

GRAND STRATEGY AND THE FUTURE OF US-CHINA RELATIONS: CONFRONTATION, COMPETITION, OR COOPERATION

Zahid Hussain^{*1}, Dr. Muhammad Fahim Khan²

^{*1}PhD Scholar, Department of International Relations MY University, Islamabad

²Assistant Professor, Department of Humanities and Social Sciences Bahria University, Islamabad

²mfahimkhan.buic@bahria.edu.pk

Corresponding Author: *

Zahid Hussain

DOI: <https://doi.org/10.5281/zenodo.17587591>

Received	Accepted	Published
19 September 2025	29 October 2025	12 November 2025

ABSTRACT

This study applies a grand-strategy lens to analyze the evolving U.S.-China relationship and to assess whether their interaction is best characterized by confrontation, competition, or cooperation. Drawing on a hybrid theoretical framework that integrates realism, liberalism, and constructivism, the paper maps how material capabilities, institutional interdependence, and identity-driven narratives jointly shape strategic choices. It identifies and categorizes the core domains of interaction security (Taiwan, South China Sea, military modernization), economic and technological rivalry (supply chains, semiconductors, “de-risking”), and selective areas of cooperation (climate change, pandemic response) and explains how each domain produces distinct incentives for confrontation, competition, or cooperation. Using qualitative, interpretive methods based on secondary sources, the study conducts thematic content analysis and a scenario-based assessment (confrontation–competition–cooperation) guided by strategic indicators such as military posture, economic policy, and diplomatic engagement. The paper argues that U.S.-China relations are unlikely to fall into a single fixed pattern; instead, a fluid and adaptive strategic equilibrium will persist, with outcomes contingent on leadership choices, institutional mechanisms, and management of mutual vulnerabilities. By synthesizing material, institutional, and ideational drivers, the study offers policy-relevant insights for managing competition while preserving limited, necessary cooperation to maintain global stability.

Keywords: grand strategy, future of us-china relations, confrontation, competition, cooperation

INTRODUCTION

The relations between the USA and China are developing into a complex strategic case. As China has ascended into economic, military, and diplomatic power, it has been challenging the USA. In economic terms, no country over the past few decades has been at par with the USA, but over the past decade, China has been emerging as a good economic power. In terms of military, China has been producing and exporting high-end weapons, and its technology is improving with

time (Leoni, 2023). The US has been dominant in the weapon market for a long time, but now China has entered weapon production and is advancing in it. The soft power the US has had has no match in the world, and China has been working on improving its diplomatic power and soft influence on other states. Start experts now treat the US-China relationship not only as a bilateral issue but as an axis that is shaping the trajectories of

governance, strategic stability, and the diffusion of power (Blackwill & Tellis, 2015).

The main question in the relationship of the two countries is how they can navigate the inherent tensions, rivalry, and cooperation between them. The concept of grand strategy provides a lens through which we can investigate the means and ends state pursues across the spectrum of its foreign policy to align its priorities and adjust to changing constraints and opportunities. In the case of the US and China, the grand strategies do not have a fixed script and evolve due to the changing domestic politics, global structures, threat perceptions, and leadership beliefs (Leoni, 2023).

Over the past decades, the US strategic Orientation has shifted from engagement to competition due to the growing skepticism about the liberal order's existence and sustainability and concerns about Chinese revisionism. China under Xi Jinping has embraced a more assertive posture, melding its domestic legitimacy narratives with expanding global ambitions. The alignment of the "China dream" with the larger projects like the "Belt and Road Initiative" and technological and military modernization has made China a target actor in the global arena. The 2021 encourage meeting between the senior US and Chinese diplomats in the Biden administration signaled that even with a change in the US leadership, the strategic tensions would exist between the US and China (Scobell et al., 2020).

The US-China relationship is so multidimensional that it cannot be predetermined or predicted so easily due to the evolving dimensions. While competition and strategic rivalry dominate the current US relations, the possibility for corporations persists in areas such as climate change, pandemic responses, non-proliferation, or trade regulations. At the same time, there are certain confrontations, whether limited or extensive, that cannot be ignored, which act like a flashpoint between the relationship of the two countries, such as Taiwan, the South China Sea, or technological decoupling (Doshi, 2021).

The evolving dynamics of the US-China relations have increasingly been viewed through the lens of grand strategy, yet the existing analysis often fails to systematically explain the strategic doctrines

and long-term objectives shaping the patterns of interactions. While both powers compete for the visions of global order, the boundaries between confrontation, competition, and cooperation remain blurred across the economic, military, and technological domains. This ambiguity creates a critical gap in understanding whether their behaviors reflect our manageable rivalry or a zero-sum confrontation. Assessing this gap would address the future stability of the international system and identify potential avenues for constructive engagement.

RESEARCH QUESTION

- How does the Grand Strategy framework explain US-China interactions?
- What are the main areas of US-China confrontation, competition, and cooperation?

RESEARCH GAP/OBJECTIVES

The main objectives of this study are:

- To understand the explanation of the grand Strategy framework to explain US-China Interactions.
- To identify the main areas of US-China confrontation, competition, and cooperation.

THEORETICAL FRAMEWORK

The study will use the three main paradigms of International Relations (Realism, liberalism, and Constructivism) to form a theoretical foundation, using a hybrid theoretical approach. This approach encompasses the alignment of national interest to the long-term interest in an uncertain national environment, capturing both material capabilities and ideational motivations. A hybrid theoretical framework would offer a distinct lens on the logic of power, interest, and identity in great powers' behaviors on the basis of the paradigms of international relations.

Realism and Security Dilemma

Realism, particularly in structural or neo-realist variants, provides the most traditional lens for understanding and interpreting US-China interactions. In the realm of realism, it begins from the premise of anarchy, that is, the absence of a central authority in an international system,

and it assumes that states seek survival through power accumulation. Under realism, grand strategy is fundamentally concerned with balancing against the threats and maintaining A favorable distribution of power that holds equilibrium (Zhang, 2019).

From the realist perspective United States' grand strategy revolves around sustaining its global position after it wins the situation and preventing the emergence of a peer competitor. On the other hand, China's strategy is driven by the pursuit of regional hegemony and the restoration of great power status. Experts argue that the US-China relationship reflects the logic of offensive realism because China grows stronger and seeks to dominate Asia, the way the US dominates the Western Hemisphere, striking a balance for the US and its allies. It results in a security dilemma in which defensive measures by one actor are perceived as an offensive act by the other, escalating mutual suspicion and arms buildup, triggering an arms race (Waltz, 1979), (Zhang, 2019).

Manifestations of this realist dynamics include China's military modernization, assertiveness of China in the South China Sea, and focus on technological self-reliance, which is perceived by the US as a strategic threat. In reaction, initiatives like Washington's Indo-Pacific strategy, AUKUS partnership, and other networks of alliances are seen by China as containment efforts against it. Based on these circumstances, confrontation becomes a structural outcome of power transition, described as the Thucydides Trap (Waltz, 1979). However, the realist paradigm cannot explain persistent interdependence and occasional cooperation between the two powers, particularly in economic and governance domains. It explains the rivalry but not the motivations and drivers behind the corporations.

Liberalism and Strategic Interdependence

Liberal theories emphasize institutions, economic interdependence, and the role of international norms in mitigating conflicts. According to liberalism, grand strategy can not only work to maximize the relative power but also can shape a favorable international order through mutual

cooperation and integration based on negotiated who then principles (Ikenberry, 2018).

The United States' post-World War 2 grand strategy was rooted in liberal internationalism, enriching the US and working on constructing a network of alliances, multilateral institutions, and open markets to maintain stability and legitimacy for its leadership. China is also said to have benefited from this order, particularly during its reform era which was from 1978 to 2008, in which economic globalization and multilateralism benefited China in the creation of its markets (Nye, 2020). Irrespective of the unstable relation between the two countries, both remain economically intertwined, having bilateral trade exceeding \$690 billion in 2022, and supply chains being mutually dependent (U.S. Census Bureau, 2023).

Liberals argue that the strategic interdependence creates both constraints and incentives for cooperation. Some issues like climate change, non-proliferation, and pandemic responses demand coordination that transcends power politics and limited interests. Some examples of these joint ventures include the 2014 US-China Climate Agreement, which cooperated on shared global issues. Additionally, international institutions provide structured avenues for engagement, such as the World Trade Organization (WTO), G20, and the UN Security Council (Nye, 2020).

Liberalism on one side can deter war; on the other hand, it can also become a source of Vulnerability and competition in trade, finance, and technology. The US drive for "decoupling" in critical technologies like semiconductors and AI, and China's pursuit of "Dual circulation" and digital sovereignty, explain this tension (Ikenberry, 2018). Liberalism cannot explain the deep-seated mistrust and identity-based conflict that persists between countries.

Constructivism and Identity Perceptions

Constructivism focuses on the social and ideational foundations of international politics, stating that states' behavior is shaped not only by their material interest but also by identities, norms, and perceptions. From the constructivist point of view, the grand strategy reflects how states

define who they are, what role they play, and how they perceive others (Wendt, 1999).

In the case of US-China, the constructivists highlight a clash of strategic identities. The United States sees itself as a defender and promoter of a liberal, rules-based order and sees China's rise as a potential revisionist challenge to that order. China, on the other hand, perceives itself as a resurgent civilization that seeks its rightful status after a century of humiliation, viewing American predominance as an obstacle to its national rejuvenation. These contrasting narratives shape the policies and actions, and deterrents for one side are considered as provocation for the other (Yan, 2014).

Constructivists also highlight the role of leadership and ideology in the creation of national image and perspective. The assertive nationalism under Xi Jinping and the American discourse of democratic renewal under Biden enforces competing visions of world order. The corporation has made politically costly go to public opinion, elite narratives, and media frameworks, deepening the rivalry. As a result, even when material incentives exist for coordination, the mutual mistrust and identity conflicts prevent strategic alignment between the two (Zhao, 2022).

A hybrid Framework

Given the multidimensionality of the US-China relation, a single theory cannot capture the complexity of the relation. A hybrid theoretical framework integrating realism, liberalism, and constructivism offers a more comprehensive understanding of how grand strategy explains their interaction.

From realism, the framework identifies that the distribution of power and security derives the strategic competition and confrontations liberalism summarizes that the influence of economic interdependence common global institutions and issues specific operation it's possible but has a limited scope. Constructivism acknowledges the impact of identity, perceptions, and narratives in shaping policy choices and strategic mistrust.

The integrated approach allows the analysis across 3 levels of interaction

- Confrontation - driven by power transition and security dilemmas.
- Competition - they play institutional positioning and economic technological rivalry.
- Cooperation - based on norms convergence, shared threats, and leadership choices.

Thus, the grand strategy framework acts as a link connecting the material power, institutional dynamics, and ideational factors into a coherent explanatory model. It highlights that the future of US-China relations will depend not only on unlimited traditional forces but on strategic adaptations.

RESEARCH METHODOLOGY

The study uses the Grand Strategy Framework as a lens to get an understanding of US-China Interactions. Moreover, the study would examine the areas of US-China confrontation, competition, and cooperation. The research design is qualitative, interpretive analysis based on secondary data. Secondary data will be collected through qualitative data collection techniques. The data sources will be academic journals, think tank reports, and policy documents. The research analysis would be done through thematic content analysis of secondary literature. A Scenario analysis (Confrontation-Competition-Cooperation) based on strategic indicators (military posture, economic policy, diplomatic engagement) would be done.

LITERATURE REVIEW

The strategic competition between the US and China has moved to the center of international politics. The grand strategy framework has become a popular tool for understanding how both states conceptualize, plan, and act on their long-term objectives across multiple domains like economy, military, technological advancement, and diplomacy. The shift has been seen in the US grand strategy evolving from engagement to competition due to the evolution of China's rising power and its global ambition, giving rise to the dynamics of confrontation, cooperation, and competition between them.

Grand strategy of the US and China

Grand strategy

As defined by multiple authors, grand strategy is widely known as the alignment of ends (National interest, values) with means (military power, alliances, economic capabilities, and diplomatic tools) under conditions of uncertainty. Gino's pacifically breaks down its grand strategy into components of national strategies, showing that it is not monolithic but domain-specific. Grand strategy is not merely a collection of policies but a coherent national vision that shapes behaviors across the domains of statecraft (Leoni, 2023).

US Grand Strategy

Traditional US grand strategy post-Cold War emphasized integrating China into a liberal international order via trade, institutions, and engagement. But in the previous time, this strategy has shifted due to the recognition of strategic risk that is G economics, intellectual property, supply chain vulnerabilities, and military modernization in China increasingly seen as threats to the US. Some scholars argue that the US needs to learn more about balancing China rather than assuming that China's integration will lead to benign behaviors. The US sees China as a central challenge to its global leadership and is very much focused on its containment to maintain the status quo (Blackwill & Tellis, 2015).

China's Grand Strategy

Chinese grand strategy embodies vision and courage. Scholars argue that China wants not only to be seen as a pure power but also to maintain stable relations with the US in order to avoid provoking counterbalancing before it is ready to do so. China has been integrating multiple domains like economic statecraft, technological investment, diplomacy, and military modernization. China has been pushing for a greater role and recognition in world politics while building the capacity to back up its ambitions. This means that China is working at both ends to create its world image and influence. China under Xi Jinping emphasizes nationalism, sovereignty, and cultural identity, and it is seen in the country's decision-making and policies (Doshi, 2021).

US-China strategic competition

The Chinese rise has changed the US hegemony, pushing the two into a confrontation under the logic of offensive realism. It can be explained by the "Thucydides trap", which suggests that power transition between dominant and rising states often leads to conflict due to fear, misperceptions, and competition for regional influence. Some scholars argue that the liberal international order provides the medium for China's integration, an annoying coexistence with rules-based structures despite power asymmetry. Some argue that the identities, common norms, and leadership worldviews shape how each power perceives threats and opportunities (Allison, 2017). Under Xi Jinping China's foreign policy has increasingly focused on a blend of realist and ideological imperatives. Xi's "Community of shared destiny" discourse highlights that the global governance norms need to be redefined around sovereignty, non-interference, and state-led development. Meanwhile, the Biden administration's grand strategy emphasizes strategic competition among democracies and autocracies, labeling China as both an economic competitor and its systematic rival. Thus, the competition is not purely material; it reflects the competing visions of order and legitimacy of the two countries and their people (Callahan, 2013).

Domains of confrontation

Security competition remains the most visible and potentially destabilizing aspect of the US-China confrontation. The South China Sea, Taiwan Strait, and into Pacific maritime zones have become the flashpoints where military posturing and alliance politics intersect. Scholars argue that the US deterrence strategy now seeks to integrate economic and military measures under the Indo-Pacific framework to counterbalance China's regional assertiveness in the area. China, as a result, interprets these measures and cuts as containment efforts, reinforcing a security dilemma that fuels mutual distrust and rising tensions (Gbadebo, 2025).

The issue of Taiwan exemplifies the dynamics perfectly as China, as a core national interest under Xi Jinping, has been balanced by the increasing US arms sales and high-level political

visits to Taipei. Taiwan has transitioned from a marginal issue to the center of US-China strategic rivalry, with both sides engaging in deterrence signaling that risks future escalations. Beyond the military realm, the technological competition, particularly in semiconductors, artificial intelligence, and 5G, has become an expanded trauma of strategic confrontation. The report by the Center for Strategic International Studies describes it as weaponized interdependence, where states leverage economic connectivity to pursue geopolitical goals. There is a restriction on advanced chips export to China, and China retaliates by limiting on rare earths, representing how the economic tools have become the instrument of security strategy (Brookings, 2021).

Economic interdependence and strategic competition

Despite the tensions, the economic interdependence of the two countries remains a specific feature in their relations as the bilateral trade surpassed \$690 billion in 2022 according to the US Census Bureau 2023, underscoring mutual dependence within the global supply chain. There is a complex interdependence, yet both sides pursue selective economic disengagement in critical sectors, which is termed “de-risking” (Gbadebo, 2025).

China's economic model is driven by a state-led investment and export surplus, continuing to create frictions with our expectations of market liberalization. Meanwhile, the US shift towards industrial policies through acts like CHIPS and the Science Act, and the Inflation Reduction Act, demonstrates how economic competition now mirrors Cold War-style technological rivalry. Scholars describe the relationship of the states as competitive interdependence; their economic links coexist with strategic suspicions (Gbadebo, 2025).

Cooperation and managed rivalry

There are global challenges that need corporations, such as climate change, pandemic response, and global financial stability, when mutual interests align despite political friction. The 2021 US-China joint Glasgow declaration on enhancing climate action illustrates that both

countries recognize that the global problem requires collaborative solutions. Similarly, during the 2008 global financial crisis, coordination between the two demonstrated the pragmatic cooperation that emerged when systemic stability was at stake. Scholars argue that cooperation is often limited and selected 2 certain sectors that avoid politically sensitive issues (Leoni, 2023).

CONCLUSION

The evolving dynamics of the China relationship stand at the centre of contemporary global politics, shaping its stability and structure. As outlined in the proposal, the grand strategy framework provides a comprehensive lens to examine how both powers pursue their long-term objectives, balancing confrontation, competition, and cooperation across multiple domains. The realist logic underscores the inevitability of rivalry between a rising and an established power, liberal and constructive insights. These overlapping perspectives underscore that US-China relations cannot be reduced to a binary of conflict and cooperation, but instead reflect a fluid and adaptive strategic equilibrium. The study, grounded in secondary research, seeks to investigate the existing theoretical and empirical insights to assess how the grand strategic framework informs the behavior of both states. By analyzing the interplay of security, economic, and ideational dimensions, it aims to explain whether the US and China are moving towards structured competition or drifting into an unmanaged confrontation. The proposal argues that future viewers' generalization will depend less on the inevitability of systematic rivalry and more on the capacity of both nations to recalibrate their brand strategies towards existence. The challenges that lie ahead are managing competition without collapsing into confrontation and leveraging interdependence to sustain a fragile but necessary global order.

BIBLIOGRAPHY

- Allison, G. (2017). *Destined for War: Can America and China Escape Thucydides's Trap?* <https://www.hks.harvard.edu/publications/destined-war-can-america-and-china-escape-thucydides-trap>
- Blackwill, R. D., & Tellis, A. J. (2015). *Revising U.S. Grand Strategy Toward China*.
- Brookings. (2021). Difficult choices: Taiwan's quest for security and the good life. *Brookings*. <https://www.brookings.edu/events/difficult-choices-taiwans-quest-for-security-and-the-good-life/>
- Callahan, W. (2013). *China Dreams: 20 Visions of the Future*. Oxford University Press.
- Doshi, R. (2021). Introduction | *The Long Game: China's Grand Strategy to Displace American Order* | Oxford Academic. <https://academic.oup.com/book/39917/chapter-abstract/340176460>
- Gbadebo, A. D. (2025). (PDF) *The Us-China Trade War and its Implications for Global Economics: (Nigeria Experience)*. https://www.researchgate.net/publication/394607005_The_Us-China_Trade_War_and_its_Implications_for_Global_Economics_Nigeria_Experience
- Ikenberry, G. J. (2018). The end of liberal international order? *International Affairs*, 94(1), 7-23. <https://doi.org/10.1093/ia/iix241>
- Leoni, Z. (Ed.). (2023). Introduction. In *Grand Strategy and the Rise of China: Made in America* (pp. 1-10). Agenda Publishing. <https://doi.org/10.1017/9781788216036.002>
- Nye, J. (2020). *Do Morals Matter? Presidents and Foreign Policy from FDR to Trump*. <https://www.hks.harvard.edu/publications/do-morals-matter-presidents-and-foreign-policy-fdr-trump>
- Scobell, A., Burke, E., Cooper, C., Lilly, S., Ohlandt, C., Warner, E., & Williams, J. D. (2020). *China's Grand Strategy: Trends, Trajectories, and Long-Term Competition*. RAND Corporation. <https://doi.org/10.7249/RR2798>
- U.S. Census Bureau, B. (2023). *U.S. International Trade in Goods and Services, December and Annual 2022* | U.S. Bureau of Economic Analysis (BEA). <https://www.bea.gov/news/2023/us-international-trade-goods-and-services-december-and-annual-2022>
- Waltz, K. N. (1979). *Theory of International Politics*.
- Wendt, A. (1999). *Social Theory of International Politics*.
- Yan, X. (2014). From Keeping a Low Profile to Striving for Achievement. *The Chinese Journal of International Politics*, 7(2), 153-184. <https://doi.org/10.1093/cjip/pou027>
- Zhang, B. (2019). Graham Allison, *Destined for War: Can America and China Escape Thucydides's Trap?*: (London: Scribe, 2017.) 364p. \$ 13.00 Paperback. *Journal of Chinese Political Science*, 24(4), 707-708. <https://doi.org/10.1007/s11366-019-09631-0>
- Zhao, S. (2022). *From Affirmative to Assertive Patriots: Nationalism in Xi Jinping's China: The Washington Quarterly: Vol 44 , No 4-Get Access*. <https://www.tandfonline.com/doi/full/10.1080/0163660X.2021.2018795>