

U.S.–China Competition

A Power Transition Perspective

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Abstract: U.S.–China competition has been widely viewed as the most important feature of world politics that will shape the emerging international order. Whereas Washington increasingly sees Beijing as the sole great power with the intent and capabilities to dismantle the U.S.-led liberal order, Beijing views Washington’s military buildup and new partnerships in the Indo-Pacific region as the latest U.S. attempt to contain and encircle China. This paper adopts a power transition perspective to compare the advantages and disadvantages of both powers, using six

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parameters to measure their relative national strength. In doing so, the authors try to update and modernize A.F.K. Organski's theory in the 21st century, applying it to the most consequential relationship of our time.

Keywords: U.S.–China competition; power transition theory; A.F.K. Organski; international order.

Introduction

Indian–American geopolitics expert Parag Khanna, to underline the increasing importance of the Asian continent in world politics, claims in his book *The Future is Asian* that “In the 19th century, the world was Europeanized. In the 20th century, it was Americanized. Now, in the 21st century, the world is being irreversibly Asianized.”¹ Among the issues related to Asia in geopolitics, the most important political theme will surely be the power competition between the United States and the People's Republic of China.

The competition between the United States and China is often pointed out by various scholars of International Relations and experts of Great Power Politics as one of the key issues that will shape the 21st-century world order. It is a fact that harsh competition between the two greatest economies of the world has already started and escalated in recent years. This study is an attempt to analyze the future of the U.S.–China competition in various fields by applying a modernized version of A.F.K. Organski's “Power Transition Theory” to the current situation.

In order to achieve this, in the first part, a theoretical framework will be provided to the readers. The theoretical framework will be built on Organski's Power Transition Theory. In the second part, researchers will focus on six key issues, namely; (1) demographic data, (2) political stability and the efficiency of the state, (3) industrial production capacity and technological progress, (4) economic size and growth, (5) foreign dependency on key industries and goods, and (6) intellectual capacity and soft power competition between Washington and Beijing in order to understand current state of affairs in the competition as well as to assess both sides' advantages and disadvantages.

¹Parag Khanna, *The Future is Asian* (New York: Simon & Schuster, 2019), p. 1.

Theoretical Framework

Abramo Fimo Kenneth Organski or A.F.K. Organski (1923–1998) was a Professor of Political Science at the University of Michigan who is known for his Power Transition Theory. Organski introduced this theory in 1958 with his chef d'oeuvre *World Politics*. In Chap. 12 of this book, Organski tried to explain his theory.

First of all, for Organski, major determinants of national power are population size, political efficiency, and the degree of industrialization, and all of these could change very rapidly in the modern era.² Among them, Organski especially focuses on the degree of industrialization. In his view, it is no coincidence that the most powerful nations of the world are industrialized states.³ However, only a country with a large population and effective national government could transform into a great power.⁴

Second, A.F.K. Organski divides the Power Transition into three different stages. The first stage is called “Potential Power.” In this stage, nations are poor, technical knowledge is less, productivity is low, population is stable, government institutions are not efficient, and local loyalties are strong.⁵ Organski exemplifies this stage with the situation of giant India becoming the colony of small Britain for many centuries. China during the “Century of Humiliation” is also mentioned as an example. The second stage is called “Transitional Growth” and it refers to a period during which a nation rapidly moves into the industrialization phase with increasing productivity, urbanization, national income, life standards, and nationalism.⁶ This stage also includes a change in the family structure, religious beliefs, and ideological structures. The third phase is called “Power Maturity” and it refers to a status in which a nation is almost fully industrialized, economic efficiency is very high, and this country's greatness is accepted by all other countries.⁷ However, even though a country reaches the third level, its power could gradually decline — as in the case of the United

²A.F.K. Organski, *World Politics* (New York: Alfred A. Knopf, 1958), p. 300.

³Ibid. p. 301.

⁴Ibid. p. 301.

⁵Ibid. p. 302.

⁶Ibid. p. 303.

⁷Ibid. pp. 304–305.

Kingdom — since other countries could reach the second and third stages and could take more shares from the power of the already existing great power.

In short, Organski's theory focuses on the internal capacity of states to analyze the hierarchical status in the international system.⁸ In addition, in Organski's theory, the power struggle between states is not a static dynamic as states' power and capacity could change over time. In that sense, countries in the international system could be classified into dominant powers, great powers, middle powers, and weak states/colonies.⁹ According to Organski, the indicator point of the start of a power transition period between an already existing dominant power and a rising great power is the rising power's ability to reach 80% of the capacity of the dominant power.¹⁰

According to David Niebel, Organski's power transition model on the other hand takes place in five different stages. Stages one and two are characterized by the stable leadership of the status quo leader. Stage three occurs when a challenging power has grown and reaches parity with the status quo leader. If the revisionist challenger achieves stable leadership and power dominance, stage four and five begin. The system can remain peaceful as long as the dominant state maintains tight control over the international system.¹¹ Organski's theory is often referred to as part of the realist tradition, but in fact, it differs substantially from Realism in terms of the methodology and specific conceptual content.¹²

⁸Ömer Akgül, "Güç Geçiş Teorisi ve Çoklu Hiyerarşi Modelini Yeniden Düşünmek: Dünya Güç Hiyerarşisindeki Değişimin Teorik Analizi," *Mehmet Akif Ersoy Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, Vol. 6, No. 3 (December 2019), p. 821.

⁹Ömer Akgül, "Güç Geçiş Teorisi ve Çoklu Hiyerarşi Modelini Yeniden Düşünmek: Dünya Güç Hiyerarşisindeki Değişimin Teorik Analizi," *Mehmet Akif Ersoy Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, Vol. 6, No. 3 (December 2019), p. 822.

¹⁰Denis A. Degterev *et al.*, "Intensifying U.S. - China Strategic Rivalry and the Transformation of the Global Order," *Vestnik RUDN. International Relations*, Vol. 21, No. 2 (2021), p. 213.

¹¹David Niebel, "The Power Transition Theory and the Sino-American Contention for Power," *Towson University Journal of International Affairs*, Vol. 54, No. 1 (Fall 2020), pp. 7–8.

¹²Ronald L. Tammen, Jacek Kugler, and Douglas Lemke, "Power Transition Theory," TransResearch Consortium Work Paper No. 1, December 2011, p. 1, <https://static1.square-space.com/static/576ef1a0be65941edd80fcf7/t/578d56e22e69cfbb1192c4cf/1468880611440/Power+Transition+Theory.pdf>.

Organski's theory was further developed by many academics, including Robert Gilpin, J. David Singer and Melvin Small, Douglas Lemke, and Özker Kocadal in later years.¹³ Similar to a pyramid, Douglas Lemke claimed that there are many weak and middle powers, but a few great and dominant ones.¹⁴ According to Özker Kocadal, an illustration of Organski's theory would look like the following Fig. 1.¹⁵

To sum up, Organski's theory is an International Relations variant or interpretation of classical Modernization Theory, which assesses the power distribution on the basis of technology and economics. This theory still seems relevant to understanding the Great Power Politics since the competition between big powers involves many similar issues such as economic competition and market share, high technology, and artificial intelligence in addition to military capacity and diplomatic reach. Organski's theory is still

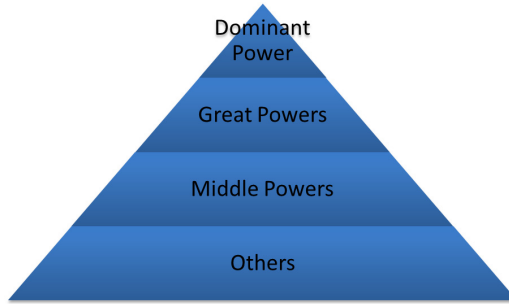


Fig. 1. International power hierarchy according to Organski's power transition theory.

¹³Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981); Douglas Lemke, *Regions of War and Peace* (Cambridge: Cambridge University Press, 2002); and Özker Kocadal, "Asya-Pasifik'te ABD-Çin Rekabeti: Tukidides'in Tuzağ ıve Liberal Uluslararası Düzen," in Arzu Al and Hayri Kaya, eds., *Uluslararası Politik Ekonomide Avrasya* (Ankara: Nobel Akademik Yayıncılık, 2022), pp. 105–123. J. David Singer and Melvin Small developed the "Correlates of War" project to calculate countries' gradual power on the basis of some parameters determined by Organski. See also: Correlates of War, "History," <https://correlatesofwar.org/history/>.

¹⁴Douglas Lemke, *Regions of War and Peace* (Cambridge: Cambridge University Press, 2002), p. 22.

¹⁵Özker Kocadal, "Asya-Pasifik'te ABD-Çin Rekabeti: Tukidides'in Tuzağ ıve Liberal Uluslararası Düzen," in Arzu Al and Hayri Kaya, eds., *Uluslararası Politik Ekonomide Avrasya* (Ankara: Nobel Akademik Yayıncılık, 2022), p. 109.

vital to understanding Chinese–American competition as Organski himself argued that the rise of China through its internal development would be “spectacular,” “the power of China ought to eventually become greater,” and “the Western powers will find that the most serious threat to their supremacy comes from China.”¹⁶

Projections for the U.S.–China Competition

By updating Organski’s Theory of Power Transition to current-day conditions, researchers came up with six main parameters to measure the power competition between the United States and China. While Organski focused on the population size, political efficiency, and the degree of industrialization to compare the power of great powers, the authors of this paper decided to create a contemporary scale based on (1) demographic data, (2) political stability and the efficiency of the state, (3) industrial production capacity and technological progress, (4) economic size and growth, (5) foreign dependency on key industries and goods, and lastly (6) intellectual capacity and soft power.

Demographic Data

China is currently the second most populous country in the world after India.¹⁷ China’s 2023 population is estimated at around 1.41 billion by the Central Intelligence Agency.¹⁸ Almost 70% of the Chinese population is in the 15–64 years age group, which shows that the country has a great advantage in terms of working population. The percentage of 65 years and over group on the other hand is relatively small in the total population and constitutes 14% of the whole. China also has a 16.5% population for the

¹⁶Quoted in Woosang Kim and Scott Gates, “Power Transition Theory and the Rise of China,” *International Area Studies Review*, Vol. 18, No. 3 (September 2015), pp. 219–220.

¹⁷Sara Hertog, Patrick Gerland, and John Wilmoth, “India Overtakes China as the World’s Most Populous Country,” Policy Brief No. 153, UN Department of Economic and Social Affairs, April 24, 2023, <https://www.un.org/development/desa/dpad/publication/un-des-a-policy-brief-no-153-india-overtakes-china-as-the-worlds-most-populous-country/#:~:text=Inpercent20Aprilpercent202023percent2Cpercent20India’spercent20population,topercent20growpercent20forpercent20severalpercent20decades.>

¹⁸World Factbook, “China,” <https://www.cia.gov/the-world-factbook/countries/china/>.

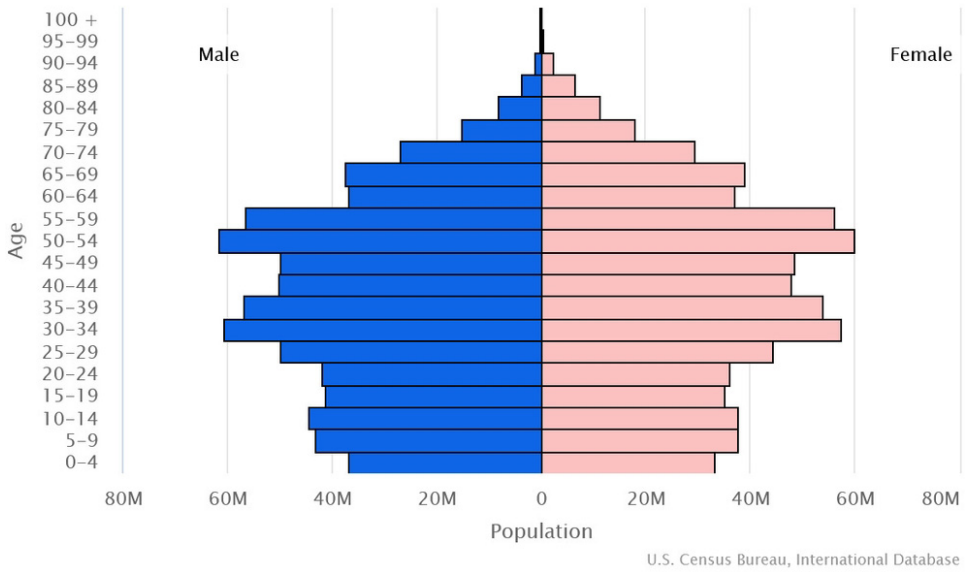


Fig. 2. China's population pyramid (2023)*.

Source: *World Factbook, "China," <https://www.cia.gov/the-world-factbook/countries/china/>.

0–14 years age group (see Fig. 2). Lastly, the fertility rate for China (2021) is 1.2 per woman, much below the replacement level (about 2.1 children per woman).¹⁹

The U.S. population on the other hand is estimated to be approximately 340,000,000 as of 2023.²⁰ The United States is the third most populous country after India and China. The largest population segment in the United States is the 15–64 years group constituting almost 64% of the total population. This shows that — similar to China — the United States does not have any problem with the labor force. The 0–14 years group refers to 18.15% of the population whereas over 65 years group constitutes 18.12% of the whole (see Fig. 3). The fertility rate for the United States is around 1.7 per woman, higher compared to China, but still below the replacement

¹⁹World Bank, "Fertility Rate, Total (Births per Woman)," <https://data.worldbank.org/indicator/SP.DYN.TFRT.IN>.

²⁰World Factbook, "United States," <https://www.cia.gov/the-world-factbook/countries/united-states/>.

²¹World Bank, "Fertility Rate, Total (Births per Woman)," <https://data.worldbank.org/indicator/SP.DYN.TFRT.IN>.

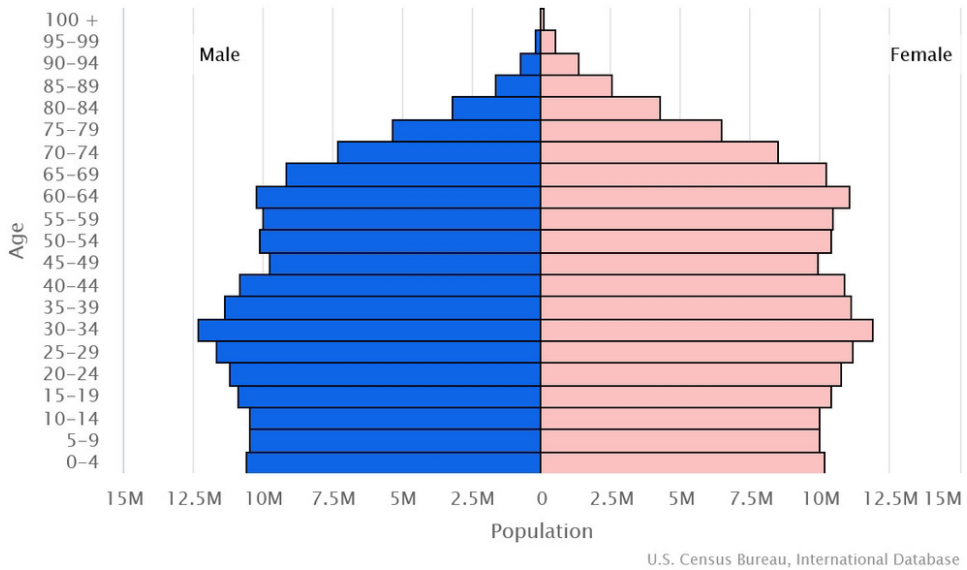


Fig. 3. U.S. population pyramid (2023).*

Source: *World Factbook, "United States," <https://www.cia.gov/the-world-factbook/countries/united-states/>.

level.²¹ Lastly, the United States has also an advantage in immigration flow compared to China since many immigrants could contribute to the labor force and become naturalized American citizens. For example, by 2023, there will be 13.6 million green card holders in the U.S.²²

If we compare Washington and Beijing in terms of population, for sure, China has a great advantage due to its four times higher population. This advantage surely has positive effects on China's labor force and military capacity in man size. In that sense, according to Global Firepower, available manpower for China is more than five times higher than the United States.²³ However, China might have a disadvantage when its population gets older in the coming years. Furthermore, with its high soft power abilities, the United States has greater potential in attracting a dynamic and creative labor force to its soil compared to China. Lastly, according to

²²World Bank, *World Development Report 2023: Migrants, Refugees, and Societies* (Washington, D. C.: World Bank Group, 2023), p. 44.

²³"Comparison of United States and China Military Strengths (2023)," Global Firepower, <https://www.globalfirepower.com/countries-comparison-detail.php?country1=united-states-of-america&country2=china>.

UNDP reports, the United States has a greater position (0.921) compared to China (0.768) in terms of human development,²⁴ which might be interpreted in a way that Washington can take better advantage of its population. However, it is surprising that the average life expectancy is 75.5 years for men and 81.2 years for women in China compared to 73.5 years for men and 79.3 years for women in the United States.²⁵ To conclude, overall, China has the upper hand in terms of demographics due to its enormous population size and developing socioeconomic conditions.

Political Stability and the Efficiency of the State

It is hard to measure the political stability. Political regimes, systems, and cultures of countries can vary up to a great degree. In that sense, political demonstrations or the protest culture could be part of this country's political system and political culture as in the case of France which lives in the Fifth Republic and has seen frequent mass protests against the government and state. Similarly, the Turkish political system has witnessed two major coups and many military interventions although these interruptions later helped the country to have a more stable political system in the coming years.

Although it is hard to put political stability into numbers, there are some efforts to rank countries in terms of their political stability. For instance, World Bank prepared the Worldwide Governance Indicators (WGI) project provides an important data set to compare different countries in terms of their political stability and efficiency. WGI captures six key dimensions of governance (Voice and Accountability, Political Stability and Lack of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption) between 1996 and the present. According to the last nine years (2013–2022) results, we can make such deductions²⁶:

²⁴UNDP, "Human Development Insights," <https://hdr.undp.org/data-center/country-insights#/ranks>.

²⁵"Life Expectancy for Men and Women," WorldData.info, <https://www.worlddata.info/life-expectancy.php>.

²⁶World Bank, "Worldwide Governance Indicators," <https://databank.worldbank.org/source/worldwide-governance-indicators>.

- Although China has been constantly improving its standards in terms of control of corruption, the United States is in a much better position in this category.
- Similarly, although China has been consistently improving itself in the government effectiveness category, the United States leads this category as well.
- Although the United States has a downward trend in the political stability and absence of violence/terrorism category, it is still better than China in this category as well.
- The United States leads the regulatory control category by far over China.
- In terms of the rule of law as well, the Chinese rise does not match American standards yet.
- In the voice and accountability category, the gap between the two countries is too high in favor of Washington.
- In conclusion, the American political system is much more stable and efficient compared to China according to World Bank results.

According to other results presented by the Lowy Institute's Asia Power Index (2023), the United States still precedes China although China has been increasing its performance in the last years almost in all fields.²⁷ While the United States leads in economic capability, military capability, resilience, future resources, defense networks, and cultural influence categories, China leads in the economic relationship and diplomatic influence categories. Moreover, in almost all other categories (except for resilience), China is the second most powerful country in the world after the United States. This shows that the rise of China is not an exaggeration, but a real fact. The Chinese lead in the diplomatic influence is an alarming signal for Washington considering the fact that the current international system and the United Nations is founded by the United States.

Other than these indexes which show that both of these countries are ruled very efficiently and are the strongest nations on earth, recent political developments also might give us an idea about the level of political stability in these states. To begin with China, according to a 2020 study conducted

²⁷Susannah Patton, Jack Sato, and Hervé Lemahieu, *Lowy Institute's Asia Power Index: 2023 Key Findings Report* (Sydney: Lowy Institute, 2023), <https://power.lowyinstitute.org/compare/?countries=china,united-states>.

by the Ash Center, Chinese people's support for the Communist Party of China rule is extremely high (95.5%) compared to only 38% in the United States.²⁹ However, it should not be forgotten that China is a one-party ruled state in which people might not always openly state their opinions, whereas the United States is a free and democratic country where people are not afraid to express their views and dissidence openly. In addition to this, since the Tiananmen Square events of 1989, the Chinese society has been showing great success in terms of stability, unlike the United States in which recently (in January 2021), the U.S. Congress was attacked by its own citizens.

Although China seems more successful in internal stability compared to the United States, in fact, China's image in the rest of the world has become increasingly negative recently. To make it more concrete, the Pew Research Center's findings prove that China reached an all-time high in terms of unpopularity under Xi Jinping's rule in the United States with 82% negative view in the year 2021.²⁹ In many other Western or pro-Western countries as well, China's image has deteriorated in the last few years and a growing number of people have begun to think that the Beijing regime does not respect people's personal freedoms.³⁰ Since China is a country that rises politically with its increasing economic ties with other countries, this is not a good development for Beijing (see Fig. 4).

To conclude, although China seems more successful on the surface in terms of stability, the general a priori view in Western academia suggests that democratic regimes tend to become more stable and successful in the long run due to their own people's high satisfaction level and better image in the rest of the world. In that sense, it would be speculative to assess the success level of the regimes. However, the 2021 Congress raid is a terrible and shocking event for American democracy, which shows that radical

²⁸Dan Harsha, "Taking China's Pulse," *Harvard Gazette*, July 9, 2020, <https://news.harvard.edu/gazette/story/2020/07/long-term-survey-reveals-chinese-government-satisfaction/>.

²⁹Laura Silver, Christine Huang, and Laura Clancy, "How Global Public Opinion of China Has Shifted in the Xi Era," *Pew Research Center*, September 28, 2022, <https://www.pewresearch.org/global/2022/09/28/how-global-public-opinion-of-china-has-shifted-in-the-xi-era/>.

³⁰Laura Silver, Kat Devlin, and Christine Huang, "Large Majorities Say China Does Not Respect the Personal Freedoms of Its People," *Pew Research Center*, June 30, 2021, <https://www.pewresearch.org/global/2021/06/30/large-majorities-say-china-does-not-respect-the-personal-freedoms-of-its-people/>.

Large majorities in most places have negative opinions of China

% who have an unfavorable view of China

	■ Most unfavorable ■ Least unfavorable																	
	'02	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
U.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73	76
Canada	-	27	-	37	-	36	-	-	-	45	-	48	40	40	45	67	73	73
Sweden	-	-	-	40	-	-	-	-	-	-	-	-	59	49	52	70	85	80
Netherlands	-	34	-	-	-	-	-	-	-	-	-	-	43	42	45	58	73	72
Germany	-	37	33	54	68	63	61	59	67	64	64	60	60	53	54	56	71	71
Belgium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71	67
France	-	42	41	51	72	60	59	49	60	58	53	49	61	52	54	62	70	66
UK	-	16	14	27	36	29	35	26	35	31	38	37	44	37	35	55	74	63
Italy	-	-	-	61	-	-	-	-	64	62	70	57	61	59	60	57	62	60
Spain	-	21	38	43	56	41	38	39	46	47	55	50	56	43	48	53	63	57
Greece	-	-	-	-	-	-	-	-	38	37	46	-	37	40	48	32	-	42
Japan	42	-	71	67	84	69	69	61	84	93	91	89	86	83	78	85	86	88
Australia	-	-	-	-	40	-	-	-	-	35	-	33	39	32	47	57	81	78
South Korea	31	-	-	42	49	54	56	-	-	50	42	37	-	61	60	63	75	77
Taiwan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69
New Zealand	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67
Singapore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34

Note: Prior to 2020, U.S. surveys were conducted by phone. See topline for results.
 Source: Spring 2021 Global Attitudes Survey, Q4b.
 "Large Majorities Say China Does Not Respect the Personal Freedoms of Its People"

PEW RESEARCH CENTER

Fig. 4. Increasing unpopularity of China in many western and pro-western countries.*

Source: *Laura Silver, Kat Devlin, and Christine Huang, "Large Majorities Say China Does Not Respect the Personal Freedoms of Its People," *Pew Research Center*, June 30, 2021, <https://www.pewresearch.org/global/2021/06/30/large-majorities-say-china-does-not-respect-the-personal-freedoms-of-its-people/>.

ideologies and groups tending to perform violent acts should not be tolerated even in democratic regimes.

Industrial Production Capacity and Technological Progress

The Communist Party of China decided to enter into the capitalist system and liberalize the regime in 2000 through this system's controversy with its ideology. China's membership of the World Trade Organization (WTO) in 2001 was supported primarily by the United States. Despite the pandemic, the Chinese economy has reached \$19.37 trillion U.S. dollars of GDP and currently stays the world's second-biggest economy coming after the United States (26.85 trillion dollars).³¹

³¹IMF, "GDP, Current Prices," <https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEOWORLD>.

An interesting picture emerges for China's exports and imports. In 2020, China realized 2.59 trillion dollars of exports and 2.07 trillion dollars of imports. In 2020, Chinese–U.S. trade accounted for 452.5 billion dollars.³² The U.S. exports in 2020 were 1.43 billion, whereas its total value of imports was 2.4 billion. U.S. sales to China would be worth 124.6 million, with a partner portion of 8.72%. U.S. purchases from China would occur as worth 457.2 million, with a partner portion of 19.01%.³³ In 2018, China would be the world leader for industrial production with more than 2.01 trillion in productivity followed by the United States (1.867 trillion), Japan (1.063 trillion), Germany (700 billion), and South Korea (372 billion). Production institutes 27% of China's total nationwide output comprising 20% of the world's industrial production. The United States has epitomized 12% of the national production and 18% of the world's size. In Japan, industrial production stands at 19% of countrywide productivity and 10% of the world overall. In total, China, the United States, and Japan cover 48% of the world's industrial production. In terms of the population working in industry, in China, it is 16.9%. This rate in America is nearly 10.5%.³⁴

By 2019, China held the first place in global production for 16 of the 22 industrial categories pursued by the United Nations, while holding the second place in terms of the remaining ones.³⁵ China remains to lead in light industries namely apparel, textiles, basic metals and electrical equipment, computers, and transport equipment. There exists barely a sector wherein China does not partake in any less than a 20% universal market portion while controlling 40% + portions in electrical equipment, basic

³²World Integrated Trade Solution, "China Trade Summary 2020 Data - China Exports, Imports, Tariff by Year," <https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/2020/Summary>.

³³World Integrated Trade Solution, "United States Trade Summary 2020: United States Exports, Imports, Tariff by Year," <https://wits.worldbank.org/CountryProfile/en/Country/USA/Year/2020/SummaryText>.

³⁴Darrell M. West and Christian Lansang, "Global Manufacturing Scorecard: How the US Compares to 18 Other Nations," Brookings Institution, July 10, 2018, <https://www.brookings.edu/articles/global-manufacturing-scorecard-how-the-us-compares-to-18-other-nations/>.

³⁵Joseph Quinlan and Lauren Sanfilippo, "China is Leading the World on Manufacturing, But the Race Isn't Over," *Barron's*, August 31, 2022, <https://www.barrons.com/articles/china-manufacturing-semiconductor-electronics-us-competition-51661894538>.

metals, and computers. In textiles, apparel, and leather, China's stake stands above half.³⁶ China constitutes 28.7% of the whole worldwide production for industry. This comprised approximately four trillion dollars of the country's general economic productivity in 2019. With cheaper costs, a huge labor force, and solid manufacturing superiority, China holds a 10% lead over the United States. However, the industry has remained a very important part of the U.S. economy as well, with GDP encompassing over 2.3 trillion by 2018.³⁷ By 2010, China's modernization and advanced-industry competencies had been roughly 58% of U.S. abilities on a proportionate foundation (constituting the size of its economy, population, etc.) and also 78% of U.S. production in total standings. By 2020, China's invention and advanced-industry competencies have augmented to unevenly 75% of U.S. aptitudes on a comparative foundation and 139% in total standings.³⁸

Suzhi and Science, Technology, Engineering, Mathematics (STEM) components of the Chinese education system must be discussed since they are effective on industrial production capacity and technological progress. *Suzhi* education is a model targeting to development of morality, intellect, physics, and feelings of aesthetics by continuously feeding personality, knowledge, spirit, and practical skills to the person wholly. This has been translated into English as "quality."³⁹ The main aim is to abandon the underestimation of social sciences and art education in university education wherein there exists overemphasis on science and technology. This model has targeted the granting of science and engineering students more courses

³⁶Joseph Quinlan and Lauren Sanfilippo, "China is Leading the World on Manufacturing, But the Race Isn't Over," *Barron's*, August 31, 2022, <https://www.barrons.com/articles/china-manufacturing-semiconductor-electronics-us-competition-51661894538>.

³⁷Felix Richter, "These are the Top 10 Manufacturing Countries in the World," World Economic Forum, February 25, 2020, <https://www.weforum.org/agenda/2020/02/countries-manufacturing-trade-exports-economics/>.

³⁸Ian Clay and Robert D. Atkinson, "Wake Up, America: China Is Overtaking the United States in Innovation Capacity," Information Technology and Innovation Foundation, January 23, 2023, <https://itif.org/publications/2023/01/23/wake-up-america-china-is-overtaking-the-united-states-in-innovation-capacity/>.

³⁹Xuan Dong, "*Suzhi* (Human Quality) and Individualization Amongst Short-Term Kung Fu Students in China," *Asian Journal of Social Science*, Vol. 49, No. 3 (September 2021), pp. 170–174.

on humanity, history, philosophy, and art and for social sciences students to learn some natural sciences courses.⁴⁰

The STEM model on the other hand first emerged with the Bachelor Science, Mathematics and Engineering Education Report by the U.S. National Academy of Sciences in 1986. By this program, it is recommended the strengthening of education of science, mathematics, and engineering fields in the bachelor levels of universities to ensure the United States is the world leader in science. Starting from the 2010s, governments realizing the role of industry in the future of economic welfare have focused on STEM education.⁴¹ Chinese targets in this program are information integration, systematic designing, experiment and discourse, cultural experience, recognition, and scientific approach and responsibility. Chinese STEM education⁴² has first focused on policy and application levels under the implementation of technological and scientific outlooks (see Fig. 5). Since 2015, at least 132 universities have established the Smart Science and Technology department and 163 universities have founded the Robotics Engineering department. It has immensely increased the number of programs on data science, huge data technology, smart production engineering, huge data management, and application.⁴³

After the 2008 global financial crisis, highly skilled and qualified immigrants who migrate from such countries as China, India, Russia, and Brazil have begun to return to their countries. These countries have developed various immigration policies to reflect positively this flow of return in favor of them and also to bring their highly skilled citizens (brain gain) abroad back to their countries. Beijing has applied various development plans and incentive packages to orient globally qualified people to reverse the brain drain and close the existing migration gap. Most immigrants

⁴⁰Haishao Pang *et al.*, “Suzhi Education and General Education in China,” *ECNU Review of Education*, Vol. 3, No. 2 (June 2020), pp. 380–395.

⁴¹Baichang Zhong *et al.*, “What Should a Chinese Top-Level Design in STEM Education Look Like?” *Humanities and Social Sciences Communications*, Vol. 9, No. 261 (2022), pp. 1–8.

⁴²Amber Zhang (2023), “Are Chinese Finally Pursuing a ‘Well-Rounded’ Education This Time Around?” *Baiguan*, July 7, 2023, <https://www.baiguan.news/p/are-chinese-finally-pursuing-a-wellrounded-edu>.

⁴³İsmail Ermağan and Mehmet Fatih Argın, “Çin Toplumu ve Ülkenin Eğitim Politikaları”, in Mesut HakkıCaşın, Sina Kısacık, and Can Donduran, eds., *21. Yüzyılda Tüm Boyutlarıyla Çin Halk Cumhuriyeti 1. Cilt* (Ankara: Nobel Yayıncılık, 2022), pp. 179–180.

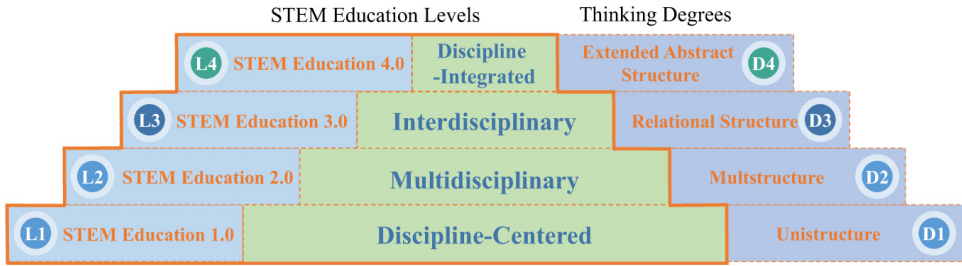


Fig. 5. STEM Education levels and thinking degrees.*

Source: *Baichang Zhong *et al.*, "What Should a Chinese Top-Level Design in STEM Education Look Like?" *Humanities and Social Sciences Communications*, Vol. 9, No. 261 (2022), pp. 1–8.

returning to their countries have started to work in suitable positions at respectable institutions in the country or they contribute to the development of the country's economy by establishing their own businesses wherein they are specialized.⁴⁴

Nowadays, these two countries are in head-to-head competition in all sectors. When the statistics of the World Intellectual Property Organization (WIPO) are examined, China has provided an annual 16% increase in all of these areas. This increase has occurred in the United States by 3%. This explains how can China lead the competition in producing new knowledge, transforming it into technology, and later on making value-added high-technology production. In response to the Chinese rise, in December 2020, Washington made some steps to prevent the specialization of Chinese students in engineering and technology fields in American universities. Obstructing the process of "step by step renewal", explicitly to prevent the equipping of Chinese students with the newest knowledge and then pursuing their R&D activities under the umbrella of China-based companies is the main reason.⁴⁵ As of May 30, 2020, then-U.S. President Donald Trump has declared that Chinese students and academicians who are thought to

⁴⁴İsmail Ermağan and Mehmet Fatih Arın, "Çin Toplumu ve Ülkenin Eğitim Politikaları", in Mesut Hakkı Caşın, Sina Kısacık, and Can Donduran, eds., *21. Yüzyılda Tüm Boyutlarıyla Çin Halk Cumhuriyeti 1. Cilt* (Ankara: Nobel Yayıncılık, 2022), pp. 178–179.

⁴⁵Ata Özkaya, "Bölgesel Bir Aktör Olarak Çin ve Ekonomi Politikaları," in Arzu Al and Hayri Kaya, eds., *Uluslararası Politik Ekonomide Avrasya* (Ankara: Nobel Akademik Yayıncılık, 2022), p. 131.

have close relations with the Chinese Army will be banned from entering the U.S. territories to achieve their graduate-level study/research.⁴⁶

Since the 2000s, it is known that Chinese students have been recording extraordinary success in the GRE (engineering sciences) and GMAT (social sciences) exams for master's education in American Universities and have been gaining a high number of scholarships in the United States. The master fields in positive fundamental sciences, technology sciences, engineering sciences, and mathematics would be banned for Chinese students right before the U.S. Presidential Elections by the then-U.S. Government in December 2020.⁴⁷ Moreover, on August 9, 2023, President Joe Biden issued an administrative directive that would only forbid U.S. investments in delicate technology within China and necessitate an administrative announcement of subsidizing in further technology areas specifically semiconductors and microelectronics, quantum information technologies, and some artificial intelligence systems. Biden has declared a nationwide emergency to tackle with the danger of development by states namely China "in subtle know-hows and goods critically imperative for military, intelligence, scrutiny, or cyber-empowered proficiencies." In terms of industrial design and branding rates, the difference between the countries has undoubtedly occurred in favor of China.⁴⁸

Economic Size and Growth

The Chinese economy has reached 19.37 trillion dollars of GDP and currently is the world's second-biggest economy after the United States (26.85 trillion).⁴⁹ According to the Chinese economist Zhu Min, former IMF Deputy Chief, the Chinese economy will surpass the U.S. economy by 2035

⁴⁶Yifan Yu, "US to Suspend Entry of Chinese Students With Military Ties," *Nikkei Asia*, May 30, 2020, <https://asia.nikkei.com/Business/Education/US-to-suspend-entry-of-Chinese-students-with-military-ties>.

⁴⁷Ata Özkaya, "Bölgesel Bir Aktör Olarak Çin ve Ekonomi Politikaları," in Arzu Al and Hayri Kaya, eds., *Uluslararası Politik Ekonomide Avrasya* (Ankara: Nobel Akademik Yayıncılık, 2022), p. 131.

⁴⁸Karen Freifeld, Andrea Shalal, and David Shepardson, "Biden Orders Ban on Certain US Tech Investments in China," *Reuters*, August 10, 2023, <https://www.reuters.com/world/white-house-detail-plans-restricting-some-us-investments-china-source-2023-08-09/>.

⁴⁹IMF, "GDP, Current Prices," <https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEOWORLD>.

in terms of total GDP.⁵⁰ As of 2022, China has become the first trading partner of 120 countries in the world, much ahead of the United States.⁵¹ This situation shows that China surpasses the United States in many commercial fields and is more successful in terms of economic reach.

Year after year, China has continued its economic growth and has become a great player in world economics. Chinese leader Xi Jinping aims to achieve the goal of socialist modernization by 2035 and complete its journey for an established rich and powerful state by 2049 which is the 100th anniversary of the state. For this reason, China needs to continue its high growth rate for the upcoming years.

According to the forecasts of the British consultancy Centre for Economics and Business Research (CEBR), it is expected that China's GDP will grow 5.7% annually by 2025 and 4.7% annually until 2030. This will lead China to become the largest economy in the world and surpass the U.S. economy in the near future.

Even after the pandemic, China continued to grow, but the growth rate fell short based on the financial forecasts due to export demand being tepid. In the second quarter of 2022, China achieved a 6.4% higher growth rate and this is getting slower compared with the expectations. For decades, China's growth was accelerated by the creation of higher demands. Therefore, after the lockdowns all over the world, China was expected to perform a rapid bounce. For 2023, it was shared that the Chinese economy grew 5.5% which almost ensures that 5% growth on a yearly basis is reached for 2023. According to the National Australia Bank, the Chinese economy is expected to grow 5.2% in 2023, 4.5% in 2024, and 4.8% in 2025.

At the beginning of the 21st century, the United States held the top place for being the trading partner of the majority of the great economies. However, this has changed and China has overtaken this position. As a

⁵⁰Li Xueying, "China Can Overtake US as World's Biggest Economy By 2035: Former IMF Deputy Chief," *Straits Times*, May 25, 2023, [https://www.straitstimes.com/asia/east-asia/china-can-overtake-us-as-world-s-biggest-economy-by-2035-former-imf-deputy-chief#:~:text=TOKYOpercent20percentE2percent80percent93percent20Chinapercent20ispercent20expectedpercent20to,Internationalpercent20Monetarypercent20Fundpercent20\(IMF\).](https://www.straitstimes.com/asia/east-asia/china-can-overtake-us-as-world-s-biggest-economy-by-2035-former-imf-deputy-chief#:~:text=TOKYOpercent20percentE2percent80percent93percent20Chinapercent20ispercent20expectedpercent20to,Internationalpercent20Monetarypercent20Fundpercent20(IMF).)

⁵¹Mark A. Green, "China Is the Top Trading Partner to More Than 120 Countries", Wilson Center, January 17, 2023, <https://www.wilsoncenter.org/blog-post/china-top-trading-partner-more-120-countries#:~:text=Chinapercent20ispercent20thepercent20largestpercent20trading,tradepercent20withpercent20RussiapercentE2percent80percent94andpercent20Ukraine.>

result of this, the trade volumes of 130 countries with China increased and the volumes almost doubled compared with the trade volumes of the U.S.⁵² Following the launch of the Regional Comprehensive Economic Partnership (RCEP), China has become the leader of the world's biggest free trade block as well. The member states are Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam, Australia, China, Japan, the Republic of Korea, and New Zealand. This can be evaluated as an exceptional challenge for the economic future of the two states.

China's strategy has evolved to build great trade partnerships not only for its economic growth but also for increasing the reliance on China. As Xi Jinping has mentioned the goal is to create international production chains, and the aim is to prevent supply cutoffs for China. This way, China aims to create a lose-it-all kind of trade partnership with the rest of the world in case of any sanctions.⁵³

China's efforts to raise its hand for creating new agreements and blocs for world trade have increased considering the U.S. leadership in promoting free trade via General Agreement on Tariffs and Trade (GATT), North American Free Trade Agreement (NAFTA), World Trade Organization (WTO), etc. The United States has also been working on the design of the Trans-Pacific Partnership. In 2018, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was established with 11 members. Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam are the members of this organization, which is also known as TPP-11. Meanwhile, China was able to include major Asian economies in the establishment of the Regional Comprehensive Economic Partnership (RCEP). RCEP is therefore emphasized as the largest trade bloc in the world as it almost gathers one-third of the global GDP.

Furthermore, China has also applied to join the CPTPP, which will be another challenge for the United States. The European Union (EU) is

⁵²Alyssa Leng and Roland Rajah, "Global Trade Through a US-China Lens," *Interpreter*, December 18, 2019, <https://www.lowyinstitute.org/the-interpreter/chart-week-global-trade-through-us-china-lens>.

⁵³Xi Jinping, "Major Issues Concerning China's Strategies for Mid-to-Long-Term Economic and Social Development," *Qiushi*, January 14, 2021, <http://en.qstheory.cn/2021-01/14/c.604551.htm>.

another bloc with which China wants to strengthen its trade relations. Therefore, China triggered the EU–China Comprehensive Agreement on Investment and the goal is also to increase foreign direct investment opportunities with the EU. China’s Belt and Road Initiative which follows the essentials of Silk Road aims to build a network of transportation and communication across Central Asia and Europe.

In short, although the United States keeps its primary position in the economic race, China’s economic reach has already surpassed the United States, and the Chinese economy is already bigger than the American economy in terms of PPP since 2014.⁵⁴

Foreign Dependency on Key Industries and Goods

China cannot produce advanced microchips by itself due to a lack of knowledge and technology. Even though since 2013 there have been ongoing studies on this issue and the acceleration of R&D, core technologies for advanced chipmaking still reside in the United States. Therefore, any type of embargo and production ban are sufficient to exclude China easily on this issue. In January 2021, the U.S. government began to adopt unprecedented restrictive measures against China-based companies working on microchip production. This is a compelling decision for China trying to pass into “Phase 2,” which covers high technology satellite control systems, machine equipment in renewable energy sectors, auto-pilot vehicles, ground satellite communications systems, medical robot technology, and studies on the advancement of artificial intelligence in engineering, financial systems as well as in law, which should be evaluated as sanction-banning regarding feeding from financial markets.⁵⁵ Beijing has filed a case at the WTO against fresh U.S. export controls intended to constrain its skill to produce high-end semiconductor chips frequently benefited for military drives, forming a fresh front in a boiling skirmish for regulating of the vital

⁵⁴“China Set to Overtake U.S. as Biggest Economy in PPP Measure,” *Bloomberg*, April 30, 2014, <https://www.bloomberg.com/news/articles/2014-04-30/china-set-to-overtake-u-s-as-biggest-economy-using-ppp-measure>.

⁵⁵Ata Özkaya, “Bölgesel Bir Aktör Olarak Çin ve Ekonomi Politikaları,” in Arzu Al and Hayri Kaya, eds., *Uluslararası Politik Ekonomide Avrasya* (Ankara: Nobel Akademik Yayıncılık, 2022), p. 139.

industry. China stands nowadays adopting a 140 billion dollars package to back its industry, occurring some four months subsequently the 280 billion dollars. CHIPS Act, and as the EU reaches an agreement of its own.⁵⁶

The 20th Party Congress report published several days after U.S. chip bans, has acknowledged existing commercial skirmish with the United States as the “chief economic combat zone” and promised to “implement a whole-of nation strategy for technological self-reliance.” Consequently, the CCP reinforced its guidance role in science and technology affairs, formed a “national system” for scientific research, and toughened the “national strategic technological force.” For President Xi Jinping, China has no other choice but to retreat from a market-grounded innovation system to security-grounded nationwide innovation planning.⁵⁷ *People’s Daily*, the CPC’s official newspaper, has blamed Washington for “suppression and destruction.” Beijing has correspondingly barred chips manufactured by U.S. company Micron from China’s critical infrastructure projects, in retaliation for Washington’s tech bans. Chinese industries also face significant headwinds amid tightening chip restrictions and have devoted vast sums of resources to find domestic alternatives. Even as Washington and Beijing reiterate their commitment to stabilizing bilateral ties, the contest for technological supremacy remains unabated.⁵⁸

China’s 2.7 trillion-dollar GDP in 2006 has tripled and reached 7.5 trillion dollars in 2011 despite the 2008–2009 global financial crisis. The serious loss of economic clout in U.S. and European markets with the global crisis has provided an opportunity for China to raise its profile in the international system. Thus, China has been investing in U.S. Treasury debt bonds for many years to protect the sustainability of the U.S. financial system. China possesses more than one trillion dollars of U.S. Treasury

⁵⁶ Alex Willemys, “U.S.-China Chip War Opens Up On New Fronts,” *Radio Free Asia*, December 13, 2022, <https://www.rfa.org/english/news/china/semiconductor-chip-war-12132022130013.html>.

⁵⁷ Zhuoran Li, “The Future of the China-US Chip War,” *Diplomat*, March 2, 2023, <https://thediplomat.com/2023/03/the-future-of-the-china-us-chip-war/>.

⁵⁸ Amy Hawkins, “Chip Wars: How Semiconductors Became a Flashpoint in the US-China Relationship,” *Guardian*, July 5, 2023, <https://www.theguardian.com/world/2023/jul/05/chip-wars-how-semiconductors-became-a-flashpoint-in-the-us-china-relationship#:~:text=Beijingpercent20haspercent20alsopercent20bannedpercent20chips,getpercent20aroundpercent20thepercent20exportpercent20controls>.

bonds as of 2020 besides its existing foreign currency reserves. A China that exports more than 430 billion dollars worth of exports to the United States is the greatest rival of the hegemon in the U.S.-led liberal order marked by complex interdependence.⁵⁹

In short, China and the United States have a symbiotic relationship as the rise of one positively affects the other as well. However, the U.S. policy to restrict China's access to microchip production is likely to continue since this is the key issue for Washington to prevent China from overtaking the United States both in economics and hi-tech industries.

Intellectual Capacity and Soft Power

According to the Times Higher Education Index, the United States and the United Kingdom still have the best universities in the world. In terms of 2023 results, the U.S. has 16 universities⁶⁰ in the top 25 whereas China only possesses two (Tsinghua University and Peking University).⁶¹ In terms of the top 500 higher education institutions as well, the United States tops the list with 146 institutions whereas China is the second country with only 44 universities.⁶² Although the United States has a clear superiority on this matter, it is a fact that Chinese universities have performed very well in the last two decades and begun to enter into the top 250, top 100, top 50, and top 25 lists.

Contrary to university rankings, in terms of patent grants and innovative technology, China performs very well and leads the world. In 2021, China topped the list of new patents with 38% share (607,758 patents)

⁵⁹Özker Kocadal, "Asya-Pasifik'te ABD-Çin Rekabeti: Tukidides'in Tuzağıve Liberal UluslararasıDüzen," in Arzu Al and Hayri Kaya, eds., *UluslararasıPolitik Ekonomide Avrasya* (Ankara: Nobel Akademik Yayıncılık, 2022), pp. 1386–1387.

⁶⁰These are: Harvard, Stanford, MIT, California Institute of Technology, Princeton, University of California Berkeley, Yale, Columbia, University of Chicago, University of Pennsylvania, John Hopkins, Cornell, University of California Los Angeles, University of Michigan-Ann Arbor, New York University, and Duke.

⁶¹"World University Rankings 2023," *Times Higher Education*, July 15, 2023, <https://www.timeshighereducation.com/world-university-rankings/2023/world-ranking>.

⁶²"World's Best Schools: Number of Top-500 Universities by Country," *Brilliant Maps*, March 3, 2023, <https://brilliantmaps.com/top-500-uni/>.

⁶³"Which Countries are Granted the Most New Patents?" *Visual Capitalist*, April 23, 2023, <https://www.visualcapitalist.com/cp/countries-new-patents/>.

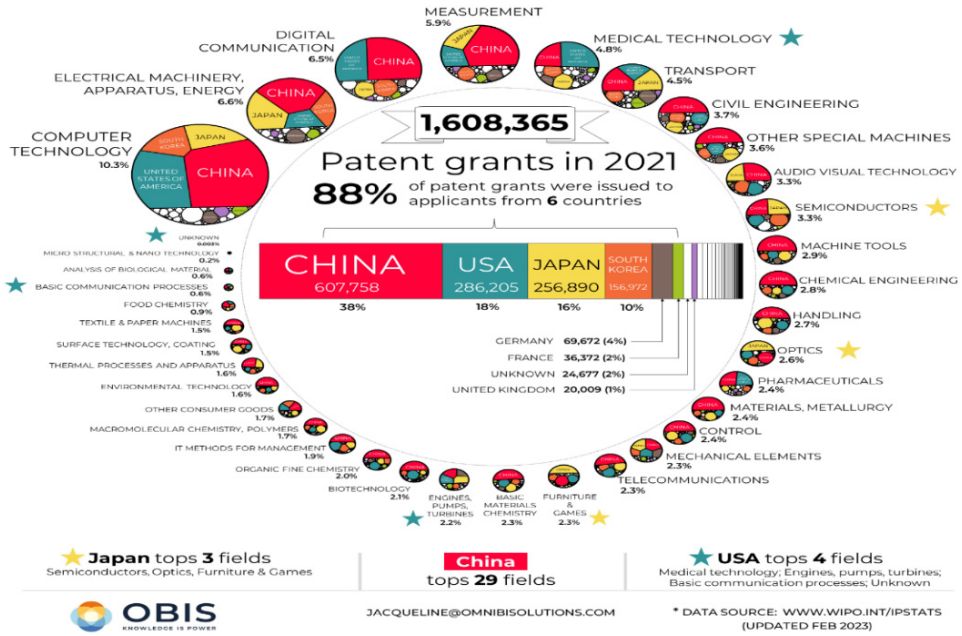


Fig. 6. Patent grants by origin country and field of technology.*

Source: “Which Countries are Granted the Most New Patents?” *Visual Capitalist*, April 23, 2023, <https://www.visualcapitalist.com/cp/countries-new-patents/>.

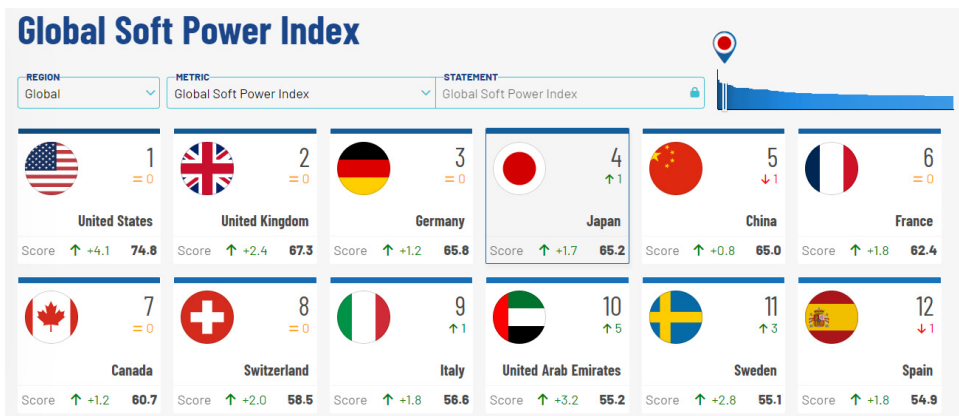


Fig. 7. First 12 countries in terms of the 2023 global soft power index.*

Source: “Global Soft Power Index 2023,” Brand Finance, <https://brandirectory.com/softpower/ranking?region=1&metric=1&statement=0>.

compared to the United States' 18% (286,205 patents).⁶³ Moreover, China's new patents cover 29 different fields compared to the U.S. patents only in 4 fields. This trend shows that the Chinese rise could lead to a new technological giant emerging in the Far East with new patents, innovations, and technologies (see Fig. 6).

Moreover, in terms of soft power, the United States has the lead by far. According to Brand Finance's 2023 "Global Soft Power Index," the United States ranks first in the world compared to China which is in the fifth rank.⁶⁴ Similar to Brand Finance, two other soft power indexes also show that the United States does much better in soft power compared to China.⁶⁵ In other words, the American Dream still outweighs the Chinese Dream. The United States has also a clear global domination in the movie, television, entertainment, and music industries (see Fig. 7).

To conclude, in terms of intellectual capacity and soft power, the United States has a clear lead although the gap has been narrowing in recent years and China has been able to make itself a leading player especially in the field of innovative technology and patents with the growth of universities and research centers in the last few decades. This trend shows that China's rise is also felt in the academia and intellectual domain.

Conclusion

In this paper, researchers have tried to update Organski's "Power Transition Theory" and apply it to the current status of U.S.–China rivalry to compare their relative strengths. Since the competition between Washington and Beijing has recently become the focal point of many academics, researchers, and strategists, this study will further enrich the existing literature. In fact, a similar study was conducted by Steve Chan in 2008, who concluded that

⁶⁴"Global Soft Power Index 2023," Brand Finance, <https://brandirectory.com/soft-power/ranking?region=1&metric=1&statement=0>.

⁶⁵*World Soft Power Index 2022* (New Delhi: India Strategic Studies Forum, 2022), <https://img1.wsimg.com/blobby/go/905bb114-a609-4bd0-a33b-dabe335781b0/downloads/ISSF-spercent20Worldpercent20Softpercent20Powerpercent20Indexpercent202022.pdf>; and Jonathan McClory, *The Soft Power 30: A Global Ranking of Soft Power* (New York: Portland PR Ltd., 2015), https://portland-communications.com/pdf/The-Soft-Power_30.pdf.

China is “overtaking or even approaching the U.S. as a contender for international primacy.”⁶⁶ Moreover, as Şerafettin Yilmaz and Wang Xiangyu have found, the theory is based on the assumption that the “dominant power would have no incentives for dissatisfaction so long as it remains preponderant and the challenger does not show any tendency, along with actual capacity, to overthrow the existing order.”⁶⁷ In that sense, it is highly questionable whether the Chinese approach to global affairs and to the U.S. would cause any dissatisfaction in the U.S. given the fact that the Chinese political system as well as the Sino culture is very domestic-oriented and hard to export outside.

However, leaving that fact aside, it is interesting to find out that the rise of China is no exaggeration and, on many levels, the situation of China is either better or closer to the United States, the leading country of the world. Since one of the key principles in Organski’s theory is that a power transition process might start when the challenger reaches 80% of the dominant’s power capabilities, we can claim that the transition period has already started.

Demographically speaking, China is in a far more advantageous position due to its huge population. In terms of political stability and efficiency, China still has a long way to go but is now doing much better compared to decades ago, whereas the United States has become less stable in recent years as evidenced by the January 6 riot and growing polarization. When it comes to industrial production and technological progress, China is the leading candidate to challenge U.S. tech supremacy, while the Chinese economy is already on par with the United States in terms of Beijing’s ability to build competing trade blocs. Chinese foreign dependency on microchips is a critical issue that shows that outcompeting the United States is not an easy task, and U.S. superiority in intellectual capacity and soft power is also clear. The data and evidence show that these two great economies and powers of the world will shape the international economic and political order together in the 21st century.

⁶⁶Steve Chan, *China, the U.S., and the Power-Transition Theory* (New York: Routledge, 2008), pp. 121–122.

⁶⁷Şerafettin Yilmaz and Wang Xiangyu, “Power Transition Theory Revisited: When Rising China Meets Dissatisfied United States,” *China Quarterly of International Strategic Studies*, Vol. 5, No. 3 (Fall 2019), pp. 324–325.