

Sino-US Power Projection: A Case of Regional Instability

*Khaqan Ahmad**

Abstract

The history of power politics has been the history of power projection between great powers. Power projection between great powers is one of the essential characteristics of the struggle to maintain or attain hegemonic and semi-hegemonic status in a region. In this pursuit, many great powers witnessed their rise and fall due to complex nature of power projection. Currently, rising China and ruling United States (US) are projecting their power capabilities specifically in the Asia Pacific Region, in order to attain or maintain that very hegemonic status and if this pattern continues on this scale, it could trigger regional instability. This paper is an attempt to examine the nature and scale of power projection between US and China and to analyse potential threats to regional stability.

Keywords: Power Projection, America, China, Asia Pacific Region, Regional Instability

* Khaqan Ahmad is a Research Associate at the Centre for Strategic and Contemporary Research. He has done his M.Phil in International Relations from the National Defence University, Islamabad.

Power Projection between the US and China

The evolution in power politics is one that can be seen through a review of power projection between great powers. Throughout history, power politics has remained a dominant feature of great powers in their bid to exert influence. Many great powers underwent glory and tribulations due to complex nature of power politics based on the concept of power projection. The power projection between USA and China in the Asia Pacific Region is posing a threat to regional peace and stability. Power projection is defined as, 'the ability of a nation to apply all or some of its elements of national power - political, economic, informational or military to rapidly and effectively deploy and sustain forces in and from multiple dispersed locations to respond to crises, to contribute to deterrence and to enhance regional stability'.¹ Historically, competition between and among great powers has triggered bouts of power projection aimed at acquiring a geostrategic leverage over other states and maintained their hegemonic status in their concerned regions.² Although, at times focused on the enhancement of regional cooperation, it also poses threats to regional stability. However, every time when bouts of power projection were on display between the major powers in different regions, with a few exceptions, it led to regional instability.

The 20th century provides numerous examples of regional instability owing to power projection between and among great powers. Power projection between the colonial 'haves' (France and England) and 'have-nots' (Germany and Italy) in Europe was the cornerstone of regional instability, brought by the first and second World Wars.³ After the World War 2 (WW2), there ensued a power struggle between the US and the Union of Soviet Socialist Republics (USSR) on the global and regional geostrategic chessboard till the disintegration of the latter. Wherever a power struggle fuelled by the need for projection of power occurred, it fostered regional destabilization. Eurasia, Eastern Europe, the

¹ US Department of Defense, The Dictionary of Military Terms (New York: Skyhorse Publishing, 2013)

² Evan Lear Morrissey, Lessons from the Past: Power Transitions and the Future of U.S.-China Relations, (master's thesis, Georgetown University, 2010), 22-29.

³ Martin Gilbert, A History of the Twentieth Century (Great Britain: HarperCollins Publisher, 2002), 39-44.

Asia Pacific Region (APR) and Middle East were prominent regions that fell victim to destabilization that followed power projection between USA and USSR after WW2.

Power projection between the great powers is an essential characteristic in the struggle to attain and sustain a hegemonic and a semi-hegemonic status in a region.⁴ Important indicators of power projection are: rapid military modernization, massive modernization of weaponry, huge increase in defence spending, shifting military doctrines linked to territorial disputes and conflicts, strategic containment and antagonistic regional collaboration. Such power projection between great powers combined with strategic confrontation, comprising balancing and counterbalancing acts in addition to containment and counter containment strategies, often pose threats to regional stability.

Nature of Power Projection between the US and China

Historically, the nature of power projection has remained an important aspect of power politics. The nature of power projection has either been soft natured or of assertive poise. However, the nature of power projection between great powers has generally been centred on the display of hard power. The economic dimension of power projection attracted great significance during the Cold War and was twofold in this regard. In the first instance, it appeared in the form of the Bretton Woods institutions, through which the US projected its economic prowess with greater intensity on global scale.⁵ In the second instance, the Marshal Plan was also a case of its economic power projection to contain the USSR.⁶

The US enjoyed its economic power projection throughout the cold war and after the disintegration of the USSR; capitalism emerged as the only economic system which had power projection connotations led by the US unilaterally. For a long time, the leadership of economic power

⁴ Barry Buzan, "Security Architecture in Asia: The Interplay of Regional and Global Levels," *The Pacific Review* 16, no. 2 (2003): 143–173.

⁵ James Chen, "Bretton Woods Agreement," *Investopedia*, last modified September 5, 2019, <https://www.investopedia.com/terms/b/brettonwoodsagreement.asp>.

⁶ Robert J. McMahon, "The Cold War. Very Short Introductions," (Oxford: Oxford University Press: 2003), 30.

projection remained with the US. In 2011, China emerged as the second largest economy of the world by surpassing Japan as it started to project its economic power with the introduction of the Belt and Road Initiative (BRI).

The ratio of the projection of hard, economic and soft power suggests that hard power has remained the most dominant feature for every great power to project its power. It was first time in history of the world that a country, in this case China, became a great power without using its hard power capabilities. Even the US had to fight wars before becoming a great power. For instance, its wars with Canada and Mexico, and its role in both World Wars; the second of which drew to an end following the dropping of nuclear bombs on Japan, provide sufficient evidence that hard power remained the cornerstone of great powers. However, the case of China's power projection is quite different because it changed the rules of the game by relying more on economic rather than military power projection.

Trends of Power Projection between the US and China

The aforementioned changing nature of power projection between the US and China involves clear trends and patterns. Moreover, the history of the rise of both powers serves as an indicator of the same. There are four major trends in this regard. First, the established power generally tries to undermine the rising power through several means. The most prominent method in this regard has been the use of hard power. All contesting great powers have undergone such a pattern in evolution throughout the course of history. Second, antagonistic strategic collaboration, which means cooperation in those areas which are strategic and conflict in those which are not strategic, has remained a permanent trend between the competing powers. The Cuban Missile crisis and the Bay of Pigs are cases in point.⁷ Third, oceanic conflicts have been another important trend between competing powers. The expulsion of European powers from the Western hemisphere, particularly from the Atlantic and Pacific oceans by the

⁷ Ibid., p. 65

US marked this trend. Fourth, the formation of new alliances is another trend that has been evident throughout the course of history. Finally, the intensity of economic tussle, a prominent contemporary trend, further enhances the geo-political landscape until the decline of one power.

In addition to the identified trends, three crucial areas of power projection between US and China are emerging. In retrospect, these areas have been the most dominant features of power projection between great powers. These include economic, military and technological power projection between China and the US. Discussed further are the nuances of power projection in these areas.

Economic Power Projection

Economic power projection has become a *sine qua non* for both the US and China. There are three major areas of economic power projection in this regard. The first is the on-going trade war between the two. The second is the BRI and subsequent counter measures by the US, while the last refers to economic power projection through formation of new economic alliances.

- **Trade War**

During his election campaign, Donald Trump put allegations on China for using unfair means in trade.⁸ He accused China for violating international intellectual property rights.⁹ Upon becoming President, he assured his cabinet and people alike that he was not going to let China violate trade rules and willing to punish their trade rivals for any alleged transgression. The US raised this issue in the World Trade Organization (WTO) and warned China of the use of unfair means in trade practice; especially violation of intellectual property rights which would result in the imposition of penalties and other fines.

⁸ Matt Spetalnick and David Brunnstrom, "Trump's election meddling charge against China marks U.S. pressure campaign," *Reuters*, last modified September 28, 2018, <https://www.reuters.com/article/us-usa-china/trumps-election-meddling-charge-against-china-marks-u-s-pressure-campaign-idUSKCN1M72VQ>.

⁹ Stephen Letts, "Intellectual property theft, not metal, is the real trade war in US sights and it's a much bigger worry," *Australian Broadcasting Corporation*, last modified March 9, 2018, <https://www.abc.net.au/news/2018-03-10/intellectual-property-theft-not-steel-and-aluminum-is-the-real-/9531176>.

According to President Trump, investigations show that the US is bearing a loss of about 600 billion dollars annually.¹⁰

As a result of the findings of the US Trade Representative (USTR) Section 301's investigation into China, the US claims that China enforces laws that allow it to legally avoid certain terms previously laid out in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).¹¹ The US is of the opinion that some Chinese laws counteract intellectual property rights (IPR) by forcing foreign companies to engage in joint ventures with Chinese companies, in which their new Chinese partners are granted access and permission to use, improve, or replicate their technologies. Additionally, the US argues that China is not compliant in recognizing legitimate patents and that their policies discriminate against foreign imported technology.

This economic power projection resulted in a new string of enhanced tariffs. Announcements and imposition of extra tariffs have been frequent. Since January 2018, 30 per cent tariffs have been placed on solar panels by the White House.¹² China, being the leader of solar panel production, made no secret of its indignation toward US economic policies. After taking this measure, President Trump went on to impose 20 per cent tariffs on washing machines.¹³ Initially the US imposed tariffs worth of 50 to 60 billion dollars on Chinese goods in March 2018.¹⁴ Subsequently, the US came up with 13,000 categories of Chinese goods to be tariffed. China responded by imposing tariffs on 128 US products.¹⁵ The WTO was quick to intervene and requested China and the US for negotiations.

¹⁰ Sherisse Pham, "How much has the US lost from China's intellectual property theft?," *CNN Money*, last modified March 23, 2018, <https://money.cnn.com/2018/03/23/technology/china-us-trump-tariffs-ip-theft/index.html>.

¹¹ Brian Schwartz, "Chinese official tells American investors at a meeting: We don't fear a trade war with the US," *CNBC*, last modified October 22, 2018, <https://www.cnbc.com/2018/10/22/chinese-official-tells-us-investors-at-meeting--we-dont-fear-trade-war.html>.

¹² Tom DiChristopher, "Trump's solar tariffs could put the brakes on rapid job growth in renewable energy," *CNBC*, last modified January 23, 2018, <https://www.cnbc.com/2018/01/23/trumps-solar-tariffs-could-slow-down-rapid-renewable-job-growth.html>.

¹³ Brian Schwartz, "Chinese official tells American investors at a meeting: We don't fear a trade war with the US," *CNBC*, last modified October 22, 2018, <https://www.cnbc.com/2018/10/22/chinese-official-tells-us-investors-at-meeting--we-dont-fear-trade-war.html>.

¹⁴ Sherisse Pham, "How much has the US lost from China's intellectual property theft?,"

¹⁵ Tom, DiChristopher, "Trump's solar tariffs could put the brakes on rapid job growth in renewable energy"

In June 2018, President Trump declared that the US would impose 25 per cent tariffs on Chinese goods worth 50 billion dollars.¹⁶ China declared it the starting of a trade war, borne out of American economic policy. In July 2018, the US announced that it would impose another 10 per cent tariffs worth of 200 billion dollars if China retaliated, and retaliate it did by imposing tariffs worth of 50 billion dollars on American goods.¹⁷ ¹⁸ Such was the frequency of the interplay of tariffs under the larger trade conflict between the two great powers.

US tariffs on Chinese goods worth 34 billion dollars came into effect on 6 July, 2018. On July 10, the US released an initial list of the additional 200 billion dollars' worth of Chinese goods that would be subjected to a 10 percent tariff.¹⁹ A couple of days later, China vowed to retaliate with additional tariffs on American goods worth 60 billion dollars. On August 8, the USTR published its finalized list of 279 Chinese goods, worth 16 billion dollars to be subjected to a 25 per cent tariff from August 23.²⁰ China responded with its own tariffs of equal value when the American tariffs were implemented. They also threatened tariffs on an additional 267 billion dollars' worth of imports if China retaliated, which China promptly did on September 18 with 10 per cent tariffs on 60 billion dollars imports from the US.²¹ So far, China has either imposed or proposed tariffs on 110 billion dollars of US goods, including most of its imports of American products.²² The aforementioned series of new tariff imposition from both the US and China symbolizes economic power projection under the shadow of trade war.

¹⁶ Sherisse Pham, "How much has the US lost from China's intellectual property theft?,"

¹⁷ Chen Yawen and David Lawder, "China says Trump forces its hand, will retaliate against new U.S. tariffs," *Reuters*, last modified September 18, 2018, <https://www.cnn.com/2018/09/18/reuters-america-wrapup-5-china-says-trump-forces-its-hand-will-retaliate-against-new-u-s-tariffs.html>.

¹⁸ Michael Martina, "U.S., China impose further tariffs, escalating trade war," *Reuters*, last modified August 23, 2018, <https://af.reuters.com/article/africaTech/idAFL2N1VE01M>.

¹⁹ Tom DiChristopher, "Trump's solar tariffs could put the brakes on rapid job growth in renewable energy"

²⁰ Shaw Donnan, Jennifer Jacobs, Mark Niquette and Miao Han, "US, China each impose \$16 billion of fresh tariffs as talks resume," *LiveMint*, last modified 23 August 2018, <https://www.livemint.com/Politics/A2IdtmZ8uvZfucI9XG0niO/US-China-resume-trade-talks-as-Trump-imposes-new-tariffs.html>.

²¹ *Ibid.*

²² *Ibid.*, p. 54.

If we analyse the entire continuum of tariff announcement, it would not be an exaggeration to state that in cases of power projection, destabilization is inevitable. In fact, the very nature of a trade war does not resolve the problem but rather intensifies it, used by great economies to contain their competition. During the tenure of Barack Obama, conflict of such a nature was projected in the form of Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP) which could not be materialized, only for tariffs to be reintroduced.

- *Belt and Road Initiative*

One of the greatest efforts for economic power projection in history is the BRI by China. The One Belt One Road (OBOR), the Silk Road Economic Belt and the 21st Century Maritime Silk Road fall under the same scheme of Chinese expansion. The plan was unravelled by Xi Jinping during his visit to Indonesia and Kazakhstan in 2013.²³ The project has been propagated by Premier Le Keqiang in many European and Asian countries.²⁴ The BRI is meant to minimize regional infrastructure gaps through the connectivity of three continents aimed at channelling economic growth. The speedy connectivity of Asia, Europe and Africa, covering 68 countries can be summed up as the economic world order in the 21st century.

The massive project is comprised of six land corridors and the Maritime Silk Road. The six corridors include the New Eurasian Land Bridge, China-Mongolia-Russia Corridor, China-Central Asia-West Asia Corridor, China-Indochina Peninsula Economic Corridor, Bangladesh-China-India-Myanmar (BCIM) Economic Corridor and the China-Pakistan Economic Corridor (CPEC).²⁵ The 21st Century Maritime Silk Road is aimed at connecting sea corridors across the Indian, Pacific and Atlantic Oceans as

²³ "Chronology of China's Belt and Road Initiative," *China's State Council*, last modified March 28, 2015, http://english.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm.

²⁴ *Ibid.*, 34.

²⁵ *Ibid.*

well as the Oceanic region. The estimated cost of BRI is estimated around 4-8 trillion dollars.²⁶ It is being compared with the US led Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP); both of which have been put on the back burner by President Trump. The monetary role of the BRI has been given to the Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund.²⁷

This is the first time in the history of great powers that a state plans to invest such a figure unilaterally. The figure is such that even the US led Bretton Wood institutions combined with the Marshal Plan make up 40% of the value of China's investments. This is the highest valued power projection by any state on both economic and strategic fronts to be recorded. Historically speaking, Pax Romana was replaced by Pax Britannica which was in turn replaced by Pax Americana.^{28 29} Notions that the 21st century will witness Pax Sinica as the dominant world order, has not been lost on academicians and policymakers alike.

The most critical question however is the US's response to the changing world order. If the US continues to enhance tariffs, it will sustain economic instability for some time but will eventually end with failure to contain China's rise. China has opened up its market of across more than sixty countries, the key to connectivity for which is BRI, China's flagship project. It is pertinent to mention here that both the US and China have reached qualitative threshold beyond which destabilization would be really harmful.³⁰ Moreover, the regions where BRI is being implemented are those that have been of strategic importance to US interests. Following is the analysis of each area through the lens of power projection.

First, the New Eurasian Land Bridge connects the Central Asia Republics (CARs), Russia, Poland, Belarus and Germany to the Xinjiang province in North-western China. Two of these areas were of great

²⁶ Ibid., 39.

²⁷ Ibid., 56.

²⁸ Donald L Wasson, "Pax Romana," *Ancient History Encyclopedia*, last modified December 8, 2015, https://www.ancient.eu/Pax_Romana/.

²⁹ Paul Kennedy, *The Rise and Fall Of The Great Powers: Economic Change And Military Conflict from 1500 to 2000* (New York, Random House, 1987), 39.

³⁰ John J Mearsheimer, *The Tragedy of Great Power Politics* (New York: Norton, 2001), 83.

strategic importance to the US throughout the cold war particularly Eurasia and the Central Asian region. The US, even after the disintegration of the USSR, has been insecure of Russia especially since the start of Putin's rule.

On the other hand, the focus of US power projection has been the Eurasian region; evident historically through the Marshal Plan and Berlin Airlift. For more than forty years, the US incessantly projected its power capabilities in order to contain USSR and extended its influence in Western Europe. The difference between USSR's and China's power projection is trifold. First, the USSR's power projection was based on attacks and counterattacks, conventionally targeting defence and security. Second, the US-Soviet conflict was a result of ideological differences between capitalism and socialism. Third, it was aimed at territorial expansion. On the contrary, the nature of Chinese power projection in that specific region is more economic than ideological, territorial or political.

Thus, the economic motive behind numerous projects under the BRI will strengthen the political and strategic interests of China which means that retaliation from the US is inevitable because it has not allowed any great power to become a peer competitor. Therefore, instability could be the eventual product of this power projection between the US and China.

Secondly, the China-Mongolia-Russia Corridor has two major aspects. The Russian Direct Investment Fund (RDIF) and the China Investment Cooperation (CIC) will create a Sino-Russian partnership that could enhance bilateral economic relations between Russia and China. It would be difficult for the US to counter coordinated Russia and China simultaneously in the power projection game.

Thirdly, China-Indochina Peninsula Economic Corridor runs through the area which remained strategic to the US and Japan. This area has witnessed indirect power projection during 1960s. Fourthly,

BCIM is another important corridor that is connecting Bangladesh, China, Myanmar and India.³¹ India is strategic to the US and its connectivity and interdependence with China is against the interests of the US. Lastly, CPEC is another land corridor which is critical to US interests as Pakistan has been a US's ally since its inception and fall of USSR was impossible without Pakistan's help.³² Losing Pakistan means losing the most important ally that has been critical for South Asia, Central Asia and Indian Ocean to Middle East.

- *Currency War*

Another significant aspect of economic power projection is currency propagation, domination and manipulation in the world's economic landscape. The US has been enjoying its said dominance since the creation of the Bretton Woods institutions.³³ For since then, the dollar has undisputedly been the busiest traded currency of the globe. All trade transactions, foreign exchanges and foreign reserves are held in the US dollar. Additionally, the trade of Petro-chemicals is measured in the 'Petro-dollar', in fact, energy exports and imports particularly those related to oil are solely dependent on the dollar.³⁴ For more than six decades, the dollar has remained the *sine qua non* of international economics. But the dominance of the dollar is being challenged gradually by China. China, being the world's largest economy in terms of Purchasing Power Parity (PPP) has started to project its own currency, the Yuan, a trend that will see escalation following the trade conflict.³⁵

In international markets, China has partially launched its 'Petro-yuan'³⁶ for oil imports and is also working with Russia and Iran to bypass the Petro-dollar by working with them to have the Petro-Yuan

³¹ "Chronology of China's Belt and Road Initiative," *China's State Council*, last modified March 28, 2015, http://english.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm.

³² Ibid.

³³ Fred Block, *The Origins of International Economic Disorder: A Study of United States International Monetary Policy from WW II to the Present* (Berkeley: UC Press, 1977), 19.

³⁴ Amadeo Kimberlyl, "Petrodollars and the System that Created It," *The Balance*, last modified August 02, 2018, <https://www.thebalance.com/what-is-a-petrodollar-3306358>.

³⁵ China's currency

³⁶ "China's 'Petro-Yuan': The end of the dollar hegemony?" *Al Jazeera*, March 31, 2018, <https://www.aljazeera.com/programmes/countingthecost/2018/03/china-petro-yuan-dollar-hegemony-180331091248813.html>.

embraced as a robust financial measure. It is important to mention here that China is the largest debt holder of the US and also the largest oil importer in the world; complementing Russia's role as one the largest oil exporters in the world.³⁷ Thus, bypassing the Petro-dollar does not seem too arduous for China by switching to the Petro-yuan; a measure that will take greater diplomatic acceptability to be reined in as such. However, the Petro-yuan is threatening the dollar's hegemony as various nations including Iran, Venezuela, Indonesia, Nigeria and Pakistan are joining the venture.

There have been several attempts at 'de-dollarization' in the recent past aimed at dethroning the dollar. The first attempt in this regard occurred during the Arab Israel war in 1967, wherein the Arab countries threatened to decrease oil production, shooting up oil prices.³⁸ At that time, the Arab bloc was led by Gamal Abdel Nasser of Egypt, an ally of USSR.³⁹ Former President Richard Nixon dealt with the issue by abandoning the gold standard which is popularly known as the Nixon Shock.⁴⁰ ⁴¹ The second attempt at 'de-dollarization' emerged when Saddam Hussain tried to trade oil in Euro instead of the dollar, which resulted in the invasion of Iraq during the tenure of President George W. Bush.

The third attempt at 'de-dollarization' was made by Libya's Muammar Gaddafi who wanted to trade oil in gold dinar across Africa.⁴² This attempt also resulted in the death of Gaddafi and the subsequent breaking out of civil war in Libya.

Another significant attempt was made by Hugo Chavez of Venezuela who tried to replace the dollar in Latin America but failed as well.⁴³ Following these, successive attempts have been made by China to dethrone the dollar. The question remains whether the US will follow a similar course of action as its policies in Iraq, Libya and Venezuela. One important lesson that can be drawn from her

³⁷ Ibid.

³⁸ Fred Block, *The Origins of International Economic Disorder: A Study of United States International Monetary Policy from WW II to the Present*, (Berkeley: UC Press, 1977), 23.

³⁹ Tahia Gamal Abdel Nasser, *Nasser: My Husband* (Cairo: The American University in Cairo Press, 2013), 9.

⁴⁰ A gold standard is a monetary system in which the standard economic unit of account is based on a fixed quantity of gold.

⁴¹ Alan Richards, *A Political Economy of The Middle East: Second Edition* (New York: Palgrave, 2007):34.

⁴² Ibid., p. 87.

⁴³ Alberto Barrera Tyszka, *Hugo Chavez: The Definitive Biography of Venezuela's Controversial President* (Random House, 2007), 23.

assertiveness in the past is that the US would go to any extent to maintain the dollar's hegemony because if the Yuan was to replace it, China's role as the more robust economic power would follow.

Hard Power Projection

There is a continuous hard power projection between the US and China. These areas include assertive national security policies, resulting in huge increases in defence spending and rapid military modernization.

- *Assertive Security Policies and Huge Defence Spending*

The Asia Pacific Region has been a strategically important area for the US since the expulsion of European powers from eastern hemisphere.⁴⁴ For more than two centuries, the US has enjoyed maritime dominance in the Pacific Ocean. Throughout this period, no power had been able to challenge US naval supremacy. During WW2, Japan challenged US supremacy and met ruthless punishment in the form of nuclear attacks on Hiroshima and Nagasaki. Vietnam challenged the US during the war in Indochina in the 1960s with the aid of the USSR, but never succeeded in undermining the hegemony of the US in Asia Pacific. This is the first time in its history that the traditional hegemonic role of the US is being challenged in Asia Pacific by China.

China kept a low profile since its inception, until it surpassed Japan as the second largest economy of the world. During this period, the US remained engaged in conflicts on other fronts and the risk of a rising peer competitor went unnoticed. In 2011, former President Barack Obama and former Secretary of State Hillary Clinton came up with a new security policy of the US in Asia Pacific, titled as the US Pivot to Asia.⁴⁵ The crux of the Pivot to Asia was to contain China's rise as the hegemonic status of the US stood to be challenged by the continuous rise of China. It was hence regarded as America's Pacific

⁴⁴ John J Mearsheimer, *The Tragedy of Great Power Politics* (New York: Norton, 2001), 112.

⁴⁵ U.S. Department of State, "Clinton on America's Pacific Century: A Time of Partnership," last modified November 10, 2011

century. Essentially, the US was able to reassert its presence and role in the region. On the other hand, China also projected its assertive behaviour that is reflected in this remark of President Xi Jinping:

‘While we pursue peaceful development, we will never relinquish our legitimate rights and interests or allow China's core interests to be undermined. We should firmly uphold China's territorial sovereignty, maritime rights and interests and national unity, and properly handle territorial and island disputes’.⁴⁶

Apart from these, China's white papers on defence and American national security policy papers represent assertive behaviour of both the great powers. Both the powers reached at critical juncture that no state is willing to retreat. On the other side, ever increasing defence spending from both sides is another tool of power projection that is expanding every year. At present, US annual defence spending is more than \$650 billion and China's defence spending amounts to more than \$150 billion.^{47 48} Historically, whenever this kind of power projection between great competing powers happened, it brought instability. And if these trends and patterns of power projection continue, it could be dangerous for regional stability of Asia Pacific Region.

- *Rapid Military Modernization*

⁴⁶ "Chronology of China's Belt and Road Initiative" *China's State Council*, last modified March 28, 2015, http://english.gov.cn/news/top_news/2015/04/20/content_281475092566326.htm.

⁴⁷ Eric Heginbotham et al, *The US – China, Military Scorecard* (Santa Monica: RAND Corporation, 2015), 56.

⁴⁸ Ibid.

Military modernization has been considered the most important tool of power projection for any state throughout history. China's military underwent significant modernization because of the emergence of a new power projection landscape in Asia Pacific. It is one of the most critical issues of security in the Asia Pacific, particularly for nations hostile to China. China's military modernization was started under Deng Xiaoping in 1979 and accelerated after 1985. From 1993 to 2009, China underwent military modernization in every sphere of defence and security. The military power projection between China and the US has transformed a stable strategic landscape of Asia Pacific into an unstable one. This display of power projection, under the shadow of the traditional hegemonic role of the US and the rise of China has grave implications for the region. China finds its salvation in military modernization.

The People's Liberation Army Navy (PLA Navy) has modernized its capabilities to an unprecedented level. Admiral Liu Hanqing reintroduced 'Offshore Defense' or 'Near Seas Defense', previously titled 'Coastal Defense'. Offshore Defense or Near Seas Defense is designed to control the South China Sea, Malacca, Sunda and Lombok straits; all of which pass through the South China Sea.

The PLA Navy is expanding its operational areas for deployment. The South China Sea remains a potential flashpoint because of overlapping claims of China, Vietnam, Philippines, Malaysia, Taiwan and Brunei. China's military modernization underwent a significant transition in the emerging power projection landscape of Asia Pacific Region. According to US security commission report, China, after undergoing rapid modernization in air defence capabilities is focusing on A2/AD (Anti-Access/Area-Denial) and stealth capabilities. J-20, J-21, JF-17 and J-31 stealth strikers are now competing with the most advanced and modernized stealth strikers F-35 and F-22 in the US.⁴⁹ China has also acquired the most advanced drone technology overseeing satellite and anti-satellite missions.

The more decisive areas of power projection for future dominance are technology in general and Artificial Intelligence (AI) in particular. Both the US and China are struggling for AI dominance because

⁴⁹ Ibid., p. 71.

the future of power projection and the fate of either state's hegemony will be determined by AI.⁵⁰ The state which dominates in the AI sector will be set to establish dominance. In simple words, AI is the new engine of power projection in defence, politics and economics. Late Stephen Hawking in addition to Nick Bostrom, Bill Gates, Elon Musk and many others raised concerns about the risk of cognitive machines given the risk that they could even put the human race into museums, as the speed of cognition and action of machines will be light years ahead of human beings in qualitative as well as in quantitative terms.

The biggest problem in this regard is the regulation of AI which is extremely difficult. Recently, the US and China projected their power capabilities by introducing their respective 'National AI Strategies' which means that AI is indeed now the official form of power projection between both powers. Moreover, the arrest of Huawei's CEO in Canada, America's ban on it and Google's announcement that its feature will no longer be available in Huawei's phones are a string of events, indicating the start of a conflict in the technology sector.

Effects on Regional Stability

The on-going power projection between the US and China in several critical areas is posing serious threats to regional stability. Furthermore, if power projection of a hostile nature continues, it is likely to be a catalyst for regional instability.

Potential Areas of Regional Instability

Areas of power projection that can trigger regional instability in Asia Pacific Region include:

- On-going Trade War between the US and China
- Belt and Road Initiative

⁵⁰ Stuart J. Russell and Peter Norvig, *Artificial Intelligence: A Modern Approach* (New Jersey: Pearson Education Inc, 2010), 13.

- New economic alliances and the struggle for dominance over global economic control
- Quest for technological dominance

The deteriorating impacts of power projection in the aforementioned areas are not limited to a single domain, but are multifaceted. Various aspects of regional instability that are being caused by power projection have been discussed in the following pages. The continuing trade war between the US and China is essentially a struggle to dominate the economic world order in the 21st century. Both great powers are projecting their power capabilities in order to undermine each other's economic influence. At the end of WW2, the US introduced its economic world order under the Bretton Woods Institutions which was the continuation of Europe led colonialism. The economic power projection; ideologically centred around capitalism and socialism as part of the US and USSR agendas respectively, until the demise of the USSR. It should be remembered that during the cold war, both powers were simultaneously projecting their hard and economic power. The projection of power then brought instability to different regions. Now the imposition of increasing tariffs is resulting in instability in global and bilateral trade regimes among other economic activities.

Last, the power projection between the US and PRC on technological front is the most decisive dimension of power projection which is going to set the direction of future course of history. Currently, both the US and China are struggling for dominance in the technological field. AI, as the most crucial area of technological advancement will determine the future super power. The country which will dominate AI field will dominate the global landscape. According to experts, by 2030 the contribution of Artificial Intelligence to the global Gross Domestic Product (GDP) will be more than 15 trillion dollars. Out of those 15 trillion dollars, China's share will be 7.8 trillion dollars, 45 per cent of the total amount.⁵¹ The economic dynamics of the race to technological superiority will be dominated by China. The

⁵¹ Ibid., p. 23.

question remains as to how the US is going to counteract. Given that the US does so, it will be the other key player in AI, in qualitative terms. That means the intensity and scale of power projection between the US and China will increase and whenever the scale and intensity increases, it poses grave implications for regional stability.

Conclusion

The notion of power projection has remained a dominant feature between great powers with varying degree. The nature, intensity and manifestation of power projection of great powers has been asymmetric. However, there are certain areas and indicators which generally provide impetus to instability. Essentially, these areas enhance the chances for destabilization. The US and China have had a sustained trade relationship since the era of reforms in 1978. However, China's rapid economic growth and massive military modernization has been challenging the hegemonic status of the US in Asia Pacific since 2010.

The Asia Pacific region is strategically important for both powers. Although the US has enjoyed its traditional hegemonic status in Asia Pacific, now it is being challenged by China's continuous rise. Both the US and China are projecting their power capabilities in order to deter each other. Moreover, power projection between the US and China reflects their assertive behaviour in the region. The assertive behaviour of a rising power juxtaposed with a hegemonic power has grave implications for the region.

Power projection is an outcome of both the US and China trying to ensure their dominance over the region; an outcome that would get too far from the two if instability prevails in political, economic and strategic realms within the region. Therefore, the nature of power projection that is currently underway is expected to bring long term benefits to none. Provided that none of the competing states is

willing for a compromise in a world that is constantly evolving, prospects for a stable Asia Pacific region are not bright.