

Characteristics and Implications of the Current International Situation

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Received: September 13, 2023

Accepted: September 29, 2023

Online Published: October 21, 2023

doi:10.5430/ijfr.v14n4p1

URL: <https://doi.org/10.5430/ijfr.v14n4p1>

Abstract

This article delves into the characteristics of the current international situation and the implications for us. The escalation of the Russia-Ukraine war, as well as war in Israel and Gaza, is intensifying global changes, exacerbating geopolitical and global supply chain adjustments. The U.S. "Indo-Pacific strategy" is accelerating its shift towards the East, rallying traditional allies and some forces near China, increasing containment against China, fostering the expansion of extreme nationalism, and adding to global uncertainty and confrontational sentiments. The U.S. and Europe are aiming to establish new trade rules, attempting to exclude China from strategic supply chains, and increasing risks to the global economic system. Influenced by the laws of development, China and the world are inseparable. The instinct for survival and development sparks China's strong sense of independence and autonomy, leading to the development of new systems, markets, and supply chains. The world is likely to trend towards a stable state of "dual polarity." China and the United States are mutually interdependent and cooperative, and they have an irreplaceable impact on the global socio-economic and political order. Both of them need to enhance strategic insight, uphold constructive dialogue, and attach great importance to strategic artistry in order to steadily progress.

Keywords: Russia-Ukraine war, new populism, small yard high wall, Indo-Pacific strategy, dual polarity

The world is currently in a phase where old and new contradictions intersect and influence one another. International conflicts are intensifying, the United States is shifting its strategic focus to the East, new populism is on the rise, the international trade system is fracturing, and global issues and challenges continue to increase. A comprehensive examination of this complex international situation and a deep understanding of the new characteristics of the changing world order are essential.

1. The Russia-Ukraine War Intensifies Global Transformation

The Russia-Ukraine war is fundamentally an accumulation of contradictions between the NATO strategic security of the United States and Europe and the national security of Russia during a certain period (The White House, 2021, June 13). It has significant impacts and lessons for the international community.

1.1 Intensifying Geostrategic Adjustment

A beast at bay will put up a desperate fight; Extreme security must lead to extreme insecurity. The continuous expansion and strengthening on the basis of security have squeezed the security space of the other side and seriously damaged the global security environment, reflecting the extreme consequences of certain countries and organizations' so-called security structures. To survive in the struggle, geopolitical and geostrategy has been undergoing major adjustments since the collapse of the Soviet Union. The cold war gave way to the hot war, ideology gave way to national rights and interests, and mercantilism gave way to the concept of security. The leading influence of the group of major powers on the world is further prominent, seriously weakening the independent and equal security status of small and weak countries. The international community has to seek and strengthen the construction of a security buffer zone, accelerate the construction of a pluralistic political center and a pluralistic security center, intensify the confrontation between sea power and land power (Puri, 2022, p. 227-236), and intensify the adjustment of the global geostrategic pattern.

1.2 Intensifying the Restructuring of the Global Supply Chains

Russia plays an important role in global energy supply, with natural gas supply accounting for 17% of the world, crude oil 10%, wheat 10% and aluminum 6%. Europe is heavily dependent on Russian energy supply and export. Various restrictions and mutual sanctions, as well as the destruction of transportation, energy and communication infrastructure, not only cause serious damage to the economies of both sides, but also have a negative impact on the global economy. This further deepens global supply shortages, drives up production costs, leads to currency inflation, exacerbates energy shortages, threatens global energy and food security, increases global economic risks, and severely impacts the global economic recovery amid the pandemic.

1.3 Exacerbating Global Financial System Risks

The United States and Europe have used the "SWIFT" financial messaging system as a powerful weapon to impose sanctions on Russia, causing significant harm to the Russian economy but not crippling it entirely. Russia has been preparing for such a blow and initiated the development of its own financial messaging system called the "System for Transfer of Financial Messages" (SPFS) and payment systems in 2012. As of now, SPFS has established connections with over 400 banks. Russia's foreign trade is diverse, including trade channels beyond Western countries. In 2020, the value of trade settled in Chinese yuan between China and Russia reached \$48 billion, accounting for 45% of the total trade settlement between the two countries. These measures can provide some remedial effects. The use of SWIFT by the United States and Europe in financial sanctions severely disrupts the global financial order, reduces financial efficiency, and prompts the global community to reconsider the security of the existing global payment systems. This stimulates a natural way to diversify and the development of independent financial information transmission and payment systems separating from SWIFT, accelerates the process of de-dollarization to break free from the dominance of the U.S. dollar, and increase instability in financial markets. In 2022, the U.S. dollar saw an 8% decline in its share of global reserves. This situation may tell people need to explore a true "currency-neutral" medium of exchange (Zou, 2021, p. 1).

1.4 Exacerbating the Growth of Extreme Nationalism

Nationalism taken to its extreme is rampant, leading to the escalation of national symbols, crises, and conflicts, and intensifying the cultural and political contradictions within nations. As the saying goes, "extremes beget opposites." No nation can exist independently of others, and no nation-state can exist in isolation from the world. The world is becoming increasingly interconnected. The pursuit of national independence is not necessarily a straightforward path to equality, freedom, justice, and happiness. Manipulating ethnic issues to divide people often leads to war. Any war inflicts harm on humanity. The Russia-Ukraine war, as well as the latest crisis between Israel and the Palestinian Hamas' militant group, are prompting the international community to contemplate a new international order, strengthen the construction of international governance systems, and build an inclusive, balanced, effective, and sustainable human community of shared destiny.

Human destiny lies in the hands of humanity itself, and a nation's fate rests with the nation itself. The Ukraine-Russia war has intensified global turmoil and brought catastrophic impacts to the world. This conflict also represents a comprehensive intellectual competition among Russia, the United States, and Europe. The United States and Europe doing their utmost to support Ukraine in order to squeeze the opponent's security space, as well as somebody hindered the Nord Stream 2 gas pipeline, not only struck Russia, but also cut off Europe's economic ties with Russia and strengthen the alliance between the United States and Europe. This competition extends beyond political and military dimensions is reflected in technological competition, financial competition, legal competition, diplomatic competition, and strategic competition.

For China, the key is to focus on its own affairs. The situation in Europe may disrupt the U.S. strategy of shifting eastward, potentially expanding the strategic window of opportunity for China. China values its peaceful, secure, and strong homeland, seizes opportunities to deepen reform and pursue stable development (Xi, 2021), and accelerates the improvement of the infrastructure and mechanisms for its modernization development. China adheres to the principles of indivisible destiny, security, and territory and makes every effort to seek peaceful resolutions to cross-strait issues. While promoting national culture, China does so with caution regarding nationalism.

2. The U.S. "Two Oceans Strategy" Is Accelerating Its Shift Towards the East

The United States, situated between the Atlantic and the Pacific, aims to shoulder the responsibility of both oceans. The Two Oceans Strategy has been a cornerstone of U.S. foreign policy. America's founding fathers and early settlers had a keen interest in finding a route to the Pacific. In 1801, President Thomas Jefferson assigned his close friend Meriwether Lewis to explore a connection to the Pacific. The emerging United States sought to establish a passage to Asian

economies, reaching out to both Asia and Europe, with the goal of becoming the center and dominator of global trade (HISTORY.COM Editors, 2009 November 9).

However, for a considerable period, one could argue until the end of the 20th century, the strategic focus of the United States was primarily on Europe. Despite having the world's largest GDP by the late 19th century, the United States, as a rising empire, was well aware that its main strategic adversaries were the longstanding empires of Europe. The United States needed to assume the dominant position from the United Kingdom, become the leader of the European Union after two World Wars, and continuously squeeze Russia's strategic space to consolidate its global hegemony (Taubman, 2023, p. 161-178). To achieve this, American strategists were adept at seizing opportunities. While adhering to the "Monroe Doctrine" to make the Americas an American sphere of influence, they sometimes emphasized isolationism, watching from the sidelines, and at other times promoted "Wilsonianism" and the principle of national self-determination to compete for space with the old empires. America's unique geopolitical position and modern technological advantages indeed allowed it to be "an exception in the world wars and the center of world trade" in the 20th century.

The U.S. Two Oceans Strategy had different emphases and manifestations at different times, but its core essence has remained consistent, seeking to maximize its own interests. At the end of the 20th century, the Two Oceans Strategy was embodied in the "Trans-Pacific Partnership (TPP)" and the "Transatlantic Trade and Investment Partnership (TTIP)." Entering the 21st century, American strategists believed that it was the Pacific Century, marking the end of Europe's developmental era and the dawn of Asia's prosperity. The United States recognized the rise of Asia, and while continuing to protect its European interests, it promoted a new version of the Two Oceans Strategy with initiatives such as the "The EU-US Trade and Technology Council" (Note 1) and the "Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)" (Note 2). In 2021, the United States withdrew its troops from Afghanistan, assembled allied fleets in the South China Sea, and collaborated with countries like India to construct the "Indo-Pacific Economic Framework," attempting to establish a political and economic alliance aimed at countering mainland China and achieving a so-called "rebalancing." These actions illustrate the acceleration of the U.S. strategic pivot towards the east.

The United States' new version of the Two Oceans Strategy aims to prevent emerging powers from challenging its global control and values during a certain historical period. Specifically, it seeks to use a systematic strategic approach to contain China's rise. This strategy involves several key components:

Strengthening alliance relationships in Europe;

Advancing the U.S. strategic footprint in the Middle East and Eurasian corridor through regional conflicts and initiatives like the Arab Spring;

Gaining influence in Africa by controlling emerging energy supply sources and pathways to impact the international market;

Provoking disputes in the South China Sea, sowing discord among China's neighboring countries, disrupting the regional environment, controlling strategic passages, and impeding the process of East Asian regional integration;

Securing control over China's maritime and land routes, limiting China's "going out" strategy;

Utilizing the Taiwan issue to inflict maximum harm on China;

Promoting American values more aggressively, hosting so-called democracy summits, fostering a "democracy versus authoritarianism" narrative, and intentionally sowing divisions;

Exploiting the global COVID-19 pandemic to shift blame onto China and tarnish its image;

Planning new trade rules, dominating global markets and supply chains, and excluding China from these new regulations;

Unlike traditional imperialism, the United States primarily exerts its hegemony through its economic strength, values, and institutions to influence other countries and regions.

From the current perspective, it's true that the United States has imposed certain constraints on China through a series of strategic measures. After 20 years of involvement in Afghanistan, the U.S. withdrawal does not necessarily indicate that the United States is no longer capable. It's merely a strategic adjustment. The international landscape is indeed undergoing changes, but these changes are long-term. The U.S. rebalancing strategy seeks to gain momentum in both Europe and Asia by exploiting the Russia-Ukraine conflict. It aims to trap Europe through geopolitical disputes and disrupt Asia to impede China's development (Note 3). China has to be vigilant in response. The United States'

disruption of economic cooperation and development in Asia also affects its own economic interests and is not conducive to its own development.

3. New Populism Is on the Rise

New populism, while benefiting from globalization, does not adapt to, recognize, or accept the competitive nature of globalization. It seeks to maintain traditional advantages and is therefore associated with nationalism, conservatism, and unilateralism, to prioritize itself, centers around itself, and approaches everything with suspicion, including its neighbors, knowledge, and everything else. It is anti-establishment, anti-elite, and anti-conventional, and it harbors extreme emotions toward different ethnicities, ideas, and models. The actions by the U.S. Trump's government, such as unilaterally withdrawing from the Paris Climate Agreement, leaving the World Health Organization, initiating trade disputes, stirring ideological conflicts, and sowing discord among ethnic groups, are significant manifestations of this new populism.

The U.S. Congress has experienced extreme party polarization and a strong display of new populism, leading to events like the "Capitol Hill riot," the "Roy Moore case," the difficulties in selecting a Speaker of the House, and the suddenly remove from Speaker of the House office. These are consequences of populist political struggles between extreme conservatism and extreme liberalism.

In international affairs, American politicians use new populism as a foundation, prioritize American interests, uphold democracy as their banner, use transaction costs as bargaining chips, and occasionally adopt a hawkish approach. This behavior represents a vortex within global economic integration, reflects a sensitive response to world changes, and exemplifies the "American exceptionalism" that has historically existed in the United States, now manifesting itself in the modern era. The series of unilateral actions taken by the United States, creating various populist issues, has increased global uncertainty and confrontational sentiments, and posed a significant challenge to the traditional framework of international relations. This behavior is not the trait of any individual but rather a political trend within the United States.

The new populist trend is developed on the basis of neoliberalism and reflects an extreme form of neoliberalism. Starting from the 1980s, with President Reagan in the United States, neoliberalism gained prominence, advocating for leaving everything to the market, reducing restrictions on capital, and promoting the resurgence of monopolistic corporations, where capital appreciation efficiency surpassed labor efficiency. These policies led to an increase in wealth inequality and the solidification of class barriers. Coupled with the complex impact of the information technology revolution on society, it exacerbated domestic conflicts in the United States. This is bound to result in a policy rebound, moving from extreme liberalism towards large-scale government intervention. The series of institutional reforms in the early decades of the 21st century in the United States, such as healthcare reform, were significant manifestations of this political shift, especially highlighted during the Trump era.

Internationally, Russia, after the disintegration of the Soviet Union, was unwilling to be manipulated by neoliberalism and serve as a gas station for developed countries. It took a series of new measures, at least confidently exerting its influence on energy prices, forming a new monopoly group, and significantly impacting the daily lives of developed countries. China's accession to the World Trade Organization provided cheap goods to the international market, enabling most Americans to enjoy affordable products but also subjecting the United States to increased competitive pressure. The United States views China as its "most formidable competitor," expressing concerns about China's industrial advancement and even displaying hostility towards China.

As new technology rapidly and widely proliferated, the structure and function of international markets underwent significant changes, putting pressure on the United States' global dominance. In the face of escalating domestic and international conflicts, the United States turned to national intervention, nationalism, and unilateralism. In 2017, President Trump argued that the nation-state remains the best tool for improving human conditions, attempting to use state power rather than market forces to safeguard its interests, thereby providing fertile ground for the emergence and development of new populism.

Under the new populism, the strategic goals of the United States have become more evident. The United States is currently the world's leading superpower and aims to maintain its dominance in the 21st century. Its national interests remain divided into three levels: core strategic interests (homeland security and development), important strategic interests (ally security and development), and general strategic interests, with no significant changes in its overall strategic approach. The three main pillars to maintain its strategic goals, which include the international monetary system centered around the U.S. dollar, international economic, trade, and cultural connections rooted in freedom and democracy, and the global military projection capabilities of the United States, will continue to play crucial

roles.

To safeguard American interests, there has indeed been an adjustment in the United States' strategic focus, especially tactical adjustments. In terms of strategic goals, it increasingly views China as its primary competitor or even adversary and actively promotes the China threat theory to gain political capital domestically and internationally. It persists in unilateralism on the international stage, leveraging its military power, currency (the U.S. dollar), technology, and cultural influence, while also making efforts to build small groups through either coercion or incentives, comprising traditional allies and neighboring countries, to force them to align with U.S. strategic interests. Domestically, it emphasizes "America First" and has proposed a series of strategic ideas focusing on infrastructure, innovation, and education to reinforce self-centeredness. The United States is becoming more inward-looking and exhibits a trend of self-absorption, ignoring the perspectives of others and the global community.

With the new U.S. president in office, there have been policy adjustments such as rejoining the World Health Organization, reflecting the flexibility in U.S. policy mechanisms, prioritizing substance over appearances. Looking around the world, only the United States has the ability to comprehensively and profoundly influence the global situation (Institute of American Studies at China Institute of Contemporary International Relations, 2016). It should be said that the power of the United States is multifaceted, and the U.S. has the capability to maintain its position as the "top among the great powers" among the world's major nations for the next 30 years (The US National Intelligence Council, 2013, p. 159). Generally, tasks that the United States is unwilling to undertake in international affairs are often difficult to accomplish. However, the United States still finds it very challenging to single-handedly solve any major global issues.

New populism reflects the extreme selfishness of American thought. While many countries around the world do not yet have fully market-oriented conditions, the United States, as an exception, vigorously promotes and implements a free-market economy. In times when the world particularly needs multilateralism, the United States, again as an exception, strongly promotes unilateralism. The new populist trend and behavior may have a significant impact on globalization in the present and near future. However, in the medium to long term, fundamental reversal of global economic integration is unlikely to occur. Classic measures of globalization will continue to play an important role, and key features of globalization such as flattening, digitization, collaboration, and regionalization will remain prominent.

4. USA and Europe Establish Separate Rules

4.1 The Planning for the Establishment of New Rules by the United States and Europe Has Been Long-standing

The United States and Europe expressed dissatisfaction with the World Trade Organization (WTO) shifting the central focus from "creating an effective negotiating environment and improving market efficiency" to dispute resolution. Initially, the U.S. once took steps to obstruct the reappointment and recruitment of judges to the WTO's Appellate Body. Subsequently, the U.S. actively promoted bilateral and regional trade negotiations in an attempt to bypass the WTO framework.

During the Trump administration, a joint declaration was issued at the U.S.-EU-Japan Trilateral Trade Ministers' Meeting, targeting policies and practices of third countries that were not market-oriented. The declaration aimed to address issues caused by non-market-oriented policies and practices of third countries, including severe overcapacity, unfair competition, hindrance to development and the use of innovative technology, as well as disruptions to the normal operation of international trade. Special attention was given to the development of new regulations regarding industrial subsidies and state-owned enterprises, with the belief that the extensive development of state-owned enterprises in third countries had negative consequences for the farmers, manufacturers, and workers of the three nations. Emphasis was placed on ensuring a fair competitive environment.

Under the Biden administration, in matters related to economic and trade issues, the U.S. continued the approach of the Trump administration. It intensified discussions with allies to formulate joint strategies targeting China's "unfair trade practices." The U.S. emphasized "ideological values-based trade", promoted the concept of "outsourcing to friends," and prioritized orders for its allies. Additionally, there was a desire to further connect economic and trade issues with environmental protection, labor rights, digital trade, intellectual property, and other matters, all in an effort to strengthen America's leadership position.

While the European Union may not necessarily agree with starting from scratch, it does indeed intend to carry out substantial reforms to the existing WTO system. Under the authorization of the European Council, the European Commission formulated the "WTO Modernization Proposal" in June 2018, with the aim of making the WTO more practical, adaptable to the constantly changing world, and enhancing its effectiveness. The specific contents include:

Further improving the rules to rebalance the international trade system and create a fair competitive environment. This involves reforms to address gaps and ambiguities in the Agreement on Subsidies and Countervailing Measures (SCM Agreement). It includes improvements in transparency and the disclosure of subsidy information, better regulation of state-owned enterprises, and more effective constraints on subsidies that distort trade.

Establishing new rules to address barriers in the services and investment sectors. This entails resolving market access barriers, discriminatory treatment of foreign investors, and discriminatory measures within countries (including policies that lead to trade distortions such as forced technology transfer). The establishment of digital trade rules aims to eliminate trade barriers in this field, enhance legal certainty for businesses, and ensure a safe online consumer environment.

Reforming the "Special and Differential Treatment (SDT)" provisions. The current criteria for classifying developing and developed countries and the issue of "Special and Differential Treatment (SDT)" are major obstacles in negotiations. Developing countries argue that exemptions are necessary from current and future rules. The EU believes that this view is incorrect, as it overlooks the fact that some developing countries have rapidly growing economies and are not fundamentally different from developed countries. The emphasis is on the "Special and Differential Treatment (SDT)" provisions in future agreements. While providing flexible arrangements for the least developed countries, other countries should transition from indefinite exemptions to demand-driven and fact-based arrangements to strengthen the targeted nature of SDT provisions.

In May 2022, President Biden of the United States announced the "Indo-Pacific Economic Framework" during his visit to Tokyo, Japan. He intensified efforts to promote a new U.S.-EU free trade agreement, planning for the United States to take the lead, with the participation of the European Union, Japan, and other key players. This aims to restructure the global international trade landscape and promote the decoupling of global supply chains from China.

4.2 The United States and Europe Pushing to Establish New Trade Rules Has Significant Implications for the International Community

The United States and Europe are promoting a series of new trade rules, with the United States accelerating efforts on the "Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)," the "Indo-Pacific Economic Prosperity Framework," and the "U.S.-EU Trade and Technology Council (TTC)." These initiatives serve as focal points of the U.S. global strategy, aiming to construct a new trade and investment framework to consolidate their influence and control over international trade rules. This will have a significant impact on international trade and investment.

First, it disrupts the international market order. For example, the "Indo-Pacific Economic Framework" clearly aims to replace India and ASEAN as the new manufacturing hub instead of China. Similarly, the TTC, with its regional and external trade volumes accounting for over 40% of global trade, is expected to influence member countries' domestic and foreign policies as they follow these new governance regulations and innovations.

Second, it widens the North-South gap. These new trade rules are likely to exceed WTO standards significantly, reshaping the global supply chain and providing strong support for developed countries' competitive industries and technologies in international markets. This will weaken the development prospects of emerging economies from both a technological and demand perspective, further exacerbating the North-South development divide.

Third, it creates new market access barriers for non-member countries. The free trade zones promoted by the US and Europe, through customs regulations, industrial policy coordination, and new trade and investment dispute resolution procedures and mechanisms, are poised to change the global trade and capital flow patterns, putting non-member countries at a disadvantage.

Fourth, it further establishes and safeguards the US's strategic economic and trade interests worldwide. For instance, the implementation of the "Indo-Pacific Economic Framework" is likely to impact the ASEAN-led Regional Comprehensive Economic Partnership (RCEP) and China's advocated APEC Free Trade Area process.

4.3 The Purpose of the United States and Europe Promoting New Trade Rules Is Primarily Aimed at China, With the Intention of Excluding and Suppressing China

First, it aims to exclude China from strategic supply chains. It systematically prevents any actions that are detrimental to U.S. strategic objectives. The United States has implemented a chip legislation that provides substantial subsidies to chip companies establishing factories on home soil, and prohibit subsidized enterprises from building factories in China. The United States has also introduced the "Inflation Reduction Act," which introduces an "origin certificate" and subsidy system for electric vehicle batteries, stipulating that the final assembly of vehicles

must take place in the United States or in countries with which the United States has free trade agreements. It also requires that 40% of the raw materials used in electric vehicle batteries come from North America, with that proportion increasing to 80% by 2027. These rules primarily target China.

Secondly, it restricts China's economic growth space. The implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is expected to trigger a new round of cross-regional economic and trade integration processes, leading to "trade diversion" and "capital diversion," severely constraining China's economic growth momentum. The new trade rules, specifically tailored to China, on issues such as "state-owned enterprises, government subsidies, government procurement," and other global standards, are likely to serve as important tools for developed countries such as Europe, the United States, and Japan to launch new rounds of anti-monopoly, anti-subsidy laws, and merger clauses against China.

Thirdly, it restricts China's economic influence. The new trade rules will constrain China's position as the "world's factory" and thereby hinder the driving force behind China's economic development. For example, the United States-Mexico-Canada Agreement (USMCA), which replaces the previous North American Free Trade Agreement (NAFTA), to some extent limits the potential for China to sign free trade agreements with the United States, Mexico, and Canada. Moreover, disputes arising from Chinese companies or Chinese-owned companies investing in the United States within Mexico will not be able to seek protection through this agreement.

Fourth, it increases the development costs for China. The new trade rules, under the guise of a highly liberalized market, promote the creation of exclusive regional trade and investment protection mechanisms. They establish trade and investment rules favorable to developed countries in areas such as technical standards, product specifications, environmental indicators, and collectively construct new market barriers including the "cost imposition strategy," significantly raising the costs for China to participate in international division of labor, cooperation, and competition. It suppresses China's market attractiveness, thereby restraining China's outward investment momentum and ultimately curbing China's international economic influence.

Fifthly, it constrains China's foreign trade growth. The new trade rules may potentially encompass all of China's major traditional trading partners, aiming to fundamentally restrict China's trade growth with developed countries. More critically, after years of arduous negotiations to join the WTO, all the commitments made by China are about to become unilateral concessions, giving developed countries the opportunity to impose sanctions on China based on the new trade rules.

4.4 Full Efforts to Contain China

In addition to regulatory efforts, the United States is attempting to bypass the WTO through new trade rules, forcing China to fully comply with American strategic interests. Furthermore, the United States is employing all strategic means to hinder China's peaceful development and prevent it from rising as a strong global player. The United States does not want to see any competitors successfully implement their national development strategies, especially the rise of socialist China. The United States views China as a strategic adversary and has a systematic set of tactics to suppress China

Strategically, the United States is actively pursuing its "Asia-Pacific Rebalance" strategy, reinforcing its strategic front-line deployments, and seeking to deepen its involvement in the South China Sea issue and Taiwan issue through comprehensive approaches, both multilaterally and unilaterally. The U.S. is strengthening trade, defense, artificial intelligence, and quantum computing cooperation with India, through initiatives such as the "Indo-Pacific Economic Framework," the 2023 G20 "U.S.-India Joint Declaration," actively courting India to counterbalance China, aiming to make India a key hub for U.S. naval assets on the frontlines, and constructing an "invisible barrier" to restrain China's development. Politically, the U.S. is intensifying its presence around China, forming "value alliances," and refusing to recognize China's unique democratic system. Militarily, the U.S. is establishing military and quasi-military alliances around China, effectively encircling China. Economically, the United States is making every effort to limit China's competitiveness, increase the costs of China's development and safeguarding its rights, and consume China's scarce resources. Technologically, the U.S. is reinforcing its "small yard high wall" strategy, implementing long-term technology restrictions on China, strictly prohibiting the export of advanced technologies to China, and even categorizing technologies developed by U.S. multinational companies' subsidiaries in China as off-limits for transfer to China. Despite recent attempts to improve communication with China, the fundamental intent to constrain China's development has not changed. (Capoot, A. 2023, September 5)

However, the awareness and strength of competition without destruction are powerful, and the natural forces of geopolitics, economics, and culture cannot be artificially obstructed. While the United States may be able to manage

Europe and the Americas, it may not necessarily succeed in Asia and Africa, and certainly not in China. China itself is a super-sized market and a vital part of the international market. The diversified development of technology, artificial intelligence, rapid and high-quality multi-spectrum information generation technology (Yu et al., 2020 May), provides the potential for decentralized economic production. Influenced by the laws of development, China and the world are inseparable. The instinct for survival and development ignites a strong sense of independence, driving the development of new systems, new markets, and new supply chains. The world is inevitably moving toward a stable state of "bipolarity" (Miller, 2022, p. 319-427).

Moreover, the new trade rules present both challenges and opportunities. Some clauses in the new trade rules are complementary to China's deepening reform and opening-up, creating a reverse mechanism that accelerates the deep-level reform of state-owned enterprises (SOEs) to ensure their independent operation and fair competition. It also promotes the development of a market credit system, further opens up markets to ensure diversity among market entities, and expedites the construction of basic safeguard systems to protect the rights and interests of the general public and reduce wealth inequality. China promotes reform and development through openness, actively aligning with high-standard international trade norms. It proactively fosters a favorable business environment that is market-oriented, governed by the rule of law, and internationalized. China is working to join agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Digital Economy Partnership Agreement (DEPA), seeking cooperation and striving for win-win outcomes.

In summary, there are some new characteristics in international competition, the Russia-Ukraine war intensifies global transformation, the U.S. "Two Oceans Strategy" is accelerating its shift towards the East, new populism is on the rise, and various risks have increased significantly. The world is becoming more complex and turbulent, China faces a highly challenging international environment. In this situation, it is particularly important to manage the relationships between major powers carefully. Adhering to the fundamental laws of balanced development in human society is crucial for China to achieve comprehensive modernization and for the healthy and sustainable development of the international community.

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Notes

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Note 2. From Wikipedia, the free encyclopedia.

Note 3. www.rand.org/topics/geopolitical-strategic-competition.html | RAND.

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