



Department of International Relations

Chair in Comparative Politics

Securitizing the Dragon: The Evolving Perception of China as a Global Security Threat

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“Vivimos una era de cambio y un cambio de era determinado por la conformación de China como potencia global y por su centralidad en el sistema internacional, que plantea la cuestión de si dicha emergencia y transformación va a conllevar simplemente un cambio de la estructura, distribución y equilibrios de poder en el sistema internacional existente, o una reconfiguración de éste y de las ideas y paradigmas en que se sustenta.” (Montobbio, 2017)

We are living in an era of change and a change of era determined by the emergence of China as a global power and its centrality in the international system, which raises the question of whether this emergence and transformation will simply entail a change in the structure, distribution, and balance of power in the existing international system, or a reconfiguration of the latter and of the ideas and paradigms on which it is based.

Viviamo in un'epoca di cambiamento e in un cambiamento d'epoca determinato dall'emergere della Cina come potenza globale e dalla sua centralità nel sistema internazionale, il che solleva la questione se questo emergere e questa trasformazione comporteranno semplicemente un cambiamento nella struttura, nella distribuzione e nell'equilibrio del potere nel sistema internazionale esistente, o una riconfigurazione di quest'ultimo e delle idee e dei paradigmi che lo sostengono.

Ideas chinas: El ascenso global de China y la Teoría de las Relaciones Internacionales

– Manuel Montobbio

Introduction

The Framework

The 21st century has been marked by the unprecedented Chinese economic rise which positioned the country at the core of the international system. These resulted in an exponentially growing literature assessing both the opportunity and the threat concerning China's rise, however, many analyzed it as becoming a critical security threat – especially to the United States (US). Looking back at China's first steps toward being the second-largest economy nowadays, it is possible to affirm that its accession to the World Trade Organization (WTO) in 2001 represented the watershed event that enhanced the country's trade capabilities. Although the will to promote closer US-China economic relations came from both sides, it has been claimed that US-based companies largely contributed to the opening of the Chinese market. Therefore, China has not always been seen as a potential threat or competitor, but rather as an opportunity or a trade partner. Consequently, it seems relevant to analyze whether China's more recent perception as a security threat is rooted just in its economic expansion, or if the Chinese issue has been securitized following its increased capacity to allocate funds to military spending, thus implying a faster military modernization.

In international relations, a State exercises its power and influence over other international actors through various tools encompassing economic, political-diplomatic, informational, and even military means. Beyond being employed to wage war or defend against attack, the Armed Forces are also used as an instrument to project and exercise national power beyond the state borders. Precisely, the US has always maintained a high level of military spending compared to the rest of the world and its military supremacy served as a benchmark for the maintenance of its hegemony and rule-based world order. It has been argued that the size of a national economy undoubtedly impacts the country's military capabilities and is relevant to determining the share of the budget destined for the armies (Cordesman & Hwang, 2020). And, if it is true that the biggest economy in the world has always maintained extremely high military spending, it is plausible that a rising China with incremented economic funds will gradually raise its defense budget to match the country's growing relevance in the international arena. Indeed, the Chinese government has been allocating ever more money to military expenditure since the early 2000s going from US\$22237.1 million to US\$291958.4 million in twenty-two years (SIPRI, 2022). Therefore, it seems evident that China is willing to diminish the military asymmetry vis-à-vis the United States, by swiftly catching up with defense expenditure. This trend can potentially instill fear within the American administration concerned about a future conflict or losing its established influence in the Indo-Pacific, thus fostering a perception of China as an

emergent geostrategic adversary. Notwithstanding, it is relevant to underscore the contextual significance of these numbers: despite China's efforts, the US continues to spend approximately threefold more than its counterpart on the defense budget. However, despite US superiority over several military power metrics, China maintains a relative military advantage in the region due to its geographical position (Hartung, 2023).

China swiftly acquired a position among the perceived security issues in a few years and in 2022 the US Secretary of State framed the People's Republic of China (PRC) as the main worrying long-term challenge to the international order, thus directing the US efforts in that direction (Blinken, 2022). It is difficult to precisely frame the notion of security as it is a multifaceted concept that can be defined in different ways following different contexts. However, a widely accepted definition comes from Barry Buzan, the prominent scholar of security studies, who described *security* in international relations as "the move that takes politics beyond the established rules of the game and frames the issue either as a special kind of politics or as above politics" (Buzan, Wæver, & Wilde, 1998, p. 23). Therefore, what has been labeled as the *securitization* process in the international relations discourse is the operation that transforms a concern of mere regular politics into a security subject, hence designating a set of extraordinary means and procedures to address such a security threat (Buzan, Wæver, & Wilde, Security: A new framework for analysis, 1998). Indeed, nowadays the US Defense Department delineates the PRC among the primary security concerns for the country, thus providing specific strategies to address China in a competitive framework. For instance, the United States Strategic Approach to the People's Republic of China of May 2020 clearly states that the Chinese Communist Party (CCP) seeks to center the international system's favor on itself, thus reshaping the current American-led framework. The methods deployed by China to achieve its national goals, encompassing the use of economic, political, and military power to influence other nations, hamper the US interests and diminish subjected states' sovereignty and dignity. Consequently, the US government delineated specific measures to follow when dealing with the Chinese threat and protect vital national interests (White House, 2020). As the Biden Administration seeks to maintain an open and inclusive international system, it is trying to influence China's strategic area of operations by implementing the *invest, align, compete* strategy. Therefore, the US must invest to increase the country's strength and competitiveness, align with allies' interests to fight a common cause and it must compete with the PRC to defend vital national interests and shape the future (Blinken, 2022).

Objectives and Structure of the Research

China's escalation as a perceived security concern is an interesting case to observe the transformation of a country from an economic partner to exploit to a strategic rival to fear and securitize. Therefore, this research tries to analyze whether China's perception as a security threat is rooted in its economic expansion, or if it has been securitized following its increased capacity to allocate funds to military spending, thus implying a faster military modernization. Chapter one lays the foundation for understanding the contemporary discourse surrounding China's military and economic ascendancy within the framework of securitization theory by observing its evolving position on the global stage. It will first, unveil the current debate by displaying China's role in nowadays military and economic landscape being these the two pivotal branches at the foundation of the United States' hegemony and power. Then, the crucial concept of securitization will be explained to understand the process that brought a change in the narrative concerning China, shifting from a source of opportunities to a source of threat. By examining the interplay between rhetoric, policy, and perception, this chapter provides insight into how China's ascent has become intertwined with broader security narratives, hence shaping global discourse and strategies. The second chapter delves into a crucial moment for China's economic and geopolitical rise, thus analyzing the nation's access to the World Trade Organization (WTO). Here, the driving forces and discourses behind China's entrance into the WTO will be contextualized by thoroughly investigating the interests of key stakeholders and the expected benefits for both China and the US. Chapter two traces the initial ideas prompting the US to turn to the Chinese market and push for its opening to the West, then looks at the outcomes unfolded by this milestone event. Moreover, this chapter elucidates the concurrent rise of China as an economic powerhouse and the parallel growth of its military capacity and reflects on the symbiotic relationship between economic prowess and military expansion. Chapter three explores the convergence of economic power and security, using China as a case study to explore how technological advancements, particularly in artificial intelligence (AI), have positioned China as a formidable strategic competitor on the global stage. It examines how China's economic growth has fueled its technological innovations, leading to significant technological developments in both civilian and military domains. The chapter also discusses the implications of China's AI-driven advancements for global security, especially in the context of US-China relations. The analysis underscores the potential risks and challenges posed by AI in military applications, highlighting the strategic importance of technological dominance in the 21st century. Through an exploration of China's AI initiatives and its broader impact on international security dynamics, this chapter provides a comprehensive understanding of how economic resources and technological capabilities intersect to shape global power structures.

In sum, this thesis posits that the evolving perception of China as a security threat, particularly by the United States and like-minded, is not solely a consequence of its rapid economic expansion. Rather, it is the strategic allocation of its economic resources – marked by substantial investments in military modernization and cutting-edge technologies such as artificial intelligence – that has transformed China’s image from a potential economic partner to a formidable geostrategic rival. This shift underscores the critical nexus between economic power and security, where a nation’s ability to channel its resources into areas that enhance its military and technological capabilities can significantly alter global power dynamics and elicit securitization responses from other states. By examining the complex interplay between economic strategy and security concerns, this research seeks to contribute to the broader understanding of how contemporary power struggles are increasingly defined by technological innovation and military investment, as much as by economic might.

CHAPTER 1

China's Securitization Journey: Unveiling the Intersection of Economic and Military Dynamics in Global Security Discourse from Economic Rise to Global Aspirations

This chapter lays the foundation for understanding the contemporary discourse surrounding China's military and economic ascendancy within the framework of securitization theory by observing its evolving position on the global stage. China's position in the international system has dramatically evolved following a trajectory from a focus on economic development to establishing itself as a potential global power. China has experienced a significant economic escalation in the last decades, thus shifting the country from poverty to being the second-largest economy in the world and a prominent country in several sectors concerning technological innovation. Furthermore, its rapid modernization of the military body suggests the intention to be acknowledged as one of the first fighting forces in the international arena. The country's rise undoubtedly impacted the global security landscape reshaping international dynamics due to its economic, military, and technological advancements. Indeed, China has caught up with the US rapidly and gradually grew the desire to forge a Chinese sphere of influence in the Indo-Pacific region and beyond to become the global leading power (Blinken, 2022). Narratives about security studies will serve to comprehend how China's perception of a threat has emerged and evolved over time, and the complexities of security discourses. Beijing's rhetoric and spreading influence have shaped the United States' attitude toward China thus raising the need to deeply analyze and study this phenomenon to properly address what is now regarded as the US primary security concern.

1.1 China's Evolving Position in the International System and the Challenge to the West

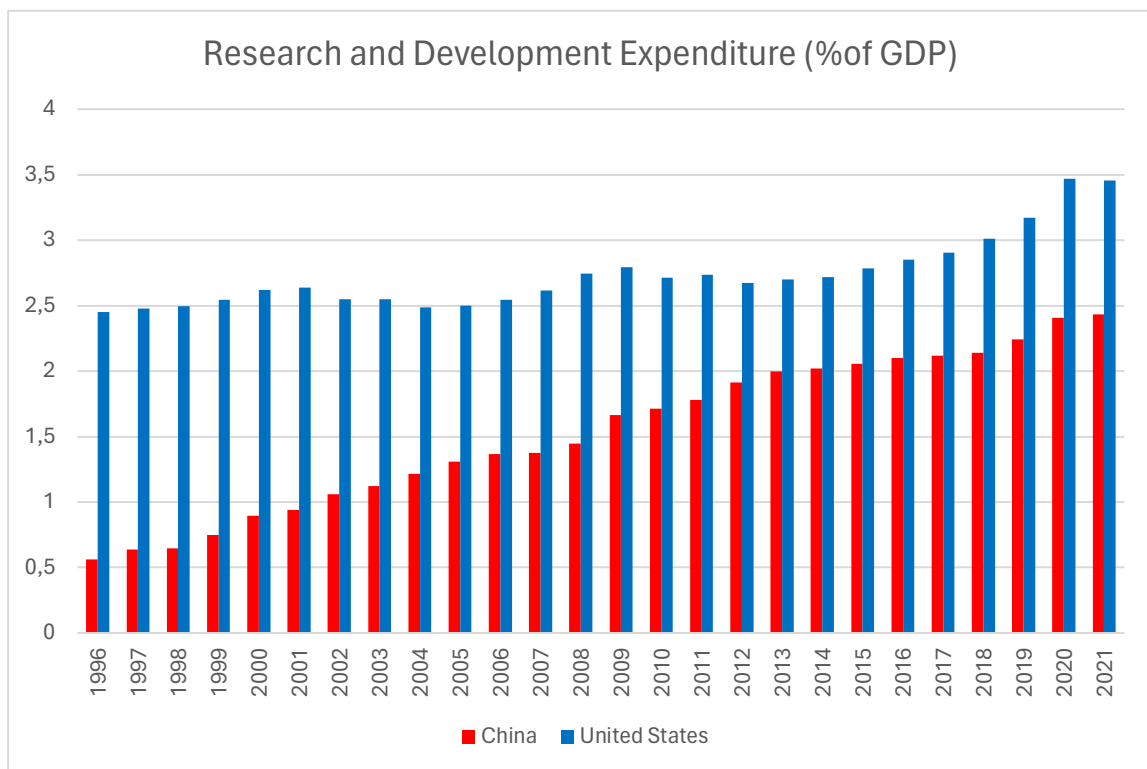
Economic and Technological Ascendancy

China experienced an unprecedented rapid economic expansion that was also mirrored by a profound societal metamorphosis as in a few years a large share of the Chinese population was successfully lifted out of extreme poverty. China's economic success represents merely one side of

the country’s multifaceted ascent. Indeed, this transformation has been concurrently accompanied by a significant climb in education, science, technology, and innovation rankings, thus encompassing improvements in diverse domains. Despite acknowledged achievements, China’s investments have yet to eclipse the US spending for instance in Research and Development (R&D). Remarkably, the latter remained only 1.1% below the US expenditure for the year 2020, hence proving the formidable effort that China is putting forward to foster innovation and technological advancement (see Figure 1) (World Bank Data, 2020a). The charts below serve as a visual aid to comprehend the evolving dynamic in military expenditure and technological investment between China and the United States and to situate them in a wider context. Accordingly, the enormous Chinese effort to narrow the gap with the US seems to be mirrored by an increment in American spending striving to maintain its primacy in crucial domains (World Bank Data, 2021c).

Figure 1: Research and Development Expenditure as a % of GDP – China, United States.

Source: World Bank Data

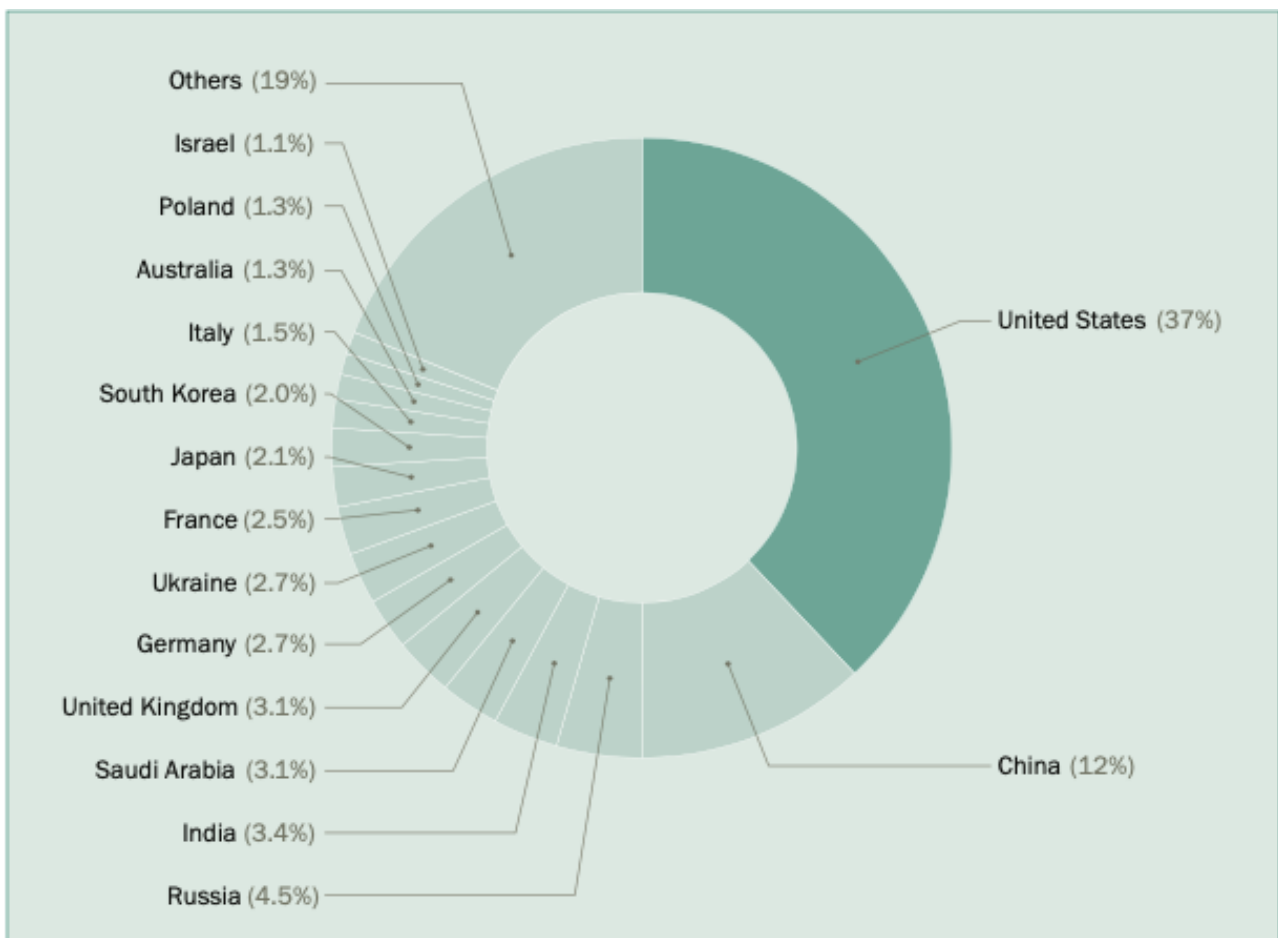


Military Expenditure and Strategic Competition

China’s ascent in the economic realm has been further followed by rapid improvements in military technologies and capabilities, thus placing the nation in direct competition with the United States. It has been claimed that China’s economic and military progress is gradually eroding America’s standing as a global hegemon, compelling US leaders to confront the constraints on

American power (Allison, 2017). However, even though China has increasingly expanded its defense budget, the US maintains the top position in terms of military spending registering respectively US\$876.94B in the US and US\$291.96B in China (World Bank Data , 2023b). The following graphical representation (**Figure 2**) facilitates a nuanced comprehension of the considerable distance between the US military expenditure from that of the other states. At the same time, it contextualizes the incremental ascent of China as a potential military competitor. Although it remains accurate that these two nations collectively constitute approximately half of the global military expenditure, data about 2023 plainly underscore the US’s overwhelming dominance in this sector. Precisely, the United States provided an expenditure 3,1 times bigger than that of China – the second-largest spender in the defense budget – and significantly increased the share of the budget dedicated to ‘research, development, test and evaluation’ (RDT&E) (Tian, Da Silva, Liang, & Scarrazzato, 2024). However, it is acknowledged by more critical and preoccupied views that Beijing’s military spending does not include the spending bucket for research and development, a bucket that in contrast takes more than US\$140 billion in the American defense spending.

Figure 2: The share of world military expenditure of the 15 countries with the highest spending in 2023. *Source:* SIPRI Military Expenditure Database, Apr. (2024).



Despite the US preeminence displayed in the figures, several European think tanks estimated the real PRC defense budget to be at the minimum 30-40 percent higher than the official military expenditure. Accordingly, the Chinese government wants to obscure the real extent of its military buildup, thus diverting substantial funds from official defense budget data. Therefore, although the US should officially be more than three times more powerful than China in terms of defense budget, this is probably not entirely realistic (Peters & Beaver, 2024). Another challenging factor is the different purchasing power between Beijing and Washington. As personnel and manufacturing costs are significantly cheaper in China, the PRC can buy and produce more at a lower cost compared to the US which has to sustain higher expenses starting with higher salaries. Consequently, even if China's economic growth is predicted to slow down in the next decade, the country will still be able to sustain increasing military spending (Peters & Beaver, 2024).

Military Modernization and Strategic Goals

In addition, as for 2019, China's official statements acknowledge their enormous steps forward in military modernization and the intention to invest even more to meet national security demands. Indeed, the PRC has set a three-step project composed of near, medium, and long-term goals, to modernize the PLA's capabilities and technologies comprehensively. The near-term goal for the modernization of the armed forces in the *New Era* is to "accelerate the integrated development of mechanization, informatization, and intelligentization, while boosting the speed of modernization in military theories, organizations, personnel, and weapons and equipment" by 2027. The medium-term goal is "to comprehensively advance the modernization of military theory, organizational structure, military personnel, and weaponry and equipment in step with the modernization of the country and basically complete the modernization of national defense and the military [...]" by 2035. And the long-term goal is "to fully transform the people's armed forces into world-class forces" by 2049 (U.S. Department of Defense, 2023, p. 39). However, it is claimed that the PLA is still far from being compared to the world's leading militaries (White Paper on National Defense, 2019). Nevertheless, it has been increasingly considered that the balance of power is influenced more significantly by economic rather than military capabilities. The term *geo-economics* emerged to indicate the use of economic instruments to achieve geopolitical goals and China appears to be the finest specialist. Thanks to its sheer economic size, China benefits from great resources to be invested in modernization of the military sector and its political elite has a wide discretionary margin in deciding where to allocate the PRC's funds. Moreover, Beijing uses economics to further its foreign policy thus being the primary trading partner for more than 130 countries – by fostering its presence in Asia, China seeks to regain its regional hegemony (Allison, 2017).

China's Global Influence and Regional Ambitions

In his opera, Henry Kissinger (2011) delineated China's ultimate political objective: setting up an extremely hostile scenario that makes it impossible for the opponent to get away rather than end in a violent conflict. This seems to align with China's current behavior in economic relations by acquiring leverages on those nations dependent on its imports or exports. Therefore, acknowledging its increased power, China grew dissatisfied with the US-led world order set up in the aftermath of World War II (WWII). Consequently, it started to promote the emergence of new international projects without US surveillance: the Asia Infrastructure Investment Bank and the BRICS (Brazil, Russia, India, China, and South Africa). Beijing's leadership's assertive behavior suggests that it seeks to reshape the global balance in China's favor by attracting US allies in Asia into diplomatic, trade, and financial ties (Allison, 2017). Notably, Antonio Guterres' call to action: "those that benefit most from the present global governance system are unlikely to lead its reform. So, momentum for change must come from you" (i.e., G77 and China) (UN News, 2024), is strikingly compatible with China's dissatisfaction, hence the country could represent the interests of non-Western and developing countries as a dissatisfied faction. According to Allison (2017), China is unwilling to accept the US-led international order as Xi Jinping strongly desires to make China great again by elevating the nation to the extent of power that the international stage will be compelled to recognize its interests and afford it due respect. To do so, Beijing is constantly renewing assertiveness in its territorial and maritime neighborhood (Allison, 2017). However, since China greatly benefits from the current global economic system, its disruption would immensely damage Beijing's economy as well. Consequently, it has been argued that the PRC's primary goal is to find a compromise to maintain the established structures while redefining them to suit the country's national interests. In this sense, some scholars have stated that "China is a country that likes to maintain the status-quo" (Wen, 2022, p. 93) and the strategic stability of the international order. In so doing, Beijing's aim is to make economic growth and national sovereignty precede over the civil liberties and human rights agenda, preeminent in the actual US order (Mitter, 2022). The four key points to make China great are: first the restoration of China's historical predominance in Asia before the Western intrusion. Second, regain strong political control, in both of its mainland territories – Xinjiang and Tibet – and Hong Kong and Taiwan, thus ending the long-standing political instabilities and frictions in those areas. Third, reestablishment of influence along its borders and in the neighboring seas. If China should regain effective territorial and sea control, it would be able to keep foreign powers, especially the US, from projecting force and influencing the Indo-Pacific region (Atesoglu, 2013). The last key element is to attain the recognition and esteem of other major powers within international forums as China suffers from having been

perceived as a poor country to exploit, and one incapable of making a difference in the international system (Allison, 2017). It has been claimed that the long tradition of the Chinese nation keeps shaping political decisions, indeed John King Fairbank's (Fairbank, 1968) three core tenets of classical Chinese foreign policy – regional dominance, recognition of China's intrinsic superiority by neighbor nations, and volition to deploy the first two elements to coordinate a harmonious co-existence in its region – seems to maintain their validity. In this regard, it is the Confucian social system that uniquely influenced China's political thought and beyond, hence, order and harmony are the fundamental ruling principles to respect the given hierarchy (Allison, 2017). Another crucial factor shaping China's interrelations and current behavior is the tragic era of humiliation that the Chinese nation experienced when foreign powers disrupted the country's borders with the intent to exploit and dominate the country. Mao Zedong and its Chinese Communist Party (CCP) ended this period in 1949 by emerging victorious from the civil war, thereby assuming control and after the recent Chinese extraordinary economic rise, leaders are eager to see their nation taking back its position on the international stage. Although China recognized the great US's role after WWII in letting Asia flourish, it believes that it is time for them to disengage and leave the area to the reborn historical regional hegemon. As the PRC guided the country out of the era of humiliation, it is now eager to put forward its national interests and claims. The vivid resentment nurtured during this disastrous period for the Chinese population shaped the country's claims and international relations scheme (Allison, 2017). China is accomplishing a modernization and expansion of its military body thanks to the economic escalation seemingly following the path of a revisionist power at least in the Asian continent (Atesoglu, 2013).

Changes in Strategic Guidelines and US-China Relations

Remarkably, further exploring current China's strategic guidelines for a new era established in 2019, official documents clearly state the intention to contain and, should the need arise, win wars. The country does not promise to renounce the use of force, thus reserving the option of using all means necessary should a situation require to do so (Ministry of National Defense Defense Policy, s.d.). China's aspirations to modernize the PLA are intended to move in tandem with the continuous modernization of the country. This feature underlines the interconnected strategy of the CCP which aims to keep the country's expansion moving forward while advancing the PLA at the same time to be ready and capable to defend China's interests and progress (U.S. Department of Defense, 2023). The National Defense Policy declares the state's intention to assertively safeguard China's sovereignty, security, and development interests as the core objective in the new era by upholding a peaceful development path, and an independent foreign policy. Therefore, the Ministry of National

Defense claims China's National Defense policy to be defensive in nature also by building upon the traditional national fundamental principles of peace and harmony (Ministry of National Defense Defense Policy, s.d.). Accordingly, Beijing is both focused on protecting its sovereignty, security, and developing interests; and on projecting itself as a state with an increasing global role. By upholding the *active defense* doctrine, the PRC claims not to be intimidated by superior powers, especially in matters of border protection, and describes Beijing's external action to defend its interests (U.S. Department of Defense, 2023). Precisely, among the national defense aims, the will to safeguard China's maritime rights and interests; security interests in outer space, electromagnetic space, and cyberspace; and China's overseas interests are enlisted among other goals regarding more matters related to internal security and stability. Since a State exercises its power and influence over other international actors through various tools encompassing economic, political-diplomatic, informational, and even military means; the Armed Forces are also used as an instrument to project and exercise national power beyond the state borders. Indeed, the PRC has long begun a modernization process of its army to enhance efficiency and capabilities, especially of the navy, air force, and special artillery forces (Atesoglu, 2013). Another element of concern is embodied by the change of direction in China's strategy since 2013. Precisely, the year 2010 marked a turning point for China's global standing and involvement in East Asia when the country's GDP surpassed Japan's GDP, thus ranking right behind the US. As a consequence of this development, new tension arose between China and the US, Japan, the Philippines, and Vietnam, eventually inducing China to doubt the continued effectiveness of the *taoguangyanghui* (keeping a low profile, KLP) foreign policy strategy implemented by Deng Xiaoping in the early 1990s (Xuetong, 2014). In addition, experts worldwide under the umbrella of the 'China threat' group perceived the KLP as a maneuver for China to hide its real capabilities to buy time to emerge on the global stage as the predominant power. For these reasons, after long debates, the Chinese elite decided that the KLP was no longer a suitable strategy for the 21st century, and Xi Jinping formally announced the new strategy of *fenfayouwei* (striving for achievement, SFA) in 2013 during a CCP conference on foreign affairs (Xuetong, 2014). More recently, it has been acknowledged that since 2019, Beijing has further adjusted its military strategic guidelines to enter a *new era* in which the PLA has to address "the new landscape of strategic competition, the new demands of national security, and new developments in modern warfare [...]" (U.S. Department of Defense, 2023, p. 55). Therefore, China's assertive behavior seems far from going back, and yet during Trump's campaign in 2016 and presidency, the potential for a major power critical tension to arise was evident (McDonald, 2017). The outcome of the next US Presidential election will significantly influence US-China relations in the coming years. Should Trump win the election, tensions and negative rhetoric regarding China's actions could swiftly reemerge. By

contrast, Beijing's tactic was to promote its official position as a status-quo power striving to protect the existing order and it noticeably boosted this rhetoric during Trump's presidency maybe in an attempt to suggest that the real violator of international norms was the US rather than China (Mitter, 2022).

Given the country's sheer size and capacity, declared interests and intentions should worry and, they do so indeed, especially from the US perspective. Even though China firmly declares that it will not seek hegemony or strive for expansion, its assertive behavior in the Indo-Pacific region will inevitably conflict with US traditional domination. Moreover, the Chinese dream of national rejuvenation promoted by the current Chinese President nowadays refers to the country's effort to close the gap with the US in terms of comprehensive state power. Consequently, given that national rejuvenation is the long-term objective of the SFA strategy, many believe that the competition for international leadership between the two powers inevitably arises (Xuetong, 2014). As a matter of fact, Americans grew substantial doubts about the intentions of their Asian neighbor which swiftly gained a place among the US national defense concerns. Remarkably, China became such a relevant element in the US foreign policy narrative to the extent that special strategies and policy documents were needed to properly address the issue, such as the latest Integrated Country Strategy about the People's Republic of China (2023). The US plainly made the PRC the key element in strengthening US armed forces and the primary strategic challenger in the *2017 National Security Strategy* and the *2018 National Defense Strategy* (Cordesman, 2019). Still, nowadays, the first defense priority for the US Department of Defense, as declared in the more recent *2022 National Defense Strategy*, remains "defending the homeland, paced to the growing multi-domain threat posed by the PRC", and later, "detering aggression, while being prepared to prevail in conflict when necessary – prioritizing the PRC challenge in the Indo-Pacific region [...]" (2022 National Defense strategy, 2022). As the Secretary of State Blinken affirmed in 2022, the future that people seek is:

"One where technology is used to lift people up, not suppress them; where trade and commerce support workers, raise incomes, create opportunity; where universal human rights are respected; countries are secure from coercion and aggression, and people, ideas, goods, and capital move freely; and where nations can both forge their own paths and work together effectively in common cause. To build that future, we must defend and reform the rules-based international order – the system of laws, agreements, principles, and institutions that the world came together to build after two world wars to manage relations between states, to prevent conflict, to uphold the rights of all people." (Blinken, 2022)

In this narrative, China's rise and assertiveness are becoming an ever-more realistic looming threat to the future that the Western world promotes as rightful, and it is portrayed as the only country with

the will and increasingly the capabilities to drastically reshape the international order. Precisely, should the PRC succeed in transforming the international system, its “vision would move us away from the universal values that have sustained so much of the world’s progress over the past 75 years” (Blinken, 2022). Indeed, the Integrated Country Strategy document (2023) claims that leaving China unchecked is a threat to US national security and, that this undermines the rule-based international order. Therefore, it is possible to infer that the US defense strategy confirms that the PRC is threatening its traditional hegemony if the country keeps perpetuating the practices that permitted its outstanding rise. Recent studies have shown how China’s strategy and long-term objectives related to economic growth, regional and global leadership in shifting economic and security structures, and control over claimed territories, bring the country into fierce competition and possible conflict with the US and its like-minded allies. Within the Asia-Pacific region, the PRC is striving to establish its supervision over trends and development encompassing shifts in the current status quo to turn in China’s favor while seeking to prevent the perception of a China threat from escalating (Scobell, et al., 2020). According to the US perspective, Beijing’s official records fail to acknowledge the PRC’s role in driving geopolitical tensions with its economic schemes, military programs and advancements, excessive maritime territorial claims, decisive diplomacy, and its push to modify features of the global governance (U.S. Department of Defense, 2023).

On the other hand, China’s narrative about the evolving geopolitical landscape is quite different as it claims that the security and order of the international system are hampered “by growing hegemonism, power politics, unilateralism, and constant regional conflicts and wars” (U.S. Department of Defense, 2023, p. 35). In particular, this view sees the US as the main responsible actor for the intensification of power competitions among great powers. Its increased defense spending to improve nuclear, cyber, outer space, and missile defense capacity, disturbs international strategic stability, hence prompting other nations to revise and adjust their security and military strategies to survive the heightened military competition (White Paper on National Defense, 2019). Accordingly, China is advancing its national defense capabilities to meet what it claims to be rightful security needs and to participate in growing world peaceful forces. As reported by the US Department of Defense (DoD) (2023), from Beijing’s point of view, the world is experiencing “profound changes unseen in a century” (The State Council Information Office of the People’s Republic of China, 2019, p. 3) on the global stage and the PRC is trying to skillfully navigate them. This narrative is backed by claiming that throughout history China has never shown the intent to seek hegemony as other major powers did, nor the will to undermine other nations seeking to create a sphere of influence (White Paper on National Defense, 2019). Notably, China dismisses any imperialist ambitions and rejects any hegemonic intentions. However, the extent of the Belt and Road Initiative (BRI) has attracted a

great share of US opposition and raised many suspicions in other countries. While the BRI was proposed by the Chinese political elite as a commercial and technological advantage for the recipient states, it was regarded by some West experts as a sort of ‘Chinese Marshall Plan’ (Mitter, 2021). The initiative’s purpose is to enhance the PRC’s development and deepen its economic integration with peripheral countries and beyond by expanding global transportation and trade routes. As a consequence, China will have to expand overseas security relationships and presence as well to safeguard the new development and security interests emerging under the BRI umbrella. This effort seems to ultimately aim at expanding China’s international influence, upholding a positive image of the nation (U.S. Department of Defense, 2023). However, concerns regarding China’s economic and political influence will spread together with the advancement of the initiative’s projects and the hostility could be well heightened if the adversarial character of China’s global power became more visible (Mitter, 2021). Furthermore, the BRI initiative is claimed to be efficiently merging China’s foreign and economic policies by promoting the use of the Chinese Renminbi as a settlement currency, while advancing the country’s increasingly influential role on the global stage (Global Peo Services, 2024). Another critical factor contrasting the claimed Chinese peaceful rise is represented by tensions over the South China Seas which exacerbates concerns among neighboring countries, consequently troubling the US. Indeed, Beijing promptly demonstrated a new assertive behavior concerning the claims in the South China Sea as in 2014 it began drilling near disputed Parcel Islands and building islands on submerged reefs in the Spratly Islands, initiatives strongly protested respectively by Vietnam and the Philippines beyond the US criticism. While China has no intention of holding back in the South China Sea dispute, thus rejecting the 2016 international tribunal’s ruling, the US did not refrain from exercising its freedom of navigation to patrol the area despite Beijing’s attempt to restrict this right. Concerns about a potential Chinese militarization plan also arose since Chinese media revealed the deployment of some Chinese fighters to secure the contested Parcel Islands in 2017 (McDonald, 2017). The United States has therefore labeled China as a revisionist power striving to disrupt the established global order and ultimately supplant the US as the primary world power. Nonetheless, despite these allegations, Beijing keeps portraying an image of China as not desiring to be the second-world power given that being in third place would allow China to carry on its strategies without having the first power always watching every move (Por, 2020). However, China’s behavior inevitably instills fear in the American ruling class and its neighborhood as the perceptions about the opponent have a great role in influencing policy-making processes (Allison, 2017).

China's Growing Influence: Economic and Military Impact on Regional and Global Security

It is at least since the early 2000s that the international stage must take into consideration China's mightiness when planning economic, diplomatic or military strategies and policies:

“For just as China's economy has been increasingly influential on the economies of Asia and the world, so too its military and diplomatic policies, backed by a military transformed in its capabilities for long-range power projection and general quality, are beginning genuinely to affect the calculations of China's neighbours” (Waldron, 2005, p. 721).

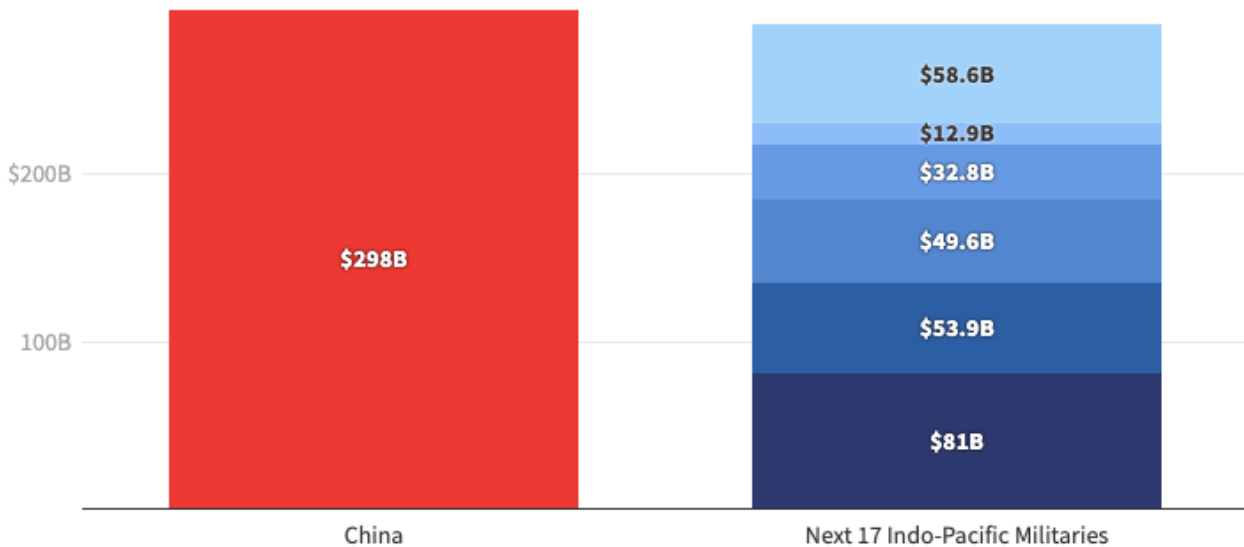
Becoming the second-largest economy in the world allowed China to acquire the second-largest global military spender position and the first spender in Asia and Oceania. Since 2000, the balance of military power in China's neighborhood has been significantly impacted by the PRC's growing military spending. Indeed, while Japan was the previous largest defense spender in the Indo-Pacific region, in 2022 Beijing registered a defense budget higher than the following seventeen Indo-Pacific economies together (**Figure 3**). This significant achievement enabled China to gradually enhance its role in regional and international security. However, while Japan's military spending as a percentage of its GDP has usually been inferior to the Chinese one, in 2022 they announced a new national plan expressing the intention to increase the defense budget to 2 percent of GDP by 2027; probably in an attempt to rebalance the regional military power (China Power Team, 2024). Experts claim that China's evolving position in the geopolitical landscape led the country to be “the main driver of spending trends elsewhere in the region since many of its neighbors perceive China's growing military power as a reason to enhance their own military capabilities” (Tian, Da Silva, Liang, & Scarrazzato, 2024, p. 4). Seemingly, the rise of China has not completely been perceived as a peaceful emergence as it generated a sort of arms race both in the region and on the other side of the Ocean. Among the legitimate cause of concern within recent advancements in the PRC military sector, is the continuous building of nuclear weapons at the fastest pace worldwide – 100 new nuclear weapons in 2023. Forecasts estimate that China will numerically reach the US nuclear arsenal level by 2032, especially considering that the real Beijing's defense budget could be far superior to the one stated in governmental official documents.

Figure 3

Defense Spending in the Indo-Pacific

China's military receives higher funding than the next 17 Indo-Pacific militaries combined

China India Japan South Korea Australia Taiwan Next twelve countries*



Note: Figures are in billions of US\$ (constant 2021).

*Includes Pakistan, Singapore, Indonesia, Thailand, Bangladesh, the Philippines, Malaysia, New Zealand, Myanmar, Sri Lanka, Cambodia, and Brunei

Source: CSIS China Power Project; SIPRI

Moreover, experts claim that Beijing is showcasing its increased military capabilities in progressively provocative ways. Exemplary of the country's assertive behavior are the almost three hundred coercive and risky air intercepts directed at the US and its allies, and a great number of air and naval exercises in the water and airspace surrounding Taiwan (Peters & Beaver, 2024).

1.2 The Complexity of Security Studies: Definitions, Implications, and the Securitization Process

Defining Security: Subjective and Objective Views

Security is a multifaceted concept that permeates both the media and political discourse, seemingly omnipresent in our daily lives. Yet, what exactly defines security? Is it merely a feeling, a political agenda, or perhaps a source of legitimacy? Throughout history, the meaning of security has evolved, encompassing various definitions and interpretations. More recently, security has been widely acknowledged as inherently subjective and based on individuals' perceptions and experiences as people may prioritize and interpret different kinds of threats, hence leading to considering different issues as being a security concern. Nonetheless, objective interpretations of security have been also

widely explored by scholars that focus on the concept of security as the effective absence of threats and the safeguarding of individuals and goods. This view aligns with the state's role as a guarantor of security, employing institutions, policing, and normative frameworks to maintain public order.

The central element of security studies is the referent object – the existentially threatened thing around which the security analysis revolves and that must be protected – which has long been the state but can vary from doctrine to doctrine and nowadays encompasses a broad range of entities such as the environment and cyberspace among many others. The Copenhagen School perceives security in international relations as different from a daily concept of security. Indeed, in international relations security is inevitably connected to power politics and revolves around the survival of the concerned referent object which is exposed to existential threat (Nyman, 2013). Precisely, since the late 1990s, the introduction of a securitization theory served first, to broaden the security sectors from the two traditional political and military, to the widened five sectors: military, environmental, economic, societal, and political security. Second, it delineated the process of how and when an issue becomes a security issue as a constructivist operational method (Nyman, 2013). Since then, “An ever-increasing number of security threats appear daily in the public space as new issues are added to an expanding security agenda” (Nyman, 2013, p. 51). Moreover, Ole Wæver (1995) points out a substantial difference between the concept of *security* and *insecurity*. They do not present a binary opposition as the first indicates a scenario characterized by a security issue and the deployment of some measure to deal with it; while the second encompasses a scenario characterized by the presence of a security issue, but no measure to respond to it.

Securitization Theory

Buzan and Hansen (2009) thoroughly explored the history of international security studies in their milestone opera, which offers a rich and comprehensive framework of this subject thanks to an analysis of its emergence in contemporary developments. The two authors summarized the International Security Studies' perspective (**Table 1**), helping readers to understand the differences between the numerous perspectives. Notably, within this context, the Copenhagen School is the academic branch that mainly focuses on “the social processes by which groups of people construct something as a threat” (Buzan & Hansen, 2009, p. 36), otherwise the securitization process, this constructivist narrative about security greatly influenced the European landscape of Security Studies. Delving more into security aspects, also Wæver (1995) explored the process that shapes an issue into a security matter. He aimed to analyze what concretely transforms something into a security problem, where a security problem is an issue that swiftly undermines the sovereignty or autonomy of a state and requires the best efforts to be dealt with. Wæver's answer aligns with the Copenhagen School's

doctrine and the view of his colleague, Buzan – a subject becomes a security problem when the elite in charge declare it as such. The risk of this narrative is represented by the possibility that those in charge can potentially exploit their power to declare something as a security issue to address self-serving purposes (Wæver, 1995). Indeed, by uttering security, “a state-representative moves a particular development into a specific area, and thereby claims a special right to use whatever means are necessary to block it” (Wæver, 1995, p. 55).

Table 1

Table 2.2. *ISS perspectives in relation to the five questions*

ISS perspective	Referent object	Internal/external	Sectors	Views of security politics	Epistemology
Strategic Studies	The state	Primarily external	Military (use of force)	Realist	Positivist (from quite empirical to formal modelling)
Neo(realism)	The state	Primarily external	Military-political	Realist	Rationalist
Poststructuralist Security Studies	Collective-individual	Both (constitution of boundaries)	All	Change of Realism possible, but not utopian/Idealist	Deconstructivist and discursive
Post-colonial Security Studies	States and collectivities	Both	All	Change of Western dominance possible, but difficult to accomplish	Critical Theory, deconstructivist, historical sociology
Peace Research	State, societies, individuals	Both	All (negative: predominantly military)	Transformation possible	Positivist (from quantitative to Marxist materialists)
Human Security	The individual	Primarily internal	All	Transformative	Mostly highly empirical or soft-constructivist
Feminist Security Studies	Individual, women	Both	All	Mostly transformative	From quantitative to Poststructuralist
Critical Security Studies	Individual	Both	All	Transformative (emancipation)	Critical Theory (hermeneutics)
The Copenhagen School	Collectivities and the environment	Both	All	Neutral	Speech act analysis
Conventional Constructivism	The state	External	Military	Transformation possible	Soft-positivist
Critical Constructivism	Collectivities	Mostly external	Military	Transformation possible	Narrative and sociological

(Buzan & Hansen, 2009, p. 54).

The Dynamics of Securitization and its Consequences

Nonetheless, security can be considered as a dynamic process, consequently, the way a subject is framed and who frames it in such a way, determines how the competent authorities and the public perception deal with it. It is possible to find a classic example of this practice in the transformation of the perspective and discourses about migration flows. The latter was initially perceived and embraced as a positive element contributing to the growth of the economy of countries hosting huge inflows of economic migrants. In a few decades, the narratives about the migratory phenomenon drastically changed to the extent that since the 80s it has been framed in terms of security, thus becoming a security concern the citizens should worry about. According to the Copenhagen School,

where the securitization theory was invented, security is a *speech act*, this means that the process of securitization is shaped by words. Then, security issues are not objective and external, but rather shaped by individuals and consequently intersubjective and socially constructed (Nyman, 2013). Hence, securitization implies a discursive process through which “an issue is dramatized and presented as an issue of supreme priority; thus by labeling it as security an agent claims a need for and a right to treat it by extraordinary means” (Buzan, Wæver, & Wilde, 1998, p. 26). Speech act means that the utterance itself is the act delineating the security issue as such. Therefore, prominent political figures can and do securitize specific matters with their public performance: when a credible politician states that something is a threat to the nation, then a new security issue is shaped by a speech act. It was precisely Wæver to state that ‘something is a security problem when the elites declare it to be so’ (Wæver, 1995, p. 54). Indeed, security in international relations has been described as “the move that takes politics beyond the established rules of the game and frames the issue either as a special kind of politics or as above politics. Securitization can thus be seen as a more extreme version of politicization” (Buzan, Wæver, & Wilde, 1998, p. 23). Therefore, what has been labeled as the *securitization* process in the international relations discourse is the operation that transforms a concern of mere regular politics into a security subject, hence designating a set of extraordinary means and procedures to address such a security threat. From the moment a certain matter is securitized, then it is presented as an existential threat that requires and justifies emergency and special procedures to be dealt with. The securitization process is never apolitical, “securitizing an issue has nothing to do with the reality of the threat but of the use of discourse to define it as such, and thus is always a political choice” (Buzan, Wæver, & Wilde, 1998, p. 29). Once issues are securitized, they are addressed in specific ways, often involving “threat, defense, and state-centered solutions” (Wæver, 1995, p. 65). This framework suggests that labeling an issue as a matter of “security” elevates its importance, thereby removing it from the realm of open debate and standard political procedures. Instead, such issues demand prioritization by state leaders or the governing elite (Buzan, Wæver, & Wilde, 1998). Crucially, the process of securitization relies on audience acceptance; an issue only becomes securitized if the audience deems the securitizing move legitimate. Thus, in theory, securitization “can never only be imposed” (Buzan, Wæver, & Wilde, 1998, p. 25). In other words, by uttering the state of existential danger of the interested referent object, the securitizing actors – actors who securitize issues by declaring something existentially threatened – involved intrinsically acquire the right to infringe the established rules of policymaking by implementing extraordinary measures to guarantee the continued existence of the referent object. Once again, in this perspective security does not have a meaning per se, rather, everything can potentially be securitized by the words of the securitizing actor (Taureck, 2006). Moreover, in those cases when the extent of securitization

is institutionalized, the word ‘security’ is not strictly necessary anymore to designate an issue as an existential threat; indeed, terms such as ‘defense’ always inherently imply priority and security (Nyman, 2013).

The Factors Influencing Securitization and its Impact

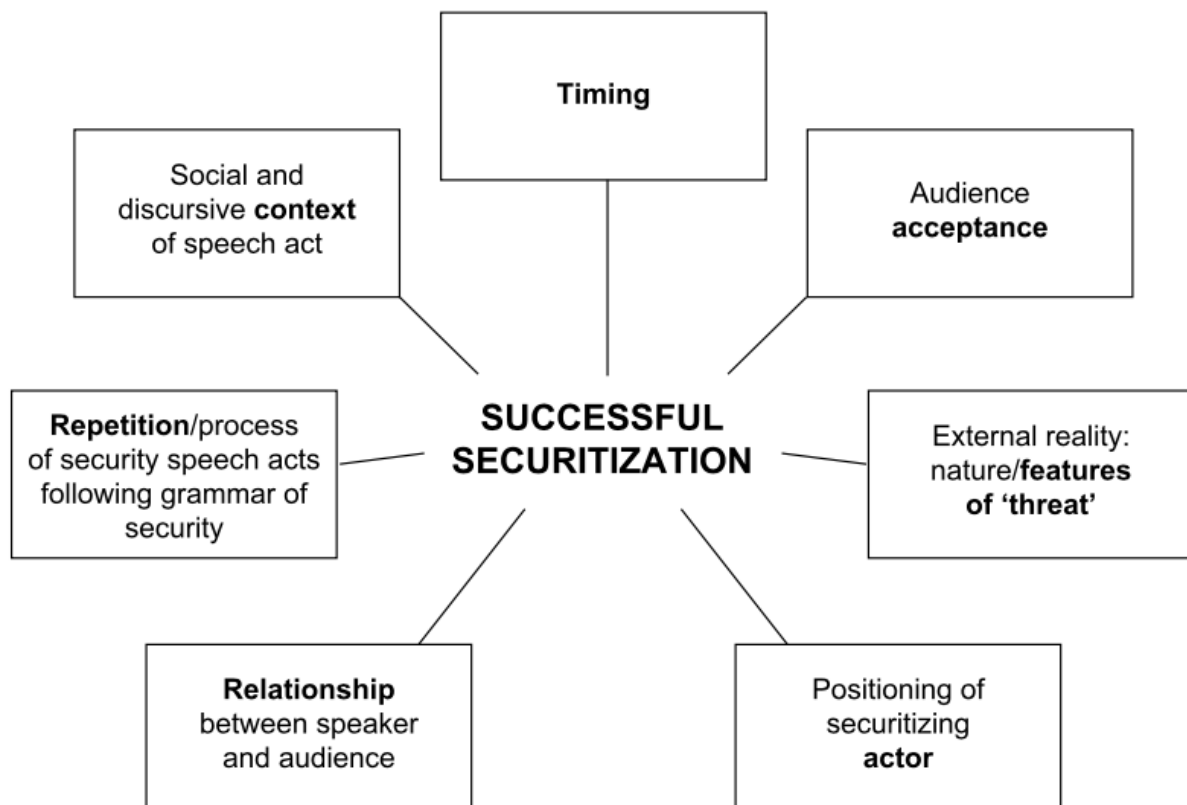
Therefore, any issue can become a security concern depending on state to state on current circumstances, events, time, and historical developments (Buzan, Wæver, & Wilde, 1998). For instance, the environment has rapidly become a relevant security concern in recent decades for the majority of states as a consequence of the increased climate change-related disasters, rising temperatures across the globe, and the consequences that these elements carry over the population. To avoid a scenario in which everything becomes a security issue, there are three steps to follow for a successful securitization process: “identification of existential threats, emergency action, and effects on interunit relations by breaking free of rules” (Buzan, Wæver, & Wilde, 1998, p. 26). Usually, the securitization process is set in motion by political leaders, bureaucracies, governments, lobbyists, and pressure groups, however, it does not necessarily always imply political action. Indeed, a variety of social entities, such as Non-Governmental Organizations (NGOs), associations, and social movements, could be able to raise an issue to the wide public and government consideration (Buzan, Wæver, & Wilde, 1998). However, the securitization process is based on the capability of an actor to securitize something, therefore security is based on the power to shape a political threat. In this way, everything can be securitized but not everyone is able to represent a securitizing actor (Taureck, 2006). “The meaning [of a concept] lies not in what people consciously think the concept means but in how they implicitly use it in some ways and not in others” (Buzan, Wæver, & Wilde, 1998, p. 24), therefore, an issue can be argued as being an international security concern possessing priority over other issues and justifying extraordinary measures. Then, security has been described as a self-referential practice given it is through this specific practice that the perception of an issue shifts from tranquility to worrying. Buzan, Wæver, and Wilde exposed that “an issue becomes a security issue not necessarily because a real existential threat exists but because the issue is presented as such a threat” (1998, p. 24). Furthermore, in international relations, securitizing an issue inherently “evokes an image of threat-defense, allocating to the state an important role in addressing it” (Wæver, 1995, p. 47). While security is often perceived negatively, as indicative of a failure in regular politics, it also offers certain advantages. Specifically, securitizing an issue tends to elevate its priority, garnering increased attention from key policymakers and securing additional funding. Therefore, within the framework of international relations, the state typically assumes a safeguarding role, thus placing the

political elite in a position to prioritize investments they deem crucial for addressing the issue, such as the defense budget (Buzan, Wæver, & Wilde, 1998).

How to recognize a securitization process

To recognize a securitization process, the Copenhagen School suggests studying “discourse and political constellations: When does an argument with this particular rhetorical and semiotic structure achieve sufficient effect to make an audience tolerate violations of rules that would otherwise have to be obeyed?” (Buzan, Wæver, & Wilde, 1998, p. 25). Accordingly, official reports and documents from both the United States and the People’s Republic of China will be later mentioned and analyzed to understand where they place stressing urgency, survival matters, and priority of action. Numerous factors can be listed among the elements that facilitate a successful securitization, among them: timing, audience acceptance, positioning of securitizing acto, and others (Table 2) (Nyman, 2013).

Table 2. Factors contributing to successful securitization



Source: (Nyman, 2013)

In the following table (**Table 3**), it is possible to see the scale for identifying the status of an issue – non-politicized, politicized, and securitized – as laid out in the securitization theory. The theory distinguishes security and securitization from regular politics and politicization.

Table 3. Issue Scale



Source: (Buzan, Wæver, & Wilde, 1998).

To sum up, the essence of the securitization process is the art of framing an issue as a matter of security concerns, thus transforming a normal subject into an existential threat through the use of a security narrative. The paradigm constitutes something as being extremely dangerous to the extent that citizens accept deviation from established norms and rules in order to deal with such an urgent threat. In this way, the securitizing actor can justify actions by framing an issue as an imminent existential threat, thereby bypassing customary binding procedures. The extreme risk is the potential power of leaders to suspend civil and liberal rights due to the dangerous situation (Buzan & Hansen, 2009). In addition, the Copenhagen School also implemented the desecuritization process according to which securitization is reversed and the securitized issue comes back to a state of normal politics sphere and not emergency politics. The issue is moved out of the logic of politics related to existential threat and danger. Therefore, decisions over matters are taken through established democratic policy-making processes such as debate and compromise rather than emergency measures (Buzan & Hansen, 2009). Remarkably, it has been argued that the ultimate aim should be desecuritization to indeed shift the security issue back to a traditional and regular discussion of the political problem within a bargaining process between the parties involved (Buzan, Wæver, & Wilde, 1998).

1.3 Perceptions of the Chinese Challenge by the United States

The Securitization Process of China

“Skillfully run economies beget skillfully run militaries” (Beckley, 2010, p. 59) and this is a problem for potential opponents. China swiftly acquired a position among the perceived security issues in a few years and the ever-growing number of articles, reports, and other documents China-related, are loud evidence of that. In 2022, the US Secretary of State confirmed the People’s Republic of China (PRC) as the main worrying long-term challenge to the international order, thus directing the US efforts in that direction (Blinken, 2022). As mentioned, the *securitization* process entails the transformation of a concern of regular politics into a security subject, hence designating a set of extraordinary means and procedures to address such a security threat. Therefore, it is possible to affirm that China has been securitized through the years by the US as it is mainly framed as a security challenge, rather than a partner, by official state reports and, the Americans implemented a set of specific measures to deal with it. It is possible to infer that the gradual process of securitization began with China’s entrance into the WTO. Notably, since 2000 the US Department of Defense has initiated a series of annual reports to Congress labeled “Annual Report on The Military Power of the People’s Republic of China”. This first step signaled an aura of concern and uncertainty surrounding China’s matters even if the West had just started to engage with this giant country at the international organization level, thus showing friendly openness. These annual reports addressed the ongoing and probable future trajectory of military-technological improvements of the People’s Liberation Army (PLA) and the potential development course of the Chinese grand strategy, security strategy, and military strategy (U.S. Department of Defense, 2002). Noteworthy is the change in the name of these reports since 2010, the series of annual reports to Congress are labeled “Military and Security Developments Involving the People’s Republic of China”. In particular, this 2010 annual report stated that “Current trends in China’s military capabilities are a major factor in changing East Asian military balances, and could provide China with force capable of conducting a range of military operations in Asia well beyond Taiwan” (U.S. Department of Defense, 2010, p. 37) signaling the concerning turn that Beijing’s capabilities and potential aspirations were embarking on. Beyond the scope of the previous series of reports, this new branch also addresses the “United States-China engagement and cooperation on security matters [...] including through United States-China military-to-military contacts, and the United States strategy for such engagement and cooperation in the future” (U.S. Department of Defense, 2010). This change could mark the shift from mere observation and light

concern about Chinese capabilities and possible trajectories to perceiving China as a security matter and publicly manifesting this perception through official documents. Additionally, in late 2011, the US administration led by Obama launched a new foreign policy named 'Pivot to East Asia', which, contrary to the previous years, shifted its focus from Europe and the Middle East to East Asia. According to the words of the then Secretary of State Hilary Clinton, this new policy would imply: "Strengthening our bilateral security alliances; deepening our working relationships with emerging powers; engaging with regional multilateral institutions; expanding trade and investment; forging a broad-based military presence; and advancing democracy and human rights" (Clinton, 2011). Some interpreted the pivot to Asia as a response to the rise of China and the ever-more urgent need to think in terms of China's containment rather than focusing on the Middle East. While the US strategic planners were concerned with the worsening of yet complicated situations in Ukraine, Syria, and Iraq, China began to be more assertive, especially regarding the claims in the South China Sea, with traditional US allies in the region. This heightened the American administration's endeavor to re-engage East Asia (McDonald, 2017).

Moreover, the European Union has made its evaluation of China's rise as well and the words of Josep Borrel confirm both China's progress, assertiveness, and the great role of WTO rules in these processes:

"We know from experience that as soon as a country achieves economic power it also naturally wants to project itself on political and strategic levels. If China has made great progress, it is thanks to its industrious and creative people, but it would not have happened without the introduction of market principles, the economic opening and the existence of an open multilateral system guaranteed by rules such as those of the World Trade Organization." (Borrel, 2023)

The official EU position on China is based on the EU-China Strategic Outlook of 2019, endorsed by the European Council. In this document, the EU describes China as simultaneously a cooperation partner, a negotiating partner, an economic competitor, and a systemic rival of which "economic power and political influence have grown with unprecedented scale and speed, reflecting its ambitions to become a leading global power" (European Commission, 2019). The EU produced numerous strategic and policy documents regarding international engagement with China. This suggests also the existence of a European securitization process for China given the publication of the *2016 Strategy on China*, the mentioned *Strategic Outlook*, and the *EU-China 2020 Strategic Agenda for Cooperation* among others. In his view on China, Borrel also acknowledged the interest of all to respect rules regarding market principles and open economy as those of the WTO, and the need to update them given the world has changed in the last decades. Contrarily to the US, the EU position accepts the new global reality in which it is possible to observe the "advent of a more multipolar

world, in which claims with often different and sometimes divergent meanings are expressed” (Borrel, 2023). He continues by acknowledging that “We do not fear China’s rise. However, we know that the history of tomorrow’s world will also depend on how China uses its power” (Borrel, 2023), therefore supporting the idea that how the world, in particular the West, perceives China, whether a security threat or a potential positive partner, depends on China’s choices on how to use its great power.

Perceptions and Strategic Responses

As mentioned above, an issue could become a security issue when it is presented as such by authoritative or strongly trusted sources regardless of the real existence of a threat. Notably, the transformation in the DoD narrative since 2010 could be the result of China’s economic performance during the 2008 Great Recession when the crisis did not prevent the Chinese economy from increasing even if it registered a lower growth rate. This demonstrated the great strength of this economic actor in facing a global crisis. Remarkably, it was precisely during the Great Recession of 2008 that China’s economy emerged as the least affected one, thus distinguishing itself as exceptional compared to other economies in terms of growth (Li, Liu, & Zhou, 2023). The outstanding resilience permitted the PRC to keep advancing its multilevel modernization goals encompassing the military’s strategies, capabilities, and technologies. As for the 2009 report, the PLA was yet “pursuing comprehensive transformation” to become “capable of fighting and winning short-duration, high-intensity conflicts along its periphery against high-tech adversaries” (U.S. Department of Defense, 2009, p. I). And, in 2011 the Western feeling about China was of a country aware of its possibility to “throw its considerable economic and military weight around” (The Foreign Policy Initiative, 2011).

Nowadays the US Defense Department delineates the PRC among the primary security concerns for the country, thus providing specific strategies to address China in a competitive framework. For instance, the United States Strategic Approach to the People’s Republic of China of May 2020 clearly states that the Chinese Communist Party (CCP) seeks to center the international system’s favor on itself, thus reshaping the current American-led framework. The methods deployed by China to achieve its national goals, encompassing the use of economic, political, and military power to influence other nations, hamper the US interests and diminish subjected states’ sovereignty and dignity. Consequently, the US government delineated specific measures to follow when dealing with the Chinese threat and protect vital national interests (White House, 2020). The decision to constantly increase the percentage of the RDT&E and prioritize the development of new weapon systems since 2014 perfectly aligns with the recent US behavior shifting the focus from counterinsurgency operations and asymmetric warfare to new technologies to contrast potential

conflict against countries possessing advanced military capabilities (Tian, Da Silva, Liang, & Scarrazzato, 2024). As the Biden Administration seeks to maintain an open and inclusive international system, it is trying to influence China's strategic area of operations by implementing the *invest, align, compete* strategy. Accordingly, the US must invest to increase its strength and competitiveness, align with allies' interests to fight a common cause, and compete with the PRC to defend vital national interests and shape the future (Blinken, 2022). Arguably, the traditional preeminence held by the US in the last three decades under a period that can be called *pax Americana* seems to retain its primacy among national interests. Yet in 2010 the then President Obama expressed that it was unbearable to imagine the US in second place in the international arena, and seemingly, its successors are upholding the same belief, thus striving to maintain the US predominance (Xuetong, 2014).

Differing Perceptions of China's Global Role

Experts share differing perceptions about the Chinese challenge and are broadly split into two interpretations: one projects Beijing as an evil actor driven by expansionist behavior and aspirations, while the other views China as a more benevolent player on the global stage. This latter viewpoint emphasizes China's accommodating features in its policies and underscores the significant challenges the country would face in attempting to reshape the world, thus preventing such ambitions from materializing in the foreseeable future (Mitter, *The World China Wants How Power Will—and Won't—Reshape Chinese Ambitions*, 2021). On the other hand, China's assertiveness in its neighborhood and its increased military expenditure support those denouncing the country's expansionist and revisionist behavior. Indeed, its defense budget registered the longest consecutive streak by rising for 29 years consecutively and constitutes 50 percent of the total spending of Asia and Oceania (Tian, Da Silva, Liang, & Scarrazzato, 2024). How professionals perceive and present China influences whether it is portrayed and dealt with as a security threat. It could be inferred that China's rise has not been welcomed as neutral or peaceful by every nation given that the region encompassing Asia and Oceania has recorded a total military spending constantly incrementing since at least 1989. Researchers argued that the main driver for this regional increase is represented by China and its neighbors as the defense budget rose across East Asia and India. On the other hand, the cumulative military spending of North Atlantic Treaty Organization (NATO) members mirrors the Asian one thus expanding its budget as well (Tian, Da Silva, Liang, & Scarrazzato, 2024). Therefore, it has been claimed that a great share of Western experts likens the contemporary dynamic between the US and China to a new Cold War with the Asian competitor replacing the Soviet Union (Mitter, 2021). The primary similarity between China and the USSR is their role as the major 'other' to the liberal world the US expressed, and their link with the Global South. By contrast, the USSR after

1945 and contemporary China have also blatant differences. The Soviets had a crystal clear ideology of the world and how it should have been, they were almost economically detached from the liberal world, and they used proxy wars in Asia and Africa when a clash of interests happened between them and the US (Mitter, 2022). Within the potential context of a renewed Cold War, the US Department of Defense should draw estimates from huge quantitative and intelligence resources to meticulously evaluate the real weight of China's defense budget, as it did to contrast the Soviet Union challenge. Determining how the PRC invests its financial resources compared to the US allocation of resources is crucial to assess the actual extent of the threat (Peters & Beaver, 2024).

China's Authoritarianism and Military Expansion

Moreover, Mitter understands the dynamic shaping the Chinese power as driven by a nexus of authoritarianism, consumerism, global ambitions, and technology. Accordingly, these are the elements forging Beijing's political identity and behavior on the international stage, thus crucial to comprehending China's standing prospects. Therefore, they are the foundation of the Chinese elite's idea of a new world order where China should hold a dominant role in Asia to export its peculiar economic investment system – a mix of communitarian development models indifferent to liberal norms but not against them. What seems to worry the Western world in this regard is China's authoritarian inclination. Notably, the US administration hoped for a gradual turn toward a more democratic and liberal system following the opening of the Chinese market. By contrast, Beijing's government has confirmed the authoritarian and meritocratic system as being vital for China's success, especially since the 2008 global financial crisis (Mitter, 2021). In this regard, Graham Allison (Allison, 2017) stated that China is not going to become a democracy any soon as otherwise the country would inevitably collapse. An authoritarian drift in a nation with such economic power and sheer capacity in terms of population size is a fair source of distress. As China's economic escalation initiated since the WTO membership brought the country to be the second-largest economy in the world in 2024 represents a legitimate concern from the perspective of the first power – the US – when coupled with its military capabilities; it is not the same for other rising or powerful economies. Notably, recent estimates regarding the top ten countries measured by GDP observed two major adjustments: Germany reaching the third position moving ahead of Japan, and Brazil becoming the eighth-largest economy, at the expense of Italy (**Table 4**). Interestingly, despite ranking fifth, India has the highest annual GDP growth rate – 6,8 percent for India; 2,7 percent for the US; 4,6 percent for China; 0,2 percent for Germany; and 0,9 percent for Japan (Forbes India, 2024). However, it seems that rising countries in the top GDP ranking like Germany, India, and Brazil are not addressed with the same concern as is the case for China. They do not have dedicated strategies or annual reports

issued by the US Department of Defense, and they are not among the national security priorities to address.

Table 4. Top 10 Largest Economies in the World

Rank & Country	GDP (USD billion)	GDP Per Capita (USD thousand)
#1 United States Of America (U.S.A)	28,783	85.37
#2 China	18,536	13.14
#3 Germany	4,590	54.29
#4 Japan	4,112	33.14
#5 India	3,942	2.73
#6 United Kingdom (U.K.)	3,502	51.07
#7 France	3,132	47.36
#8 Brazil	2,333	11.35
#9 Italy	2,332	39.58
#10 Canada	2,242	54.87

IMF data retrieved from Forbes India, 2024.

These elements reinforce the idea that economic escalation is not perceived as a threat per se, contrarily, it should be backed by increasing military spending, military buildup, assertive behavior, and mistrust to become a security concern. Developed economies have the financial resources to support technological innovation and the production capacity to manufacture equipment on a large scale. As industries within an economy advance, they increasingly benefit from economies of scale, which reduce the unit costs of production and enhance the likelihood of developing and adopting new innovations, including military ones. This ability to maintain ongoing technological progress leads to technological dominance in warfare (Beckley, 2010). Indeed, a great share of Beijing’s economic resources are being devolved to the military modernization plan which is now regarded as the biggest military buildup in modern history. In addition, China has been recently increasing occasion for provocative behavior for the West as the country is advancing its military diplomacy together with the PLA modernization. Military diplomacy encompasses a range of non-combat actions undertaken by a state’s armed forces to foster its diplomatic interests, thus engaging and exchanging military information and technologies with other countries. Interestingly, China has been nurturing its military diplomacy with hostile countries to the West – especially the US – such as Russia, Pakistan, and

recently the Islamic Republic of Iran. Precisely, since 2019, the trilateral axis composed of China, Russia, and Iran has engaged in four joint military exercises to signal the strength and friendship of these critical countries (Freid, 2024). Military diplomacy has been playing an increasingly significant role in China in advancing its foreign policy objectives and protecting its strategic national interests. The US perceives these endeavors to fall under China's aim to assert its global influence and be seen as a credible guarantor for regional and global stability (Gao & Allen, 2024). As Beijing began to boost its military diplomacy together with the PLA modernization project, these continued endeavors have increased both the frequency and complexity of activities such as joint military exercises. This framework provided China with an ulterior platform to bolster its global image, support its wider diplomatic goals, and enhance its military operational capabilities (China Power Team, 2017). Notably, the two countries that figure among the most engaging in joint military exercises with the Chinese are Pakistan on bilateral air forces exercises – such as *Sea Guardian 3* in the Arabian Sea in November 2024 encompassing land and sea exercises – and the Russian Federation mostly on bilateral maritime or multilateral counterterrorism exercises – the latest is the *Joint Sea 2024* taking place in July of the same year. The latter was announced right after the Washington NATO Summit where the allied countries referred to the China-Russia strategic partnership as an attempt to reshape the established rule-based world order and therefore, a cause for great concern (VOA News, 2024). Another alarming joint exercise that saw China's engagement is the one held in March 2024 with Russia and Iran in the Gulf of Oman. The naval and aviation military forces exercises, named *Maritime Security Belt 2024*, have been perceived as a demonstration of power and presence to the West, and a heating up of the rivalry between the two sides. The trilateral exercises are claimed to be a message for the West to signal the existence of a counter strategic military coalition and it is not a coincidence that even this drill took place shortly after a NATO joint exercise – *Nordic Response* – which saw the presence of the two newest NATO member: Sweden and Finland (Freid, 2024). This series of military exercises as a response to actions from the West is a growing source of concern as they are creating a sort of joint military exercises race, or power demonstration race, eventually becoming an insane arms race dividing the globe into two factions as in a renewed Cold War. It takes two to tango and the same applies to an arms race, therefore two parties need to be involved for it to become a competition.

1.4 China's Ascent and Its Implications for Global Security

The Evolution of China's Global Role

Contrarily to American aspirations, since China's admission into the WTO in 2001, the Asian country has not undergone a democratic transformation yet, hence, the once valuable economic partner gradually evolved into a security threat as it refused to conform to the Western system. In recent years, to observers like Mitter (2021), the current Chinese leadership clearly aims to consolidate their rule both at home and globally. And, while previous leaders also shared international ambitions before, under Xi Jinping's leadership, the country could merge material capabilities such as economic, military, and technological power, with international aspirations to expand its influence across the globe to an extent without precedents. The economic-security nexus is based upon the behavior of a state, in the allocation of funds and in deciding where to invest, and then on the behavior of the concerned actor on the global stage. As simple as it seems, military power is linked to the economic system as "countries that excel in producing civilian goods and services also tend to excel in producing military force" (Beckley, 2010, p. 53). Accordingly, economic development is claimed to boost a state's capacity to produce advanced military equipment and train skilled military professionals. Beyond, economically developed states are also more likely to forge a class of skilled military administrations. Indeed, increasing incomes expand the education systems, thus broadening the pool of human capital available to build a capable bureaucracy (Beckley, 2010). Remarkably, in the technology domain, China has effectively embarked on a trajectory to successful global involvement. Over the past two decades, the country's combined robust economic expansion with massive investment in research has produced one of the most dynamic and innovative environments worldwide. Indeed, emerging technologies developed in China greatly enhanced the country's military capabilities while introducing novel goods for consumers. Moreover, new Chinese-developed technologies paved the way for shaping a comprehensive big-data surveillance infrastructure that also boosted authoritarian features in the fight against the COVID-19 pandemic. Therefore, "China's impressive technological capacity forms the most potent and attractive part of its offer to the world" (Mitter, 2021, p. 2), but they also represent a source of security concern to those that are unwilling to comply or that seek to promote their own technologies.

Historical Context and Confucian Ideals

Another factor that worries the US-led world order is how China understands itself: relevant to the Allied victory and central to the creation of the global order in the aftermath of World War II. China frequently underscored that the country was present in laying the foundation and then building the post-war environment as it protected Asia from the Japanese and it was the first signatory country of the UN Charter (Mitter, 2021). China has fostered a narrative of itself being a stakeholder in the current world order since 1945 (Mitter, 2022). Accordingly, Beijing puts forward stronger claims for its rightful expanding role on the global stage, by exploiting historical precedents. Although the two superpowers are different in many ways, they align on their extreme superiority complexes both perceiving themselves as the number one (Allison, 2017). To strengthen even more China's relevance, leaders such as Deng Xiaoping and Xi promoted a revival of Confucian thought in order to reinforce the link between the PRC and the glorious Imperial China (Zoglmann, 2019). Allison (2017) drew parallels between Beijing's renewed assertiveness in its territorial and maritime neighborhood, and the behavior of Theodore Roosevelt's America as he defined the US role in the world. Roosevelt strived to eliminate foreign interference within its hemisphere by positioning the country as the guardian of the Western world and asserting its domination and right to interfere. This behavior turned out to be problematic in the Western eyes as Xi's China seems to have embarked upon the same trajectory. Seemingly, Chinese and Americans emanate opposite views – equality/hierarchy – in every sphere despite both revering their civilizations' achievements with nearly religious fervor. For this reason, Allison (2017) also delineated the possibility for a clash of cultures to happen between the two opponents given their starkly different positions on several levels (**Table 5**). Indeed, many scholars acknowledged that Washington regularly abides by the Westphalian model of international relations both in the Pacific Region and worldwide, thus interpreting the world as horizontally composed of an array of equal states. Contrarily, this is not true for Beijing. While nowadays China also abides by the Westphalian model, the country has long hierarchically seen the world with itself at the apex and this hierarchical perspective should be still considered to fully comprehend Beijing's diplomacy (Waldron, 2005).

Table 5.

America and China, clash of cultures		
	America	China
Self-perception	“Number one”	“Center of universe”
Core value	Freedom	Order
View of government	Necessary evil	Necessary good
Form of government	Democratic republic	Responsive authoritarianism
Exemplar	Missionary	Inimitable
Foreigners	Inclusive	Exclusive
Time horizon	Now	Eternity
Change	Invention	Restoration and evolution
Foreign policy	International order	Harmonious hierarchy

Allison, 2017. *Destined For War*

Furthermore, the current leader is eager to forge a continuous bond between Imperial China and today’s communist China thus putting the Communist Party as the legitimate successor. Consequently, the Party is the promoter of the traditional Chinese culture upon which it bases the justification for its ‘descendance’ and the hierarchal moral and political order that sees China as central. Following historical traditions, the Chinese population and current leadership embody the belief that their empire is the center of the civilized universe and the link between Earth and heaven (Allison, 2017). Soon after Xi became president, references to Confucius were frequent and it swiftly appeared evident the leader turned to the country’s glorious past to build an ideological foundation for his government (Schuman, 2014). Therefore, it has been claimed that the Chinese political elite will use a revisited form of Confucianism that could work with globalized values, by emphasizing concepts of morality and the idea of a common future to foster China’s global reach. At the same time, more illiberal Confucian values, such as social hierarchy, would then be minimized to avoid eliciting negative criticism (Mitter, *The World China Wants How Power Will—and Won’t—Reshape Chinese Ambitions*, 2021). Such ideological stones nurture the belief that China should hold a preeminent position in the international arena in a way to lead the world to achieve universal peace and harmony under its rule. This idea is linked to the concept of *tianxia* which was associated with political sovereignty during Imperial and Ancient China and indicated the lands and space of the Chinese sovereign. Based on this, the emperor should rule everything under the sky, and the fact that Xi Jinping accepts and uses Confucian rhetoric alarms observers in the rest of the world, thus increasing concerns about Beijing’s global aspirations and the growth of Chinese nationalism

(Rampolla, 2020). Furthermore, the Chinese president utilizes Confucian principles to increment its global reach given that this old philosophy is appealing and fascinating in the Western eyes. Shiu Sin Por (2020) believes that “behind the rivalry between China and the United States — and other Western powers — are deep, historical, and significant differences over the very nature of China’s evolving conception of world order. Few Westerners — scholars or politicians — appreciate the Chinese notion of tianxia, ‘everything under heaven,’ or understand how this ancient concept informs Beijing’s approach to contemporary challenges”. Xi Jinping’s purpose is to gradually break the established structures encouraging new problem-solving methods different from the old Western ones. Tianxia ideals aim to construct a community with a shared future for mankind promoting joint efforts and collaboration among the international community (Por, 2020). It is crucial to understand the different conceptions of Western nation-states and China’s political philosophy to comprehend the latter’s approach to international relations. In his article, Por (2020) quotes the scholar and historian Liang Qichao believing that his words best represent the non-Western model that China promotes:

“Since civilization began, the Chinese people have never considered national government as the highest form of social organization. Their political ethics has always been in terms of all mankind, with world peace (平天下) as the final goal, and family and nation only as stages in perfecting the World Order (Tianxia). China has contended, moreover, that political activities should never be the prerogative of, or for the benefit of, any one group or section of mankind.” (Por, 2020).

On the other hand, the Western structure of nation-states traces back to city government and castle townships building their legacy consolidating power against those who did not possess it. This scheme nurtures patriotic sentiments upon hatred for foreigners and spillovers into the disorder of contemporary society. Therefore, frictions and suspicions between the US plus other Western countries, and China result from different cultural and philosophical models deeply rooted in the society (Por, 2020). Policymakers should also be able to understand how their foreign counterparts understand the same piece of history because as Michael Howard said: “All we believe about the present depends on what we believe about the past.” (Howard, 1991, p. 13). However, it is nowadays widely shared among experts, the sentiment that China is a rising great power and is gradually deploying a grand strategy to foster the PRC’s long-term national development. Many claim that, apparently, the US and China are set upon crossing paths since they are both not going to refrain from the international scene in the coming future; and that this context forces the respective administrations to perceive the opponent as a significant rival. Therefore, the competition between the two actors is constantly rising in tandem with the deep suspicion felt about each move of the counterpart (Scobell, et al., 2020). Precisely, in his opera Allison (2017) firmly affirms that to comprehend US-China

evolving relations the Thucydidean syndromes of challenger and dominant power are crucial. The author elaborated the theory of Thucydides' Trap as "the severe structural stress caused when a rising power threatens to upend a ruling one. In such conditions, not just extraordinary, unexpected events, but even ordinary flashpoints of foreign affairs, can trigger large-scale conflict" (Allison, 2017). In other words, the extreme level of uncertainty could unintentionally escalate into a real conflict with unimaginable effects. Indeed, the author discusses five possible scenarios for a US-China war. For instance, an accidental collision in the South China Sea between vessels from the two sides unintentionally sinking a Chinese coast guard can escalate into a massive war. Then, Taiwan's escalation toward independence would prompt Beijing to prevent it from happening, while the US would stand by Taipei's side following the defense act against a Chinese invasion. A third party could also represent a spark generating a chain reaction for example from a Tokyo-Beijing conflict to a US-China war due to a defensive pact. Moreover, a North Korean collapse would prompt joint American and South Korean troops to intervene to stabilize and unify the peninsula representing an unacceptable outcome for the Chinese. Lastly, Allison (2017) foresees the escalation of a cyberwar economic conflict into a real war. In these scenarios, a disruptive clash between the US and China is possible but not inevitable. The Chinese challenge sets the foundation for accidental events to provoke a massive clash, making both parties fall into the Trap. Moreover, the renewed Chinese competitiveness since the entrance into the WTO largely contributed to the current trade war between the US and China which seemingly has helped shape the potential long-term strategic rivalry for the next decades (Gao, Raess, & Zeng, China's 20-Year Engagement with the WTO: Opportunities, Challenges, and Responses, 2023). In this perspective, the emerging trajectories suggest that the probability of a catastrophic US-China war – even beyond military means – in the coming decades is not merely plausible but considerably more possible than many are willing to acknowledge.

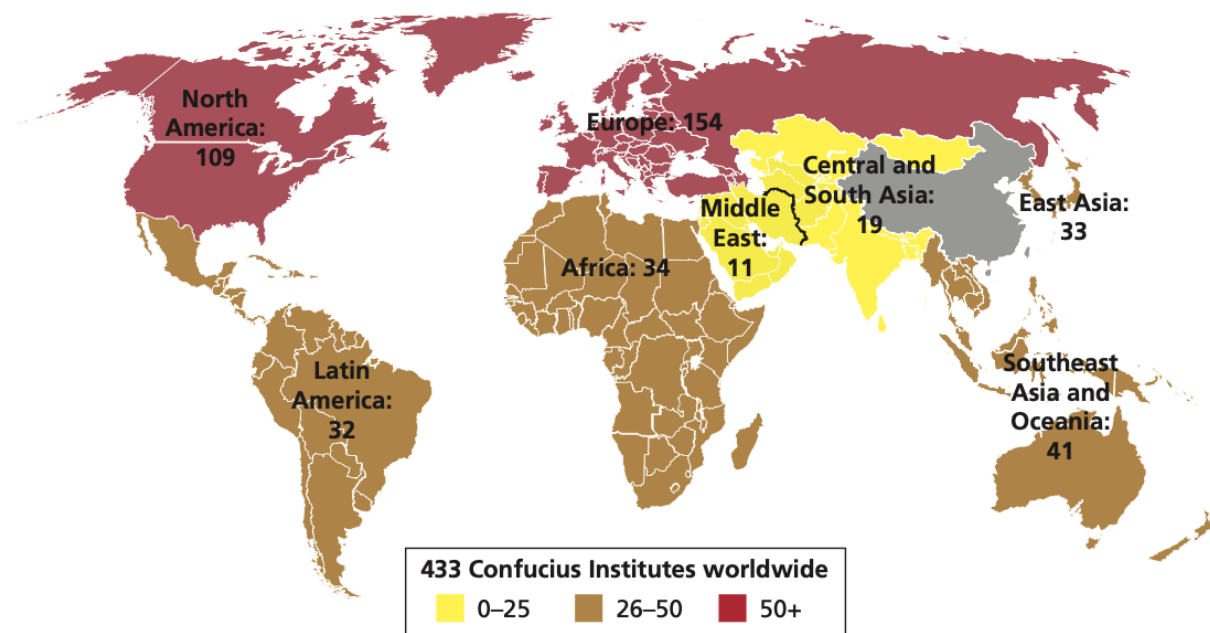
Strategic Rivalry and Future Prospects

Indeed, it has been argued that the conflict for the global leading position between China and the US becomes inherently a structural reality for two reasons: the US seeks to maintain its preeminence. At the same time, China is set on a trajectory to surpass the American hegemon in the following decades, or at least to share the leadership in a more or less equal manner. For this reason, experts argue that the structural conflict will lead the two superpowers to compete over more strategic alliances (Xuetong, 2014). In this regard, given that the US possesses a consolidated base of allies especially within NATO, is relevant to observe China's behavior in the search for friends. Noticeably, in Ancient China, Chinese philosophers believed that a state could become a hegemon if it made friends with half of the states (Xuetong, 2014). The Chinese strategy to acquire new friendly

relationships worldwide has been to offer economic benefits and then build cultural ties to weaken the US’s appeal and enhance Chinese influence. “The goals are twofold: first, to persuade governments and populations that China is a positive, rising force in world affairs and a long-term economic opportunity, and, second, to advance China’s economic influence and promote the development of the Chinese economy” (Scobell, et al., 2020, p. 42). Therefore, beyond the promotion of trade and investment opportunities to both developed and developing countries, China stimulates the spread of its culture and language retracing the footprint of Americans, and others, in bolstering their languages, culture, and values around the globe. For this purpose, starting in 2003 China began establishing several Confucius Institutes beyond the Chinese borders as a base to teach the official language and inform people about the Chinese culture (**Figure 4**). Notably, even if Beijing is carrying out a comprehensive effort to promote the Chinese culture, most of these Confucius Institutes have been established in countries within the developed world, encompassing Europe and North America, with the US as the top country with the highest number of institutes – 110 as of 2017 (Scobell, et al., 2020).

Figure 4.

Distribution of Confucius Institutes by World Region



Source: (Scobell, et al., 2020)

Lately, Beijing has kept the effort in this sense within its foreign policy. China seeks to forge a ‘community of common destiny’, seemingly recalling Confucian rhetoric, to rewrite the established international order and uphold the realization of the great rejuvenation of the Chinese nation in a way

that suits its national strategy and the CCP systems. In addition, since late 2022, the PRC embarked upon a diplomatic ‘charm offensive’ in an effort to boost a positive perception of the country to recover from the COVID-19 isolation, having as the main target European countries (U.S. Department of Defense, 2023).

Beyond cultural features and soft power instruments, the Chinese political elite has also used elements from Confucian teachings to justify the massive military buildup of the PLA in recent years. In particular, China’s National Defense in a New Era of 2019 expressed that the PLA is strategically important to “provide strong strategic support for the realization of the Chinese Dream of national rejuvenation, and to make new and greater contributions to the building of a shared future for mankind” (The State Council Information Office of the People’s Republic of China, 2019, p. 37, 38). The rhetoric about building a community with a shared future comes up several times in China’s National Defense narrative and it is further used to explain the deepening of the effort by the PLA to strengthen military partnerships in China’s neighborhood and nurture “strategic mutual trust”. Reciprocal exchange and visits by military personnel at high levels each year with several neighboring countries coupled with open channels dedicated to defense and security constructive dialogues, and various joint exercises in different fields are evidence of the endeavors to heighten cooperation and maintain stability. Chinese diplomacy can be highly effective, but its current strident and unappealing tone tends to alienate many potential partners. China faces a significant challenge in developing the soft-power capabilities needed to frame any future PLA expansion as a contribution to common security rather than merely serving Beijing’s interests (Mitter, 2021). China’s most worrying strategic neighbor is Russia, both for its military capabilities and attitude in international fora. Indeed, China regarded the China-Russia military relationship as enriching and still developing, labeling it a “comprehensive strategic partnership [...] playing a significant role in maintaining global strategic stability” (The State Council Information Office of the People’s Republic of China, 2019, p. 32). Eventually, China’s National Defense in the New Era displays the fact that Washington and Beijing are currently competing superpowers, and that the PLA is improving to the extent that it will soon be able to challenge the US military forces. It is possible to infer that the document itself delineates the PRC as a major strategic competitor to the US, still in a careful manner as Beijing comprehends the risks of a conflict escalation (Cordesman, 2019). Therefore, China swiftly emerged as a multilevel threat gaining relevance worldwide in a broad array of sectors encompassing economy, security, cultural influence, and technology. The issuing of several governmental documents by both Beijing and Washington is a loud warning of the growing strategic rivalry between the established superpower and the emerging peer competitor which will shape the next future. In this context, the possibility of allocating huge investments to research and development added to a great effort in

establishing friendly relationships, may be the key element that could elevate China as the first global power, or hegemon, in the next few years. For this reason, not the economic power per se, but the usage of that power seems to be the central focus of the US government's concern.

CHAPTER 2

The WTO Accession: Catalyst for China's Economic and Geopolitical Rise

The push for globalization has severely impacted and altered the social, economic, and ecological relations between people and states globally, hence actors in the international arena, regardless of their competency, are incapable of addressing transnational issues unilaterally. This new world framework represented created a host of new policy challenges; many of which fall outside states' territorial jurisdiction. Therefore, national governments had to implement transnational approaches to answer transnational needs thus engaging in collaborative and cooperative relations both to uphold the state's interests and manage complex global situations in a better way. In the past two decades, China has benefited immensely from joining global governance institutions such as the WTO, and it engages in trade relations more than any other state thus allowing the shift of its share of global GDP from 7.4 percent in 2001 to 19 percent in 2021. The increasingly important role of China within the WTO and the global trade sphere, as well as the achievements and benefits attained through the WTO membership, has been acknowledged both by experts and by the Chinese leader stating that China has steadily increased its openness, boosting its own growth and also energizing the global economy (People's Daily, 2021). This perspective perfectly falls under the transformation from KLP to SFA that the Chinese President launched in 2013 as “the KLP focuses only on China's own economic development through economic cooperation” while “the SFA strategy aims at making more friends by letting others benefit from China's growth” (Xuetong, 2014, p. 160) thus contributing to China's efforts toward a more general rejuvenation. National rejuvenation is the Chinese dream promoted by Xi Jinping that foresees the resuming of China's historical international standing as the global most advanced state under the early Tang Dynasty (618-907 AD).

2.1 China's WTO Accession: A Transformative Journey Redefining Global Economic Dynamics

On December 11, 2001, China was admitted to the World Trade Organization, the culmination of an American-supported process that opened China to global investment and helped make it the workshop of the world. Since then, the halls of Washington D.C. have been wracked by debates over how to understand – and manage – China's entrance onto the global stage. (Hillman, 2023)

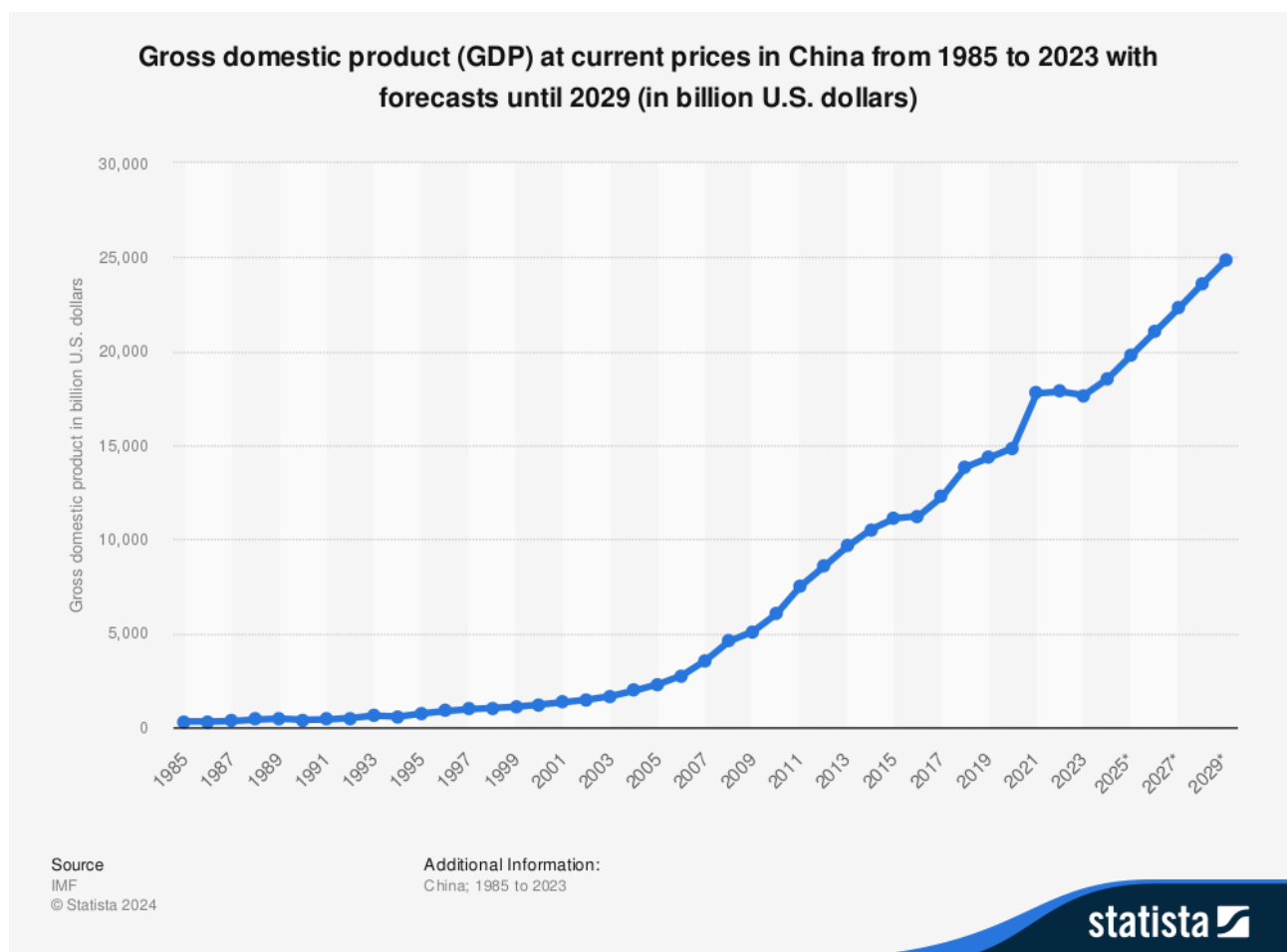
Economic Impact and Growth Post-WTO

China's accession to the World Trade Organization (WTO) in December 2001 becoming the 143rd member of the Organization, was a watershed event that marked the beginning of a new era, an era in which China gradually became one of the principal actors. Notably, the KLP strategy has succeeded in creating a favorable international environment for Beijing's economic development without enhancing a positive national image and solid reputation (Xuetong, 2014). By entering the WTO, China has benefited enormously from the new framework thus reaching apical positions in the global economy and since the first years, China acquired an increasing share of world trade. Research assessing the Chinese performance in the first twenty years since the entrance confirmed that, without WTO membership, China would have expanded at a much slower pace. Accordingly, the beneficial impact of the Organization on the country is considered consistent with the widespread belief that trade enhances economic growth (Li, Liu, & Zhou, 2023). Several research studies confirmed the positive shift that international integration brought to China in terms of accelerating its economic growth (Woo, 2012). Also, US official reports reinforce the link between China's WTO membership and economic acceleration by stating that "China has used the imprimatur of WTO membership to become a dominant player in international trade" (USTR, 2018, p. 2). However, despite the high level of trade engagement, China still lacked substantial improvements in international relations within the KLP framework. It rapidly became the world's second-largest economy measured by nominal GDP when it surpassed Japan in 2010 and it is second only to the United States up until today. Remarkably, before formally engaging in global competition, China represented the largest economy outside the Organization (Cheng J. Y., 2003). The emergence of Chinese economic power is linked to the country's status as the 'world's factory' which permitted the Chinese government to gain the position of largest export country in the world since 2013 (Textor, 2024). This epochal shift has been described as "an event that has stimulated the unprecedented integration of the world's largest transitional economy into the rules-based multilateral trading system" (Gao, Raess, & Zeng, 2023, p. 1). For this reason, decision-makers and experts must comprehend China's membership in the WTO because of the nation's economic weight – China is the largest trading country worldwide and among the largest recipients of FDI. In addition, the WTO represents the main mechanism through which other states frame economic dealings with Beijing (Blanchard, 2013). China's unprecedented economic rise silenced those who predicted that a WTO membership would diminish its sovereignty and reduce its role to a vassal of the West. By contrast, China perfectly navigated the new economic arena by exposing others to crippling competition rather than itself (Fewsmith, 2001). However, it is noteworthy that despite the outstanding economic rise that allowed Beijing to lead a great share of

the population out of poverty, the country failed to successfully overcome the economic inequalities that greatly affect Chinese people (Textor, 2024). Beyond, heightened trade relations did not prevent the China threat from persisting as the favorable environment for economic development did not translate into more friends to China or an improved global image, essential for national rejuvenation (Xuetong, 2014). However, those who sustain the China threat narratives implicitly reject trade liberalization and globalization since they are closely linked together. This threat should not persist when economic growth for the other states in the region is ensured (Cheng J. Y., 2003).

The chart provided below offers valuable insight into the frame of China’s GDP’s evolution and possible projection. During the late 1990s, China experienced slow growth coinciding with the gradual opening of the market, while since 2001 the exponential growth made itself evident to the wider public signaling the first effects of China’s entrance into the WTO. Precisely, China’s share of global trade registered an increase from 0.02 percent in 1992 to 10 percent in 2011. As can be deduced from the table (Figure 5), the 2008 oil crisis did not prevent the Chinese economy from increasing even if it registered a lower growth rate, thus demonstrating the strength of this economic actor in facing a global crisis.

Figure 5.



Remarkably, it was precisely during the Great Recession of 2008 that China's economy emerged as the least affected one, thus distinguishing itself as exceptional compared to other economies in terms of growth. Among the factors behind China's economic growth in those years, it is possible to find from 1997 to 2011 the increase in the length of railways by 41 percent, an increase in the length of the expressway network by 1,600 percent, a great increase in the number of graduates from universities, and the takeoff of FDI in China which increased by 156 percent. The Chinese government also implemented a system of economic incentives program in 2008 that coupled with the Olympic games of the same year held in Beijing tremendously helped the country's economy (Li, Liu, & Zhou, 2023). However, recent observations show that the once-rapid economic expansion has recently suffered a deceleration, but projections indicate that China's GDP will continue to increase even if at a slower pace (Textor, 2024). Accordingly, the DoD reported that recent CCP statements at the 20th Party Congress highlighted the significance for the country to prioritize the quality of the growth rather than the speed of growth within the broader picture of 'common prosperity' (U.S. Department of Defense, 2023). China's WTO membership marked the beginning of a new era of expansion and economic well-being, and the US-China joint venture led, among others, to the creation of the East Asian global supply networks, and more generally prompted Global Value Chains (GVCs). This new market interconnection radically changed the way of producing goods also by introducing a series of new strategies, such as offshoring, that indissolubly tied together the US and Chinese economies (Cox & Lee, 2012).

The first positive move to ease China's entrance into the WTO was made in 1997 by the then Chinese President Jiang Zemin who visited the US for the first time. On this occasion, the opportunity arose to forge a more solid base upon which shaping China's membership through targeting business deals and arranging special reduced tariffs for greater market access (Blanchard, 2013). As for Chinese accession to the WTO, many scholars claim that it was a success of aggressive lobbying mainly by US-based transnational firms eager to maximize profit by dislocating production to other countries with favorable production costs – offshoring. During the 1990s, American firms' lobbying effort was first directed toward the establishment and the successive renewal of the most-favored-nation status to China, and then, toward China's entrance into the WTO in 2001 (Cox & Lee, 2012). The widespread sentiment in the early 2000s was that

“No political constituency for China exists in the United States, except for business. Most Americans outside of business are troubled either by China's autocratic government or her military buildup or both. But business has striven heroically for two decades to advance China's cause: most notably in the case of the World Trade Organization membership” (Waldron, 2005, p. 720).

Indeed, before the actual entrance into the WTO, the PRC made a deal with the US, seeing concessions from both parties, in critical fields like banking, quotas on manufacturing materials, and high-level intervention and support. Shortly after, Beijing had to negotiate a deal to settle WTO membership also with the European Union encompassing compromises by both sides as well. Within the border barriers, the WTO membership entailed China removing, drastically reducing, or binding various tariffs on intermediate and finished goods. China had also to agree to a numerous range of agreements under the WTO framework such as the General Agreement on Tariffs and Trade (GATT), the General Agreements on Trade in Services (GATS), and the Trade Related Intellectual Property Rights Agreements (TRIPS) (Blanchard, 2013). The WTO umbrella should diminish the mistrust of foreign firms toward China, thus reassuring capital owners with guarantees related to trading and distribution rights, foreign governments' special safeguards, anti-dumping, and policy review provisions. Importantly, while accessing the WTO China agreed to drop the right to unilaterally impose higher costs to foreign firms investing in the country compared to those imposed on domestic industries, and to stop developing policies aimed at favoring domestic firms. Indeed, China was expected to conform to the same rules governing other members, in particular, "WTO Members expressly affirmed their view that the WTO Member economies would participate in the international trading system based on open, market-oriented policies" (USTR, 2024, p. 9). According to the GATS agreement, China was required to grant foreign investors access to numerous choices of service sectors, encompassing aviation, construction, assurance, professional services, and securities. Regarding telecommunication and value-added services, China agreed to progressively remove geographical restrictions and to permit foreign firms to gradually increase ownership stakes in joint ventures. It is worth noting that several of the mentioned services sector, other sectors, and commitments related to transparency and regulatory harmonization pledges, were significantly more stringent for China than other WTO members in their extent of coverage, and market opening (Blanchard, 2013). Furthermore, while China's WTO accession agreement primarily focuses on opening its market to other WTO members, it also includes provisions to address potential harm to Washington and other WTO member states' industries and workers. The goal of these provisions was to mitigate the impact of import surges or unfair trade practices during China's transition period from a non-market to a market economy (USTR, 2024). Noticeable improvements have also been attained thanks to the Chinese compliance with the international intellectual property norms within the TRIPS Agreement, which provided many benefits to the country. Indeed, to ease the removal of trade barriers and open the market, China also "agreed to undertake important changes to its legal framework, designed to add transparency and predictability to business dealings" (USTR, 2024, p. 9). Although China operated selectively by choosing the global intellectual property norms that best suit the

country's needs and priorities, the benefits have been of substantial importance for the rapidity of China's advancements following the WTO membership. Vice versa, if it is true that China benefited from adhering to TRIPS, this is also true the other way around. Indeed, China's economic success and technological improvements since TRIPS proved the validity of the agreement and showcased the added value TRIPS could bring to developing countries, thus making it more appealing than other international regulations (Yu, 2023).

The Impact of WTO Membership on China's Growth Trajectory

By contrast, some observers interpreted China's membership in the WTO as hampering the country's high-growth rate precisely due to the demanding set of common norms to be implemented. From their perspective, the institutional harmonization under the WTO framework could significantly slow down China's potential future growth. What were the positive and negative aspects at stake for China and what moved China to agree to numerous agreements within the WTO? A curious and suitable analogy describing China's standing in this matter is:

“The appropriate analogy of China prior to its accession to the WTO, is that of a goat standing at the edge of a chasm. The goat sees that the grass on the other side appears not only greener, but also seems to extend infinitely toward the horizon. The goat also sees a wooden bridge spanning the chasm. The goat faces at least two questions: is the bridge strong enough to carry its weight?; and would it be able to walk steadily enough on the bridge so it does not fall off?

The analogy is obvious. The goat is China, the grass on its side is the half-reformed centrally planned Chinese economy, the grass on the other side of the chasm is the dynamic capitalist market economy, and the bridge is the WTO. When China signed the trade accord with the United States in November 1999, it has in effect agreed to walk across the bridge to the other side.” (Woo, 2012, p. 16,17)

China's jump into the WTO and the 1999 trade accord with the US mirrored the view of the Chinese political elite: the country must embrace the challenge of globalization and open its market. Refraining from doing so would have prevented China from closing the gap with the most advanced nations. Importantly, Beijing understood the great benefits that the WTO would have implied and that being a member of it would have allowed China to gradually influence the evolution of the global economy to its favor rather than opposing it (Cheng J. Y., 2003). According to the analogy, to successfully cross the bridge China needs two key elements: first a rise in Chinese exports and second a rise in FDI. Luckily, these elements became a reality, and the WTO-induced acceleration of Chinese economic growth led the country to reach the economic rank of leading powers. Remarkably, experts and politicians affirmed that “China is an opponent of the same order as the United States. I agree with Dr. Henry Kissinger's latest statement that no country has the potential to dominate the world.

There should be no illusions that the United States can dominate China” (Wen, 2022, p. 93). This proved the positivity of the WTO membership rather than the potential negative outcomes. Among the positive opportunities offered by the integration into the global economy was the possibility for China to industrialize its countryside and the import of new technologies. Most importantly, huge FDI inflows increased China’s export capacity and improved its technological foundation (Woo, 2012). Notably, at the time, China’s application to the WTO was regarded as controversial since China was still a developing country, however, its economic and trade levels registered significant levels (Cheng J. Y., 2003).

Furthermore, Washington promoted this push for enhanced US-China trade relations under the justification of liberal ideals: policymakers hoped to set China on a democratic reform trajectory. This narrative has been portrayed by US analysts through the years as they still believe that richer Chinese citizens will ask for more weight in governing matters thus leading to democratic reforms like Japan, South Korea, and Taiwan (Allison, 2017). Indeed, from the US perspective, initiating economic interaction with China was expected to promote a slow but inevitable transformation of the country: from a one-party state to a rule-of-law regime with free market rules and increased civil and political rights. Admittedly,

“U.S. policymakers hoped that the terms set forth in China’s Protocol of Accession would dismantle existing state-led policies and practices that were incompatible with an international trading system expressly based on open, market-oriented policies and rooted in the principles of non-discrimination, market access, reciprocity, fairness and transparency” (USTR, 2018, p. 2).

However, China did not match the expectation of reforming itself as the West desired given that “China largely remains a state-led economy today” (USTR, 2018, p. 2) and, it is in some ways less liberal than before the WTO membership (The Foreign Policy Initiative, 2011). The US’ aim to spread liberal values is indeed confirmed in the latest released strategy toward the PRC which states as mission goal number five to:

“Champion American values to promote freedom and equality for all, including by promoting: the rule of law; freedom of speech, religion, assembly, and the press; combating censorship; promoting the principles of diversity and inclusion; and by advancing human rights and fundamental freedoms in the PRC, including but not limited to Xinjiang, Tibet, and Hong Kong.” (Integrated Country Strategy, 2023, p. 24).

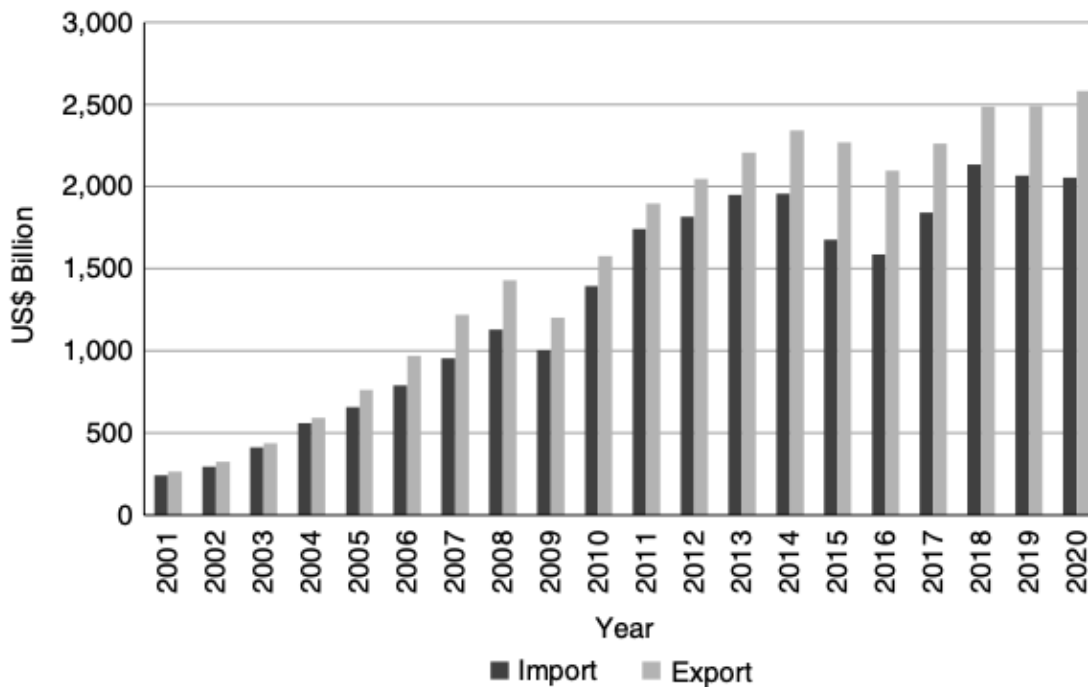
However, it has been inferred that after observing Beijing’s line of action, “liberalization to promote economic growth is accepted, but it will not be tolerated when perceived as a threat to the Communist’s Party monopoly of power” (Cheng J. Y., 2003, p. 219). American hopes for a gradual

shift in China's regime and values have continuously been unmatched by the country's traditions and behavior. Shortly after the strategy document claims that leaving China unchecked is a threat to US national security and that this undermines the rule-based international order. Consequently, it is possible to infer that the US defense strategy confirms the PRC as threatening its traditional hegemony if the country keeps perpetuating those practices that permitted its outstanding rise. Remarkably, the involvement of the Chinese in WTO's activities like trade negotiations and dispute settlement has resulted in a gradual change in the power dynamics within the Organization also translating into unprecedented challenges to the internal functioning as a consequence of China's economy size and unique economic model (Gao, Raess, & Zeng, 2023). Owing to China's commitment to WTO's obligations and the opening up policy, the country swiftly acquired a crucial position within the global value chains, beyond fostering its integration into the global economy. Indeed, China's GDP experienced a dramatic increase from US\$1.339 trillion in 2001 to US\$14.723 trillion in 2020 thus accounting for 17.4 percent of the world economy in the same year. The opening of the Chinese economy represented the engine that boosted productivity, adaptation of new technologies, and global competitiveness; hence elevating the country to become the leading trading nation due to the tremendous rise in its imports and exports (**Figure 6**). Since the entrance into the WTO China embodied the driving force of the world economy also attracting huge inflows of FDI, mainly in the manufacturing sector for export, and expanding its domestic market (Li & Yi, 2023). The exceptional Chinese economic growth surely amplified its market appeal and attractiveness in the eyes of its regional neighboring countries, especially within the ASEAN framework. Indeed, China has been monitored by regional states in its path to globalization and accession to the WTO as yet in 2003 the country was regarded as the engine for regional economic growth. What is more, it was thought that a solid shared economic interest would function as a platform upon which building confidence and trust, preventive diplomacy, and conflict resolution mechanisms for the region (Cheng J. Y., 2003).

Massive FDI inflow – US\$144.4 billion in 2020, compared to roughly US\$50 billion in 2001– led China to host incremental numbers of foreign enterprises establishing their research and development infrastructures, manufacturing centers, and marketing offices there, thus hosting also new technologies, data, and methods. This was mirrored by the growing Chinese FDI outward since 2005 – US\$110.2 billion in 2020. The PRC proved the strength of its economy to deal with worldwide crisis twice, firstly, during the 2008 financial crisis when it remained the largest contributor to the growth of the global economy, and secondly, during the Covid-19 pandemic when China emerged as the sole major economy globally to attain positive economic growth for the year 2020 (Li & Yi, 2023).

Figure 6.

CHINA'S ROLE IN THE MULTILATERAL TRADING SYSTEM



China's annual foreign trade, 2001–2020. Source: UN Comtrade Database, available at: <https://comtrade.un.org/data/>.

Remarkably, China not only was the sole country to achieve positive economic growth in that year, but also greatly contributed to the stabilization of the global supply chain and the recovery of the world economy; being the first to gain the momentum for recovery. Consequently, the deepened position of the PRC in GVCs has also benefited other countries both for the increase in high-technology manufacturing exports and, the country's world's largest middle-class consumers and source of global demand. Moreover, the continuous quest for further specialization, increased efficiency of the market, and an ever more educated workforce within China will represent a driver for global innovation for developed and developing countries (Li & Yi, 2023).

US-China Trade Tensions and WTO Disputes

The renewed Chinese competitiveness gain within the WTO framework was the premise for the current trade war between the US and China which also possesses the potential to become a long-term strategic rivalry in the next decades (Gao, Raess, & Zeng, 2023). While the Chinese leader points out that “A country which pursues its own development, security, and well-being must also let other countries pursue their development, security and well-being” (Jinping, 2013, p. 3), China's global driving character has the potential to shrink the US preeminence and destabilize its world order, especially as it is increasingly reinforcing its economic resilience and liability proving capable to withstand different crises and risks.

Coming back to the structural feature of the US-China power conflict, it is possible to infer that yet in 2016 the American administration manifested the fear of the mighty potential of the Chinese rise as the US initiated a trade war, to contrast China's power, as soon as President Trump took his place into the office. This economic conflict has developed on three levels: at first, it started as a unilateral attack by the US, it sooner became a joint venture for a plurilateral attack with the engagement of the EU and Japan, and culminated to be a multilateral attack as the trilateral initiatives prompted a new phase of reform proposals within the WTO. The motive advanced for this trade war was that China's laws, policies, and practices could harm US intellectual property rights, innovation, or technology development; or be discriminatory and unreasonable toward the country. In 2018, when the United States Trade Representative released its related report, among other measures, Trump brought WTO cases against China's discriminatory licensing actions, and the Treasury Department to impose restrictions on the investment directed to Chinese firms. The new set of tariffs violated WTO rules, indeed, the Chinese authority regarded US measures as in contrast with the fundamental values and principles of the Organization (Gao H. , 2023). Soon after, the US managed to coordinate a plurilateral attack within the WTO framework against China, thus involving allies such as EU members and Japan. The joint statement issued by these parties mentioned the enhancement of the commitment for trilateral cooperation to address critical issues regarding "unfair competitive conditions caused by large market-distorting subsidies and state-owned enterprises, forced technology transfer, and local content requirements and preferences" (USTR, 2017). Indeed, it has been claimed that "China offers substantial government guidance, resources and regulatory support to Chinese industries [...]" (USTR, 2018, p. 2) and that "The principal beneficiaries of China's policies and practices are Chinese state-owned enterprises and other significant domestic companies attempting to move up the economic value chain" (USTR, 2018, p. 2). Following the common action, the trilateral axis began a series of joint statements to target the Chinese trade sphere without explicitly manifesting it as targeted. Eventually, the axis stimulated a new influx of reform proposals within the organization, among the leading characters the US, the EU, and Canada. The issues addressed by this new stream of proposals focused on three subgroups of concerns all interpreted by the Chinese as *China-specific* – the issues concerned long-standing items debated in the WTO over China's trade and economic systems, boosting WTO's monitoring system when China has compliance's problematics, and abolishing flexibilities for all member states as not all countries should be granted the same level of flexibility (Gao H. , 2023). From the Chinese side, the leadership developed a double approach to address these multilevel attacks. On one hand, these policies signaled the US abandoning its standing position at the apex of the rule-based multilateral trading system, thus leaving a power spot that China wanted to fill. While, on the other hand, China swiftly profited from

the ‘bad’ examples set by the US and the EU by disregarding WTO rules for political interests (Gao H. , 2023).

The United States develops China-concerned strategies within the perspective that China’s state-led, non-market approach to the economy and trade continuously poses a “unique and very serious challenge” (USTR, 2024, p. 2) for the global trading community. Official US reports repeatedly point out the poor terms of compliance of China to the market-oriented approach embedded in the WTO and how these multiple violations of WTO standards significantly harm the global economy and trade both for advanced markets and emerging economies. Regrettably, Washington observes that “While some of the legal changes and related economic reforms that China made in the years immediately following its WTO accession offered the potential for China’s fuller embrace of market principles, these efforts stalled and stagnated” (USTR, 2018, p. 2). Indeed, the 2017 USTR Report to Congress on China’s WTO Compliance recited “[...] it seems clear that the United States erred in supporting China’s entry into the WTO on terms that have proven to be ineffective in securing China’s embrace of an open, market-oriented trade regime” (USTR, 2018, p. 2); and noticeably the latest Trade Representative report confirms that “after more than two decades of WTO membership, China still embraces a state-led, non-market approach to the economy and trade, despite other WTO Members’ expectations [...] that China would transform its economy and pursue the open, market-oriented approach endorsed by the WTO” (USTR, 2024, p. 2). It has also been put forward that this type of China’s approach has recently increased rather than decreased, thus progressively harming and disadvantaging companies and workers of WTO members. The harm in question stems from the market interventions implemented by the Chinese government and the Party. These interventions are designed to artificially create a positive environment to enhance the competitiveness of China-based industries and advantage them while simultaneously disadvantaging foreign companies and workers. In so doing, the Chinese state significantly influences and distorts market outcomes undermining fair competition between foreign and domestic enterprises. Therefore, the USTR (2024, p. 2,3) claimed that:

“Foreign enterprises are competing not only against Chinese enterprises but also the Chinese state. As a result, the playing field is simply not level. It is heavily skewed against foreign enterprises wherever they seek to compete against Chinese enterprises, whether it is in China’s market or in other markets around the world.” (USTR, 2024, p. 2,3)

According to US official reports, China’s practices and policies to support the country’s industries are being deployed to attain predominance for domestic companies in national and international markets and ultimately replace foreign competitors. Among these practices to support national

enterprises it is possible to list numerous and substantial non-transparent subsidies, the adoption of targeted industrial plans, and the lowering of labor costs by tolerating a weak enforcement of environmental laws. Washington claims to have repeatedly attempted to cooperate with Beijing in a constructive manner, since China's entrance into the WTO, however, intensive, high-level bilateral dialogues and other efforts proved to be unsuccessful "not because of failures by U.S. policymakers, but because Chinese policymakers were not interested in moving toward a true market economy" (USTR, 2018, p. 2). Moreover, despite the various achievements and commitment to the TRIPS Agreement, China has been regarded as the biggest country pursuing state-sponsored theft of intellectual property rights. China seems to steal information to gain commercial advantages rather than national security purposes. Furthermore, China's approach to the market is set on a trajectory to increase the state's role rather than decrease it. The WTO framework has proven ineffective in reversing the state-led, non-market approach to the economy and trade continuously pursued by China (USTR, 2024). As a consequence, "It is now more than two decades since China joined the WTO, and it is clear that China has not lived up to the bargain that it struck with WTO Members when it acceded to the WTO" (USTR, 2024, p. 5). Even more concerning for the survival of fair international trade is China's 'dual circulation' strategy, ongoing since 2020: the importance of China remaining engaged in international trade is emphasized while the country strives to become domestically self-sufficient at the same time. This trajectory suggests that as Chinese companies gain the ability to outcompete foreign firms within a specific industry in the domestic market, the Chinese state is likely to limit or even block the presence and acceptance of foreign companies and their products. Washington is loudly unhappy with this strategy as it interprets it as autarchic and running "counter to the WTO's goal of developing an integrated, more viable and durable multilateral trading system" (USTR, 2024, p. 7) and views it "as further evidence of China's broader intent to re-shape the international order and move the world away from rules-based engagement premised on market-based competition" (USTR, 2024, p. 7). Therefore, the US is convinced that WTO's core values such as openness, fair competition, non-discrimination, reciprocity, transparency, and the rule of law, are continuously challenged by China's state-led and non-market policies and tactics in its approach to economy and trade.

2.2 Unveiling the Interplay Between Economic Ascendancy and Military Expansion in China

"Just why China, a state having no obvious enemies, should devote an amount to its military comparable, by some calculations, to the US military budget, is a bit of a mystery. Some say that China's buildup is simply routine modernisation, which is certainly true to some extent [...]. Others argue that China's

buildup is a response to threats and provocations, such as territorial disputes with neighbours such as Japan and the Philippines, as well as the continued failure of the people of Taiwan to show any desire to become part of China.” (Waldron, 2005, p. 721)

The Economy-Security Nexus: China’s Economic Growth, Military Expansion, and Strategic Ambitions

The economy-security nexus depends on the behavior of states, in the allocation of funds and in deciding where to invest. As the “WTO membership has stimulated China’s phenomenal trade and economic growth”, China has far more resources to invest in different fields (Gao, Raess, & Zeng, 2023, p. 2). Notably, China is following a trajectory to attain successful global involvement in the technology sector, hence, over the past two decades, the country combined robust economic expansion with massive investment in research. In so doing, China has produced one of the most dynamic and innovative environments worldwide where emerging Chinese-developed technologies greatly enhanced the country’s military capabilities while introducing novel goods for consumers. These capabilities present both a source of power for China and a security concern from the perspective of the rest of the world (Mitter, 2021). The impact of the economic rise on military and strategic competition revolves around to what extent a state deploys its military and economic assets to compete. Nevertheless, several studies confirmed that “the conventional military dominance of Western democracies stems primarily from superior levels of economic development, not societal pathologies or political institutions” (Beckley, 2010, p. 44), thus confirming the crucial relevance of the economy’s size for a military build-up. Experts such as Cordesman and Hwang (2020) have observed that countries like Russia and China have a long-standing tradition of using their economic capabilities to specifically serve their strategic interests, while the US is not very much used to this practice. It is not possible to distinguish a clear separation between the Chinese civil economy and investments from its military spending and development, hence leading to many facets of the country’s economic activity supporting also the military efforts, first of all, the BRI initiatives. The latter enhances China’s strategic positions, influence, and economic opportunities in its neighborhood and beyond. Accordingly, “China’s expanding economic power is often tied to Chinese efforts to increase its strategic influence and leverage. In many cases – like arms transfers, loans, ports, major infrastructure projects, and major local investments – it has increased its strategic profile simply through its growing global economic role and presence” (Cordesman & Hwang, 2020, p. 68).

To understand China’s national and global ambitions it is essential to examine the evolving role and capabilities of China’s military as the outstanding economic development permitted Beijing’s government to allocate more economic resources to defense spending (China Power Team, 2021). It has been observed that the recent sharp expansion of China’s military spending coincides with the

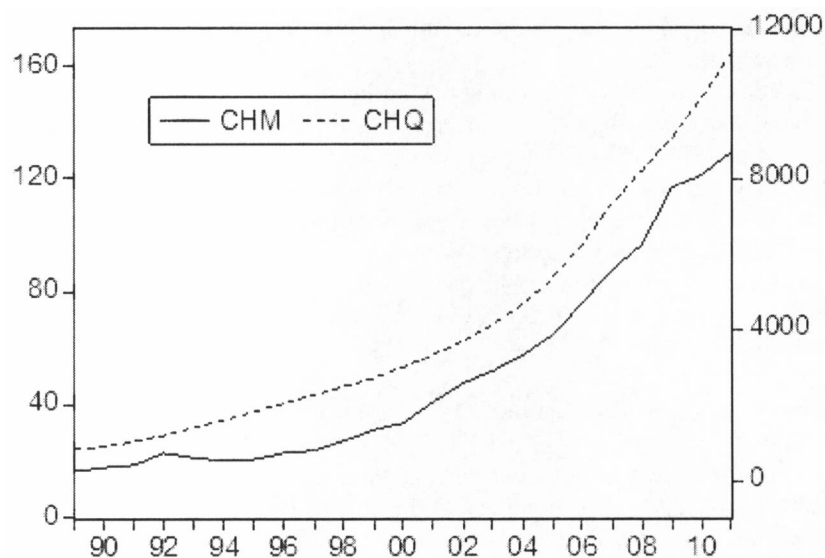
great economic rise, hence reinforcing the idea that the country has long embarked on a trajectory to become the preeminent power in the Asian region and then, a global hegemon (Atesoglu, 2013). In this regard, it has also been pointed out that while comparing defense budgets, it is relevant to keep in mind that “American global dominance does not necessarily translate into clear military preeminence in East Asia” (The Foreign Policy Initiative, 2011, p. 2). Then, if China’s endeavors are mainly directed at improving military capabilities in the region it would be fair to compare the two nations’ efforts in that area as an inferior military budget dedicated in great part to the Indo-Pacific region may signify a major military balance shifting there for the US (The Foreign Policy Initiative, 2011). “In short, a state’s level of military power depends not only upon the size of its resource endowments, but how well it uses those resources for military purposes” (Beckley, 2010, p. 44). Precisely, this seems to be the case as, despite the great discrepancy between the two defense budgets, Washington sustains a global military presence whereas Beijing is primarily concerned with security challenges in the Indo-Pacific (China Power Team, 2024). More broadly, the People’s Liberation Army has experienced rapid capabilities’ growth throughout the last two decades to the extent that it has begun to be considered the “biggest, fastest military buildup seen in any country since World War II and possibly the fastest in human history”, thus, bolstering the connection between the great economic growth since the WTO membership and the increase in military investments (Newsham, 2023). The soaring defense budget underlines the extent of the PRC’s effort and resources committed to military advancements, thus shrinking the US military advantage, especially in the Asia-Pacific region (Heath, 2023). Huge investments in the military sector suggest China’s underlying adherence to the concept of *defense diplomacy*, first used by the British in the 1990s, “also known as military diplomacy, is the nonviolent use of military forces through activities like officer exchanges and ship visits to further a country’s international agenda” (Winger, 2014, p. 1). The annual report released by the US Department of Defense on “Military and Security Developments Involving the People’s Republic of China” to Congress is a great source to grasp the current standing and the ongoing trajectory of the giant competitor from Asia. Yet in 2010 the DoD report highlighted how the economic achievements coupled with advancements in science and technology, have contributed to allowing China to undertake a comprehensive transformation of its military sector (U.S. Department of Defense, 2010). And, the latest report, following the National Security Strategy for the previous year, underlines again the standing of the PRC as the sole competitor to the US “with the intent and, increasingly, the capacity to reshape the international order” (U.S. Department of Defense, 2023, p. 1). It is relevant to underline that there does not exist an established universal standard for reporting military spending, but there are some international mechanisms for this purpose like the UN Report on Military Expenditure. However, participation is voluntary and opens the possibility for states to

report their budget to the extent they want. Beijing has used this UN mechanism since 2007, noticeably lacking transparency and preserving its discretion on the degrees of detail to share (China Power Team, 2024).

Economic and Military Theory Perspectives

Theories encompassing the realist doctrine, and the economic theory sustain the essential link between economic growth and increasing military spending as the first causes the second following a positive relation. It remains true that many studies assume that economic development is “the most crucial ingredient of military power” (Beckley, 2010, p. 44). The nexus between the demand for military spending to the demand for a good function belonging to neoclassical economics offers the framework for understanding how income growth stimulates overall economic improvements, thus expanding military spending. In the demand for military spending economic theory, defense spending is compared to a public good and security is a function for society. Consequently, the state budget expands in tandem with rising incomes thereby resulting in increasing investments in defense spending in line with the imperative of protecting societal interests (Atesoglu, 2013).

Figure 7. China’s Military Spending and GDP in US\$ Billions (CHM – military spending – left axis and CHQ – GDP – right axis) – (Atesoglu, 2013).



Meanwhile, the offensive realist theory assumes that the survival of the state depends on the maximization of its power, especially of its military power. Therefore, enhancing a country’s wealth is the premise for economic growth and finally the expansion of the military budget. Seemingly the offensive realist theory particularly suits the Asian framework and the increasing spending in defense budget in the region, especially true for China (Atesoglu, 2013).

“The year 2001 can be considered the beginning of modernization, as it coincides with the year when China’s defense spending took a steeper upward slope” (Atesoglu, 2013, p. 97). Notably, it is only in modern times that the Chinese defense sector has experienced significant transformations. During the 1970s, the country’s capacity to produce weapons relied heavily on imitation and was therefore capable of conceiving arms based on outdated technologies of the 1950s bought from the Soviets. The first step toward the change happened under Deng Xiaoping’s direction, national defense was elevated as one of the “four modernizations,” alongside agriculture, industry, and science and technology. This strategic policy was crucial in initiating China’s domestic defense industry expansion and the economic development of the following years granted the Chinese government the power to increase defense spending (China Power Team, 2021). Indeed, data gleaned from the Stockholm International Peace Research Institute (SIPRI) database illustrate that since the entrance into the WTO in 2001 the PRC has exhibited a steadfast commitment to bolstering its defense capabilities through significant investment. Within the framework of military diplomacy, Armed Forces are used not only for their combat capabilities but also to pursue or safeguard specific national interests through a series of ‘non-combat’ uses ranging from bilateral or multilateral operational cooperation to joint training activities with other states’ Armed Forces, thus making it crucial to invest and modernize this sector in order to engage with great powers as a comparable entity. China’s increasing defense expenditure is emblematic of this dedication to modernizing the Chinese military body. In 1999 the country’s expenditure stood at 20473,9\$ million, a number that rose to \$ 26561,5\$ million by 2001 and kept rising the scale. Remarkably, China’s military spending surged to 291958,4\$ million in 2022, hence underscoring the nation’s unwavering intention to fortify its military prowess to swiftly navigate the evolving geopolitical landscape (SIPRI, 2022). It can be argued that these metrics strengthen the assumption that by accessing the WTO’s benefits, China could perform its outstanding economic escalation, thus permitting the country to allocate increasing funds to military expenditure and modernize the national armed forces. Precisely, China’s military investments and modernization are greatly enhancing the country’s ability to project force over long distances, thereby contributing to the perception of it as an imminent security issue to contain. The PRC aims at the effective control of critical territories, such as Hong Kong, Taiwan, and Tibet, and of neighboring seas, to ultimately encapsulate the Indo-Pacific region under its supervision. China’s line of action wants to prevent foreign powers from projecting power in the vast strategic area in its proximity (Atesoglu, 2013). To this purpose, nuclear capability is believed to hold crucial strategic relevance to the maintenance of national sovereignty, security, and international strategic stability, in tandem with an adequate level of readiness and deterrence capabilities by the armed forces (White Paper on National Defense, 2019).

Current Trends and Future Projections

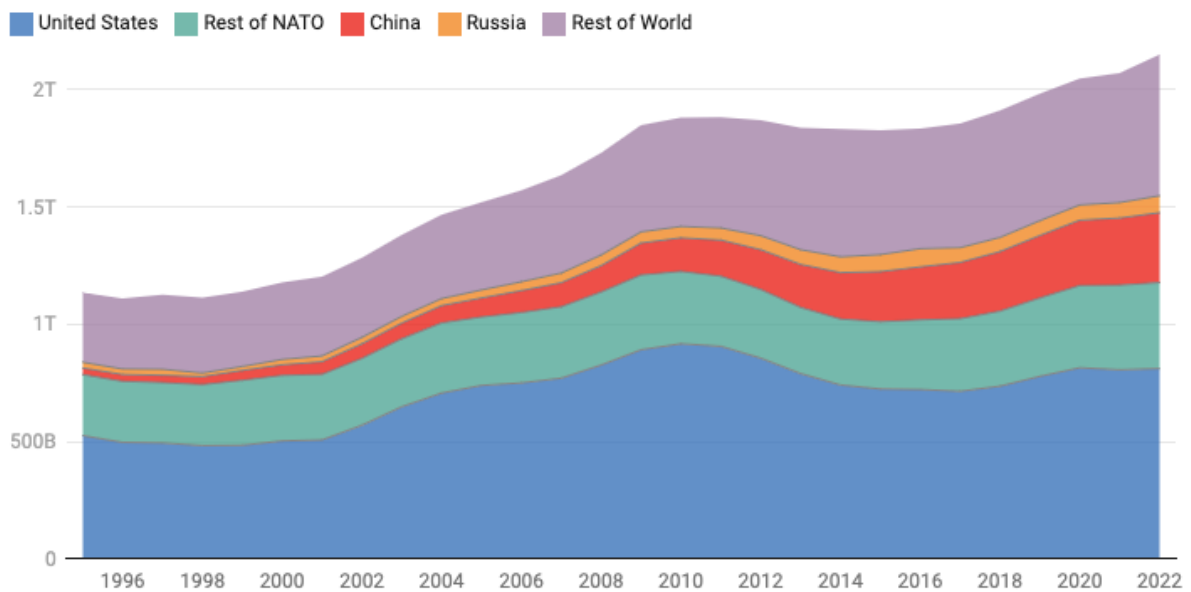
Although economic power largely contributes to the share of military spending each country can afford, so can the kind and extent of control that the ruling elite can deploy to privilege the allocation of a greater share of national funds to foster military innovation rather than focusing on other fields. The peacetime periods brought about by the American-led order established after the great wars permitted other nations to flourish and emerge thanks to the possibility of dedicating greater efforts to internal innovation (Cordesman & Hwang, 2020). Two additional long-standing critical issues are the noted lack of complete transparency in both military and security affairs by the Chinese government in revealing its expenditures, and its inferior sensitivity to public demands. Indeed, the US claims that this aspect amplifies uncertainty and the potential for misunderstanding and miscalculations (U.S. Department of Defense, 2010). Although it appears that Washington spends way more than Beijing, it is impossible to measure the real gap between the two as China's defense spending is substantially underreported. Many elements are not included in the public budget, for instance, the acquisition of foreign weapons – many from Russia – the rocket forces, and the R&D expenditures dedicated to the PLA modernization and weapon production (The Foreign Policy Initiative, 2011). Even when combined with several public estimates of China's military spending they still reveal a huge disparity between China and the US, a disparity of which many experts have doubted the real validity. Notwithstanding the great increase in the PRC defense budget, many forecasts indicate the overwhelming distance to the US claiming that China does not possess the capabilities to approach the spending levels of the US and its allies (Cordesman & Hwang, 2020). However, China's PLA's long-term objective, within the framework of the great rejuvenation of the Chinese nation, is to become a "world-class" military by 2049 to portray China as a great modern socialist country. This justifies the still existing distance from the US which should be sharply narrowed in the next few decades according to the plan. Being a world-class military in the PRC perspective could entail the development of a military body possessing equal or superior capabilities compared to the US military or other potentially threatening powers. Furthermore, the US DoD acknowledged China's ability to effectively gather and distribute funds, innovative technologies, and political will since the entrance into the WTO, to reinforce and modernize the PLA in almost every aspect (U.S. Department of Defense, 2020). With reference to the chart provided below (**Figure 8**), it is possible to frame China's defense expenditure within the broader context of global military spending. Remarkably, the US alone retains its position as the preeminent contributor presenting the largest share of the depicted data. In addition, when coupled with the total defense budget of fellow NATO members, the collective represents more than half of the global defense spending (China

Power Team, 2021). Although China’s recent rise in the defense budget is noteworthy as it happened at an unprecedented pace, it remains far from the US level of accumulated military spending, even more so when considering the contribution of like-minded states. Nevertheless, the latest US DoD Military and Security report emphasized the crucial relevance of “meeting the pacing challenge presented by the PRC’s increasingly capable military” (U.S. Department of Defense, 2023). To deter Beijing’s escalation and maintain a balance in the Asia-Pacific region the US military needs to keep pace in technological and defense system advancements enhancing its efficacy and capabilities in every aspect of warfare and defense systems. This is not a cheap endeavor to sustain but it is believed to be cheaper than risking instability, diminished economic and political power, and risking a conflict in the interested region (The Foreign Policy Initiative, 2011).

Figure 8.

Global Defense Spending

Billions of US\$ (constant 2021)

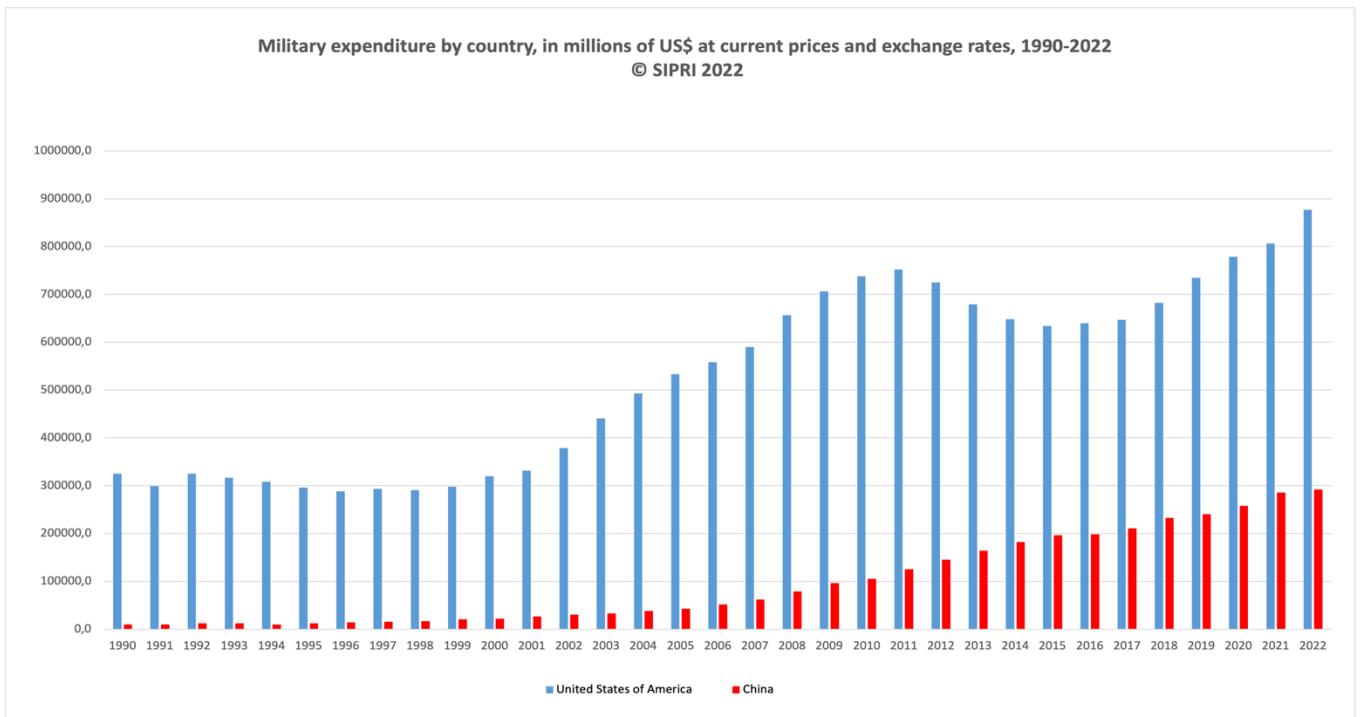


Source: CSIS China Power Project; SIPRI

As mentioned, while the total Chinese military spending in 2022 was \$292 billion, SIPRI estimated the US spending in the same year to be \$877 billion in current US dollars, thus suggesting that China will still need a few more years to close the gap with the American levels (SIPRI, 2022). As **Figure 9** demonstrates, Washington has a long history of huge military expenditure funds allocation, allowing the country to accumulate a stock to distance itself from every other state’s defense budget. This heightens the PRC’s difficulties and lengthens the time frame to close the gap with the US. Lessons from the past coming from the USSR’s experience during the Cold War, teach

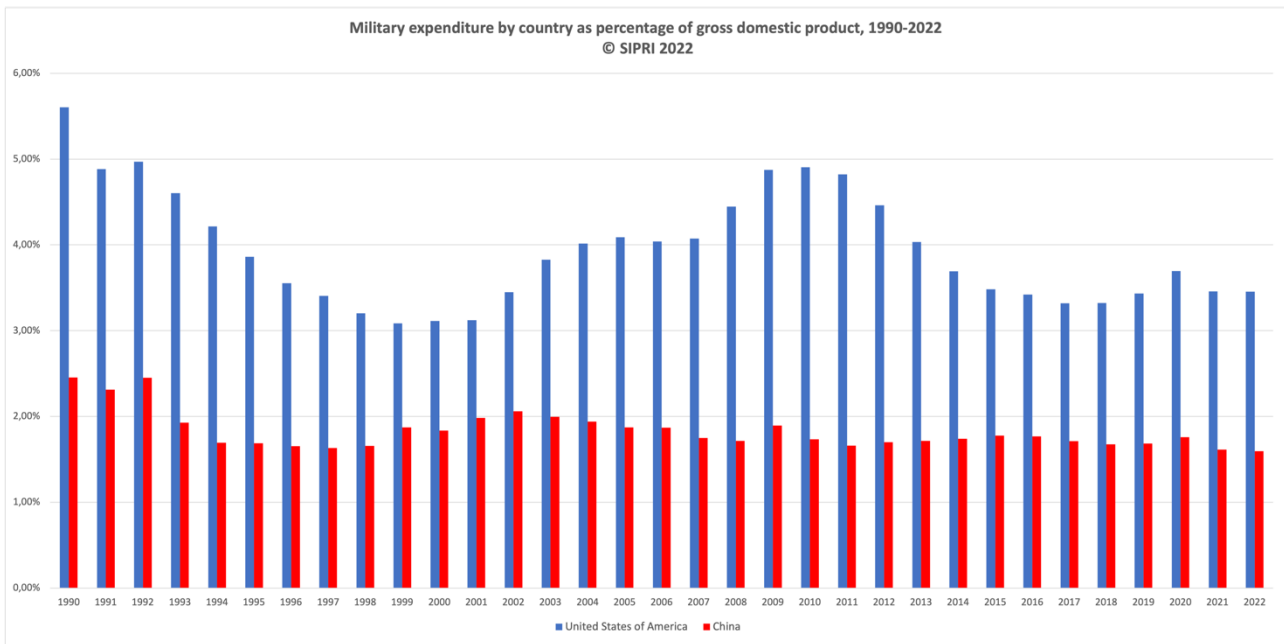
that it is preferable not to increasingly invest in the military before strongly consolidating the economy, and Xi Jinping seems convinced to refrain from committing the same mistake.

Figure 9.



Indeed, as illustrated in **Figure 10**, China's military expenditure as a percentage of the GDP remains relatively low, hovering below 2 percent in 2022, compared to around 3,5 percent in the US. Beijing's growing defense spending is intrinsically tied to its booming GDP, maintaining a level at or below 2 percent since 2000. In contrast, since 2000, the US military expenditure has averaged around 3.9 percent of its GDP (China Power Team, 2024).

Figure 10.

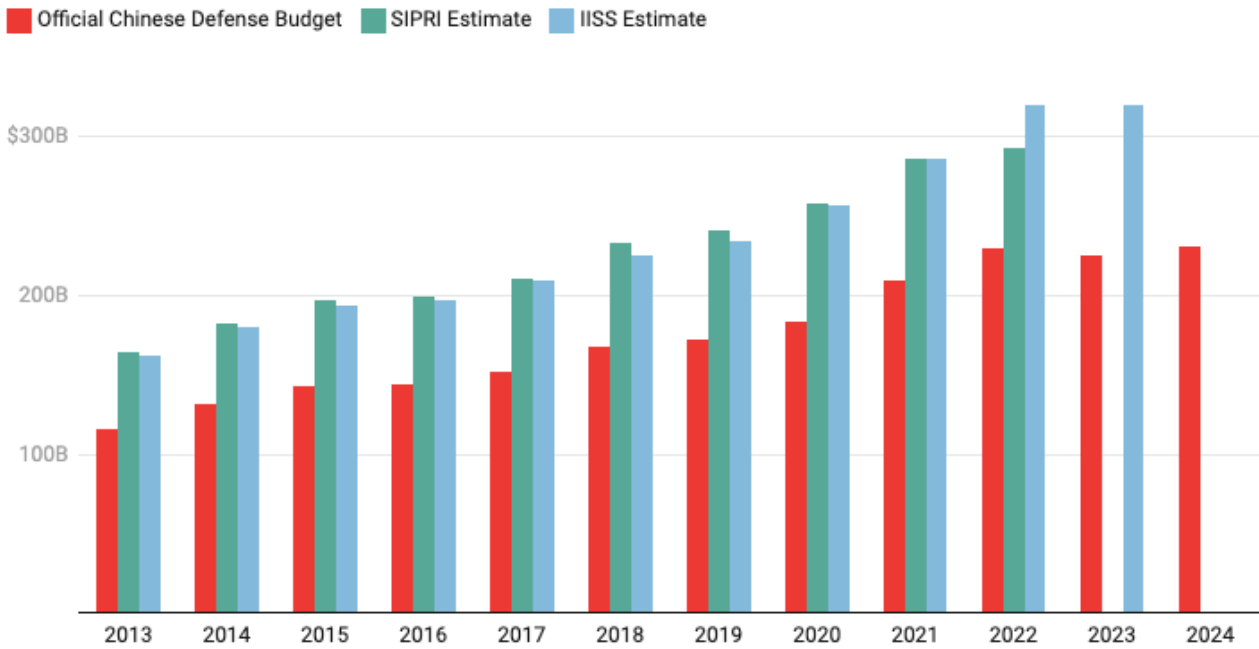


Arguably, given the lack of clear and precise official sources, these numbers under-report the real value of Chinese spending (**Figure 11**), indeed it has been claimed that Chinese official reporting “omits large amounts of R&D, procurement, and other spending” (Cordesman & Hwang, 2020, p. 63), and thus considerably lowering the estimates’ value. Therefore, even the level of military spending compared to the GDP of the country is considered inaccurate, since it shows a relatively light burden to the Chinese economy. In 2022, China announced a defense budget of approximately \$230 billion, while SIPRI and the International Institute for Strategic Studies (IISS) estimates for China’s defense budget for the same year were respectively \$292 billion and \$319 billion. It is noteworthy that, beyond institutes such as the SIPRI and IISS, also NGOs and think tanks tried to forecast the real extent of China’s defense budget finding even far higher results (Cordesman & Hwang, 2020). Despite the potential underestimation of the given Chinese military expenditure as a percentage of GDP, the significant disparity between the two countries’ defense spending remains substantial. Consequently, this large gap suggests that it is improbable that the PRC will reach the US level in the foreseeable future, but this scenario could be closer than many imagine if accounting for possible concealed investments by China.

Figure 11. Chinese Official Reporting on Its Military Spending versus SIPRI and IISS Estimates: 2013-2024

Estimates of Chinese Defense Spending

Billions of current US\$



Note: The decline in 2023 is due to exchange rate effects. Spending in RMB increased by 7.2 percent.

Source: CSIS China Power Project; Chinese Central Government; SIPRI; IISS

Table 6. The countries with the highest military expenditure in 2023

Rank			Spending (\$ b.), 2023	Change in spending (%)		Spending as a share of GDP (%) ^b		Share of world spending (%), 2023
	2023	2022 ^a		2022–23	2014–23	2023	2014	
1	1	United States	916	2.3	9.9	3.4	3.7	37
2	2	China	[296]	6.0	60	[1.7]	[1.7]	[12]
3	3	Russia	[109]	24	57	[5.9]	[4.1]	[4.5]
4	4	India	83.6	4.2	44	2.4	2.5	3.4
5	5	Saudi Arabia	[75.8]	4.3	-18	[7.1]	[11]	[3.1]
Subtotal top 5			1 481	61

Sources: SIPRI Military Expenditure Database, Apr. 2024; International Monetary Fund, World Economic Outlook Database, Oct. 2023; and International Monetary Fund, International Financial Statistics Database, Sep. 2023 (Tian, Da Silva, Liang, & Scarrazzato, 2024).

However, even if military spending appears as a light burden to the overall Chinese economy remaining 1.7 percent of the GDP in 2023 as it was in 2014, its change in spending experienced exponential growth, resulting in a considerable increase in the share of the world's spending (**Table 6**). Nevertheless, a slower pace of military spending has been observed, reflecting the slower rate of China's economic escalation over the last 10 years. This element shows potential limitations of the

plan to narrow the gap with the US or a slowdown of the plan's pace, at least for now (Tian, Da Silva, Liang, & Scarrazzato, 2024).

Despite some incautious assumptions considering China as a declining power, the country is renowned for being a patient actor in nature, for this reason, it is comfortable waiting, as long as trends and forecasts are in its favor. Noticeably, it is not entirely true to state that trends are not favoring China since its slowdown is slowing compared to previous China data; the Chinese are still growing at a faster annual GDP growth rate than the Americans, remaining among the fastest-growing major economies (Forbes India, 2024). Interpreting China's GDP growth rate decline as a recession could be a big misjudgment. Indeed, "A slower growth rate does not mean a lower increment. [...] Ignoring the complexity of the decline in GDP growth rate is a major misjudgment by certain American scholars when it comes to observing Chinese development" (Wen, 2022, p. 88, 89). At this point, it is believed by many scholars that China's rise is set on an irreversible path, however, from the US perspective "either ignoring or demonizing the rise of China is extremely worrying. It misses the ball entirely—and China is all about playing ball". Three are the factors at the core of China's continued rise: the Chinese population seeks to improve its life quality thus powering growth; China enjoys the endurance and continuity of the country's policies, even if with some adjustments; and other forces do not dream to invade China. For these reasons, China's rise will not likely end in the foreseeable future (Wen, 2022, p. 84). Moreover, retracing historical examples, it is not always the state with the highest military spending that always succeeds on the battlefield. Noticeably, fascist Italy in the mid-1930s devoted to the defense budget more than the British, the French, or the American, but it was not enough. The lack of a solid economy prevented Italy's massive military investments from keeping pace with other advanced industries thus entering WWII with obsolete artillery (Beckley, 2010). This is not the case for China which contrary to its beginning when it only purchased weapons from others, the country now possesses the capability to invest and further modernize foreign technologies. "A solid economic infrastructure enhances military effectiveness during wars, as well as in the periods that precede them" (Beckley, 2010, p. 56) and China possesses such a solid economic infrastructure.

2.3 Strategic Projections and Policy Implications for US-China Relations

Projections and Scenarios for China's Future and Strategic Responses

"The most distinctive aspect of China's current rise: namely, its strong emphasis on the development of military power and the pursuit of irredentist territorial claims in Asia." (Waldron,

2005). In this view, it is relevant for policymakers and expert personnel to observe reliable data on future projections to analyze possible trajectories and prepare responses tailored to each specific scenario.

Table 7.

China Future Scenarios

	Triumphant China	Ascendant China	Stagnant China	Imploding China
Forecast	China achieves global prominence	China achieves prominence in one or more regions	China's power grows through 2020s, then stalls or declines	Political, social, economic, and/or military setback leads to existential crisis
Conditions	<ul style="list-style-type: none"> • China becomes world's largest economy • Innovation leader • Modern, capable PLA with global reach 	<ul style="list-style-type: none"> • China becomes strongest Asian power with sustained economic and S&T growth but is not dominant • PLA with robust regional reach 	<ul style="list-style-type: none"> • Economic downturn • Significant social discontent • PLA with slowly growing capabilities 	<ul style="list-style-type: none"> • CCP control eroded • PLA preoccupied with internal functions
Outcomes	China asserts dominance across most arenas of power	China is preeminent in Asia and a major power in other regions	China retrenches internally while seeking regional accommodations	Internal instability erodes external influence
Consequences for U.S. Army	PLA is peer competitor of U.S. military and dominant in other arenas of power	PLA is persistent near-peer competitor of U.S. military in more than one region	Military competition tempered as PLA struggles to sustain regional position in Asia	Confrontation with U.S. military avoided as PLA is absorbed with domestic challenges

Source: *China's Grand Strategy* (Scobell, et al., 2020).

The study conducted by the RAND Corporation team to forecast what the PRC could look like by 2050 has resulted in four scenarios: *triumphant China*, *ascendant China*, *stagnant China*, and *imploding China* (**Table 7**). According to this research, there is a 50 percent chance that the Chinese will either succeed or keep rising, and a 50 percent probability for the country to fail in achieving its long-term goals; the next three decades will be crucial in shaping China's future standing on the global stage. Seemingly, the *triumphant* and the *imploding* scenarios are less likely to happen, as for the first, China's performance should resemble perfection and the absence of critical crisis for the years ahead; while the second is hampered by the great skills and capabilities proved through years by the Chinese political elite. Eventually, the most likely outcome for China by 2050 will be a

combination of *ascendant* and *stagnant* scenarios, hence implying a mixture of positive elements regarding the achievement of the country's long-term objectives and negative features related to the potential challenges the PRC will encounter. Understanding the relevance that China will have in the future is of crucial importance for the American administration in order to elaborate the best strategic plan of action to maintain its preeminence in the international order and to develop ad hoc policies within the framework of long-term US-China competition. Anyway, the wiser behavior for Washington would be to prepare for the most challenging options (Scobell, et al., 2020). In this context, possessing a greater share of economic resources to direct the government effort toward one object rather than another is crucial. Indeed, this research assumes that the economic-security nexus depends on the behavior of a state, in the allocation of funds and in deciding where to invest, and then on the behavior of the concerned actor on the global stage. Therefore, for both countries, economic performance is the premise of their worldwide success and preeminence over the opponent, yet, as shown by the various military spending-related figures, Beijing has great space for improvement given the long history of defense budget accumulated by Washington. However, it is crucial to consider that the primary concern for military assessments is not solely whether other countries increase their defense budgets or gain access to advanced technologies from abroad—although these factors are still significant—but whether they develop the economic capacity to produce, maintain, and coordinate complex military systems (Beckley, 2010).

Many scholars have delved into the China challenge and tried to provide possible response strategies for the US government to deal with the issue in the best way. Among them, one of the preeminent China specialists, Allison which indeed through its works aimed at suggesting action plans to overcome the challenge. Allison (2017) began with some fundamental considerations as premises to build on effective and thoughtful programs as, according to him, the US needs more than a new strategy to manage the Chinese rivalry. Since the challenge goes beyond everything Americans have experienced before, it requires an extraordinary effort to avoid the so-called Thucydides Trap. The first step from the side of the American administration should be to acknowledge the new structural realities of this century: the Chinese economy has been drastically growing and is still growing, making it difficult to sustain the US-led world order. As a consequence, uncomfortable questions should arise to deeply tackle the subject, such as: “Is a China bigger and more powerful than the US such a challenge? Is “military primacy” essential for ensuring America’s vital national interests? Can the US thrive in a world in which China writes the rules? A world in which China reshapes the international order?” (Allison, 2017). A second element relevant to Allison’s idea is that applied history should be employed during the forecast process to better define possible scenarios and manage the Chinese threat. Thirdly the author criticizes more recent policies toward China as the

new pivot to Asia – engage but hedge – of the Obama administration was a mere rebranding of the same foreign policy carried on by previous administrations since the end of the Cold War. Accordingly, the US “engage” with China to build relationships and include it in international agreements and institutions. The Department of Defense and intelligence community “hedge” by striving to preserve military primacy, strong defense ties with crucial Asian allies, and developing operational war plans and weapon systems. However, when confronted with an evolving international landscape, policies and strategies must evolve in parallel to eventually succeed. A sort of naïve behavior held by US analysts in the last decade is their perception that an ever-wealthier China will acquire a substantial stake at the international level and in time should become a responsible stakeholder. They hope that richer Chinese citizens will ask for more weight in governing matters thus leading to democratic reforms like Japan, South Korea, and Taiwan. Perhaps, given US policymakers expected the PRC to embark on a regime change, the hedging side of this foreign policy that should have addressed the risks related to a Chinese military buildup, developed at a slow pace (The Foreign Policy Initiative, 2011). Anyway, Allison (2017) indicates two fatal flaws of this strategy: first China is not likely to become a democracy any soon as it would imply its collapse, and second, differing from historical cases, the Chinese did not experience a major defeat followed by American military occupation that shaped the country’s government and constitution. The Western world should embody the idea that China wants to be accepted as it is and not as part of the West, thus every attempt to redefine the PRC to make it fit into Western modalities is useless and counterproductive. Taking these considerations into account as a foundation, it is possible to build effective pathways to address China. Indeed, Allison delineates four possible strategies to address the peer challenger. The first option is to *accommodate*, namely a sincere attempt to align with a shifting balance of power by acknowledging common interests, thus effectively navigating unfavorable trends, and avoiding direct military confrontation. Within this perspective, Allison (2017) wonders whether the US and China could reach an agreement over the future of the Korean Peninsula free from American troops in the South, denuclearized by the Chinese in the North, and a fully recognized unification under Seoul’s administration. The second strategy is to *undermine* for instance by inciting a regime change within the rival borders or areas of interest. Some of the proposals made by Allison are for the US to promote independence in critical areas like Tibet and Taiwan under democratic justification, or to incite Chinese dissident groups as it had strategically done before in other countries. Fostering internal divisions in China and entangling Beijing in the pursuit of domestic stability would represent a method for the US to postpone the Chinese challenge. The third strategy is to *negotiate a long peace* which would allow both parties to concentrate on other priorities rather than the area of competition. In this scenario, the scholar proposes that the two nations could agree

on a limit for the US on its arms sales to Taiwan and the withdrawal of some of the South Korean forces, and from the Chinese part, the cease of nuclear weapons and long-range ballistic missile tests. The last strategy is to *redefine the relationship*. An attempt was made in 2012 when Xi Jinping pitched Obama a new form of great power relations and *gongying* (win-win for all) as main components of the new SFA foreign policy strategy, implying respect for each other's respective spheres of influence. However, this proposal was rejected by both the Obama and the Trump administrations. The US's and China's core interest should be to avoid their destruction, firstly by eliminating those frictions that could lead to full nuclear war. Indeed, while facing mutual threats, massive dangers should compel the parties to join their forces. Embarking in a joint venture has previously brought beneficial outcomes for global trade and investments, thus, Sino-American relations should focus on common interests enhancing their collaboration to maximize their gains.

Reasons Behind China's Military Buildup

It is relevant to point out that some experts interpret the PLA's buildup in preparation for a future war just as one possible reason. Military progress could be advanced for various political and military purposes, but they do not necessarily translate into the intention to launch a war. Heath (2023) puts forward five explanations to provide reasoning for military buildup rather than starting a war and, following the first one, China seeks to strengthen its armed forces for basic security needs. Historical precedents related to the earlier mentioned century of humiliation instructed the Chinese population on what happens in case of a weak military body, thus increasing military capabilities as deterrence could be one reasonable explanation for the PLA's recent buildup. A second reason to boost China's military capabilities is to follow the growth of the country and the consequential growth of hostile environments and potential threats encompassing Taiwan separatists, border and sea disputes, and other dangers. What is more, the PLA is responsible for a series of non-war missions going from humanitarian assistance to disaster relief, maritime patrols, and noncombatant evacuation (Heath, 2023). Thirdly, the buildup of Chinese armed forces could be linked to national prestige and status; indeed, China frequently holds military parades and demonstrations extensively covered by Chinese media to foster patriotic sentiment and unity in the population. A fourth motive is political power under the supreme leader as part of Xi Jinping's power relies on the strength and the loyalty of its military body and, to ensure so, he must be ready to invest great resources in the defense budget. The last explanation for military buildup beyond engaging in war is to maintain the body focused on its responsibilities preventing it from falling into corruption and lethargy. A competent and advanced military and an effective government are crucial to complete Xi's national rejuvenation. With these broader observations, Heath (2023) wanted to showcase the different political and security drivers

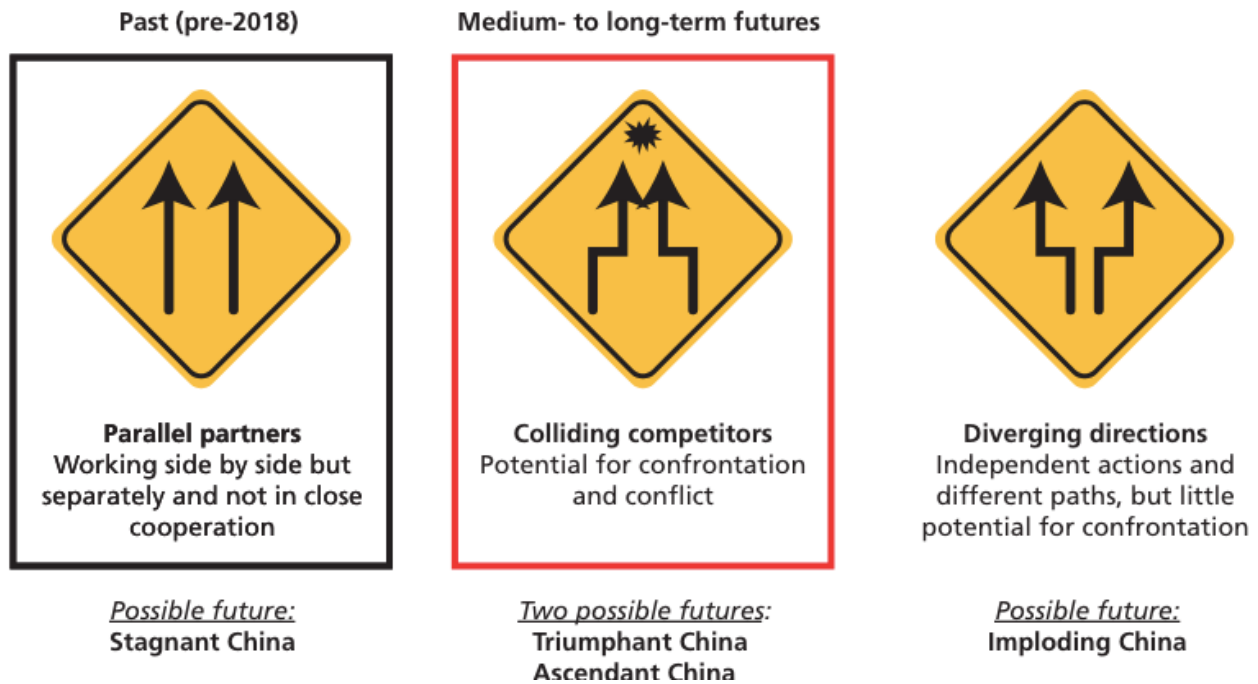
leading to the buildup of China's armed forces, thus encouraging US policymakers to maintain a balanced view of Chinese military modernization and explore with equal importance other dimensions of US-China competition such as the technological, economic, and diplomatic spheres.

Projected Trajectories and US Response

Following the abovementioned RAND study exploring China's trends and trajectories by 2050, the equipe of experts indicated three emerging competitive trajectories. These paths indeed compete among them since any of the four scenarios forecasted for China by the same study could potentially produce each of the three trajectories, namely *parallel partners*, *colliding competitors*, and *diverging directions* (**Table 8**). The ideal typical path provided by the experts differs in the intensity of conflict and the level of collaboration (Scobell, et al., 2020). Delving deeper into the peculiarities of the trajectories, the study explains that *parallel partners* would imply reversing the relations between Washington and Beijing as they were in previous years, especially before 2018. Indeed, the actors have a history of parallel efforts on issues ranging from the diplomatic and security field to the economic one. However, as Allison (2017) pointed out, uncertainty and distrust play a major role among competitors in international affairs, thus hindering extensive close cooperation and making this trajectory unrealistic. Here, the *colliding competitors*' path steps forward in a scenario envisaging heightened levels of competition and suspicions with a successful China that becomes more assertive in its will to exclude the US from critical areas such as the South China Sea and, more broadly the Indo-Pacific region. In contrast, the *diverging directions* trajectory pictures China and the US engaging neither in active cooperation nor direct confrontation as the country might be more preoccupied with dealing with impelling domestic disorders rather than competing for international preeminence (Scobell, et al., 2020).

Table 8.

Alternative U.S.-China Competitive Trajectories



Source: *China's Grand Strategy* (Scobell, et al., 2020).

The PLA's modernization also implied improvements in the nuclear arsenal. As a result of this endeavor, China's nuclear capabilities seem to be transitioning from a minimalist deterrence stance, towards a more resilient yet still constrained deterrence posture. China recently became the fastest-growing nuclear power in the world due to the construction of 100 new nuclear weapons over 2023, thus constituting direct competition with the US nuclear arsenal which is now numerically closer. As China's behavior is regarded as assertive and its capabilities formidable, the colliding competitor trajectory appears even more tangible carrying its potential for confrontation and conflict in the security field (Burack & Harding, 2024). Indeed, it has been observed that the PLA Navy continued to enlarge what is yet the world's largest fleet since 2020 when the US Navy was surpassed in the number of battle force ships. Modernization efforts have also been carried out within the PLA Air Force. The latter, together with the PLA Navy's air assets represents the biggest aviation force in the Indo-Pacific region, and it is set on a trajectory to become the largest in the world (Peters & Beaver, 2024). Furthermore, the most relevant Chinese investment in the PLA's modernization has been to forge an outstanding ballistic and cruise missile arsenal. The phenomenal growth in the quantity and effectiveness of these missiles is the main driver that alters the region's balance and pushes US forces away. Great investments were also directed toward successfully implementing anti-satellite weapons, expanding electronic warfare capabilities, creating a cyber-warriors army, and upgrading the PLA's intelligence, surveillance, and navigation systems. The probability for the colliding competitors

trajectory to happen is further aggravated by this impressive PLA's buildup as it is shrinking the US Navy's long-standing freedom of navigation and action in the Indo-Pacific region, and putting at risk the US Air Force's bases in the region (The Foreign Policy Initiative, 2011). Yet more than a decade ago, studies on China's rise and military buildup acknowledged Beijing's effort to aim at excluding the US from its region:

“China is well on its way to acquiring both the means to hold U.S. and allied forces in the region at risk and to project its own power into the resulting vacuum. In essence, the capabilities the modern PLA has acquired are structured not to reinforce security in the Asia-Pacific, but to destabilize the current order maintained by the U.S. and its allies.” (The Foreign Policy Initiative, 2011, p. 6).

All these endeavors are possible given China's huge economic resources and favorable purchasing power. Furthermore, it has been confirmed by various studies that economic development helps to alleviate political constraints that hinder the cultivation of military expertise. Accordingly, internal political discord greatly diminishes military effectiveness by undermining trust among soldiers from various societal groups or by prompting regimes to intentionally weaken the military's cohesion and competence (Beckley, 2010). This is less likely to happen in a flourishing economy with a strong central power such as China's. Therefore, “economically developed states are far more likely to have political environments conducive to the development of military proficiency” (Beckley, 2010, p. 59). Opening the market to FDI and entering the WTO significantly changed the PRC's capabilities to influence the international arena. Even if it is true that this great military buildup could be attributable to other non-combatant factors, Beijing's assertive behavior does not reassure in this sense. As it is the main point of this dissertation, it seems even more that not economic power per se, but the use of these financial resources made China the major security issue from the US perspective in the 21st century. Indeed, states with developed economies have more potential to generate highly skilled military units and to produce, maintain, and modernize advanced military equipment. A great part of this advantage is due to their greater wealth surplus, which enables them to sustain substantial military investments without compromising continued economic growth (Beckley, 2010). Therefore, if “the conventional military dominance of Western democracies is really just the conventional military dominance of the most economically developed states” (Beckley, 2010, p. 74), the US has all the right reasons to securitize China since this country is among the most economically developed states if not the most developed one itself.

In addition to the various potential scenarios, it is worth considering the multifaceted strategy that the US has recently employed in its trade relations with China to address the challenges posed by the Chinese government. The US Trade Representative (2024) announced a plan composed of four

primary elements to tackle the issue from different angles; the first is to invest in domestic industries, implement policies to support these companies, and translate into practice these efforts in the future. The risk for the US economy is that maintaining a large military establishment over an extended period can potentially slow economic growth, thereby diminishing the wealth required for sustaining future military power. This is a dilemma faced by many states regardless of the time period thus having to decide whether to opt for short-term security ensured by huge defense budgets or longer-term security afforded by rising wealth (Beckley, 2010). The USTR plan would precisely prevent China from rapidly reaching the threshold level required in the power cycle theory related to Paul Kennedy's perspective. Accordingly, a peer challenger – China – will sooner or later enter the cycle and instill the fear of war in the eyes of the established power – the United States – when reaching the parity phase, which is 80% of the hegemon GDP threshold (Kennedy, 1987). The second component of the plan consists of maintaining bilateral engagement with Beijing: the latter is a crucial trading partner, and the US hopes to drive substantial changes in China's trade regime while holding it accountable for its existing commitments. Third, the US acknowledges the need for up-to-date domestic trade tools to level the playing field for its national workers and businesses. Lastly, the United States must engage deeply with allies and like-minded partners to tackle the global challenges arising from China's state-controlled, non-market economic and trade practices as they impact each trading partner differently. Noticeably, the US affirms a growing consensus among its trading partners to adopt a more realistic approach to trade relations with China, influenced by China's increased use of economic coercion. China's abusive and arbitrary economic practices, aimed at pressuring foreign governments for strategic gains, are especially concerning when implemented in democratic nations. However, this convergence is primarily driven by the undeniable harm caused by China's state-led, non-market economic tactics, which negatively affect advanced and developing economies. While a decoupling strategy could seem viable initially, the American government is not pursuing such a trajectory as it is not considered an effective solution to the various issues raised by China's challenge. Targeted actions by the US to protect national security encompassed de-risking and diversifying strategies rather than decoupling (USTR, 2024).

CHAPTER 3

The Convergence of Economic Power and Security: China's Rise as a Strategic Competitor in the Age of Artificial Intelligence and Technological Advancements

“In the third decade of the twenty-first century, China has more control over the pace of development than ever before. Unlike Japan, China cannot be lectured and manipulated by the United States. China is not Iran either, which pursues a completely anti-American strategy. China maintains its power against the United States, and can defend its core interests without being led by Washington's heavy-handed will” (Wen, 2022, p. 92).

This chapter will propose a case study in which the economic and security dimensions are tightly interconnected. The aim is to propose a case in which China's economic rise permitted several innovations thus representing a security threat or a security competitor for the US. The research will observe how possessing great economic resources can make a difference in the security field and in achieving global dominance. For instance, a compelling example could be the newly born field of Artificial Intelligence (AI) in which China is accomplishing outstanding results due to the immense funds dedicated to research and development and China-based tech industries. Beijing has been progressively acquiring more independence and control over the type and pace of development and the capability to defend its business from other powers. Undoubtedly, for many experts, the People's Republic of China of the 21st century is an independent power possessing the same standing as the United States in the international arena thus making these two countries the supporter of civilization and development. As Wen (2022, p. 97) reported, in January 2021 President Xi said “We should promote competitions based on fairness and justice, and carry out competitions that seek to catch up with each other and improve together, rather than engage in a fight that attacks each other.”

3.1 Technological Innovations: A New Frontier in Security and Military Power

The Transformative Potential of AI

“As an emerging technology, the rise of AI has considerable potential to transform our society as well as international politics. Rapid technological advances have enabled AI to become an engine for economic development and a catalyst for social transformation” (Cheng & Zeng, 2023, p. 794).

In recent years, the world has seen rapid expansion and advancements in surveillance technologies and the application of AI – the capability of machines to autonomously make decisions and imitate aspects of human behavior – throughout a variety of different sectors, including the security and military fields. Lately, discussions over the use and development of data, AI, bots, algorithms, and so on have spread on every platform feed, news, adv, and research of individuals’ everyday lives. Consequently, learning how to deal with and how to efficiently exploit these new tools seems crucial to improve the quality and the safety of citizens both daily and in specific situations to enhance security. Individuals as well as state and non-state actors need to develop the capability to skillfully navigate the evolving landscape in matters of big data and AI surveillance, thus comprehending and mastering the emerging technological world (Deloitte). Many researchers have been sharing the positive effects of the integration of AI and new technologies advocating for a change in the perspective claiming that it “is not about people versus machines. It’s about human collaboration made greater with the machines we invent. It’s a new age” (Deloitte, p. 3). However, it remains true that “artificial intelligence impacts on international peace and security—much in the same way as it impacts on people’s day-to-day lives—by providing both wide-ranging and potentially significant opportunities and challenges” (SIPRI, s.d.).

The Strategic Importance of Technological Dominance

Beyond that, mastering new technologies is one of the premises for global dominance and control. Historically, the US has always possessed the most advanced weapons thus maintaining its military supremacy and ideally making the country the guarantor of peace and security worldwide. Innovations arise sporadically across all societies, but sustained technological progress is typically the domain of economically developed states. This sustained progress is underpinned by the institutional foundation of economic growth, particularly secure and enforceable property rights, which foster the creation and implementation of innovations (Beckley, 2010). Now that a new state – China – has been progressively rising and acquiring high-tech apparatus thanks to the growing economic resources, the prospect of it becoming a threat to others is also increasing. China has long taken on a modernization mission for the PLA implementing military reforms since 2015, and it is “preparing to fight and win future wars, the PLA is determined to seize the initiative in the strategic technologies of the future” (Kania, 2019, p. 2). The PRC has indeed tried to prioritize strategic sectors, such as video and digital surveillance equipment, thus mobilizing economic resources in those sectors. The development of indigenous innovative technologies in strategic sectors to compete globally is now among the top priorities of the country and China’s developed economy has the financial resources to support technological innovation and the production capacity to manufacture

equipment on a large scale (Huang & Tsai, 2021). What preoccupies the United States is China's ability to maintain ongoing technological progress thus leading Beijing to gain technological dominance in warfare. Therefore, "intense rivalry between China and the United States for dominance in emerging technologies is reshaping how both countries organize industrial and innovation policy" (Arcesati, 2024, p. 3). The US attempts to impact and hinder China's rise in advanced technologies and AI by deploying export restrictions among others, is a clear signal that they worry, in terms of security, about this escalation. "Even when two sides possess similar types of equipment, those possessed by economically developed states tend to be of higher quality" (Beckley, 2010, p. 54), and the PRC does not only possess similar types of equipment but these equipment are also high in quality and advanced in technology. Given that every state can acquire advanced technologies from others, but only developed economies have the technological infrastructure and skilled workforce to further modernize and enhance them, China presents a rising concern as it possesses all these factors. The country has an economic system capable of sustaining and enhancing military effectiveness both preparing for and during a war.

Given the massive effort in research and development and the will to become the cradle for new indigenous technological innovation, China's potential could be worrying in the emerging artificial intelligence business. Security experts, such as Elsa Kania (2019), sustain that "The advent of AI on the future battlefield might disrupt the balance of power in ways that risk jeopardizing strategic stability and undermining deterrence in the U.S.-China relationship". Consequently, acknowledging the need for the US to strategically invest in the country's innovation and support its competitive advantages, as the rivalry intensifies. A major concerning factor within AI development pace and security is that AI is developing at a faster pace than AI's regulations. Critically, this could be a minor problem in China given the poor level of individual and privacy rights. However, this can very well slow down the development of such advanced technologies in other environments such as in America (Cheng & Zeng, 2023).

"Military power used to consist primarily of weapons platforms and troops; today it is comprised of systems, which link weapons and troops to sensors, satellites, and command centers. Countries may be able to purchase certain aspects of these systems from abroad, but only developed states will have the supporting infrastructure necessary to assimilate state-of-the-art military technologies and integrate them into a cohesive, lethal whole." (Beckley, 2010, p. 57)

"Scientific techniques, such as operations research and systems analysis, provide a foundation of rigorously derived knowledge upon which sound operational decisions can be made" (Beckley, 2010, p. 57) and if automatized technologies can streamline all these operations for the military, the result

is faster response and operation planning, faster elaboration of every possible scenario, and consequently, a wider and more precise elaboration of strategies. As for the third decade of the 21st century, artificial intelligence has already begun to radically change organized violence since AI has progressively been incorporated into several functions and capabilities within the military field. For instance, the trilateral axis composed of Australia, the United Kingdom, and the United States – AUKUS – refers to AI in its official documents highlighting the increasing role of such technologies in improving military instruments' capabilities. Precisely, “the AUKUS partners are delivering artificial intelligence algorithms and machine learning to enhance force protection, precision targeting, and intelligence, surveillance, and reconnaissance” (AUKUS Defence Ministers, 2023). Nowadays experts believe that “AI is seen as now essential to the quest for military advantage and figures centrally in current thinking about the preservation of military superiority” (Erskine & Miller, 2024, p. 136). Indeed, the introduction of AI systems across military infrastructures significantly impacted the utility, accuracy, lethality, and autonomy of weapon systems, consequently influencing the military balance of power. AI is conceived to enhance the manufacture of better weapons, more accurate decision-making on the battlefield, and crafting of better tactics and these elements brought the former US Undersecretary of Defense Michele Flournoy to claim that “AI is beginning to reshape US national security” (Flournoy, 2023). It has been reported that the PLA has embarked upon a path to actively experimenting with new methods to improve the application of AI to military systems and weapons. In China, both academic and military strategists are working to craft and exploit new technologies and new patterns for intelligent operations in order to be unbeatable (Kania, 2019).

The Challenges and Regulatory Responses to Military AI

Nonetheless, the use of military AI has been rising in significance and expanding in tandem with growing concern over the potential risks and negative consequences associated with its deployment. The integration of AI into decision-making processes, alongside the acceleration of operational timelines, introduces a host of intrinsic dangers that accompany military advantages. Indeed, the prospect of intelligent automated systems and even fully autonomous weapons systems raises serious issues, as these technologies could lead to unintended or unforeseen outcomes. In a world where AI-driven decision-making becomes increasingly prevalent, the balance between enhancing military capabilities and managing the inherent risks becomes a critical challenge that needs to be addressed. Consequently, this prompted a series of attempts to implement a framework of rules and limits to at least constrain some of the limitless military applications of AI, hoping to minimize risks and unwanted outcomes (Erskine & Miller, 2024). Governments and the academic world grew significant concern regarding the use of AI systems within the military sphere. It is

possible to see this in the recent 2023 international summit named *Responsible AI in the Military Domain* held in February in The Hague. This summit produced a document – Political Declaration on Responsible Military Use of Artificial Intelligence and Autonomy – enlisting a set of recommended measures designed to encourage the safe and responsible use of military AI (US Department of State, 2023). One of the major shared concerns is the potential use of military AI for nuclear weapons. In particular, this apprehension is shown by several statements calling for additional discussions between Washington and Beijing to address the risks associated with such use of advanced AI systems. Indeed, after a bilateral summit between President Joe Biden and the Chinese leader Xi Jinping on the growing risks of AI, the American President explained in his remarks to the press that “we’re going to get our experts together to discuss risk and safety issues associated with artificial intelligence” (White House, 2023). This meeting and the following statements light up hopes for US-China talks on AI, thus showing the increasing relevance and concern around these advanced, but potentially dangerous, systems. Moreover, the US established a policy ensuring that humans will always be directly involved in any decisions related to the use of nuclear weapons in its 2022 Nuclear Posture Review (US Department of Defense, 2022). A primary concern is that while strengthening deterrence, automatizing responses through the introduction of AI into nuclear command and control systems could increase the risk of unintended escalation or loss of control. Consequently, this fear – that AI could introduce new vulnerabilities into nuclear command and control – has prompted calls for the establishment of norms and guidelines aimed at mitigating nuclear instability and the potential threats to nuclear deterrence that could arise (Avin & Amadae, 2019). Therefore, the impact of AI on the effectiveness of weapon systems, the execution of military operations, and the vulnerabilities and strengths of military forces is of significant concern. These advancements carry profound, though still uncertain, implications for the future of warfare. As a result, they have captured the attention of scholars, state leaders, and the broader public.

China’s Surveillance Dominance and Global Technological Influence

Beyond AI, for instance, technology-intensive industries in China were capable of strategically adapting their products to satisfy the technical demands of a significant segment of the domestic market, namely China’s public security sector. Given the relevance that the Party gave to maintaining domestic social stability, the country embarked upon a mission to develop an extensive network of video surveillance units, thus devoting significant administrative and financial resources to this objective. Eventually, China became a global leader in this sector with seven national firms positioned among the top fifteen global security companies by 2020 (Huang & Tsai, 2021). Remarkably, the first two Chinese companies have developed key original and innovative

surveillance technologies encompassing facial recognition, multitarget tracking, advanced 360-degree cameras, and cost-effective coding of images. Thanks to access to massive economic resources, China managed to climb the surveillance industry becoming globally competitive in a short period considering that the very first Chinese security equipment producers emerged during the 1990s. The huge share of FDI starting to appear in China from those years on significantly fostered these developments, beyond the set of favorable policies for high-tech enterprises developed by the Chinese government – preferential taxation and subsidies from the science and technology sectors. The Chinese government, committed to maintaining public security and political stability, created a strong demand for advanced surveillance and security equipment. This technology was required to provide enhanced image clarity, precise identification capabilities, structured video analysis, crowd and facial recognition, and high-speed data transmission. In so doing, Chinese firms were highly incentivized to develop new technologies and innovate day by day thus converging the government security agenda with corporate innovation strategy. Owing to China’s great economic resources it was possible for the country to delve into this environment and promptly became one of the leading powers in the sector, thus achieving faster results than any other country (Huang & Tsai, 2021). This does not go unnoticed by the American government which industries are in direct competition with the Chinese ones. As people grow more upset about globalization and China’s growing economic power, there’s a chance that parts of GVCs involving sensitive technology could be disrupted. In response, governments might increase their efforts to support and improve their own industries to better handle these challenges (Liu, 2021). Indeed, a concrete example of this phenomenon could be seen in the US banning of its telecommunications giant Huawei’s 5G wireless technology – a mobile network technology that enhances communications and paves the way for new applications and technological innovations such as autonomous vehicles, telemedicine, and advanced industrial automation among others – and other countries, as well as the ongoing race to create 6G (Huang & Tsai, 2021). The growing global focus on China’s authoritarianism model is also believed to harden the path for the country to promote its model internationally. Beyond the ban, Beijing has faced many difficulties in convincing other states to adopt Huawei’s 5G – many in the global North specifically refused to embrace 5G as a consequence of security concerns about this technology and its association with China’s authoritarian regime. At the same time, countries from Africa, South America, and Southeast Asia have been more inclined to embrace the Chinese 5G given that for them the economic benefits of adopting the technology surpass any security concerns. However, the widespread adoption of Chinese 5G technology will not necessarily lead to China’s global dominance, but it will establish a significant global presence. Nevertheless, the consequences of such a 5G network are substantial,

as Beijing could control a crucial component of the economic development in many major countries and potentially gain access to vast amounts of data (Mitter, 2021).

3.2 China's Effort to Lead the Artificial Intelligence Sector Globally

Strategic Emphasis on AI and National Initiatives

Beijing's will to modernize the PLA led to numerous reforms and new projects encompassing a variety of sectors including a new Artificial Intelligence Research Center, which has already brought together several hundred researchers and is actively recruiting new civilian personnel and military scientists. "Chinese leaders believe artificial intelligence is a strategic technology that is critical across all dimensions of national competitiveness, with the potential to transform current paradigms of military power" (Kania, 2019, p. 4). The government's commitment to prioritizing AI for bolstering China's economic growth and military capabilities is increasingly evident in numerous plans, policies, and official statements. For example, in July 2017, the New Generation Artificial Intelligence Development Plan (新一代人工智能发展规划) formally elevated AI to a central priority, sparking a nationwide strategic initiative. The new AI national plan states that China's overall goal is to make its AI theory, technology, and applications reach the world's leading level by 2030, and become the main innovation center for AI in the world. Precisely, as Gregory C. Allen (2019) study on China's AI strategy reports, the Chinese AI development plan opening paragraph recites: "AI has become a new focus of international competition. AI is a strategic technology that will lead in the future; the world's major developed countries are taking the development of AI as a major strategy to enhance national competitiveness and protect national security" (Allen, 2019, p. 3). From that moment on, the AI agenda has advanced across all levels, driven by a wide array of stakeholders and "China plans to expand AI in many spheres of production, governance and defence by that deadline" (Jochheim, 2021). It leverages the dynamic efforts of China's thriving technology companies while benefiting from substantial state support and funding, amounting to hundreds of billions in investments. China's financial power is the fundamental engine driving the AI innovation plan but at the same time, AI is being implemented in a way to enhance the country's continued economic rise. Artificial intelligence has emerged as an important engine for developing new quality productive forces, thus becoming one of the country's strategic rising industries. Due to China's rare comprehensive advantages in AI development, it is rapidly making progress in development as well as in application, and constantly achieving breakthroughs (Chuangang, 2024).

Military Advancements and China's Global AI Research Leadership

The PLA does not have a great number of legacy weapons and platforms compared to other states and is therefore focusing on investing in next-generation weapons systems. This approach puts the Chinese military in a position to potentially accelerate the deployment of new and advanced military technologies. As a consequence, the PLA has the potential to outpace the US military in terms of speed and efficiency with which it can introduce these systems. Such a shift indicates a deliberate effort by China to modernize its military capabilities and enhance its technological edge, which could significantly impact the global balance of military power. Beyond that, Chinese military experts are exploring deep theoretical research on the impact of AI applications of potential future warfare (Kania, 2019). Indeed, it is debated that China is now the leading country in the field of artificial intelligence, at least from a research perspective:

“China is quickly closing the once formidable lead the U.S. maintained on AI research. Chinese researchers now publish more papers on AI and secure more patents than U.S. researchers do. The country seems poised to become a leader in AI-empowered businesses, such as speech and image recognition applications.” (Li, Tong, & Xiao, 2021)

According to several research, China's progress and pace of development are outstanding. Remarkably, the country's global share of research papers in the field of AI jumped from 4,26% in 1997 to 27,68% in 2017 registering 37,343 papers in the field of AI, thus surpassing the US, beyond any other state worldwide (**Figure 12**). In addition to continuously being the first country for research papers in AI China also is consistently the first in the number of AI patents filed. Some experts explained China's ability to easily upsurge in this sector compared to other established countries long working in the AI field relying on the catch-up cycles. This paradigm implies that, under certain conditions, shifts in technology, market dynamics, and policy environments can level the playing field between newcomers and established players. Therefore, China chased the latecomers' windows of opportunity offered by this framework which rapidly diminishes the incumbents' advantages. Eventually, newcomers can rapidly displace established leaders. One significant reason for this is the open science nature of AI: professionals are proud to publish AI papers delivering the results of their research, however, it is then not so difficult for others to figure out the code and implement it as well. Hence, latecomers have the potential to catch up by grasping others' studies in a shorter period of time (Li, Tong, & Xiao, 2021). In this regard, it seems a shared perception that the Chinese escalation has greatly been eased by access to international technology research and markets. Therefore, several of China's AI achievements are first the achievements of other multinational research teams and

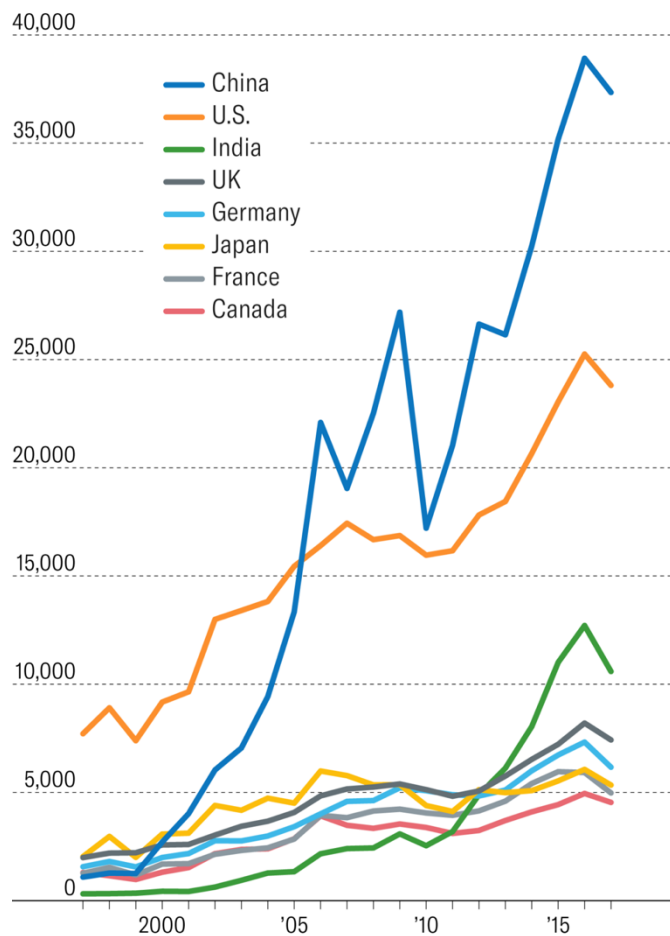
firms; it is precisely this international cooperation to presents a crucial foundation for China’s rapid research progresse (Allen, 2019).

Figure 12.

Where New AI Research Comes From

How many papers are published in each country annually?

Global output of AI scientific papers



Source: *China AI Development Report 2018*, China Institute for Science and Technology Policy at Tsinghua University

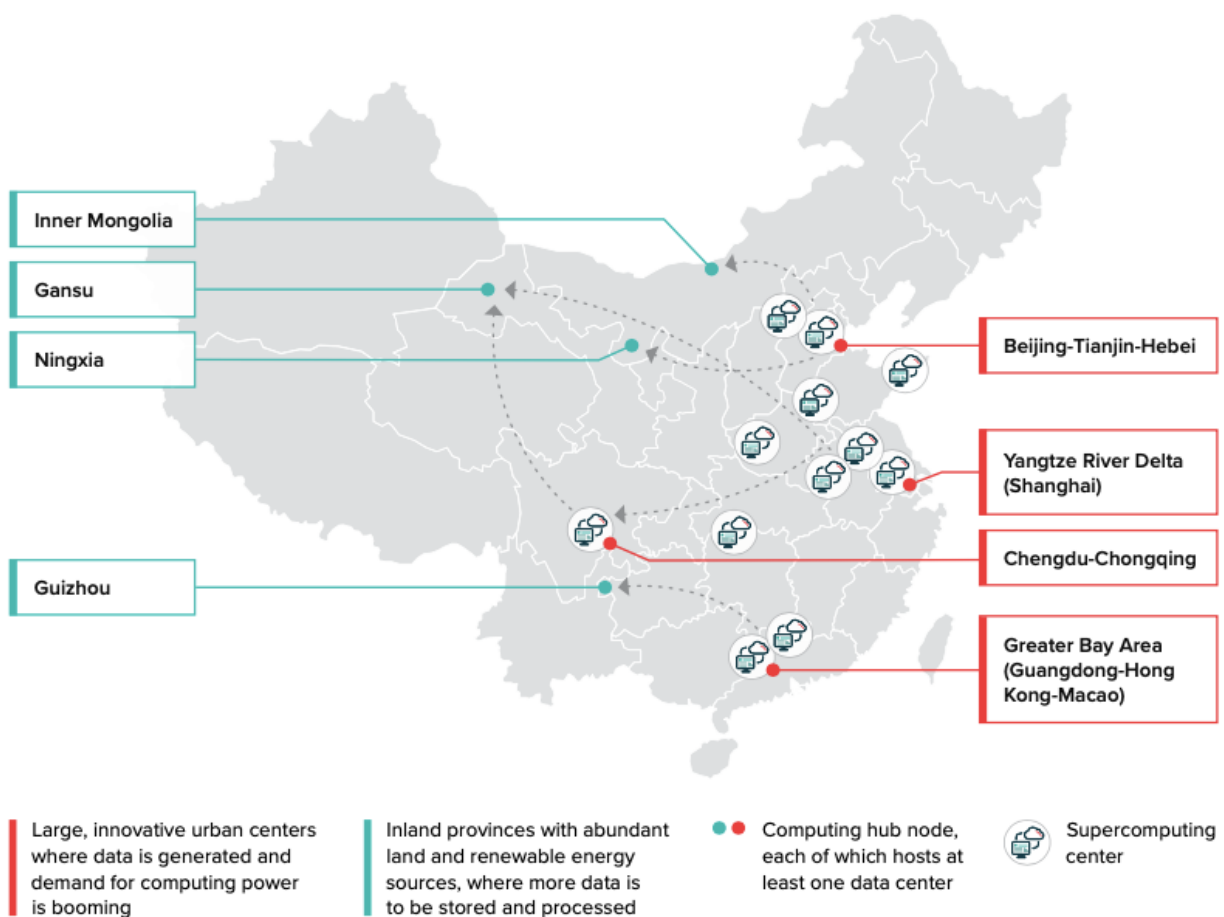


Competitive Advantages and Market Potential in AI

Moreover, the open nature of the AI realm means that companies gain a competitive edge primarily by quickly building extensive databases and developing specialized knowledge or applications based on the data acquired. For this reason, China has a valuable advantage given that it is abundant in both critical assets required to thrive in the AI era: data and computer science, and

engineering talent. On one hand, the country’s large population provides for the generation and accumulation of big data as “China’s internet users are more numerous than those of any other country and access the internet using smartphones, which tends to generate particularly valuable data” (Franke, 2021). On the other hand, China’s long-standing focus on advancing technology and engineering has resulted in a robust AI talent pool of highly skilled computer scientists and engineers (Li, Tong, & Xiao, 2021). Indeed, China’s AI talent training and education paradigm is gradually showing its results as “The Global AI Talent Tracker 2.0” produced by a US think tank affirms that in 2022, China nurtured 47 percent of the top AI researchers worldwide. Furthermore, as many of the AI systems developed today are of a kind that solves narrowly defined problems, they require specific knowledge about the field in which they operate and user-generated data to improve. China has indeed a dynamic market that readily embraces new AI-based products, allowing Chinese companies to quickly introduce AI innovations to the market (**Figure 13**).

Figure 13. “East Data, West Computing” links up national resources.



(Arcesati, 2024).

Chinese consumers are also quick to adopt these new products and services. Therefore, China has promising AI commercial potential given its world’s largest internet user base globally and the biggest

single consumer market, thus presenting a substantial demand for new advanced technologies and products. Since China possesses a vast market, it is an ideal catalyst for mass production and widespread adoption of emerging technologies and innovations (Chuangang, 2024). For this reason, China's environment is apt to foster the swift development and improvement of AI technologies and AI-driven products. Seemingly, "The advantage of Chinese AI is poised to evolve and encompass talent and technology dividends. The unlocking of this talent dividend has the potential to catalyze a significant shift in the trajectory of Chinese AI development" (Chuangang, 2024).

The factor that greatly contributed to China's rapid progress in this field has been the crucial role of the large dataset necessary to drive innovation in AI. The country offers a unique advantage in gathering extensive databases for its national companies thanks to the scale of its market. One vivid example is the firm Didi – China's equivalent of Uber – which processes over 70 terabytes of data daily and handles 1,000 ride requests every second according to its CEO (Li, Tong, & Xiao, 2021). Application innovations such as social platforms, shared bikes, and mobile payments in the era of advanced internet connections, have prompted China in the global economy with an additional unique value. Notably, Chinese firms implementing subfields of AI as algorithm recommendation and facial recognition, reached the forefront of the world leading these sectors. Furthermore, China's extensive and well-developed manufacturing economy facilitates the seamless integration of AI with various industries, driving synergistic innovation and development, especially given the strong demand for digital intelligence upgrades across its comprehensive and large-scale manufacturing sector. Hence, AI has the potential to empower industrial development and enhance the efficiency of several China-based companies, by creating a gigantic application space. Within this framework, China could experience the formation of new quality productive forces characterized by adaptability and competitiveness features to win future global competition (Chuangang, 2024).

Policy Framework, Privacy Regulations, and Global Implications

Finally, another significant driver for AI innovations and fast catch-up in China is the robust national AI-promoting policies framework and its lax privacy regulations. Indeed, over recent years, China has implemented several policies aimed at fostering AI development, such as the "Made in China 2025," the "Action Outline for Promoting the Development of Big Data," and the "Next Generation Artificial Intelligence Development Plan," among others. Such initiatives are a clear signal to various AI stakeholders, encompassing entrepreneurs, investors, and researchers, that the Chinese government is fully committed to supporting and implementing AI systems by making it an attractive area for investment. This strong policy support is further reinforced by China's relatively weak regulatory framework concerning privacy. Noticeably, these two factors coupled together

played a key role in accelerating its progress in certain AI applications. For instance, the widespread deployment of surveillance cameras has created a substantial market for companies focused on visual and facial recognition technologies. This rapid market expansion would have been less feasible in countries with stricter privacy regulations. As noted by a project leader from NISE Intelligent Technology, the lenient privacy regulations in China offer a significant competitive edge for some domestic AI firms (Li, Tong, & Xiao, 2021). Experts affirm that “China is on a par with or ahead of the US on many predictors of AI performance and has the will, wherewithal, savvy, and support to push ahead. Notions about free markets, globalization, and the role of political freedom in innovation will have little impact on what happens” (Kuo, 2024). Nevertheless, others acknowledge the continued existence of gaps between China and the United States in certain sectors of AI technologies. For instance, China still lags behind the US in chips and basic science and still has to overcome challenges in terms of production of high-tech and sophisticated semiconductors. However, the country’s ability to learn from foreign sources can offset this deficit. Therefore, it is believed that in the long term, given China’s commitment to keep advancing technological innovations and intensifying its efforts in industrial upgrading, these gaps are unlikely to hinder the promising future of China’s AI industry (Chuangang, 2024).

China’s AI Strategy: Balancing Self-Reliance and Global Collaboration

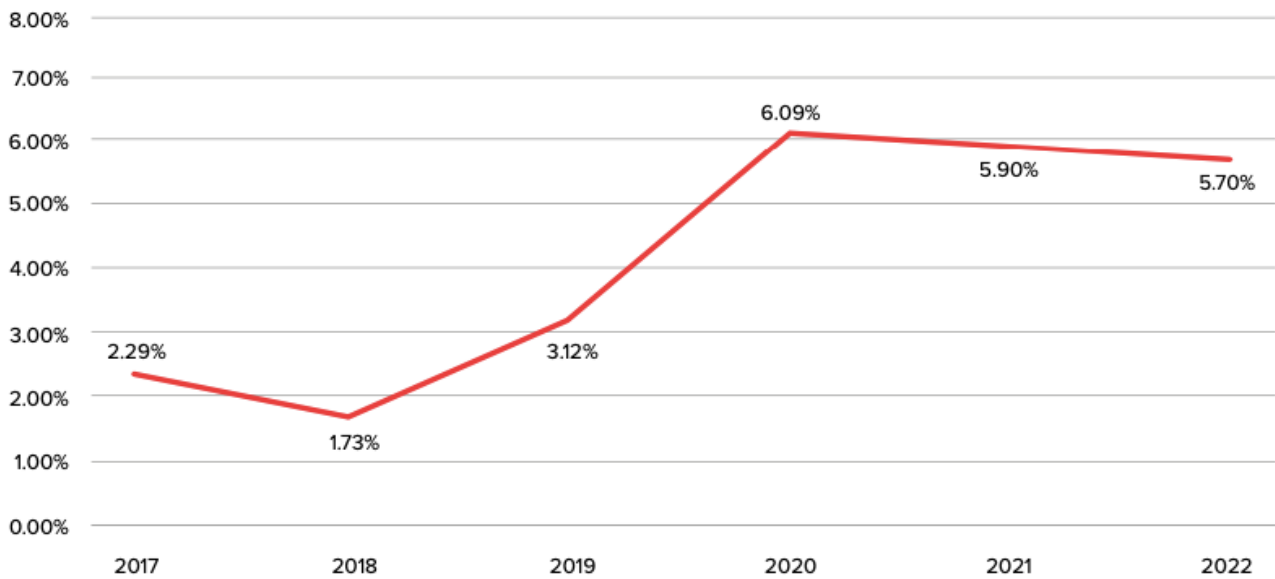
Moreover, external developments have further prompted China to lead technological advancements. Since China emerged as an AI power and laid out its AI Development Plan, U.S. tech giant firms have strategically shrunk or halted their AI research and development in China, while smaller industries outside of China, such as the British AI chip startup Graphcore, had to exclude the Chinese market due to US export controls. In addition, China-based AI companies are dealing with increased scrutiny in the West for their involvement in Beijing’s “military-civil fusion” strategy and state surveillance initiatives. These developments have led China’s leaders to fiercely commit to the goals of national “self-reliance and self-improvement” (自立自強) in science and technology policy. Promoting indigenous innovation has long been a CCP objective, however, now US policies render it a necessity for China to rely more on its capabilities and resources and master strategic technology, namely AI (Arcesati, 2024). China has positively benefited from the global networks providing inputs for AI development as other nations; hence, it is in the country’s interest to favor open information flows across borders given the open science nature of AI. However, growing restrictions are delivering a different reality by impeding access to global resources to Chinese actors. Even if Beijing is concerned about losing foreign capital as well as global software development and R&D communities, it has been found that China’s AI sector lives mainly on domestic capital. Precisely,

European investors accounted for 3,7 percent of investment transactions in Chinese AI firms from 2017 to 2022, while US investors represented 17 percent of the same transactions from 2017 to 2021, indicating that the primary investment efforts are driven by domestic capital. By contrast, China seeks to maintain relations with foreign investors because they do not only bring funds but also intangible assets such as managerial expertise and knowledge, crucial elements to forge technology partnerships with foreign firms. This perception is reinforced by Beijing's initiatives to encourage foreign participation in private equity and tech-focused stock markets, as part of its broader strategy to foster domestic innovation. Under the Biden administration, measures are taken to monitor, control, and eventually stop US companies from investing in those "smart" capitals that China is trying to attire in a way that prevents US investment from enhancing China's high-tech capabilities. Aggravating this scenario is the proposal by the European Commission for a similar program monitoring these kinds of transactions by European-based investors. Admittedly, a report sponsored by the European Parliament Research Service in 2021 states, "Faced with China's technological challenge, the United States and the European Union are tracking AI developments in China more closely" (Jochheim, 2021, p. 1). Therefore, it has been argued that losing access to global R&D ecosystems driving AI innovation would hurt China more than losing access to capital, given its heavy reliance on American deep learning frameworks. As a consequence, the Chinese government has set in motion a preventive maneuver to support domestic open-source software communities to limit the damages of a potential expansion of US export control to open-source software. On the US side, the Department of Commerce is reportedly exploring ways to restrict access to the most advanced AI models for specific foreign entities. Additionally, rising geopolitical tensions are impacting AI research partnerships, with an increasing number of Chinese scientists departing from the United States. However, Beijing recognizes that talent flows and exchanges between experts represent the backbone of advancement in the global AI industry. Thus, the country is constantly seeking new partnerships by greatly funding AI research papers with European nations, such as Germany, Britain, and France, and increasingly investing in the European AI sector (**Figure 14**) (Arcesati, 2024).

Figure 14.

European Investors Eye China's AI sector

Number of transactions with Europe-based investor participation by year, as a share of total



Source: MERICS analysis of Crunchbase data

3.3 AI Technologies Heighten the Perception of China as a Threat: Enhancing the Chinese Challenge

“The U.S. government is not prepared to defend the United States in the coming artificial intelligence (AI) era. AI applications are transforming existing threats, creating new classes of threats, and further emboldening state and non-state adversaries to exploit vulnerabilities in our open society. [...] Because of AI, adversaries will be able to act with micro-precision, but at macro-scale and with greater speed.” (National Security Commission on Artificial Intelligence, 2021, p. 45)

The Geopolitical Impact of AI: Emerging Power Dynamics and Security Concerns

Throughout history, technology has reshaped societies and economies also shifting power among nations, and has had the ability to empower emerging actors from time to time, “AI is now firmly positioned as a critical strategic technology for the geopolitical and economic ambitions of nation-states” (Kak & West, 2024, p. 1). Nowadays, the most advanced technology – AI – is threatening the international geopolitical balance: “No geopolitical development is likely to shape global stability as much as Sino-American competition, which will directly impact Europe. And AI plays an important role” (Franke, 2021, p. 13). Official reports from the United States acknowledge a new reality: AI technologies exacerbate national security challenges. AI can potentially enhance the disruptive power of state and non-state actors trying to challenge the US by conducting cyber-attacks,

interfering in national elections, bombarding with malign information, gathering sensitive data, and so on (National Security Commission on Artificial Intelligence, 2021). Also Burns from the CIA confirmed in 2021 that technology is a priority tightly connected to the competition in China and that artificial intelligence is changing every aspect of people's and states' daily lives (Burns, 2021). High-level experts stating the link between technological advancements and enhanced competition, coupled with official reports, policy strategies, and countermeasures coming from both the US and the EU confirms the rising role of technology in heightening the perception of China as a security threat. The US imposing restrictions on selling certain technologies to Chinese firms in an attempt to slow down China's progress in AI is the clearest sign of this looming threat. In addition, earlier than that, in 2012 the US House of Intelligence Committee regarded the Chinese companies Huawei and ZTE Inc. as a matter of critical national security concern due to their shot at extracting sensitive information from US-based firms and their affiliation to Beijing (Schmidt, Bradsher, & Hauser, 2012). Notably, in China, all major technology companies must largely collaborate with the national military and state security agencies as they are legally required to do so thanks to Article 7 of China's National Intelligence Law (Allen, 2019). Furthermore, it has been increasingly clear that this perception is not only widespread within the United States, but it is rather expanding to the European continent as well. Noticeably, even the European Parliament in one of its sponsored studies affirmed that the "Sino-American competition on technology also has a distinct security and defence element" (Franke, 2021, p. 15).

Moreover, as reported in a New York Times article, in July and August 2013 Xi Jinping believed that Western domination was the result of the possession of the most advanced technologies. In his words: "Advanced technology is the sharp weapon of the modern state. An important reason that Western countries were able to hold sway over the world in modern times was that they held the advanced technology. You cannot buy the truly core technologies" (Buckley & Mozur, 2018). President Xi acknowledged the importance of technology in modern geopolitics and the relevance of becoming self-reliant in this sector more than ten years ago. Allegedly, China's political elite has chosen to prioritize the possession of commercially competitive firms as they often turn out to bring greater benefits to China's national security field in the long run. Contrarily, the military usage of stolen technologies has appeared to benefit only short-term security objectives. Similarly, Chinese Defense officials believe AI represents the opportunity for a leapfrog development in military technology, thus representing a crucial opportunity for China. Critically, if AI should demonstrate to be the leapfrog opportunity that China believes, it would imply that the nation is better positioned than the US to adopt military AI (Allen, 2019). And, according to the Tortoise Global AI Index, China is ranked second only to the US on the overall scale measuring AI capacity at the international level.

Still, it is ahead of it on AI's operating environment and government strategy as of 2023 (The Global AI Index, 2023). China's escalating trend concerns US strategists and policymakers thus resulting in the production of numerous reports focusing on AI talent in the US, recommending strategies to retain experts within the borders, especially those who were educated in the US (Zwetsloot, Dunham, Arnold, & Huang, 2019). Seemingly, "In the US, fear is rising that an "innovation gap" is appearing between the United States and China – similar to the concerns over a "bomber gap" between the US and the Soviet Union during the Cold War" (Franke, 2021, p. 15,16). In addition, it has been argued that China's tech industry "is unlikely to face Soviet-style stagnation" (Allen, 2019, p. 14) as the nation opted for prioritizing the use of technological and scientific information harvest globally to forge competitive industries in global markets and leading research institutes. *The New Generation Artificial Intelligence Development Plan* of 2017 and the previous *Made in China 2025* released in 2015 lay down the foundation of China's AI strategy. In particular, the latter document provides policies aimed at reducing China's dependency on foreign technology across various industries to ultimately acquire global market share (Allen, 2019). This huge potential coupled with a strategy for the efficient use of foreign technology is scaring it, even more, its counterpart, while supporting its domestic commercial industry.

China's AI-Driven Security Modernization: A Strategic Challenge to US Dominance

According to China's promised leapfrog, the traditional US's strength in stealth aircraft, aircraft carriers, and precision munitions could become long-term disadvantages due to the power of established business and political interests supporting today's military dominance. The latter interests may hinder the US' efficient transition to an AI-driven military technology paradigm in the future. Recalling the power cycle theory mentioned in the previous chapter, it has been argued that China is convinced that the current US's sources of advantage will soon be vulnerable and obsolete. This would be the consequence of the American likelihood to invest more in maintaining and upgrading mature systems rather than allocating huge funds to disruptive new systems and technologies. Meanwhile, China sees modernization as a top priority thus generally believing that its current approaches and frameworks must be replaced in any case because obsolete (Allen, 2019). As mentioned before the PLA is focusing on military *intelligentization* which involves developing and implementing AI, together with the necessary supporting technologies that are required for its realization for use in military operations. Furthermore, Chinese experts such as the Deputy Secretary-General of the Chinese Academy of Sciences, Dr. Tan Tieniu, sustain that China should use its strength in AI tools as leverage to better position itself in other sections of the AI value chain. Tan Tieniu reportedly believes that China should seize its right to speak in the creation of international AI

standards due to its leading position in AI technology applications, in his words: “As China is at the global forefront of AI technology applications, it should seize its right to speak in the formulation of international AI standards, and through the implementation of these standards should accelerate the process by which AI drives economic and social transformation” (Hickert & Ding, 2018).

China’s perspective and assertiveness is a direct threat to American dominance. Among the national strategies to achieve this technological leapfrog, China is focusing investment and espionage efforts to develop low-cost, long-range, autonomous, and unmanned submarines. From the Chinese point of view, these systems present an affordable and effective way to threaten the US aircraft carrier battlegroups by offering an alternative approach to extending Chinese power over long distances. In short, China sees R&D in military AI as a more cost-effective and attainable method of undermining America’s military strengths, rather than trying to replicate U.S. systems (Allen, 2019). Moreover, China is striving to ensure AI commercial market success as it is believed to have “direct relevance to China’s national security, both because it reduces the ability of the United States government to put diplomatic and economic pressure on China and because it increases the technological capabilities available to China’s military and intelligence community” (Allen, 2019, p. 21). Obtaining success in commercial AI and semiconductor industries appears to be fundamental for China to attract talent, and funds, and create economies of scale. These elements not only reduce its dependence on international markets but also provide valuable technology for advancing its weapons and espionage capabilities. Remarkably, China has significantly narrowed the gap between domestic companies and leading global competitors in both AI and semiconductors. If the US refrains from developing a major policy shift to boost competitiveness, or in the absence of a significant economic downturn in China, the current Chinese strategies policies and strategies will likely be sufficient to secure a strong competitive edge in several AI application markets over the next five years and to shrink the distance between Chinese and international firms in many segments of the semiconductor market (Allen, 2019). Additionally, this research referred several times to China’s ability and tradition to adopt a long-term perspective, something often far from Western states’ paradigms. This approach can potentially bear significant advantages as was the case for China’s growing dominance in the electric vehicle market. Such long-term strategic foresight could enable China to further shrink the gap and eventually surpass the United States in AI capabilities, thus raising the stakes of this rivalry to new heights (Singer, 2024).

The United States Is Not the Only One Worrying About China’s AI Advancements

It is often the case that following the emergence of new technologies, and new relative applications, the conduct of war, the military structure, and the strategy development are significantly

impacted – this is often labeled as “revolutions in military affairs” (Franke, 2021). One of the major concerns about the innovations brought about by this AI-driven revolution in military affairs is the potential development of lethal autonomous weapons, also known as “killer robots” (Franke, 2021). China’s ambitions to expand AI to many sectors of manufacturing, governance, and especially in the national defense sector due to lack of transparency, coupled with the country’s rapid advancements are posing a major threat to the West. Notably, among the reasons that pushed the US Congress to establish the National Security Commission on Artificial Intelligence (NSCAI) in 2018, is the swift pace at which Beijing has closed the gap with Washington, long regarded as the global AI leader. The report released by the NSCAI in March 2021, raised serious concerns regarding China’s advancements in AI by stating that:

“For the first time since World War II, America’s technological predominance—the backbone of its economic and military power—is under threat. China possesses the might, talent, and ambition to surpass the United States as the world’s leader in AI in the next decade if current trends do not change.” (National Security Commission on Artificial Intelligence, 2021, p. 7).

It is ever more evident that China’s allocation of funds, policies, and efforts toward AI development and implementation is preoccupying many analysts and professionals, especially in the US. The AI-promised technological leapfrog raises ulterior concerns about the potential of AI-enabled military systems to shift the military balance of power by significantly empowering one actor to the extent that others are unable to defend themselves. The escalating competition between the United States and China over AI goes beyond their traditional trade conflicts; it represents a “critical battle that could reshape global power dynamics” (Singer, 2024). Also from the EU perspective, future projections based on China’s trajectory in military and technology are worrying. Given Beijing’s elite willingness to achieve breakthroughs in core and critical technologies – such as AI – and China’s increasing military spending, the possibility for a destabilizing arms race to break out, especially between the USA and China, is critically high (Jochheim, 2021). US experts and strategists, such as the Chief of Strategy at the US Department of Defense Joint Artificial Intelligence Center (JAIC) Gregory Allen (2019), repeatedly alarmed the nation about China’s fierce promotion of R&D into military applications of AI. He affirmed that “Despite expressing concern on AI arms races, most of China’s leadership sees increased military usage of AI as inevitable and is aggressively pursuing it.” (Allen, 2019, p. 5) and that alarmingly, “China already exports armed autonomous platforms and surveillance AI.” (Allen, 2019, p. 5). Regardless of China’s favorable trajectory, Allen suggests that:

“If the United States wants to lead the world in AI, it will require funding, focus, and a willingness among U.S. policymakers to drive large-scale necessary change. U.S. leaders have more powerful tools

to influence the technological and economic competitiveness of the United States than they have tools to influence China's competitiveness." (Allen, 2019, p. 22)

On his side, the European Parliament has spoken out in 2018 emanating a resolution on automated weapons systems, urging for international open discussions to ban such lethal autonomous weaponry. Later in 2020, by emanating another resolution, the Parliament sharply criticized the Chinese pervasive digital surveillance systems monitoring every moment of daily lives through facial recognition cameras, mobile phone scans, and the extensive illegal collection and processing of personal data. This resolution concerning 'Forced Labour and the Situation of the Uyghurs in the Xinjiang Uyghur Autonomous Region', called for the implementation of sanctions against Chinese officials and state-led entities held responsible for the severe repression of fundamental rights in Xinjiang. Furthermore, implementing this extensive surveillance program was also one of the main drivers for the EU's decision to impose sanctions on four Chinese officials and one state-led entity on 22 March 2021. Remarkably, the European Parliament decided in June 2020 to create a proper committee on artificial intelligence in a digital age (AIDA), which later published a study on Artificial Intelligence Diplomacy. This study contained recommendations for the set-up of a European Security Commission on AI and proposed the establishment of a European Research Centre in AI (Jochheim, 2021). Even the High Representative of the European Union for Foreign Affairs and Security Policy and Vice-President of the European Commission, Josep Borrel in 2023 recognized that "The weaponisation of technology and interdependence is a reality to which we [the EU] have become very sensitive" (Borrel, 2023), but he also underlined that the EU is not afraid of a changing world and does not fear China's emergence because The EU is aware of new realities and possess its important assets to influence the international system. As highlighted by the High Representative, the EU must begin to assume more responsibilities and assert its sovereignty by improving defense capabilities, diminishing its dependency on others, and developing new strategies for growth and investment by 2030 – in other words, the EU's future objective should be "increasing [our] strategic autonomy or de-risking" (Borrel, 2023). He carefully specifies that "these measures that we are adopting to defend ourselves are not directed against a country and are compatible with WTO rules" (Borrel, 2023).

Conclusion

Summary of the Contents

The goal of this research was to examine the evolving perception of China as a security threat, investigating whether this shift is primarily driven by economic expansion or by the strategic allocation of economic resources toward military and technological modernization. China's latest emergence as a perceived security threat presented a unique case study, illustrating the transformation of a nation from a lucrative economic partner to a strategic rival, increasingly viewed with apprehension and subject to securitization. Many experts have questioned themselves about the future setting of the global stage, one in which China is among the most important actors:

“We are living in an era of change and a change of era determined by the emergence of China as a global power and its centrality in the international system, which raises the question of whether this emergence and transformation will simply entail a change in the structure, distribution, and balance of power in the existing international system, or a reconfiguration of the latter and of the ideas and paradigms on which it is based” (Montobbio, 2017).

Indeed, the evolution of Beijing from an economic partner to a strategic rival has triggered significant shifts in global security dynamics. This transformation, examined through the lens of securitization theory and security studies, demonstrates how the nation's economic rise, coupled with strategic military investments, altered its global perception and repositioned it as a formidable competitor. The basic assumption of this research has been that the economic-security nexus depends on the behavior of a state, in the allocation of funds and in deciding where to invest, and then on the behavior of the concerned actor on the global stage. The economic performance has been the premise of both the US and China's global success and preeminence over the opponent. However, as observed in this work, while Beijing has great space for improvement, Washington has a long history of accumulated defense budget to catch up. As outlined throughout this thesis, China's ascent is not merely the result of economic expansion. Still, it stems from the deliberate and strategic allocation of resources to military modernization and cutting-edge technologies like AI. This strategic shift surely has had a role in intensified global rivalries, particularly with the United States and reshaping the geopolitical landscape. China swiftly emerged as a multilevel threat gaining relevance worldwide in a broad array of sectors encompassing economy, security, cultural influence, and technology. In this context, bearing the possibility of allocating huge stock of investments to research and development seemed to be the key element in China's strategy to elevate itself as the first global power, or hegemon, in the next few years. For this reason, not the economic power per se, but the usage of that power resulted to be the central focus of the US government's concern, and subsequently of the EU. Recalling the

words of Josep Borrel: “We do not fear China’s rise. However, we know that the history of tomorrow’s world will also depend on how China uses its power” (Borrel, 2023).

The first chapter established the foundation upon which building a discussion that permitted us to understand how China’s economic and then military rise has eventually led to its securitization from the United States, and more broadly the West. The analysis of China’s military expenditure, strategic goals, and regional ambitions illustrates how its growing influence is seen as a threat by other major powers – particularly the US. Through an exploration of security studies and in particular securitization theory, this research observed how security threats emerge upon artificially constructed perceptions which therefore vary depending on numerous factors. It has been laid out the scheme of the securitization process: the operation that transforms a concern of mere regular politics into a security subject, hence designating a set of extraordinary means and procedures to address such a security threat. From the moment a certain matter is securitized, then it is presented as an existential threat that requires and justifies emergency and special procedures to be dealt with. This chapter then highlighted the process of securitization for China and its emergence through the years. Noticeably, China’s heightened security threat is not only a reflection of economic power but also an outcome of comprehensive strategic efforts to enhance its global standing and military power, making it a central figure in global security discussions. This prompted other actors in the international arena to take China into account and elaborate strategic responses to deal both in terms of economic and security challenges with this giant participant on the global stage. China’s Confucian traditions and historical roots have been laid out to explain the nation’s global self-perception and the stark differences with its counterpart – the United States. These elements helped to frame China’s exceptional rise in the last two decades and the two opposite perspectives that characterize the US-China rivalry.

The second chapter offers an analysis of China’s accession to the World Trade Organization and traces back the events that led to that turning point. This 2001 watershed event served as a pivotal moment for China in its economic and international rise by fostering rapid growth, thus increasing the country’s global influence. The entrance into the WTO prompted China into a new era, one in which it progressively became one of the principal actors. As presented in this dissertation, China would have expanded at a much slower pace without access to the WTO framework and benefits. Following its great economic escalation, China decided to employ its efforts and resources in the defense budget to promote military modernization, therefore demonstrating how China’s economic success laid the groundwork for its growing military capabilities. In this section, the economic-security nexus has been proposed as the behavior of a state deciding to invest the majority of its resources in military spending, and research and development. Indeed, the WTO membership stimulated phenomenal economic growth and China decided to combine robust economic expansion

with massive investment in research and military modernization. This assertiveness fostered a sense of unease and made others feel the need to require special policy frameworks and strategies as China has been perceived as a growing security threat. As its economic strength increased, China was able to channel resources into developing military technologies and capacities, accelerating its military modernization. This chapter also underscored the symbiotic relationship between economic power and security concerns, showing that economic growth often translates into enhanced military influence. Precisely, “China’s [...] success has direct relevance to China’s national security, both because it reduces the ability of the United States government to put diplomatic and economic pressure on China and because it increases the technological capabilities available to China’s military and intelligence community” (Allen, 2019, p. 21).

The last chapter aimed to present a specific real case in which massive investment in certain areas heightened the perception of a country as a security challenger. In particular, the discussion here focused on the current US-China strategic competition taking place in the technological realm, especially in artificial intelligence. Here, it has been shown how the economic and security dimensions are tightly interconnected as China’s economic rise permitted several innovations, thus enhancing its perception of a security matter or competitor for the US. Possessing great economic resources can make a difference in the security field and in achieving global dominance and China is dedicating huge funds to technology and AI research and development. Therefore, China’s investment in AI, both for civilian and military applications, has propelled it into a position of technological leadership, which in turn amplifies its strategic threat in the eyes of the US and other global powers. The impact of AI on the effectiveness of weapon systems, the execution of military operations, and the vulnerabilities and strengths of military forces is of significant concern. Nevertheless, it is recognized that these advancements inherently carry profound, though still uncertain, implications for the future layout of warfare. Hence, many experts, scholars, politicians, and the broader public have been captured by discussions about AI’s benefits and drawbacks. For these reasons, the third chapter explored how AI-driven military and security applications heightened the perception of China as a formidable security challenge, thus emphasizing the importance of possessing technological dominance in the 21st century. In this context, the Chinese political elite demonstrated an impressive capability to strategically use its economic resources to fuel technological innovation. In so doing, China created a new dimension of strategic rivalry – the race for AI supremacy – which revealed itself to be a decisive element to potentially redefining global power structures and distribution.

Concluding Remarks

To conclude, it is possible to affirm that this thesis has argued that the securitization of China is not merely a response to its economic escalation but rather a reaction to a series of strategic choices implemented by the Chinese political elite to allocate huge resources toward military spending and technological advancements including high-tech military applications. In this framework, a nation such as the United States, which is long accustomed to its unchallenged global dominance, progressively found itself uncomfortable in facing a competitor that not only rivals its economic prowess but is also increasingly capable of matching and potentially surpassing its military and technological capacities. As widely explained, the securitization process of China mirrors the broader concern around the topic of shifting the balance of power in an increasingly multipolar world: a world in which technological and military capabilities play a significant pivotal role in shaping global security narratives. While imagining future prospects, the implications of this shift are profound. On the one hand, China is seemingly set on a path to keep prioritizing the development of military technologies entrenched with AI, therefore nurturing the perception of security challenges it poses. On the other hand, the US and other like-minded states will be compelled to address China's rise by maintaining their economic and military superiority while also advancing their technological capabilities. Admittedly, this technological rivalry, mainly in the AI sector, is very likely to define the nature of global competition for the next decades, thus irreversibly impacting international security and stability structures.

Finally, this research hopes to have plainly illuminated the critical nexus between economic power, military modernization, and security perception in the landscape of international relations. The analysis of China's transformation from a great financial partner to a securitized rival carrying potential security challenges well encapsulates the complex dynamics of the US-China contemporary power struggle. The continuous focus on technological innovations as a means to enhance states' military power and capabilities is progressively blurring the line differentiating economic power from military one. Therefore, the future of global power dynamics is in constant transformation due to these intertwining elements. By understanding the driving forces of the international arena, strategists and policymakers will be able to swiftly navigate the evolving global landscape. In the end, the ability to adapt to international demands and technological advancements will determine the balance of power and the structure of the remaining decades of the 21st century.

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