pressing long-term military concerns (Campbell, Meick, Hsu, & Murray, 2013; Holmes, 2013; Isajiw, 2013).

From any theoretical perspective, developments in the South China Sea are worrisome in their potential for escalation. The U.S. Department of Defense has observed that China has demonstrated a willingness to endure higher levels of tension in pursuit of its interests, but has consciously avoided outright conflict (Office of the Secretary of Defense, 2016, p. 45). Such an approach could be understood from a realist standpoint as China seeking incremental adjustments to the balance of power. As a major trading power and one dependent on external sources of raw materials, particularly oil, the safeguarding of sea lanes is a clear, vital interest for China. Moving to extend control over these areas then could be seen as the natural shift to a new equilibrium based on China's new status and not one that would signal broader, global conflict.

However, for proponents of power transition theory, these moves could have a more ominous meaning. Arguably, Russia's President Putin used the incidents in the Crimea to measure U.S. resolve. Finding little, Russia has taken an active role in the conflict Syria in an attempt to expand its influence in the region. Should China's leadership be pursuing a similar strategy, China's actions in nearby waters may presage attempts at expansion in greater Asia and beyond. Indeed, China's actions have included provocative military maneuvers,

such as the buzzing of U.S. reconnaissance planes and ships by fighter jets. More broadly, China's approach has been the unilateral assertion of control rather than managed or negotiated changes. As such, one might conclude that China is probing U.S. resolve inside the region, potentially in part to inform its agenda outside the region.

Growing Regional and International Role

The tense atmosphere and potential for escalation from the current military posturing in the waters near China are ominous. Power transition theorists would certainly point to this as indication of the likelihood of conflict generated by China's rise as it chafes against the U.S. exercise of control over the sea lanes. But, in the medium and long-term, those looking for signs of potential conflict might consider China's moves to increase its influence and control not only in the region, but internationally as well.

China's government has invested major diplomatic efforts in improving relations with developing countries. Beijing's relations with the developing world in this context have seen a renaissance in recent years. China has concluded a series of notable agreements for energy and other resources with developing states in Africa, Latin America, the Middle East and Asia. China's business leaders have undertaken a number of trade, investment, and market opportunities in these regions (Eisemann, Heginbotham, & Mitchell, 2015). The question is whether these efforts are part of a revisionist agenda designed to reshape the international order. On one hand, as a major player in the international economy, China has a clear interest in maintaining normal relations with countries around the world in order to allow trade. In particular, China has had an eye toward guaranteeing its access to raw materials and resources in developing countries, concluding a number of agreements for investment partnerships. On the other hand,

these moves might represent the beginning of an attempt to lock the U.S. out of regions to which it previously had access, jeopardizing key U.S. alliances, economic relationships, and spheres of influence. Whether power transition theory accurately captures China's motivations ultimately turns on whether the nature of China's interactions with these regions is open or designed to exclude the U.S.

Asia

The manner in which China has consolidated its position in Central Asia suggests an assertion of control designed to exclude the U.S. Outwardly, the Shanghai Cooperation Organization (SCO), made up of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan is a manifestation of China's new security concept of 'peaceful rise theory.' It emphasizes the Five Principles of Coexistence (mutual respect of territorial integrity and sovereignty, non-aggression, non-interference in internal affairs, equality and mutual benefit, and peaceful coexistence), and has become a full-fledged international organization. The SCO objective is to safeguard national security from the three threats: terrorism, separatism, and extremism and to ensure the stability of its borders. However, SCO ultimately aims to prevent external influence on the affairs in the region with an eye over a growing U.S. presence in Central Asia. China's concern and historic fear of 'strategic encirclement' are expressed many times through the SCO.

The move by China to bind itself to states in the region through international organizations to exclude the U.S. is matched by attempts to use economic integration to the same end. The U.S. and Russia will have to deal with China's more comprehensive presence in the region in the years ahead (Oresman, 2007). China's economic interests in Central Asia can be seen in its desire for the construction of a new Silk Road connecting

Central Asia, the Middle East, and Europe. China's dynamic economy could be a powerful engine for Central Asia's development and it is likely that China may provide them with an export route that may turn a new boon to the region. Similarly, China is expanding its connections into the Middle East**.** China is trying to establish a free trade zone between itself and the Gulf Cooperation Council, whose members include Saudi Arabia, Bahrain, UAE, Qatar, and Oman. China also has expanded its ties with U.S. rival Iran though heavy involvement in energy and construction (Yufeng, 2007).

China appears to be playing power politics by cultivating relationships with states the U.S. has neglected. The U.S. has a bilateral agreement with India for civilian nuclear trade. India's support to The Dalai Lama and U.S. support to anti-government forces in Tibet and Xinjiang angers China's government. China has utilized the opening created by the U.S. position to cultivate closer ties with India's main rival, Pakistan.

Certainly, part of China's motivation in cultivating Pakistan relates to domestic security. Expanding relations might aid China in clamping down on Xinjiang's ethnic Uighur community and groups, like the East Turkestan Islamic Movement (ETIM) who have sought refuge in the Pakistan-Afghanistan border areas, where they have established links with al-Qaeda and the Taliban in Afghanistan and Pakistan. Economic motivations are also important. The Chinese-Pakistan Economic Corridor (CPEC) represents an international extension of China's effort to deliver security through economic development (Markey & West, 2016).

To increase its influence over Pakistan, China may induct it as member of the SCO and possibly a member of the powerful group of the five major emerging national economies: Brazil, Russia, India, China and South Africa (BRICS)(Raja, 2015).In a recent development, China has a plan to invest $46 billion in

a China-Pakistan economic corridor running from the Gwadar port in Pakistan to Kashgar in China with roads, railways, and pipelines. The "flagship project" of "One Belt, One Road" to connect China to its markets in Asia, Africa, Europe and beyond with the new Silk Road will not only link China with Europe through Central Asia but also to the Indian Ocean via Gwadar. China presents this deal as a 'win' for both Beijing and Pakistan as it will expand Pakistan's interactions Central Asian countries (Talwar, 2015).

However, the "One Belt, One Road" (OBOR) policy has been criticized as a cloak under which Beijing is disguising its military ambitions. By securing economic and naval access, the burgeoning relationship with Pakistan could cement China's grand economic and military ambitions (Small, 2015). The plan will enable China's naval warships and merchant ships to bypass Malacca Strait and overcome its "Malacca Dilemma" (i.e., the constraint that the vast majority of its energy must pass by ship through this narrow sea lane) by its permanent naval presence in the Gulf of Oman and the Arabian Sea. China also seeks access to a series of ports stretching from the South China Sea to Africa's East Coast including the ports of Colombo in Sri Lanka, Gwadar in Pakistan, Chittagong in Bangladesh, Maday Island in Myanmar, and Port Victoria in the Seychelles. Adding The Republic of Djibouti in Africa to this list casts doubt on China's claims that the OBOR is a purely economic project (Kleven, 2015).

In geopolitical terms, China's moves place it in the midst of an area of keen strategic interest for the U.S. and add strain on the already troubled U.S.-Pakistan relationship. This new China-Pakistan axis appears to be playing a central role in Asia's geopolitics, interacting with issues as diverse as India's rise to the prospects for a post-U.S. Afghanistan to international terrorism. The burgeoning relationship also will intensify the ongoing competition between India and China and between

China and the U.S. to invest in and cultivate influence in the region. The threat to the U.S. is that should China's efforts to pull closer to Pakistan prove successful, China could ultimately reshape international relations in the region in such a way as to forestall further U.S. influence and involvement. Taken together, China's efforts in Central Asia conform more to a power transition theory than to the marginal shifts that the other theories might suggest.

Southeast Asia

In the emerging new world order of the 21st century, the vibrant Western Pacific rim of East Asia is going to play a vital role in future economic growth. China seems to have taken Southeast Asia as the challenge to break what it perceives as U.S. strategic encirclement by building a 'ring of political friendship.' Through reassurance policies, China has attempted to allay concerns of Southeast Asian leaders related to its enormous size, sweeping economic power, and military growth. The continued growth of China's economy is facilitated through the harmonization of its relations with states in the region. China cannot afford the development of an anti-China coalition where Japan is already a great U.S. ally. In 2012–2013, Japan struck military agreements with former enemies South Korea and the Philippines and reaffirmed its U.S. ties, in response to China's growing power.

To strengthen its ties in the region and potentially challenge U.S. economic leadership, China attempted to play the role of an honest broker during the financial crisis in Thailand both through the IMF and through bilateral loans and aid. After the U.S. opposition to the establishment of an Asian Monetary Fund, East Asian countries established ASEAN Plus Three (APT) to meet the future financial challenges of the region without the help of the U.S. China has provided market access for ASEAN trade and helped create the ASEAN- China Free

Trade Area (ACFTA) in 2010. Registering all the concerns of ASEAN countries¸ China has sought to convince its partners that its interests are aligned with the stability of the region.

China is striving to offset the U.S. dominance in Asian markets by engaging and encouraging Regional Comprehensive Economic Partnership or RCEP of ASEAN Member States, and ASEAN's FTA. The agreement would cement economic ties between China and fifteen other countries whose combined population and economies represent nearly half of the world. The resulting agreement would be the largest regional trade agreement in existence. Securing privileged access to these markets would grant China a huge export advantage over the U.S. and also place it atop a major bargaining force in future international trade negotiations.

The rising diplomatic and economic prominence of China in this region threatens to lock the U.S. out, despite the U.S. having strong footholds such as its relationship with Japan. The relentless focus of the U.S. on terrorism has given China the opportunity to make these inroads (Glosny, 2007). But, recent events have caused China's regional neighbors to reconsider their position in an order dominated by China. The 1976 ASEAN Treaty of Amity and Cooperation (TAC) stressed a vision of the Five Principles of Peaceful Co-existence and non-interference (India, Japan, South Korea, and Russia have since signed as well). China followed this with frequent high level visits to ASEAN countries to create confidence among their regional neighbors. The 2002 Declaration on the Conduct of Parties not to seize uninhabited islands satisfied even the most threatened Vietnam and Philippines. However, as recent events have dictated, China's neighbors have become much more wary of its intent and moved closer to the U.S. as a result.

Latin America

Going back to the Monroe Doctrine of 1823, the U.S. has claimed that Latin America falls within its sphere of influence. Yet, motivated by the region's rich reserves of oil and other raw materials, China has pursued increasing involvement, including military and technical ties with the government of Cuba. China's largest trading partners in Latin America include Brazil, Mexico, Chile, and Argentina. This activity, along with efforts in the other regions described earlier, fulfill part of China's natural resource strategy of diversification.

As Lafargue (2009) notes, China's increased economic engagement in Latin America has followed its policy of diversifying its sources of oil. As the world's second largest consumer, China must safeguard and ensure its access to oil supplies to secure its continued economic growth and development. The question becomes whether this simply represents benign economic ties of the kind suggested by liberal approaches to politics, or whether China will ultimately seek to leverage its economic involvement into political access and vie with the U.S. for influence in the Latin American region and access to resources.

Contrary to assertions that China's agenda in Latin America is malign, China's leaders contend that their strong belief in continuing development and its concrete contribution to world peace and order reflect big power partnership and peaceful rise theory(Teng, 2007). Yet, China uses its economic power as a trump card in its diplomacy. Beijing has used various kinds of leverage such as trade, investment, and tourism to improve its regional relations. Anti -Washington sentiments have increased in Latin America and facilitated the rise of China's influence (Teng, 2007). Similar to China's efforts to sway Pakistan, China's diverse military and technical ties with Cuba have raised many eyebrows.

Africa

China also has been quite successful in gaining international support for the "one- China policy" in Africa. China has stepped in to fill the power vacuum created in the region after the decline of Russia and the U.S. preoccupation with war against terrorism. China's main interest in Africa is to access oil, minerals, other natural resources, and agricultural products to contribute to China's GDP (Shinn & Eisenman, 2008). Both President Xi Jinping and Premier Li Keqiang have made use of opportunities left open by U.S. President Obama due to his preoccupations with the U.S. economy. China maintains official diplomatic relations with forty-nine out of fifty-three African countries. It is promoting tourism, relaxing visa processes, and is busy in cultural exchanges. Even its' scientific and technology transfers are increasing. China is also making use of the regional platforms such as the Forum on China Africa Cooperation (FOCAC) to strengthen its ties in the region. It hosted the annual meeting of the African Development Bank. China also has become Africa's single largest trading partner by replacing the U.S. recently. China, quite imperceptibly but pragmatically, has extended its political, economic, diplomatic, and military relations with African leaders in a way that it has created erosion of the long-held position of the U.S. and the West in Africa.

Evaluation of China's Foreign Policy: Threat?

Certainly, there is ample evidence to suggest that China's agenda constitutes a threat to U.S. interests of the kind suggested by power transition theory. China's posture in nearby waters is expansionist and aggressive, probing the resolve of its neighbors and of the U.S. to come to their aid. In wider regional circles, China's foreign policy moves have been designed on the surface to secure trading access and, in particular, resource access. However, their bilateral and

institutional initiatives appear to be designed consciously to create exclusive access and minimize or even eliminate U.S. access and involvement.

Signs of the interests that might conflict with those of the U.S. also have been evident in recent developments in the institutions of economic governance. China has sought to consolidate its diplomatic gains among developing countries with the development of the BRICS as a major player in international discussions, as well as through its Regional Comprehensive Economic Partnership with ASEAN countries. Meanwhile, the U.S. has managed the negotiation for the Trans-Pacific Partnership (TPP) in such a way as to set the rules for 40% of the world's economy without China's participation.

However, there is some evidence that China's rise has been accommodated and eased through bilateral relations with the U.S. and through international institutional frameworks. These developments do suggest competing interests, but importantly are occurring within peacefully negotiated and rule-bound frameworks. In terms of institutionalizing bilateral interactions over security issues, the Fifth Round of U.S.-China Strategic and Economic Dialogue was held in July, 2013 in Washington and the two sides agreed that constructive U.S.-China relations are critical to both U.S. and China policies in the Asia-Pacific. While the outcomes have not been purely harmonious, these discussions have yielded understandings on a broad range of issues including peace in the Middle East, Syria, North Korea, the Iranian nuclear deal, the Sudan, and climate change. On the economic side, there are no indications that concerns over trade surpluses are likely to spark a trade war; both the U.S. and China have been willing to settle disputes within the rules of the World Trade Organization.

The seeming contradiction between China's aggressive stance in the South China Sea and its more harmonious institutional involvement points to the enduring power asymmetry between the U.S. and China. As the U.S. government has noted, China's military posture has been constrained by the knowledge that it lacks the strength to force outcomes and that it must avoid outright conflict (Office of the Secretary of Defense, 2016). While China's military growth has been formidable, it still cannot project power at a distance in the way the U.S. can. On the economic side, despite China's growth, its sizable GDP belies a tremendous disadvantage with the U.S. both in the adoption and production of innovation. China's GDP per capita remains less than a fifth of U.S. GDP per capita.

Though the U.S. public may fear China's holdings of U.S. government securities, government elites understand that attempting to undermine the dollar is not a politically feasible strategy for China (Matthews et al., 2012). China's purchases of U.S. treasuries have been key to maintaining the yawning trade surplus with the U.S. upon which so much employment in China is based. Dumping U.S. bonds would certainly rankle financial markets, but would likely do more damage to China's economy and political system. Meanwhile, as the 1970s and 1980s have shown, the absence of a viable alternative reserve asset (especially in light of instability in the European Union which threatens the Euro) ensures the dollar primacy will be maintained.

Perhaps, China's continued rise will ultimately bring about the power transition some predict and lead to the kinds of changes China appears intent on pursuing now. While this is possible, China's impressive growth has been built on rather tenuous foundations. Three factors make it highly unlikely that China will become the threat many in the U.S. fear. First, China's recent rates of economic growth, based on the reallocation of under-utilized resources and the introduction of markets,

cannot be maintained. The long-run growth rate of economies is determined by the development and implementation of new technologies and China lacks the economic and political institutions to support this activity (Acemoglu & Robinson, 2012). Second, much of China's growth has come at the expense of its own environmental resources. Following a long pattern of environmental exploitation that dates back to China's Communist period, China's rapid industrialization has likewise come at the expense of the quality of the environment. With an enormous, growing population, a reckoning will be at hand before a power transition can occur. Finally, the combined weight of these factors will likely fracture China's political institutions. Such tensions are already visible with China's government's seeming obsession with internal enemies, on one hand, and central party crackdowns on local corruption, on the other. The failure to maintain existing growth rates and any sustained economic downturn is likely to bring a political reckoning.

Conclusion: China, the U.S., and the Future

A perception of China as a threat in the U.S. is the product of a complex new politics that seems increasingly fearful of the external, from China to ISIS to Latin American immigrants. While China's foreign policy may appear to justify such fears, China will not pose a long-run threat to the U.S. that proponents of power transition theory would suggest. Nonetheless, China will continue to be an important power in the international system and one with substantially different interests over some areas than the U.S. This portends a hybrid relationship of challenge and opportunity, competition and cooperation, which will persist between the two powers. Such a relationship will require careful attention to confidence building measures, frequent high-level summit meetings, and extended cooperation between China and the U.S. to avoid

confrontation while addressing competing interests and realizing new opportunities.

References

Acemoglu, D., & Robinson, J. A. (2012). *Why nations fail: the origins of power, prosperity and poverty* (Vol. 4): Crown Business New York.

Art, R. J. (2010). The United States and the Rise of China:Implications for the Long Haul. *Political Science Quarterly Volume 125 Number 3*.

Campbell, C., Meick, E., Hsu, K., & Murray, C. (2013). China's 'Core Interests' and the East China Sea. *US-China Economic and Security Review Commission Staff Research Backgrounder*.

Chan, S. (2007). *China, the US and the Power-Transition Theory: A Critique*: Taylor & Francis.

Eckert, P. (2012). Treaty with Japan covers islets in China spat: U.S. official. Retrieved from Reuters.com website: http://www.reuters.com/article/us-china-japan-usa-idUSBRE88J1HJ20120920

Eisemann, J., Heginbotham, E., & Mitchell, D. (2015). Introduction. In J. Eisemann, E. Heginbotham & D. Mitchell (Eds.), *China and the Developing World: Beijing's Strategy for the Twenty-first Century*. London: Taylor & Francis.

Friedman, G. (2010). *The next 100 years: a forecast for the 21st century*. New York, NY: Anchor.

Guo, R. (2006). *Territorial disputes and resource management: a global handbook*: Nova Publishers.

Holmes, J. R. (2013). Why China is Building More Aircraft Carriers. *The Diplomat*. Retrieved from TheDiplomat.com website: http://thediplomat.com/2013/08/why-china-is-building-more-aircraft-carriers/

Isajiw, C. (2013). China's PLA Marines: An Emerging Force. *The Diplomat*. Retrieved from TheDiplomat.com website: thediplomat.com/2013/10/chinas-pla-marines-an-emerging-force/

Kleven, A. (2015). Is China's Maritime Silk Road A Military Strategy? *The Diplomat*. Retrieved from The Diplomat.com website: http://thediplomat.com/2015/12/is-chinas-maritime-silk-road-a-military-strategy/

Lafargue, F. (2009). Perspective Chionises China's presence in Latin America. *China's Perspective*.

Markey, D., & West, J. (2016). Behind China's Gambit in Pakistan. Retrieved from CFR.org website: http://www.cfr.org/pakistan/behind-chinas-gambit-pakistan/p37855

Matthews, J., Kohut, A., & Roy, J. (2012). U.S. Public, Experts Differ on China Policies *US-China Security Project*: Pew Research Center.

Morrisey, E. (2010). *Lessons from the past: Power transitions and the future of US-China relations.* (MA in Security Studies), Georgetown University.

Office of the Secretary of Defense. (2016). *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China*. Washington, DC.

Oresman, M. (2007). Repaving the Silk Road. In J. Eisemann, E. Heginbotham & D. Mitchell (Eds.), *China and the Developing World*. New York: M.E. Sharpe.

Organski, A. (1968). *World Politics*. Alfred A: Knopf, New York.

Organski, A., & Kugler, J. (1981). *The war ledger. Chicago*: University of Chicago Press.

Perez, J. (2016). Tribunal Rejects Beijing's Claims in South China Sea. *The New York Times*. Retrieved from www.nytimes.com website:

Raja, A. (2015). China-Pakistan Energy Corridor: Game Changer. *Veterans Today*. Retrieved from veteranstoday.com website: www.veteranstoday.com/2015/11/09/china-pakistan-energy-corridor-game-changer/

Rasler, K. A., & Thompson, W. R. (1994). *The great powers and global struggle, 1490-1990*: University Press of Kentucky.

Santolan, J. (2013). America's "Pivot to Asia" Threatens China: US Stages Show of Naval Force in South China Sea War Games. Retrieved from globalresearch.ca website: http://www.globalresearch.ca/americas-pivot-to-asia-threatens-china-us-stages-show-of-naval-force-in-south-china-sea-war-games/5355709

Shinn, D., & Eisenman, J. (2008). Responding to China in Africa. *American Foreign Policy Council*, 2-3.

Small, A. (2015). *The China Pakistan axis: Asia's new geopolitics*: Random House India.

Storey, I., & Yee, H. (2004). *The China threat: perceptions, myths and reality.* London: Routledge.

Talwar, S. (2015). China-Pakistan Economic Corridor and its Geopolitical Implications: Centre for Air Power Studies.

Teng, C. (2007). Hegemony or Partnership China's Strategy and Policy towards Latin America. In J. Eisemann, E. Heginbotham & D. Mitchell (Eds.), *China and the Developing World*. New York: M.E. Sharpe.

Waltz, K. N. (1964). The Stability of a Bipolar World. *Daedalus, 93*(3), 881-909.

Yufeng, M. (2007). China's Interests and Strategy in the Middle East and the Arab World. In J. Eisemann, E. Heginbotham & D. Mitchell (Eds.), *China and the Developing World*. New York: M.E. Sharpe.