International Journal of Contemporary Issues in Social Sciences
Volume 2, Issue 1, 2023 ISSN(P):2959-3808 | 2959-2461

# ECONOMICALLY RISING CHINA: A CHALLENGE TO THE US HEGEMONY

**Dr. Muhammad Tahir Rashid*[1], Fatima Ali Rashid[2], Sidra Ghaffar[3]**

[*1]Assistant Professor, Department of Sciences & Humanities, FAST NUCES, Lahore; [2]Former Visiting Faculty, International Relations Department, Lahore College for Women University, Lahore; [3]Lecturer, Superior College, Lahore and M.Phil Scholar, Department of Politics & IR, Lahore Leads University

[*1]tahir.rashid@nu.edu.pk; [2]fatimaalirashid1989@gmail.com; [3]khalilsidra400@gmail.com

**Corresponding Author:** *

**Received:** 02 February, 2023 **Revised:** 28 February, 2023 **Accepted:** 10 March, 2023 **Published:** 31 March, 2023

## ABSTRACT
This paper explores the challenge posed by China's economic rise to the long-standing hegemony of the United States. The objective of the study is to analyze the multifaceted dimensions of China's economic ascent and its implications for the existing global order. The background section provides context on the historical context of China's economic reforms and its subsequent transformation into a global economic powerhouse. The methodology involves a comprehensive review of academic literature, economic data, and geopolitical analyses to examine the competitive dimensions between China and the US in trade, technology, and geopolitics. The results indicate that China's rapid economic growth has led to shifts in the balance of power, trade dynamics, and technological advancements, challenging the US-led international order. Based on the findings, the paper puts forward recommendations to address this challenge, advocating for strengthened multilateral cooperation, strategic economic partnerships, promotion of technological innovation, and adherence to global norms to maintain the US's global influence amidst China's ascent.

**Key words:** Economy, US, Rising China, Challenge, Hegemony

## INTRODUCTION
In recent decades, China's meteoric economic rise has transformed the global landscape and presented a formidable challenge to the long-standing hegemony of the United States. As the world's most populous country, China's economic growth has been nothing short of remarkable, catapulting it to become the second-largest economy in the world, trailing only behind the United States. This ascent to economic prominence has not only fueled China's domestic development but has also significantly impacted the balance of power and international relations. The emergence of China as an economic powerhouse has raised crucial questions about the stability of the existing global order and has set the stage for a new era of economic competition and geopolitical maneuvering.

China's economic ascent can be traced back to its reforms initiated in the late 20th century under the leadership of Deng Xiaoping. The decision to open up its economy and embrace market-oriented reforms set China on a path of rapid economic growth and modernization. Since then, the country has witnessed a surge in foreign direct investment, rapid industrialization, exponential export growth, and a massive urbanization drive. The rise of China as a manufacturing and export hub has not only led to the accumulation of vast wealth but also enhanced its global influence and interconnectedness.

One of the central features of China's economic ascent has been its integration into the global economy. The country's emergence as the "world's factory" has made it a pivotal player in international trade. China's entry into the World Trade Organization (WTO) in 2001 further accelerated its integration into the global trading system. Its low-cost manufacturing and abundant labor supply have attracted businesses worldwide seeking to take advantage of cost efficiencies and vast consumer markets. This economic integration has also had significant implications for the United States, altering trade dynamics and impacting domestic industries and employment.

With China's economic power expanding, it has actively sought to assert its influence and shape global economic institutions. Initiatives like the Belt and Road Initiative (BRI) have been instrumental in establishing China's presence across continents by investing in infrastructure projects and forging strategic partnerships. Through the establishment of the Asian Infrastructure Investment Bank (AIIB), China has offered an alternative to Western-dominated financial institutions, signaling its intent to reshape the architecture of international finance.

The United States faces a complex challenge in navigating the changing global economic landscape. Historically, the US has played a dominant role in shaping international institutions, trade agreements, and financial systems. Its influence has been pervasive, underpinning the liberal international order established after World War II. However, the rise of China poses new dilemmas for US policymakers and forces them to reassess their strategies for maintaining their hegemony.

One of the primary areas of economic competition between China and the US is in the realm of technological advancements. China has rapidly emerged as a global leader in technology and innovation, making significant strides in artificial intelligence, 5G, and digital infrastructure. The US, which has long been at the forefront of technological innovation, now finds itself facing stiff competition from China, particularly in areas of critical importance to future economic and military dominance.

Moreover, the interdependence between the Chinese and US economies adds complexity to their relationship. Both countries rely on each other as key trading partners, and any disruption in this economic relationship could have far-reaching consequences for the global economy. The entanglement of supply chains and the interconnectedness of financial systems create a delicate balance of cooperation and rivalry between the two economic giants.

The growing economic competition between China and the US has also manifested in geopolitical tensions. Disputes over territorial claims, regional influence, and military presence in the Indo-Pacific region have heightened strategic competition. The US, for its part, has pursued a policy of "pivot to Asia," signaling its intention to reassert its presence in the region to counter China's expanding influence.

As China's economic and geopolitical clout continues to grow, it challenges the US-led international order, and policymakers in Washington must grapple with the implications of a rising China for the global community. Balancing economic cooperation and competition while addressing strategic and security concerns will be paramount in shaping the future trajectory of US-China relations and the international order.

In this context, this paper delves into the multifaceted dimensions of the economic rise of China and its implications for US hegemony. It seeks to explore the intricate web of economic, technological, and geopolitical factors at play and their far-reaching consequences for the global order. By analyzing the shifting dynamics between the two economic giants, this paper aims to shed light on the challenges and opportunities that arise from China's ascent and how it redefines the contours of US global leadership in the 21st century.

## PROBLEM STATEMENT

The problem statement revolves around the challenge posed by China's economic rise to the long-standing hegemony of the United States in the global arena. The rapid economic growth and transformation of China into a formidable economic powerhouse have triggered shifts in the balance of power, international dynamics, and economic structures. As China asserts its influence through initiatives like the Belt and Road Initiative and the Asian Infrastructure Investment Bank, it has raised concerns among traditional powers, particularly the US. This problem statement seeks to explore the implications of China's economic ascent on the existing global order, the competitive dimensions between the two economic giants, and the challenges it poses for policymakers in Washington to maintain their hegemonic position while navigating the complexities of an increasingly interdependent world.

Research Questions

How does China's rapid economic growth and its emergence as a global economic powerhouse challenge the long-standing hegemony of the United States in the international arena, particularly in terms of trade relations, technological advancements, and geopolitical influence?

To what extent does the interdependence between the Chinese and US economies shape their economic competition and cooperation, and what are the potential implications of this economic interdependence for the stability of the global economic order and the ability of the US to maintain its hegemonic position in the face of China's rise?

## LITERATURE REVIEW

USA has faced a strong adversary that is, in some ways, larger than it is ever since it passed Great Britain to become the world's largest economy in the 1870s. China set a record for bridging the economic gap and, in some ways, surpassing the US as well. The four pillars of the economy are GDP, commerce, business and investment, and finance form the foundation of economic power. Trade generates benefits for both parties involved, as well as a delicious fruit for other states (Adam Smith). But where there are advantages, there are also drawbacks lurking in the shadows. In the same way, commerce creates a web of interdependence between parties, which benefits some more than others. Finance and company investments are always mental exercises (Allison, Kiersznowski, & Fitzek, 2022).

USA needs a comprehensive shared security policy to tackle the risks posed by a developing China. Traditional forms of power are rarely effective at resolving contemporary international issues. The world's most populous country, China's thriving consumer market, and its diligent workers have tightly woven its economic might into the fabric of the world economy. In order to resolve the China problem, the US must make use of a new source of power: its capacity to create and shape liberal global institutions. In order to strengthen US national security, this grand plan employs diplomacy to gain access to liberal cooperative security and financial institutions in order to restrain and change China's position within the system (Small, 2021).

One of the biggest successful economic stories in the modern era the analyst declare is the changing of China from a poor and shattered economy to major economic power over the span of28 years. The purchasing power of American consumers has increased as a result of cheap imports from China. Numerous American businesses have sizable factories in China in order to sell their goods on the vibrant Chinese market and benefit from the country's cheap labor for exporting goods. Federal deficits have been paid for by China's purchases of US Treasury securities, which has also contributed to the country's comparatively low-interest rates. The U.S. economy has recently maintained full employment and sustained economic growth despite the perceived threat from China. As of now, Asian rivals appear to have suffered a bit as Chinese exports have increased (Elwell, Labonte, & Morrison, 2007).

The main point in the economy of China is the innovation that they look way forward into the future and work according to it. The Trump Administration's Section 301 investigation into China's intellectual property and innovation policies, which was conducted in 2017, found that these practices were harmful to American economic interests. President Trump announced on May 10, 2019, that he was considering raising tariffs on practically all of the remaining Chinese goods. The Chinese economy may suffer if there is a protracted and rising trade war between the United States and China (Morrison, 2019).

In order to surpass the United States in the next ten years, researchers anticipate that China's economy will depend more on government spending, high-tech innovation, and local demand, and less on export manufacturing. According to predictions made by the British consultancy Centre for Economics and Business Research (CEBR), China's GDP should increase by 5.7% yearly through 2025 and then by 4.7% annually until 2030. By 2030, China, currently the second-largest economy in the world, is expected to surpass the U.S. economy, which currently holds the top spot (Jennings, 2022).

China has worked a lot to overcome corruption, a low defense system, and an increasing gap between the poor and the rich. Now China is challenging the United States in regard to the global economy, (advanced) technological and scientific, and political leadership. China will soon be considered the immense use of the internet worldwide but at the moment America has about 30% while China has 2% of internet addresses of the globe. In addition, China will surpass the USA in global political leadership not because of its political system but due to the reason that it has emerged as the defender of world order against America (Freeman, 2008).

Successful regional order is a strong alliance and security partnership, foremost markets, and gaining profit from the advanced technology, Investments, and trading consensus. On the hand for China, it is pressuring the regional countries into approving its predilection on military, diplomatic, and economic matters. The US has initiated to achieve its goal of regional order but some policies are still inconsistent. In addition, they should also strengthen their diplomacy, promote digital freedom, and should encourage talent to come forward. If the political leaders of the US come forward and implement these policies over their party politics it can renew America's competitiveness in the Globe (Ratner, 2020).

The increasing economy, military program, and soft power tactics of China will not only shape the international system but will also become the reason for changing the direction of American security and foreign policies. It has strengthened its economy, and military and sees soft power as a tool for efficient foreign policy. It decided to invest more in growing its soft power to build its country's image. Even though the economy of China has become powerful globally but there are still some domestic issues to be overcome which means China still needs to maintain good relations with the United States forits economic growth and political stability (Hang, 2017).

China has emerged as the second-largest economy in the world in recent decades by exporting and investing in foreign infrastructure. Some countries have a positive view of the economic status of China. They think it has a positive influence on their country while others have the opposite opinion. Some countries fear the growing economy and military of China will affect their country in a bad way, countries in the Asia-Pacific area think it is a liability of giving Chinatoo much control over their economy not denying the fact that these are the same countries that do not give a second thought on influence of the USA in their economy (Silver, Devlin, & Huang, 2019).

The introduction of economic reforms in China in late 1970 resulted in the fastest growth of the economy in the world. By opening the domestic market for imports, foreign services, and investment. The main motive for this is not to increase the domestic economy but also to improve quality and ensure its sustainability. it is expected that China will pass other countries' economies in two decades. United States remained the only country that did not provide any assistance for training officials and licit assistance for WTO whichimply that the US does not want China's assistance China in transformation rather it is keener on implementing tough conditions on it. (Lardy, 2001).

## DISCUSSION

After the reform period, it is seen that China's GDP has grown nearly twice compared to what it was before, and all this is a result of the intelligent steps China took. The first and top of the list are the high savings and investments resulting from their economic reforms. High productivity and growth due to the reforms generated enough investment and resulted in a boost in China's savings. Mostly, the savings were generated by profits that came from state-owned enterprises SOEs and decentralization of economic production that boosted household savings.

Moreover, the direct foreign investments that were a result of China's trade and investment reforms skyrocketed China's capital growth. To describe it, in fact, the capital grew from $3.5 billion in 1990 to $37.5 billion in 1995. Another major factor that fueled China's growth was the accurate use of its resources, especially the ones that were controlled by the central government. This included agriculture, trade, and services.

Keeping in mind China's rapidly growing economy and GDP, we can say that in the near future, it will overtake the U.S. as the world's largest economy. Statistics say that in the next 20 years, China's economy will grow up to 7.1% compared to only 3% of that of the U.S. If we see thenear future, China's economy is expected to be around 59% more than that of the U.S. However, the living standards in China are still predicted to be lower than those of the USA.

Some economists predict that China might surpass the U.S. economically by 2030. This can be predicted because of China's consumer spending which has grown during the last five years. In fact, the three major threats to the U.S. from China are their consumption, advancement in technology, and global leadership. China is a giant when it comes to being the producer of goods. Its goods are being soldthroughout the world, which means it has a large capital market. Its foreign exchange reservesare near $1 trillion while its currency is constantly strengthening. It is believed that the world's monetary system might change in the upcoming years, and China and Europe will dominate it.

The second challenge of China to the U.S. is how it is advancing in science and tech. Economists predict that China will especially put tech hardware on priority that doesn't need continuous changes. This is because the country that is self-dependent in terms of technology in this era will be successful in selling tech products and services globally. It is a challenge for the U.S. because although it has dominated world trade and finance, only around 15% of its population is now pursuing careers in natural science or tech compared to 50% population of China.

Moreover, China is working on its weaknesses which might be a sign that it is hoping to lead the world in the coming future. This includes hiring market forces to help achieve its objectives. This will reduce the U.S.'s influence in the world. In recent years, trade between the U.S. and China has increased significantly. In fact, the U.S. trade deficit with China is more than that of any other state. To measure out in statistics. The deficit increased from 30 billion in 1994 to around $232 billion in 2006.

Some observers claim that trade between these countries (imports from China) can reduce the jobs in the U.S. However, this is not the case. Because of off-setting job creation in other sectors, this trade would do no such harm. Moreover, the increase in imports will probably lead to a rise in the sale of the country's exports. The exports can be services and goods made in the U.S. Analysts also claim that individual industries might be harmed by trade, but this, too, isn't a problem because the tariff on imported goods will help individual industries. Hence, if the U.S. continues to trade with China in the future, it wouldn't harm China's economy.

If China overtakes the U.S. in terms of economy, it will become the world's largest economy. This means that China would be able to influence things more than the U.S. and expand itself further to build land and sea trade routes through Asia, Africa, and Europe. Besides, it is expected that regional disputes will be settled in a way favorable to China, and the U.S.'s leadership will be de-legitimized. China might be heading and defining new rules for international relations.

The U.S. should change its strategy in the Indo-Pacific to stay in the game. They can do so by introducing new military strategies, investing more in munitions development, and promoting security networks within their allies. Besides, it can advance in technology and support innovations in A.I. and machine learning, and invest more in developments. The U.S. can also increase U.S. investments in the Indo-Pacific, support the global trade and investment regime, and strengthen its ties with the World Trade Organization. Other ways of tackling rising China include strengthening its diplomacy, allowing digital freedom, and training talented citizens to compete with China.

**Factors Behind Chinese Economic Rise and its Implications**

China's remarkable economic rise over the past few decades has transformed the global landscape and presents a significant challenge to the long-standing hegemony of the United States. The rapid growth of China's economy, its technological advancements, and its assertive foreign policy have all contributed to its increasing global influence and power. This discussion explores the multifaceted dimensions of China's economic ascent and its implications for the existing world order, particularly in terms of trade, technology, and geopolitical influence, while also examining how the interdependence between the two economic giants shapes their relationship and impacts the global economic system.

**Trade Dynamics**

China's rise as the "world's factory" has been accompanied by a surge in its export-driven economy, attracting businesses worldwide seeking cost efficiencies and access to a massive consumer market. As China has become a key trading partner for many countries, its economic influence has extended far beyond its borders. This shift in trade dynamics has challenged the traditional trade relationships that the United States has fostered over the years, leading to economic realignments and tensions between the two economic giants.

The significant trade deficit that the US has with China has been a persistent point of contention. Critics argue that China's currency manipulation and industrial policies have created an uneven playing field for American businesses, leading to job losses and trade imbalances. The US government's attempts to address this issue through tariffs and trade restrictions have exacerbated tensions and resulted in a trade war between the two nations. The trade conflict has not only impacted bilateral relations but has also caused disruptions in the global supply chain and affected the stability of the global economy.

**Technological Advancements**

China's rapid progress in technological innovation, particularly in areas such as artificial intelligence, 5G, and advanced manufacturing, has raised concerns in the United States. Historically, the US has been at the forefront of technological advancements, shaping global industries and leading the way in cutting-edge research and development. However, China's substantial investments in research and development, coupled with its vast market and talent pool, have propelled it to become a serious challenger in the technology sector.

The competition for technological dominance between China and the US has resulted in geopolitical and economic tensions. The US government has expressed concerns over intellectual property theft and technology transfer practices in China, further straining bilateral relations. The US has taken measures to curb the access of Chinese technology companies to its markets and has imposed export controls on critical technologies. In response, China has sought to enhance its domestic innovation capabilities and reduce its reliance on US technologies, leading to a parallel "tech decoupling" trend.

**Geopolitical Influence**

China's economic rise has not been limited to trade and technology; it has also manifested in its assertive foreign policy and increasing geopolitical influence. China's Belt and Road Initiative (BRI) is a prime example of how the country is leveraging its economic power to extend its reach and forge strategic partnerships across continents. Through investments in infrastructure projects and economic cooperation, China seeks to enhance connectivity and influence in regions that were once considered the US's traditional sphere of influence.

The US perceives China's BRI and other regional initiatives as attempts to reshape the global economic and geopolitical landscape in China's favor, potentially challenging the US-led liberal international order. This perception has led the US to respond with its own economic and geopolitical strategies, such as the "Free and Open Indo-Pacific" concept, aimed at preserving its influence and alliances in the Indo-Pacific region.

**Interdependence and Global Economic Order**

The interdependence between the Chinese and US economies adds complexity to their relationship. Both countries rely on each other as significant trading partners, and any disruption in this economic relationship could have far-reaching consequences for the global economy. For instance, the COVID-19 pandemic revealed the vulnerabilities and interlinkages in the global supply chain, as disruptions in Chinese manufacturing impacted industries worldwide.

The deep interdependence between China and the US raises questions about the potential risks and benefits of economic cooperation and competition between the two countries. While competition in certain sectors, such as technology, may drive innovation and economic growth, it also increases the risk of geopolitical tensions and confrontations.

Moreover, the question arises as to whether China's rise will lead to a restructuring of the existing global economic order. As China asserts its influence in international organizations and creates alternative financial institutions like the AIIB, it signals a potential shift away from the US-dominated world order established after World War II.

China's economic rise presents a profound challenge to the long-standing hegemony of the United States. Its economic growth, technological advancements, and assertive foreign policy have all contributed to its increasing global influence and power. The competition between China and the US is multidimensional, encompassing trade, technology, and geopolitics. The deep interdependence between the two economic giants adds another layer of complexity to their relationship, influencing the stability of the global economic order.

Policymakers in both China and the US face the delicate task of managing this complex relationship, striking a balance between cooperation and competition, and navigating the potential risks and opportunities that China's rise brings to the international stage. As China continues to strengthen its economic position and assert its influence, it challenges the US-led international order, prompting policymakers to adapt their strategies to an ever-evolving global landscape. The future trajectory of US-China relations will have profound implications for the shape of the global order in the 21st century.

## FINDINGS

**China A Threat to US Economy**

Some have called China's economic growth during the past 28 years an economic miracle. From having a small, underdeveloped economy, China is now the second-largest economy in the world. While many people have praised China's economic growth and inclusion into the global economy, others have expressed concern, arguing that China's emergence as an economic giant poses a threat to the U.S. economy. For instance, some claim that China's development must be a sign of the United States' economic downfall.

**Rising China and its Policies**

China's economic policies, including its cheap salaries, an undervalued currency, and subsidies to the state sector, endanger American jobs, wages, technical leadership, and living standards. China and the United States now have significantly stronger business relations as a result of China's economic expansion. China is currently the United States' second-largest trading partner, its fourth-largest export market, and its third-largest source of imports. China has experienced the highest growth among U.S. export markets during the previous five years. If trade and investment restrictions continue to disappear, China will certainly become a sizable market for American goods and services due to sustained economic expansion and a rising middle class. It is predicted that China would surpass the United States and take over as the greatest economy in the world within a decade or two. However, there is little reason to think that a decline in American living standards will coincide with China's ascent. China has historically concentrated on low-end, labor-intensive manufacturing, much of which didn't directly compete with American companies. China, however, is making an effort to transition to a more advanced industry and aspires to become a worldwide power. Is competitive in a variety of sectors, including the car and tech industries. This has created worries that China could present key American industries with the same kind of competitive challenge that Japan did. China's economy is currently far behind that of the United States, and it is difficult to forecast how advanced it may eventually become. Given the considerable economic obstacles, China will confront in the next years, the U.S. and Japanese economies' dissimilar experiences lead some to question the competitive danger from China.

**US Strategies to Counter China**

The main factor influencing how the Indo-Pacific regional order develops will be American competitiveness. In every aspect of the competition, U.S. policymakers should start by analyzing what Washington can do to make America run further and jump higher. Many of the recommendations made here should be implemented by the United States anyway, but thegeopolitical competition with China makes it much more crucial. There are numerous actions theUnited States may take to strengthen its own power, maintain critical advantages, and turn around regions of strategic decline in the Indo-Pacific, as each section of this paper indicates.

The United States enters this stage of the competition with China with a significant advantage in alliances with nations that have the potential to play significant roles in the region, such as Australia, Japan, the Philippines, South Korea, Thailand, NATO, Indonesia, Malaysia, Singapore, Taiwan, and Vietnam. However, the U.S. strategy will need to take into account the fact that the region's nations all have varying perspectives on China as geographic and economic potential. As a result, efforts to forge a clear anti-China alliance will fall short. At the same time, the majority of the countries in the area do not want to coexist in a China-led, illiberal order. The United States now has the chance to create significant regional alliances.

Long-term stability in the Indo-Pacific will first need to pass through a phase of heightened competition with China. Even though the United States hopes for a closer partnership with Beijing—or at the very least, better-managed competition—the short term demands more tension. 16 Currently, the ongoing loss of American strategic advantage is encouraging Chinese aggression and raising the likelihood of conflict and confrontation. If the U.S. is more aggressively competitive, it may be able to halt these tendencies, stabilize Asia, and create the conditions for a new strategic balance with Beijing. This is assuming that U.S. policy is sufficiently intelligent to prevent an unproductive rivalry.

**Future of US China Relations**

If China's growth drives up relative pricing for U.S. exports or imports, it will eventually determine whether China's growth is beneficial or detrimental to the U.S. economy in the long run. This is a debatable subject. The United States' terms of trade have not experienced an increase or negative trend since the 1980s. However, the benefits of ongoing trade would still outweigh the welfare levels achievable in a scenario where the United States withdrew from global commerce, even if China's expansion did cause a decrease in the U.S. terms of trade. The United States left global trade.

Therefore, from an economic point, it is not accurate to say that China's economic ascent or its economic policies represent an economic threat to the United States because China's development presents both opportunities and problems for the country. For American officials, the fundamental challenge is to put pressure on China to accelerate its economic and trade reforms and fully transition to a market-based economy. On numerous times, the United States has given China technical assistance in areas like rule of law, IPR protection, pollution control, and banking and currency reforms. Such an initiative's expansion into other areas may encourage China to rush economic changes, particularly if Chinese policymakers believe that doing so won't result in political unrest. The WTO's dispute settlement process is another tool the US mayemploy to make sure China fully complies with its WTO obligations. In order to settle a dispute

with China over its unfair tax policies that favored domestic semiconductor production, the United States employed this procedure. It recently brought a case concerning vehicle parts that were comparable. It is currently thinking about filing a WTO complaint against China for failing to safeguard IPR.

## RECOMMENDATIONS

**Strengthen Multilateral Institutions:** To address the challenges posed by China's economic rise and maintain a stable global economic order, the US should work to strengthen and reform multilateral institutions. This includes revitalizing organizations like the World Trade Organization (WTO) to address issues related to intellectual property rights, state subsidies, and fair trade practices. By engaging in constructive dialogue and collaborating with other countries, the US can collectively address concerns and ensure a level playing field for all nations in the global economy.

**Promote Technological Innovation and Research:** To maintain its technological edge and address the competition posed by China, the US should prioritize investments in research and development across various industries, particularly those critical for national security and economic leadership. Government support for emerging technologies and strategic partnerships between the private sector, academia, and research institutions can foster innovation, driving economic growth and enhancing the US's competitive advantage in the global market.

**Engage in Strategic Economic Partnerships:** Recognizing the importance of economic interdependence, the US should seek to engage China in strategic economic partnerships that promote cooperation and mutual benefits. This could involve negotiating bilateral trade agreements that address issues of concern while providing avenues for market access and collaboration on shared challenges, such as climate change and sustainable development.

**Focus on Soft Power Diplomacy:** In addition to economic and technological competition, the US should leverage its soft power to maintain its global influence and counter China's expanding geopolitical reach. By investing in cultural exchange programs, educational initiatives, and public diplomacy, the US can foster goodwill and understanding among nations, showcasing the advantages of its values and governance model, and countering China's narrative in the international arena.

**Promote Global Norms and Standards:** The US should actively engage with other countries to set global norms and standards that align with democratic values, human rights, and sustainable development. By encouraging adherence to these principles, the US can shape the global economic and geopolitical landscape in a way that upholds its values and mitigates the influence of countries seeking to challenge the existing international order.

The rise of China as an economic powerhouse poses significant challenges to the US's long-standing hegemony. To address these challenges effectively, the US should focus on strengthening multilateral institutions, promoting technological innovation, engaging in strategic economic partnerships, leveraging soft power diplomacy, and promoting global norms and standards. By pursuing these recommendations, the US can navigate the complexities of the evolving global landscape and maintain its position as a leading economic and geopolitical power in the 21st century.

## CONCLUSION

The economically rising China represents a formidable challenge to the long-standing hegemony of the United States in the global arena. China's rapid economic growth, technological advancements, and assertive foreign policy have reshaped the dynamics of international relations and raised critical questions about the stability of the existing world order. The competition between China and the US is multifaceted, encompassing trade, technology, and geopolitical influence, while their economic interdependence adds complexity to their relationship. To navigate this evolving landscape successfully, the US must adopt a balanced approach that involves strengthening multilateral institutions, promoting innovation, engaging in strategic partnerships, leveraging soft power, and promoting global norms. Embracing these strategies will be crucial for the US to sustain its position as a leading global power in the face of China's ascendancy in the 21st century.

**References**

Allison, G., Kiersznowski, N., & Fitzek, C. (2022). The Great Economic Rivalry: China vs. the US. *Harvard Kennedy School Belfer Center for Science and International Affairs paper, March.*

Elwell, C. K., Labonte, M., & Morrison, W. M. (2007). Is China a threat to the US economy?. *China-US Economic and Geopolitical Relations*, 31-84.

Freeman, C. W. (2008, August 29). China's Real Three Challenges to the United States: What are the global dimensions of the challenges China poses to the United States?

Hang, N. T. T. (2017). The rise of China: challenges, implications, and options for the United States. *Indian Journal of Asian Affairs*, *30*(1/2), 47-64. *https://www. belfercenter. org/sites/default/files/files/publication/GreatEconomicRivalry_Final. pdf, accessed on, 8*.

Jennings, R. (2022). China's Economy Could Overtake US Economy by 2030. *Voice of America*, *4*.

Lardy, N. R. (2001). US-China economic relations: Implications for US policy. *Testimony before the Subcommittee on East Asia and the Pacific, Committee on International Relations, US House of Representatives. 107th Cong., 1st sess. Washington, DC: Brookings Institution*.

Morrison, W. M. (2019). China's economic rise: History, trends, challenges, and implications for the United States. *Current Politics and Economics of Northern and Western Asia*, *28*(2/3), 189-242.

Ratner, E. (2020). Rising to the China Challenge: Renewing American Competitiveness in the Indo-Pacific (Washington, DC: Center for a New American Security, 2020), 3.

Silver, L., Devlin, K., & Huang, C. (2019). China's economic growth mostly welcomed in emerging markets, but neighbors wary of its influence.

Small, M. (2021, June 17). The Challenge of a Rising China to US National Security. *Journal of Indo-Pacific Affairs. Air University Press.*