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The China Challenge: Competitor or Order Transformer?

There is no question that the sudden outbreak of the coronavirus and the heavy casualties it has brought to the United States have led to an unhealthy and even dangerous path toward heightened antagonism in Sino-US relations. The friction between Beijing and Washington over COVID-19, however, may have also overshadowed some more fundamental elements underlying their interactions that will continue to shape bilateral ties and even international systemic mega-trends, long after the current crisis. In fact, the ongoing discourse on the implications of the pandemic has already raised questions about how it may affect strategic competition, a potential power shift between the United States and China, and even international order in general. It is, therefore, highly important to have a sober and systemic assessment of the drivers and momentums that have been molding US-China relations to understand the relationship's future, during and after the COVID-19 crisis.

In December 2017, the Trump administration released a National Security Strategy report that announced the return of major power competition and named China as the United States' arch strategic competitor. China, the report asserted, not only challenges US security and prosperity, but also threatens to erode the prevailing international order that the United States helped craft and lead.¹ Since then, it has become a cliché among the US foreign policy elite that Washington should gear up for its rivalry with a more powerful, ambitious, and aggressive Beijing. Members of that elite have stated that China is more of a

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match for the United States than the Soviet Union was during the Cold War, that China is a combination of the Soviet Union and Japan in terms of the challenges it poses, that China is the most dynamic and formidable competitor in US modern history, and so on.² While the Trump administration pledged to pursue long-term strategic competition with Beijing, some in and outside the government called for a new Cold War,³ and the actions and rhetoric of the executive branch, congress, media, and think tanks resemble the concerted social mobilization that occurred at the beginning of the Cold War.⁴

The rise of China certainly poses a complex and somewhat unique challenge to the United States. It is a major economic, political, and military power, with a different political system, ideology, and culture that plays an increasingly important role in the current international system while maintaining vibrant economic and social ties with the United States. An inadequate approach to this challenge will create more problems than it solves by not only constraining Washington's capacity to effectively manage the unprecedented challenge, but also by seriously harming US national interests. While learning by doing and constant adjustments may be a feature of any long-term, novel strategic practice, the United States' China strategy must start with a sound sense of the problem and a sensible policy direction. Both are lacking with the Trump administration now.

Developing an appropriate approach to a rising China requires an accurate assessment of three key areas

Most of the prevailing analyses of the China challenge oscillate between oversimplification and exaggeration, or even distortion, which will only mislead the United States in its attempt to form a sound China strategy. Indeed, developing an appropriate approach to a rising China will require an accurate assessment of its implications in three key areas: competition, power shift, and the transformation of international order.

A New Type of Strategic Competition

Major power rivalry has occurred throughout history, but its characteristics have varied over time. Past major power competition has taken on a strong political-military flavor, usually involving an arms race, geopolitical rivalry, and, in the case of the Cold War, ideological confrontation. In some respects, Sino-US competition resembles major power rivalries of the past, yet it is also subject to the new political, economic, military, and technological circumstances of the 21st century.

As shown by the interactions between China and the United States over the past two years, their competition has been comprehensive in scope, involving

socioeconomic, political, military, and other areas. Yet, as former US National Security Advisor Henry Kissinger pointed out, “the crucial competition between the United States and China is more likely to be economic and social than military.”⁵ Indeed, the key to contemporary competition lies in economic and technological development as well as domestic governance, as these areas provide the necessary sources and conditions for power growth.

Elements Constraining US-China Competition

Three key elements bound US-China strategic competition. One is the nuclear deterrence that each side extends to the other. To be sure, China’s nuclear arsenal is much smaller than that of the United States, but its deterrent capability is credible and will be even more so in the future.

Another element is the high degree of economic interdependence between two countries that came into being in the era of rapid globalization. Economic connection often generates more friction and conflict

in trade, investment, and financial areas, but it also helps define the boundaries of competition as long as both sides find the link indispensable.

Still another element is the wide array of international regimes of which both are members and both are subject to those regimes’ rules and norms. Unlike the Cold War era when the United States and Soviet Union operated in two separate international systems, today China and the United States operate in the same international architecture. These conditions largely set the boundaries for US-China competition: no direct and large-scale military conflict, no complete severing of economic links, and no breakup of the current international system.

Three key conditions largely set the boundaries for US-China strategic competition

China’s Strategic Goals

Within these parameters, China’s goals as a rising power will have a defining impact on the course of the US-China rivalry. First and foremost, China’s sustained efforts to augment its economic and military prowess will surely narrow the power gap with the United States, but Beijing’s aim is more about reducing its vulnerability than gaining superiority. In other words, China does not seek to catch up and overtake the United States in an all-around way, but rather seeks to improve its relative position.⁶ This is, in essence, a defensive, not offensive, posture.

Second, the instrument Beijing uses to wrestle with Washington is primarily economic and technological, while political-military means play a secondary role. China is not interested in investing heavily in an all-out arms race or

worldwide geopolitical rivalry with the United States, as the USSR did during the Cold War. As such, the rivalry between Beijing and Washington is much less confrontational than the one between the United States and the Soviet Union.

Third, China does not seek to export its political system and ideology. Beijing does try to win outside sympathy and even applause for its development model, but it has no intention of imposing it on others. As a result, Sino-US competition for international political influence should not be cast as an existential struggle for core values or a basic way of life. None of China's strategic goals—focusing on economic and technological advancement while narrowing China's military inferiority but not seeking ideological conversion anywhere—should pose an existential threat to the United States.

As the Trump administration intensifies its rivalry with China, Beijing acknowledges that competition and differences will always exist between the two countries. Meanwhile, it calls for benign, rather than vicious, competition: competition should be fair and guided by rules, both sides should seek win-win rather than zero-sum outcomes, and competition should not exclude necessary cooperation. Beijing asserts that a positive and constructive competition should be mainly geared toward lifting oneself up rather than weakening or destroying the opponent.⁷

Analysts and policymakers should not hurry to dismiss this characterization of Beijing's approach as just lip service or propaganda, as that would ignore the realities of international politics in the 21st century—a dense network of economic interdependence, a mutual aversion to major power (especially nuclear) war, the urgent needs to cope with common challenges, and the inescapable reliance on multilateral institutions. The alternative could be a race toward a mutually destructive state that benefits nobody.

How the US and China Can Compete Strategically

How should Washington best treat the unfolding strategic competition with Beijing? First and foremost, as Henry Kissinger wisely noted, the essence of the Sino-US contest is their respective economic and social performance. Graham Allison from Harvard University further expounded on this point by arguing that three factors count most in a race among nations: economic performance, which creates the substructure of national power; competence in governance, which allows mobilization of resources for national purposes; and national spirit, which sustains both.⁸ A strategy that takes this rationale into account would require the United States to devote more attention and resources to upgrading its infrastructure, invest more in research and development in high technology, improve its basic education, alleviate political gridlock, and resist the erosion of social fabric by gun violence and drug abuse.

Second, competition does not equate with, and does not necessarily lead to, confrontation. Some in and out of the Trump administration seem to aspire to turn competition into a slippery slope toward structural confrontation and even a new Cold War with China. Yet, such a scenario should be avoided by all means, as it would certainly impose heavy costs on the United States, quicken the pace of decline in its primacy, throw the world economy into chaos, and do nothing to stop China's rise.

Third, Washington should work with Beijing to formulate a set of rules for their competition.⁹ Even during the Cold War, Washington and Moscow found their way to a series of agreements in such fields as crisis management and arms control, and those agreements navigated the two countries through the most dangerous waters after World War II. Rules of the game jointly worked out and observed by China and the United States would help manage their interactions and reassure the rest of the world that the Sino-US rivalry will not end up in a destructive fight between two elephants in a china shop.

Finally, competition should not narrow the space for cooperation and coordination. In a globalized world, given America's traditional and China's newly gained influence, the two countries need to work together to provide public goods and deal with common challenges. From boosting growth in the world economy to stabilizing international finance, and from reducing carbon emission to curbing pandemics, there is a long list of issues that needs to be addressed by joint efforts from Beijing, Washington, and other capitals. The recent outbreak of coronavirus and its worldwide spread attests to the urgency of international cooperation, while the lack of timely and effective collaboration between China and the United States has already cost both a high price—a lesson that should long be remembered.

As former Singaporean leader Lee Kuan Yew once pointed out, Sino-US competition is inevitable, but conflict is not.¹⁰ To get there, both sides should bear firmly in mind the nature of the game, delineate the boundary of the rivalry, employ the appropriate approaches, and establish sound rules to limit competition to such areas as economic development, technological advancement, and good governance. Should Beijing and Washington pursue their competition in such a way, they would end up not only improving themselves and each other by providing a superior competitor, but also contributing to the quality of global governance and upgrading the international system.

Limited Power Shift

Outside of defining the terms of competition between the United States and China, much of the US concern over the prospect of Sino-US ties seems to

A limited power shift from the US to China seems more likely than a complete shift or collapse

hinge on the assessment of whether global power is shifting from the United States to China. Broadly speaking, three possibilities exist: China could surpass the United States in almost every major dimension and supplant it as the most powerful country in the world; China could overtake the United States in certain important aspects while lagging behind in others; or China could somehow fall apart like the Soviet Union or stumble into stagnation like Japan, putting an end to its rise while the United States retains its primacy. Taking into consideration various factors explained below, the second scenario of a limited shift seems more likely than the other two.

Changing Dynamics

According to some forecasts before and after the outbreak of COVID-19, China will surpass the United States in its economic size (GDP measured by exchange rate) around 2030.¹¹ Meanwhile, it will also catch up with and even overtake the United States in some important technologies such as 5G telecommunication, artificial intelligence, and quantum computing. On the military side, the People's Liberation Army (PLA) may gain some local superiority over its US counterpart within the First Island Chain in the Western Pacific as well as pose credible deterrents in nuclear, outer space, and cyber space. This superiority will restrict Washington's options for military involvement in the Taiwan Strait or the South China Sea and undermine its ability to exploit China's vulnerability in military power.¹²

Internationally, China will gain more clout over the United States in some parts of Asia,¹³ press ahead with some economic and security initiatives in Asia and beyond (like the Asian Infrastructure Investment Bank, or AIIB, and Belt and Road Initiative, or BRI), push through adjustments and reforms in multilateral institutions so as to better reflect China's interests and preferences, and finally, from time to time, frustrate US efforts to pursue its agenda in some international institutions like the United Nations. China will also reap increased influence among developing countries through trade, investment, and development assistance, as well as through its economic development and governance model.

On the other hand, the United States will retain the top spots on many fronts. Its economy will remain among the most advanced and competitive, enjoying a technological lead in significant fields sustained by its strong R&D capability and vibrant innovation ecosystem. It will remain the single most important financial player with the US dollar being the largest international currency for both

reserve and probably transactions as well. Militarily, the United States will continue to possess the world's most powerful military machine, with worldwide military presence and global power projection capability, plus a security alliance system ranging from Europe to the Middle East to East Asia to Latin America.

Internationally, Washington will exercise significant (and sometimes decisive, given its veto power) influence in many multilateral institutions that it helped create, while it can also push its agenda outside of international regimes with the support of allies and partners that no other country can compare with. Moreover, having played a leadership role since the end of World War II, Washington's expertise in initiative-taking, agenda-setting, and team-building stands as the most valuable asset that a rising power could not expect to obtain in a short period of time. Further, the United States will preserve its unique influence gained through political and cultural affinity with most developed countries, the attraction of its lifestyle in much of the developing world, as well as the global zeal for its popular culture.

In the dynamic power relations between Beijing and Washington, a rising China does not just compete with the United States—it also complements the latter in significant ways. For instance, Chinese imports of US products and services benefit US farming, manufacturing, energy, and service sectors, and increased access to China's rapidly expanding market for American companies will generate more profits for US enterprises. Direct Chinese investment in the United States will boost the US economy and employment, and China's purchase of US federal bonds help stabilize the US financial market. Meanwhile, China continues to benefit from economic links with the United States in trade, investment, technology, and finance, even though the Trump administration has posed unprecedented challenge to Sino-US economic ties. Thus, China and the United States both compete with and complement each other; their power relationship is not purely zero-sum. Instead, the relationship has an important win-win component because they are economically intertwined in ways that the United States and the Soviet Union were not during the Cold War.

As China's capabilities grow and Beijing plays a larger role on the world stage, *power-sharing* has become an important part of the power dynamics between China and the United States. China has been gaining more shares and voting rights in the International Monetary Fund (IMF) and World Bank as its economic size expands. As Beijing successfully launched the AIIB to help fund infrastructure construction in Asia, a huge demand that the US-led World Bank or Japan-led Asia Development Bank (ADB) failed to meet, Washington had to share financial

Power-sharing has become an important part of the power dynamics between China and the US

power with Beijing reluctantly. And as the time comes for the world to make norms and rules for activities in cyber space, digital economy, outer space, etc., Washington will no longer monopolize those domains but will need to share the responsibility with Beijing and others.

If we continue to think about rising powers as forcing power shifts, it will strain ties among countries and risk creating global instability; by contrast, power-sharing would facilitate responsibility-taking and cooperation among states to help manage and stabilize a more complex world.

A New Power Structure

A new power structure is surely emerging, and it differs from the post-World War II order. China's power will continue to ascend, but it will never take the place of the United States, nor will it become America's full-scale peer. US superiority will decline relatively, yet its absolute power will remain on an upward path for the foreseeable future. As a matter of fact, US relative power superiority has embarked on a downward path for almost seven decades, after peaking in the 1950s—a trend temporarily reversed by the end of the Cold War in the early 1990s, but then resumed in the early 21st century. The new power structure features an asymmetrical multipolarity with the United States, China, European Union, Russia, Japan, and India as the major players. The United States will retain a comprehensive edge over the rest, even while China will close the power gap with the United States on some fronts and narrow it on others. Power transition is taking place not only between China and the United States, but also among the EU, Japan, China, and India.

Simply put, the rise of China has jumpstarted a process of limited, but not a complete power shift, toward greater power-sharing, and the challenge for the United States is how to manage it. Efforts to preserve unipolarity and thwart power adjustments will be simply impossible, as will attempts to forestall or disrupt China's rise. Washington should reconcile itself with the reality that both multipolarity and power sharing are inevitable trends, which means the United States will no longer be the dominant power center, and its power primacy will erode.¹⁴

At the same time, Washington can rest assured that no other player can take the place of the United States, and it remains the world's most powerful country in comprehensive terms. A smarter US strategy is not to resist the trend, but to adapt to it. While maintaining its traditional advantage in technological, financial, and military prowess, Washington should seek to tap into new sources of power generated by new industrial and commercial modes. Forging stronger economic ties with a robust China, rather than decoupling from it, will enhance America's economic competitiveness. Burden-sharing with China and

other rising powers in world affairs will also help reduce consumption of US energy. Avoiding exhaustive overseas military involvement such as the Afghanistan and Iraq wars will spare huge resources that can be devoted to social and economic projects, which will contribute to US economic growth and social governance.

Transformation of International Order

A major US concern over the rise of China is that Beijing will seek to overthrow the current liberal international order (LIO), which was crafted after World War II by the United States and has been operating under its auspices since then. It is only natural that a rising power seeks to shape the international order to better serve its own national interests, and China is no exception.

Although it is a major beneficiary of the current international order, China does harbor reservations and dissatisfaction. Beijing complains that the prevailing system is ineffective at providing public goods in economics and security, runs short of inclusiveness in norms and institutions, and constrains the expansion of Chinese power and interests.

As Beijing becomes more capable and confident, it works to reform the status quo. In 2015, President Xi Jinping called for the establishment of new mechanisms and rules for international economic, financial, and regional cooperation, and the reform of “unjust and improper arrangements in the global governance system.”¹⁵ Since an international order comprises three parts—norms, institutions, and power—it is useful to examine how China may help reshape each of them.

Normative Dimension

Normatively, the prevailing order has not completely abandoned its founding Westphalian principles such as respect for sovereignty and territorial integrity of the nation-state, sovereign equality among states, non-aggression, and non-interference in internal affairs, while it has also evolved to embrace liberal ideas such as global governance, international economic cooperation, multilateralism, economic openness, free trade, etc. China has been a strong supporter of Westphalian norms. In fact, Beijing has adopted a conservative stance on the sacrosanctity of sovereignty and non-interference in internal affairs, while it has appeared progressive in opposing US hegemony and its hierarchical structure, which run against the principle of equality among nation-states.

China has been a strong supporter of Westphalian norms, but its record of observing liberal norms is mixed

On the other hand, Beijing's record of observing liberal norms is mixed. For instance, its economic system featuring a relatively strong regulatory component is perceived as a challenge to the principles of market economics and fair competition. As China pushes to set international rules for new frontiers like outer space and cyber space, some of its preferences (such as de-weaponization of outer space) are progressive, while others (such as state sovereignty in cyber) appear conservative. Overall, Beijing is both conservative and progressive, but it is not a revisionist challenger to the liberal norms of the current order.

Institutional Dimension

On the institutional dimension, China is an important member of major international organizations like the United Nations (UN), World Trade Organization (WTO), World Bank, IMF, and World Health Organization (WHO). Beijing has been playing a more active role in these mechanisms and has shown a willingness to make more contributions to support their operation, such as bearing the second largest share of the annual UN budget, providing significant amounts of money and manpower to UN peacekeeping operations, and allocating more resources for the IMF to enhance its lending capacity. Meanwhile, China also seeks to push reforms with some of the existing institutions so as to improve their efficiency and representation as well as enhance Chinese influence. For instance, given China's close ties with the developing world, promoting its political and economic status will help enhance China's international clout, Beijing advocates for endowing developing countries with more permanent seats at the UN Security Council, adjusting IMF quotas and voting power in the World Bank to give emerging markets and developing countries (including China) greater representation and voice, and altering the long-held tradition that heads of the World Bank and IMF have to be chosen exclusively from Americans and Europeans, respectively.

Moreover, China has succeeded in its efforts to create new mechanisms to complement, and sometimes to compete with, existing institutions. On the security front, the Shanghai Cooperation Organization (SCO)—established in 2001 by China, Russia, Kazakhstan, Uzbekistan, Kyrgyzstan, and Tajikistan—was mandated to fight terrorism, separatism, and extremism confronting the six countries. The SCO also serves the broader purpose of creating a new regional security order in Central Asia and promoting cooperation in economic, energy, environmental, and many other areas among its members. On the economic front, in 2013 China initiated the Asian Infrastructure Investment Bank (AIIB), which aims to fund infrastructure development in Asia, where a big gap exists between demand and supply.

In addition, China joined Brazil, Russia, India, and South Africa (BRICS countries) in 2014 to establish the New Development Bank (NDB), the

mission of which is to support infrastructure and sustainable development efforts in these countries and other underserved emerging economies. These institutions reflect China's preferred values and norms in different dimensions. For instance, the SCO emphasizes the sovereignty and equality of member states, consensus-based decision-making, and accommodation of cultural and political diversity, while the AIIB stands for leaner governance structure (which boosts efficiency), no veto power, and no monopoly of the presidency to its largest donor (which endorses equality).

So far, both the SCO and AIIB are working reasonably well. The SCO has significantly enhanced collaboration among its members in containing and eradicating terrorist threats, and it helps fill the vacuum in the existing security order by dealing with non-traditional security challenges. Its spillover effect broadens the scope of cooperation among member states. With the participation of India and Pakistan as full members, the SCO is slated to play a larger role in Asia's dynamic security environment. On another front, the AIIB has worked in collaboration with multilateral financial institutions—such as the World Bank, the ADB, the European Bank for Reconstruction and Development (EBRD), and the European Development Bank, etc.—in offering joint loans to many infrastructure projects in Asia. Meanwhile, Beijing also believes that the AIIB's successful practices will drive the World Bank and ADB to undertake major reform to overcome defects like the outdated distribution of representations and voting powers, unreasonable operational procedures, and low efficiency in responding to client needs. Should these changes happen, they will help improve the existing financial governance system.

Power Dimension

On the power dimension, the rise of China is facilitating the transition of international power from unipolarity to multipolarity, which is good for global stability. After World War II, the international system was primarily bipolar, while the unipolar moment only emerged after the end of the Cold War and began to fade by the second decade of the 21st century. The emerging multipolar structure is asymmetric—the United States remains a comprehensive global giant, while the other poles are partial global players: China stands mainly as an economic and (to a lesser extent) political power; the EU is both an economic and normative power; Russia is a military power; Japan is an economic power; India is an emerging economic and political power. All of the powers cooperate and compete in a dynamic international system. In terms of the impact on international order, multipolarity is more sustainable than unipolarity, while less divisive and antagonistic than bipolarity. However, multipolarity could be less predictable than both unipolarity and bipolarity.

Overall, China will likely, along with others, bring about significant challenges to the current international order as its power ascends, yet such challenges are neither subversive nor destructive. Normatively, China is both conservative and progressive, but not revolutionary. Institutionally, China plays multiple roles at the same time as a supporter, reformer, and competitor, yet it is unlikely to cripple or undermine major international institutions. On the power front, China facilitates the ongoing trend toward multipolarity, but China will not become the new hegemon, nor will it turn the power structure back to the era of bipolarity. Beijing is unlikely to seek to overturn the liberal international order, but it is likely to continue to promote a reasonably open economic order, a more equal political construct, and a relatively cooperative security arrangement.¹⁶ The rapid rise of China is pushing the evolution of international order at a faster speed, but it will not fundamentally or drastically transform it.

Toward a Post-Hegemonic World

China does not pose an existential threat to the US, yet it does threaten to dilute US hegemony

Since ascending to world leadership after World War II, the United States was first challenged by the Soviet Union and then by Japan. Now, the main challenger is China. However, China is neither the Soviet Union nor Japan, nor even some combination of the two; China is a different country entirely. Unlike the Soviet Union, China does not pose an existential threat to the United States, yet it does threaten to dilute US hegemony, share its global leadership role, and demonstrate an alternative to its development and governance model.

While the Trump administration has received bipartisan support for its tougher line on China, its strategy is widely regarded as ill-conceived.¹⁷ It is more confrontational than competitive; in areas where competition is necessary, its approaches are self-destructive; and it ignores cooperation where it is necessary. The tariff war has hurt US consumers, farmers, and manufacturing industries. The technological war has done damage to the US high-tech sector as its exports to China decrease, revenue drops, and its ability to fund future research and development declines. Unilateralist and protectionist behaviors have undermined US reputation and credibility in the world.¹⁸

Indeed, challenges to US power preponderance and international standing do not result exclusively from China. In fact, they actually emanate principally from the United States itself. Indeed, the two costly and ill-fated wars in Iraq and Afghanistan as well as the 2008 financial crisis, coupled with the rise to power

by Donald Trump—who advocates for “America First” while defying the US global leadership role, multilateralism, and alliances—have combined to consume far more US hard and soft power than a rising China threatens to do. Broadly speaking, the United States appears to be undergoing a major transformation in which less robust development dynamics, intensifying political and social fragmentations, and malfunctioning domestic governance institutions are shrinking the US capability and willingness to sustain the dominant position it has long enjoyed on the world stage. In this sense, it is strategically more appropriate and urgent for the United States to manage its internal developments than to engage in an ill-designed and open-ended competition with China.

For any US strategy toward a rising China to succeed, it has to be consistent with the mainstream attitude of international society. Almost all countries in the world welcome the tremendous economic opportunities generated by China—not just its huge and expanding market, but also its investment and technology. For instance, many US allies have opened the door to Huawei for their 5G development, as they believe Huawei’s service is more cost efficient and the associated security risk is manageable.

From the perspective of international order, the rise of China may challenge US hegemony, but not necessarily the rules-based international system. In fact, as China aspires to behave as a responsible power, it is willing to provide more public goods such as development assistance, poverty reduction, climate change curbing, UN-sponsored peace-keeping operations, etc. at a time when the United States is becoming less willing and capable of doing so. As such, China promises to improve global governance by helping to redress its deficiencies and defects. China will certainly gain more say and clout on the world stage, but that will not be a major concern for many countries as long as Beijing honors significant norms underlining the prevailing international order such as multilateralism, free trade, and global governance. In other words, what international society cares about most is whether the rise of China extends more opportunities and helps consolidate the international system, not whether it threatens to undermine US primacy. If Washington bases its China strategy on preserving US hegemony, it should not take for granted the endorsement of other countries, including its allies.¹⁹

Conceiving a sound, long-term US strategy toward China should not be strait-jacketed by power politics and ideology—it begs some degree of historical and philosophical thinking. From a broader historic perspective, the mega-trend in the 21st century is the transformation of the current international order into a more equitable, but less hegemonic, order that reflects greater economic and lesser political security concerns; empowers emerging economies and developing countries with a greater say in international affairs; and allows regional organizations a more prominent role in regional governance, thus accommodating more social,

economic, and political diversity. Whether China continues to rise at a faster or slower pace, or even rise at all, this trend will persist. The United States should adapt to these changes and challenges, rather than resist the trend.

International order is transforming into a more equitable, less hegemonic, but still rules-based order

The key rules and norms underpinning the order, although largely introduced initially by the United States after World War II, will not disappear along with US primacy, as they are already embedded in major institutions and accepted by their member states. More importantly, they remain in the general interests of international society including China.

The advantageous position enjoyed by the United States at this moment offers it an opportunity to shape evolving major power relations and the emerging international leadership structure, as well as to strengthen the sustainability and resilience of major international institutions. However, it is far from clear whether Washington has truly learned lessons from history or completely and thoroughly grasped the trends leading to the future. Two lessons are particularly worth remembering here: after the end of World War II, the United States was not able to prevent the world from slipping into decades of a long, dangerous, and exhaustive Cold War; in the wake of that Cold War, the United States engaged in the pursuit of an illusory unipolar world. With hindsight, Washington could have done better in both cases. This time, the stakes are by no means less: whatever the United States does will have a decisive impact on the post-hegemonic world and the US position in it. History has witnessed the rise and fall of hegemonies too many times, with very few examples of successful hegemonic transformation.

The Trump administration's China strategy is based on the assumption that China is not only trying to challenge the prevailing international order but also endeavoring to pursue a hegemonic contest with the United States. However, as China continues to rise, Beijing seeks neither to overturn the existing rules and norms in international order nor to usurp the United States and take over as the global hegemon. Rather, China seeks to have the rights and responsibilities to help global rules and norms evolve and provide global public goods in response to the world's dynamic challenges to peace and prosperity. The key question going forward is whether the United States will continue to resist the inevitable sharing of power, or whether it will help manage the transition to compete with China (and other major powers) in some areas while cooperating to face other, particularly transnational, challenges like pandemics and climate change to maximize global peace and prosperity in a multipolar, rules-based international order for the 21st century.

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