

DYNAMICS OF POWER TRANSITION: ANALYZING UNITED STATES-CHINA RELATIONS IN THE TWENTY-FIRST CENTURY

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ABSTRACT

The transition and distribution of power among states have long been the main drivers behind the patterns of international order, conflict, and cooperation. It is very important to clarify how the rising powers question the existing hierarchies, as this is the very heart of the study of global politics, which everywhere and in every region shifts economic, military, and normative structures. This paper will analyze the dynamics of power transition theory as a tool for interpreting such changes and it will point out the theory's ability to make such a claim by delineating the causes for the emergence of tensions in the system. Historical transitions like Britain's accommodation of the United States and Germany's challenge before World War I are among the cases traced to demonstrate how the interaction between relative power, discontent with the current situation, and strategic goals determines whether the outcome will be war or peaceful adaptation. The paper, while staying with the present political scenario, scrutinizes the different aspects, namely, structural, economic, technological, and institutional of the U.S.-China power transition. The astonishing ascent of China vis-à-vis the U.S. In terms of economic power, technological advancements and regional influence has brought them on the same level and has resulted in a complex situation with both rivalry and interdependence. The paper highlights the presence of conflicting interests like military modernization, trade disputes, and contestation of norms, at the same time the study reveals the softer side of the relation through economic interests and multilateral institutes that could be the ground for cooperation.

Keywords: Power Transition Theory, United States–China Relations, Global Hegemony, Strategic Competition, International Order

INTRODUCTION

The international system has been historically influenced by the emergence and decline of the dominant states that challenge the leadership in the global matters. Since the downfall of Athens till the rise of Rome and later since the rise of Britain to that of the United States, world politics has been one of the constant wrangles between the established and the rising powers. A structural theory of power transition theory formulated by A

F K Organski in the late 1950s, explains such historical trends, holding that major wars are likely to take place when a dissatisfied rising state becomes close to being equal with the dominant power. The twenty first century rivalry between the United States and China is a modern context where one can explore the feasibility and flexibility of this theory (Allison, 2017).

The key issue that this paper examines is whether the structural relationship as exemplified by Power Transition Theory can determine the changing relationships between the United States and China and finally, what variables can define whether the transition will be peaceful or violent. Since the close of the Second World War, the United States has occupied the top place in the international hierarchy thereby influencing international rules, institutions, and norms to its favor. China, in its turn, has been experiencing an impressive economic and military changeover since the end of the twentieth century, rising to become a regional player, yet becoming a global competitor with a potential to threaten American primacy. This shift has created grave anxieties among policy makers, academics, and pundits who are drawing comparisons to the past times where the ascending and declining powers came to ruinous wars (Mearsheimer, 2019).

According to Power Transition Theory, the chances of a war targeting two states are great when both conditions are met. First, the capabilities of a challenger approach to the dominant state become relatively equal, which implies a state of nearly balanced conditions. Second, the challenger is not contented with the status quo that governs an international order and wishes to change the allocation of prestige, influence, or benefits that characterizes an international order. Both of these conditions can be arguably said to be in motion in the case of China. China already overtakes the United States in purchasing power parity economically, and it is able to build its military capacity at an unprecedented pace (International Monetary Fund, 2024; U.S. Department of Defense, 2024). On the political front, Beijing has expressed its displeasure with some elements of the liberal order, such as alliances of the U.S. in Asia, freedom of navigation exercises, and international governance arrangements that restrain Chinese influence (Zhao, 2021; Nathan and Scobell, 2022). These trends have led to what Graham Allison (2017) has popularly described as the Thucydides Trap, the historical cycle in which fear and mistrust between a dominant and an rising power increase the risk of conflict.

Nevertheless, even though the Power Transition Theory provides a powerful structure, it does not

work on its own to define the consequences. The existence of nuclear deterrence, economic interdependence and international institutions bring mitigative variables which can diminish the possibility of war (Jervis, 1989; Keohane and Nye, 2012). In comparison to the great power transitions in the past, that happened in circumstances of the weak international institution and low economic interconnectivity, the US-China competition is taking place in a highly interconnected global economy. Trade between the two countries is worth over 650 billion dollars per year and multinational companies are well embedded into the two economies (World Bank, 2023). It is an interdependence that generates substantial expenses of escalation, limiting both sides of the argument against translating competition into open conflict (Ikenberry, 2018). Simultaneously, though, this interdependence may turn into a kind of strategic vulnerability, with both states using trade, technology, and finance as a weapon to promote their geopolitical agendas (Farrell and Newman, 2019).

The point made in this study is that structural parity between China and the United States is indeed being born, but the ultimate result of this shift will be based on how the two powers cope with each other perceptions of threat, interdependence in the economy, and engagement in the institution. The available empirical evidence indicates that the China growth path, however impressive, is constrained internally due to such issues as population decline, debt burden, and waning innovation, which can restrict its capacity to attain sustained parity (Friedberg, 2022; Kennedy, 2023). In the meantime, the United States is still at a benefit in international finance, superior technologies, and alliances. However, its leadership may suffer due to deteriorating domestic unity and inconsistency in its policies unless it is properly controlled (Brooks and Wohlforth, 2023). In turn, this shift is not a bilateral competition of abilities, but a dynamic process that is affected by domestic politics, global institutions, and common strategic restraint.

II. Theoretical Framework Through The Prism Of Power Transition Theory

One of the most timeless theories that help explain how great powers come and go in the international system is the power transition Theory. It was initially developed by A F K Organski in the journal *World Politics* (1958), as it was contended that the realist approach of viewing international order as a balance and anarchy only was being overstated. Instead, Organski was the one to suggest a hierarchical model, where the world system looks like a pyramid of power with the largest state at the top, the great powers in the middle, and the huge number of middle and small states at the base. The hegemonic state makes and determines the international regulations, apportions the global advantages, and creates a political, economic, and security structure that means its preferences and values (Kugler and Tammen, 2012).

The Power Transition Theory is based on a very simple and yet great fundamental argument. Once an emerging power becomes disenchanted with the existing state of affairs, and at the same time develops material capacities to oppose the leading state, the chances of major war become multiplied many times over. The logic of the theory is found in this relationship between the relative power, contentment with the status quo and systemic hierarchy. The powerful aim to preserve a status quo of privileges where the challenger wants to change the status quo of distribution of influence. When the comparative power of the challenger becomes equal or even more than that of the powerful state, then conflict is probable since each side will have existential interests in the result (Organski and Kugler, 1980).

In the definition of Organski, stability in the international system is pegged on the satisfaction levels of the major powers. Powerful state and its contented allies are more inclined to support the status quo, but those who are not satisfied seek reform. These revisionist actors are usually a result of high industrialization, population growth, and national mobilization which enables them to bridge the capability gap between them and the established powers. Once a state is close to becoming par, then the power is viewed by the incumbent as a danger to the challenger and

preemptive containment or preventive war will follow. On the other hand, when the rising state feels that its role is blocked by the opponent, it can start confrontation so that systemic change can be achieved (Tammen & Kugler, 2006). The theory, therefore, combines the opportunity and the motive as the factors of great power war.

In contrast to the balance of power theory which presupposes that balance of power among states is the source of peace, the Power Transition Theory assumes that the state of balance is the state when the threat of a conflict is the worst. Organski opposed the idea that peace is the outcome of equal power; instead, he held the idea that peace will be the outcome when one of the states is obviously superior and able to impose regulations. War is the result of the loss of the hegemony and the insecurity of its future equilibrium. That is, stability is hierarchical as opposed to equalitarian. This difference is essential to the interpretation of the notions of the theoretical break with classical realism in that it suggests that a stable international order can be reliant on the preponderance of a single power and not on the balancing behavior of numerous forces.

Status quo satisfaction is another important theory in Power Transition Theory. Not every emerging power is interested in reforming the system. Post-World War Two Japan and Germany had become satisfied powers after embracing U.S.-led institutions and becoming a part of the liberal order. The case of China however is not clear. On the one hand, China enjoys the fruits of global economic regime in full, as it has helped to elevate hundreds of millions of people in China out of poverty through export-led growth. In contrast, its leadership regularly attacks the Western-biased international order and advocates other institutions like the Asian Infrastructure Investment Bank and the Belt and Road Initiative, which are indications of partial dissatisfaction. Therefore, the Power Transition Theory focuses on the fact that material parity and dissatisfaction are the most threatening pair to the stability of the system (Tammen et al., 2017).

There are also the dynamic aspects into the theory. The increase in power is S shaped whereby initially power development is slow, then it increases during the industrialization, but it eventually gets

stationary as the resources mature. When an ascending state enters the acceleration stage when the growth of the dominant power is slowing or stagnating the chances of transition rise. When this overlap occurs, it provides both parties with a window of opportunity, an opening in which the challenger can move before the incumbent reacts, or in which the incumbent can launch a pre-emptive attack before becoming less superior (Kugler & Lemke, 2000). Examples of situations in history that have caused conflict despite war being irrational in economic terms encompass the Anglo, German rivalry in the lead up to 1914, and the Japanese challenge to the United States in the Pacific in the 1930s where there had been a sense of a window of opportunity that had to be taken and seized by any means.

Notably, the Power Transition Theory is developed to incorporate nonmilitary variables. Subsequently, scholars identified technological innovation, institutional membership and ideological alignment as important in the process of transition. In contemporary scenarios, the technological superiority can replace the numerical advantage, and institutional legitimacy can spread dominance without physical force. An example is that the U.S. participation in international finance and high technology remains the foundation of its primacy even though the proportion of relative GDP becomes smaller. Equally, the increasing Chinese dominance in digital infrastructure, 5G networks, and artificial intelligence is a new form of power that might not be reflected in the usual parameters (U.S. Department of Defense, 2024).

More importantly, the Power Transition Theory does not suggest that war is unavoidable. Rather, it focuses on circumstances that make conflict more likely unless some mitigating mechanisms play a role. Some of such mechanisms are nuclear deterrence, economic interdependence, diplomatic accommodation and institutional reform. This is the case of the Cold War. Although this was a structural shift with the Soviet Union headed towards parity, the combination of deterrence in the form of mutually assured destruction and institutionalized communication prohibited the actual war. This demonstrates that it is structure that produces pressures, yet agency

and institution produce outcomes. Thus, although the rivalry between the U.S. and China exhibits many of the features of a power transition, the course of the end-game will be determined by how each of the parties maneuvers these structural pressures in the world of globalization and nuclearization (Allison, 2017).

III. Historical Evolution Of Global Power Transitions

To comprehend the modern trends in the international order, it is necessary to follow the historical trends of the transition of power which have characterized the past centuries. History of international relations give an insight into how the dominant powers reacted to the challengers and how such interactions have resulted in stability or war in the world. The trajectories of redistribution of the power in each great era, the European imperial one, the Cold War, are various and most of them have occurred in the systemic transformation of the economy, the military and the ideology. The common theme in these transitions is that there is no single global order that is stable; power levels off, legitimacy becomes weaker, and disaffiliated states arise to challenge set hierarchies.

It is one of the most common peaceful power transitions in history that has happened in the early twentieth century when Britain gave way to American hegemony. The nineteenth century primacy of Britain in the world was based on the superiority in industries, naval dominance, and colonization. Nevertheless, towards the beginning of the century, the world shifted its balance of power due to structural developments like diffusion of technology, increased industrialization in the continental Europe and the rise in economic development of the Americans. The entry of the United States into the war took place much more peacefully than the confrontational one of Britain and Germany, which was based on the common cultural, linguistic, and institutional similarities. This example has shown that in the cases where a strong power and an emerging power have similar political values and are economically interdependent, the risk of the conflict is reduced significantly (Kupchan, 2014).

On the contrary, the German threat to British dominance in the pre-First World War period was the violent expression of power transition. Late industrialization in Germany gave rise to a national desire to have an international impact which came into conflict with the marine and colonial superiority of Britain. The arms race, the competition between the powers in terms of the imperialism and the strictness of the structures of the alliances of the early twentieth century established the atmosphere where the upcoming equality between two forces increased the sense of insecurity and distrust. In terms of the Power Transition Theory, this episode highlights that the dissatisfaction with the status quo coupled with the perceived limitations to growth may turn the growing power interests into armed conflict.

Another historic change that occurred in the middle of the twentieth century was the emergence of the United States and the fall of European empires. The subsequent development of the events after the Second World War changed the former balance of power and made the United States and the Soviet Union concentrate on being the rival superpowers. The subsequent bipolar order was no longer consistent with the multipolar arrangements of the past as it added the concept of nuclear deterrence as a structural limitation creating a shift in the logic of power transition. Although PTT indicates that a balance of power breeds conflict, this was proven wrong in the nuclear era when the possibility of mutual destruction may actually stabilize competition and created what scholars termed a cold peace. The Cold War confrontation between Washington and Moscow was therefore turned into an ideology, technology, and influence non-kinetic rivalry in a hierarchical order.

Nonetheless, even under this bipolar system, America slowly surpassed its Soviet counterpart through its economic vitality, technological ability and institutional relationships like NATO and Bretton Woods system. This stagnation of the Soviet Union in the 1970s and 1980s coupled with the failure to maintain the international commitments ultimately brought about collapse of the Eastern block on a systemic level. This was the result of a structural imbalance as opposed to a decisive military defeat, the way in which internal

dilapidation can solve power transitions without disastrous war. The conclusion of the cold war therefore led to the onset of the unipolar era, which was dominated by the United States as everyone had anticipated, given that the United States had technological superiority and was appealing ideologically (Ikenberry, 2011).

The era of post-Cold War proved, however, that unipolarity has within itself the germs of its own erosion. With the increased rate of globalization, the economic power was more dispersed especially towards Asia. The rise of China as a powerful force economically and technologically at the end of the twentieth and the beginning of the twenty-first centuries reborn the classical logic of power transition. As in Germany in 1900, China was going through the fast industrialization and the revival of nationalism and increased world ambitions. However, unlike its previous opponents, China has integrated into the very fabric of the international order led by the United States, both the World Trade Organization and the world investment networks (Zhang, 2021; Shambaugh, 2013). This integration makes the problem of the classical predeterminations of conflict more complex and poses positional questions concerning the sufficiency of historical analogies in the interpretation of the contemporary changes.

Therefore, the history of power transitions can provide two important lessons. To start with, transitions are systemic processes that cannot be broken down to the leadership decision-making process; they occur as a result of structural imbalance and changes in relative capacities. Second, the nature of transition; violent or peaceful, is based on how satisfied the rising power is and how the dominant power is flexible to adopt change within the system. The peaceful acquiescence of Britain to accommodate the United States is an example of successful accommodation whereas the war with Germany is the symbol of the devastating failure to match with the changing reality. The United States and China are currently at the same level of the historical crossroad, and the history of past changes will define the twenty-first century in terms of peaceful coexistence or strategic collision (Allison, 2017).

IV. The United States and China In The Contemporary Power Transition Context

The twenty-first century is experiencing a paradigm shift in the balance of power that is focused on the relations between the United States as the long-term dominant state and China as the main challenger. This has brought back a heated academic and policy conversation on whether the world is in a new era of rivalry, similar to the previous transitions of power or it is moving towards a more complex, interdependent system where cooperation and rivalry both exist. The transition theory of power offers a very insightful perspective to understand this development, but the US-China relationship is also beyond the classical paradigms because of the unprecedented level of economic integration, technological dependence, and institutional interdependence that defines the modern approach to international politics (Ikenberry, 2020).

According to the relative capabilities point of view, the emergence of China has been the fastest and most complete power transformation in the history of modern times. China has experienced a massive increase in the GDP that has exceeded the economic performance of most western countries since the economic reforms were put in place by Deng Xiaoping. China has already surpassed the United States in the purchasing power parity terms, and the country is now the largest economy in the real output in the world. The pace and extent of this change threatens the historic economic hegemony of the United States whose economic leadership in the world since 1945 was based on unrivalled industrial potential, technological change, and the centrality of the dollar in the international monetary system (World Bank, 2023; IMF, 2024). This redistribution of economic capability is at the core of the present transition, which provides a material background to strategic competition and affects global structuring of governance, trade, and security (Zhang, 2021).

Nevertheless, the USA still has a military and technological superiority, a network of alliances, bases, and other partners that allow it to create strategic depth unparalleled by any other power. The US defense budget is bigger than the combined total of the ten other nations as it

represents long-term superiority in the projection of power, intelligence and cyber capacity. Conversely, the modernization of the Chinese military, although speedy, is still regionally based, mainly focused on establishing influence in East and Southeast Asia and preventing foreign intrusion in such places as Taiwan and South China Sea (DoD, 2023; IISS, 2024). In this way, even as China is decreasing the cost in terms of its capability gap, the United States still enjoys key advantages in terms of military reach, technological integration and alliance cohesion. However, PTT cautions that the transitions are unstable at the very moment, when the challenger is not yet equal in major aspects of power, but the equality is already on the eve (Lemke and Tammen, 2016).

The existing power transition is even complicated by ideological and normative aspects. The United States remains an embodiment of a liberal international order which is based on open markets, democracy, and multilateral governance, and China is an expression of a different order; one which is state-centered capitalism, authoritarian stability, and sovereignty-based internationalism. The result of such competing visions, according to some analysts, is a systemic rivalry between liberal and statist modernities (Mearsheimer, 2018). The competition does not only take place over power, but legitimacy and the ability to determine the global norms. An example is that the Belt and Road initiative of China has permeated Asia, Africa and Europe by touching every aspect of the economy and infrastructure and entrenching its model of development in the south. At the same time, the United States has been aiming to balance this growth with strategic alliances like the Indo-Pacific Economic Framework and security formations like the Quad and AUKUS (Medcalf, 2020; Campbell and Doshi, 2021). The interaction between these strategies demonstrates that the modern transition processes are material and ideational that involve economic rivalry with normative contestation.

However, the level of economic interdependence between the United States and China has established what is referred to as competitive coexistence as opposed to the other transitions. Their economies are connected by supply chains,

trade flows, and technological ecosystems despite the decoupling and diversification of both states to reduce strategic vulnerability. The contradiction of interdependence is that on the one hand, it increases the expenses of explicit war, on the other hand, it enhances the level of suspicion and hedging. The possibility of dependence is perceived as a possible weapon by both sides, particularly in the sphere of the key industry, namely semiconductors, artificial intelligence, and energy security (Farrell and Newman, 2019; Breslin, 2021). The disruptions of the global supply chain caused by the COVID-19 pandemic highlighted these weaknesses, speeding up the work in both capitals to restore control over technological and industrial base. As a result, the rivalry not only is not limited to a geopolitical sphere but also covers such digital governance, standards of innovation, and technological sovereignty (OECD, 2023).

In the view of Beijing, the change is not an effort to substitute the US as the international hegemon but rather a recovery of what the Chinese discourse calls a central position in the world affairs. Another common theme of the Chinese leadership is the historical accounts of revival, independence, and retaliation against the West. The Chinese Communist Party has a close relationship with the need to maintain economic growth and the development of technological self-sufficiency, the objectives that invariably question the U.S.-led order, though not necessarily its downfall. This revisionist/reformist intent difference is the main focus of the academic discussion of whether the Chinese rise is a danger or a change to fit the already existing order (Wang, 2021). However, the aggressiveness of Chinese policies in the South China Sea, its unification efforts with Taiwan, and its association with Russia and the Global South indicate the increasing readiness to change the regional and international standards (Friedberg, 2018).

Therefore, the relationship between the United States and China is characterized as an aspect of continuity and change as a part of the historic pattern of power change. The unity of the International system is in the structural conflict between a hegemonic and a rising power, a process with its roots in the hierarchy of the international

system. Change, though, is in the fact that the global politics are characterized by unprecedented complexity of economic dependence, technological competition and institutional intertwining. It is still unknown depending on how the two states interpret and react to the intentions of one other, cope with crises and adjust its domestic and foreign policies to a global order that is changing very fast whether this transition will end in accommodation or confrontation. With the world entering the middle of the twenty-first century, the relations between these two giants will not only define the direction of power shift, but also define the nature of the international system itself (Yan, 2020).

V. Areas of Strategic Competition And Cooperation

The contemporary global order is defined by an intricate blend of rivalry and interdependence between the United States and China. The power transition between these two great powers does not manifest as a linear or purely antagonistic process. Instead, it operates through a spectrum of competition and cooperation across multiple arenas. The interplay of strategic confrontation and pragmatic engagement defines the evolving dynamics of international politics, illustrating the multidimensional nature of power in the twenty-first century. Understanding these arenas is crucial for assessing whether the ongoing transition will culminate in systemic conflict, managed competition, or gradual accommodation (Allison, 2017).

A. Military and Security Competition

Military power remains the most visible and consequential dimension of the United States-China competition. The United States has long dominated the global security architecture through its vast alliance system, advanced defense technology, and forward-deployed military presence across every major region. China, recognizing the centrality of military capability to national prestige and sovereignty, has embarked on an extensive modernization program designed to narrow this gap. The People's Liberation Army (PLA) has transitioned from a manpower-heavy force to one emphasizing precision, cyber, and

space capabilities, reflecting Beijing's ambition to achieve regional superiority and deter external intervention, particularly in relation to Taiwan and the South China Sea (IISS, 2024).

The South China Sea has become the epicenter of this rivalry. China's militarization of artificial islands, construction of dual-use infrastructure, and expansive maritime claims under its "nine-dash line" have provoked strong reactions from Washington and its regional allies. The United States, asserting the principle of freedom of navigation, regularly conducts naval patrols and joint exercises to contest Chinese territorial assertions. This pattern of action and counteraction exemplifies what many scholars term a 'security dilemma', where defensive measures by one side are perceived as offensive by the other, fueling mistrust and escalation risk (Mearsheimer, 2018). Yet, the existence of nuclear deterrence and the recognition of mutual vulnerability constrain both sides from direct conflict, channeling competition into signaling, deterrence, and limited coercion rather than open warfare (Jervis, 2020).

In spite of the increasing tension, the areas of cooperation in the security field are limited, but they are mainly related to counter-piracy operations, peacekeeping, and crisis management discussion. The two nations appreciate the fact that unintentional military accidents may be disastrous. Thus, it is necessary to keep the communication channels open, including military hotlines and strategic discussions. However, due to the increase in the presence of both powers in the Indo-Pacific, the chances of miscalculation are still high. The military balance will be stable when two states can build restraint and crisis management measures that reduce the escalation and maintain deterrence (Campbell and Doshi, 2021).

B. Economic and Trade Relations

The paradox of the relations between the United States and China is based on economic interdependence. Since the joining of China into the World Trade Organization in 2001, close to the last 9 years, the bilateral trade has grown to unprecedented levels that have intertwined both the economy with vast production links as well as

financial links. China has been able to supply the United States with Chinese manufacturing efficiency and consumer markets, whereas the United States has been able to use export-led growth to acquire huge foreign reserves and technological capacity. Nevertheless, such an economic symbiosis has gradually become a strategic battlefield, especially with trade tensions that have been going on since 2018 (IMF, 2024; World Bank, 2023).

The trade war was a pivot, and it revealed how a structural incompatibility existed between the state-capitalist system of China, and the liberal economic principles that form the basis of the global order. The United States claimed that China was stealing intellectual property, coercing the transfer of technology and unfair subsidies to state-owned corporations and China denounced Washington protectionist actions and weaponization of economic policy. The following imposition of tariffs on hundreds of billions of dollars of goods disturbed world supply chains and heralded an even bigger decoupling in sensitive industries like telecommunications, semiconductors, and green technology (Breslin, 2021; Farrell and Newman, 2019).

However, it is unlikely to be completely economically separated. The two economies are entrenched in the international trade and finance systems. Although there are some geopolitical tensions, the level of trade between the two countries is still high, which points to the robustness of interdependent relations. Collaboration still persists at small circles with the notable areas being climate finance, pandemic recovery, and dialogues on macroeconomic stability. The difficulty is to be able to control interdependence without permitting economic vulnerability to be used as a tool of coercion. Both parties are now increasingly pursuing resilient globalization, which is aimed at diversification of supply chains, minimization of strategic dependence, but not the destruction of the global economic system (OECD, 2023).

C. Technological Rivalry

The new frontier of global power is technology and the United States-China rivalry in this area has turned out to be the flattening of the present-

day geopolitics. The digital revolution has transformed the bases of national power and where instead of raw industrial power, there is a focus on the innovation ecosystems, data dominance, and advanced supply chains. The technological upsurge of China, such as Huawei, Tencent, and BYD, has also undermined American dominance in technologies like telecommunications and renewable energy among others. The policy of indigenous innovation and investing heavily in research, artificial intelligence, and quantum computing is the strategy of Beijing, which is a clear attempt to become technologically independent and free of Western influence (Zhang, 2021).

The United States, which sees this course as a strategic menace, has responded by export controls, investment limits and alliances to govern technology like the Chip 4 program with Japan, South Korea and Taiwan. Washington wants to maintain its advantage in high-end semiconductors and have barred the export of dual use technologies, which are likely to improve the Chinese military. It has resulted in a new polarization of technology ecosystems across the world: digital infrastructure, technology and standards networks are becoming more and more aligned along geopolitical boundaries (Campbell and Doshi, 2021).

Nevertheless, the other sphere of possible cooperation is technology. Similar problems like climate change, health innovation, and cyber governance need collaborative structures that do not focus on competition. The collaboration in the study of carbon capture, vaccine production, and artificial intelligence ethics is a way to find the middle ground. The balance of technology in the upcoming decades will depend on whether these efforts will grow or crumble under the pressure of a strategic mistrust (Farrell and Newman, 2019; OECD, 2023).

D. Institutional and Normative Competition

The institutional aspect of the United States-China rivalry is the issue of legitimacy and leadership in the international governance. The international system of the post-1945 era was constructed upon the U.S. based institutions of the United Nations, the World Bank and the

International Monetary Fund that represented liberal standards of collective security and open markets. Although a member of these institutions, China has been trying to remake them or have parallel structures that reflect its more closely. An example of this approach is the establishment of the Asian Infrastructure Investment Bank and the New Development Bank by the BRICS (Yan, 2020).

By having such institutions, Beijing is able to create a perception of responsible leadership as well as selling governance and developmental pluralism on sovereignty basis. The Belt and Road Initiative is a strategy to develop normative power in the Global South and at the same time an economic initiative. In counter to this, the United States accentuates the renewal of alliances, defense of liberal values, and favor promotion of transparent and rule-based systems. This institutional struggle is not only limited to formal organizations but also covers the control over digital standards, climate governance, and health diplomacy (Wang, 2021).

Although this competition is threatening the hierarchies existing, it also brings the possibility of collaboration. The two states are interested in global financial stability, counterterrorism, and sustainable development. The future of institutional order can then be based more on the success of one model over another and rather on the birth of hybrid governance structures that incorporate the aspects of both systems. This kind of practical adjustment might help reduce ideological polarization and maintain a certain level of systemic stability even during the process of structural transition (Nye, 2021).

VI. CONCLUSION

The Power Transition Theory dynamics still remains an effective analytical approach to understand the structural changes in international relations especially in the case of the changing trend of the United States and China. The theory that was developed by Organski and perfected by later theorists provides a systematic framework according to which to explain the patterns of world dominance, challenge and transition that are cyclical. Fundamentally, PTT has argued that international stability lies in the consistency of the

global pecking order of power with the satisfaction levels of the dominant and up-and-coming nations. Once a challenger starts threatening the domineering state to reach parity and shows his dissatisfaction with the current international order, the chances of systemic conflict are very high.

When using this theoretical model to the United States and China, we can note that the current world order is identified by the economic interdependence and technological competition, as well as a changing battle over normative legitimacy. The emergence of China, its economic and strategic modernization and aggressive foreign policy is the most dramatic revolution in the distribution of the world power since the end of the Cold War. Although the United States still enjoys the edge of superior military and institutional advantage, the comparative decline of its unrivaled hegemony has led to a sense of strategic insecurity. This indecision, in its turn, is expressed in trade conflicts, technological decoupling, and geopolitical tension in the most important areas, such as the Indo-Pacific and the South China Sea.

The U.S. China relationship, unlike previous power transitions, however, is occurring during a period of globalization never known before where conflict is economically self-defeating and systemic interdependence puts new restrictions on the traditional great-power competition. These complex chains of supply, investment, and institutional commitments hold both states together with a logic that is binary (either confrontation, or submission) and is difficult. Some scholars therefore believe that this changing interdependence offers a basis to a managed or peaceful transition, in which competition can co-exist with cooperation in institutional structures of the United Nations, the World Trade Organization, and new multilateral arrangements such as the Regional Comprehensive Economic Partnership (RCEP).

However, the threat of putting up the strategy wrong cannot be ruled out. Power Transition Theory makes us remember that the perceptions of dissatisfaction, status recognition and legitimacy are as essential as material capabilities. This is evidenced by the fact that China is seeking

other institutions including the Belt and Road Initiative (BRI), Asian Infrastructure Investment Bank (AIIB) to author the rules of global governance. Whether these actions are that of a cooperative effort to reform the system or a revisionist approach to replace the system hinges greatly on the reactions of other actors especially the United States. A hard containment policy would strengthen the discontent of China and may speed up the confrontation, whereas moderate accommodation would maintain systemic stability and promote coexistence.

The general point of the analysis is that the process of power transitions is neither violent nor necessarily peaceful; it depends on the way the states can cope with psychological, institutional and material aspects of change. The US and China are at a crossroad in history because their decisions will determine the path of the twenty first century international system. Provided that the two states can institutionalize mutual-recognition, strategic restraint and collective leadership mechanisms, the result might have been more of a pluralistic world order than a hegemonic contest of mutual destruction. Otherwise, history has indicated that this balance of power and mutual mistrust might replicate the tragic period of the great-power conflicts of the past.

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