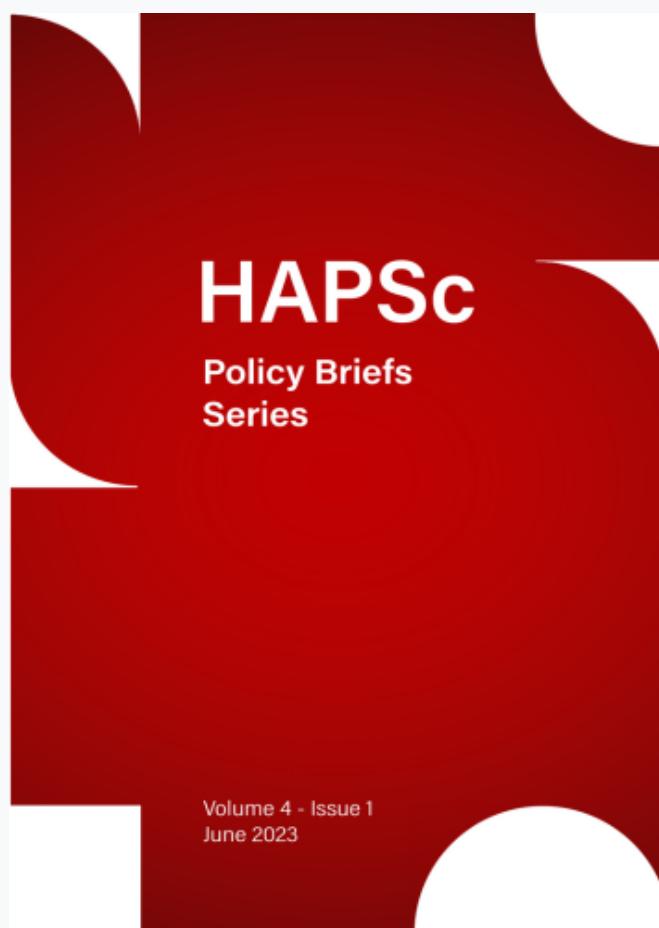


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Anastasios Nikolaos Kanellopoulos

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Security Dilemma Between USA and China: A Strategic Perception Approach¹

Anastasios-Nikolaos Kanellopoulos²

Abstract

This paper approaches the "Security Dilemma" as the cornerstone of Realist school of thought strategic Theory. According to that, states are regularly trapped into competition escalations, due to the lack of a clear "opponent" strategy and operational decisions' understanding. This situation, leads to political distrust, occurring economical rivalries and military conflicts. Subsequently, 21st century China's commercial and military power rising, creates fear for the states in the East Asia region and the global naval powers, a situation that promotes a new world competition between USA and China.

Keywords: Security dilemma, perceptual strategy, economic rivalry, strategic competition, USA, China, East Asia.

Introduction

Strategic perception refers to an organization's ability to collect, interpret and process information and intelligence about its strategic environment and utilize it to achieve strategic planning and make decisions. This framework involves the identification of patterns and trends, that highlight the changing operational and strategic circumstances, assessing simultaneously potential future developments. Thus, a strong strategic perception is essential for a competitive organization or a state, as it consists an intelligence-led function, determining the competition escalations decisions (Chorev and Shumacher, 2014).

In addition, the strategic perception constitutes the pillar of Security Dilemmas creation, leading the high-level decision makers to misunderstandings regarding states' pursuits. This paper examines, the Security Dilemma situation, between USA and China and tries to determine whether it relays on both states' strategic perception.

Security Dilemma Theory

"Security Dilemma" consists a chief academic approach of the Realist school of thought, on the field of International Relations. It is the situation when the efforts of a state to increase its security, increase or creates mistrust and fear to other states, leading them to take measures proactively, that may generate conflicts. The inventor of the term John Herz (1948), states that "the increase in the power of one state leads to the decrease in the power of another". Simultaneously, Herbert Butterfield

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² Athens University of Economics and Business, Greece.

following Herz, supports that "Security Dilemma" is generated by the lack of real knowledge of the adversary's intentions, meaning that it may rely on perception management issues (Butterfield, 1951). This academic view, highlighted the great subjectivity regarding the perception of the factors, that could lead to the "Thucydian trap", as it is possible for states to misunderstand their competitors' decisions and actions' aiming, escalating their reactions excessively, due to the distorted information or perception they have about another state (Tang, 2009).

Thucydides in "Peloponnesian War", without intending to shape the initial perception of "Thucydian trap", embraced the cornerstone Theory of Realism thinking. In a world that tends to resemble progressively to the Hellenic political structure of 5th century BC., the rise of Athens' power and the anxiety it caused in Sparta, in the period prior the outbreak of the Peloponnesian War, is alike to present looming conflict between the USA and China. Approximating the period of the 5th century BC, the 21st century's international system is in a regime of structural anarchy, where states seek to ensure their security and increase their power.

Therefore, the constant rise of China in the international stage is correlated with the lack of a substantial strategic consideration of its intentions, leading to the formation of "strategic fears" in the West and especially in the USA.

Economic Rivalry

Since 1978, the year that China changed its economic policy, the country is showing growth per year, on an average of 10% of GDP. The great shift in Chinese policy took place following long-term diplomacy by the US, which led to China's decision to stop the economic policies of a closed, "Soviet Union-style" economy and to gradually join the open-type internationalized economies of the West. The change in policy allowed the involvement of Western international companies in Chinese territory, with a simultaneous increase in trends for trade and the creation of commercial infrastructure in the country. This policy resulted to rapid growth of trade between the US and China, since 1985 (Scobell, 2012).

Furthermore, China's economic policy conversion was completed in December 2001, the year of entrance to the World Trade Organization. By joining the organization, China accepted the rules of the global trading and financial system. Following the above developments, USA and the Liberal school of thought in "International Relations", considered that there was a possibility of developing economic relations with China, under a framework of international control, in a global system that would maintain economic primacy and develop cooperative trade games with Chinese companies in

East Asia (De Graaff and Van Apeldoorn, 2018). Nevertheless, the first negative sign was the permanent Chinese policy of exercising partial regulatory control over companies operating in China.

In 2010, China's GDP surpassed that of Japan, upgrading the country to the second largest economy in the world. This was the result of both external factors, such as the Chinese opening to international trade and economic system and a series of internal economic developments. China, since the beginning of 2000, promoted and increased its urbanization policy, giving the country many millions of new workers in the secondary and tertiary production sectors. Sequentially, spurred an increase in savings, through a network of government control (Heywood, 2011). Eventually, this savings policy combined with keeping the yuan's exchange rate low against the dollar, made it possible to provide external lending to third countries, increasing China's diplomatic power.

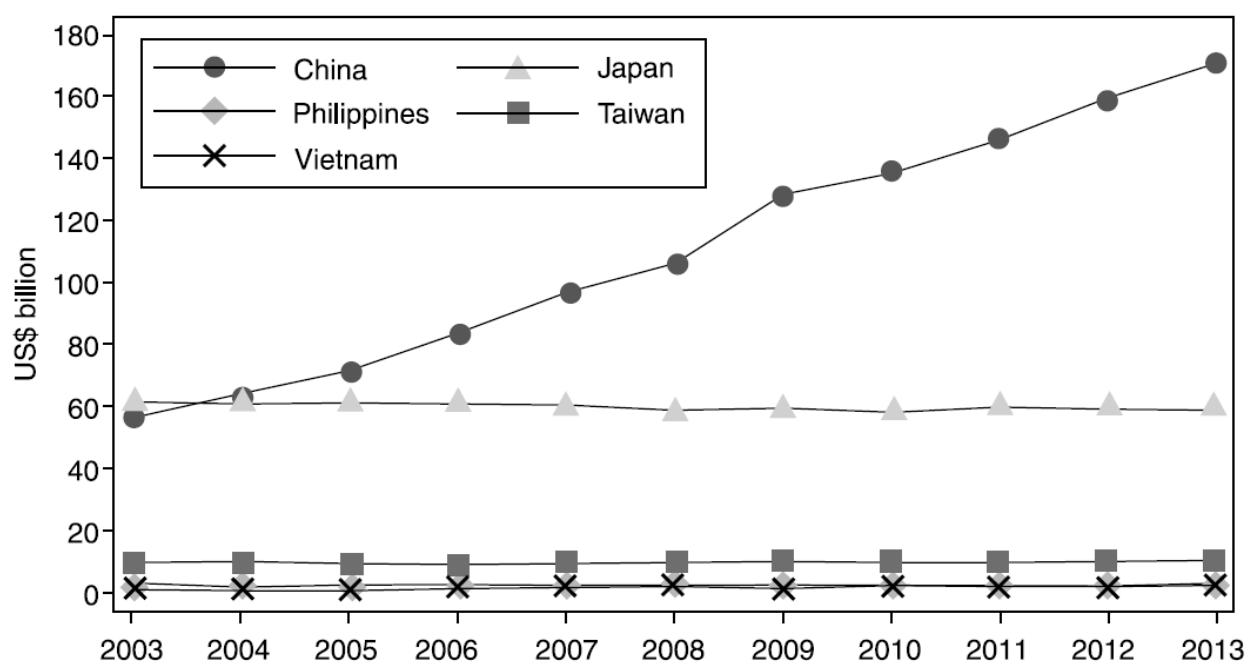
These developments particularly disturbed the Western political system, that was observing China becoming the center of the world's commercial and manufacturing industry, during the first decade of the 21st century. Nevertheless, China has laid a strong foundation for trade cooperation with the European Union, upgrading the Chinese merchant fleet and establishing strategic partnerships with maritime trade lobbies such as the Hellenic (Huang et al., 2020). In addition, it formed commercial agreements on port control at important points, of the China-EU maritime trade route (Van der Putten, 2014).

As a result, USA, for the first time after the end of the Second World War, feels that its economic primacy is threatened. Major financial houses predict that within the next decade, China's GDP will surpass that of USA (Fortune, 2021). Additionally, as of December 2020, Chinese SOEs held US debt equivalent to just over a trillion dollars.

Therefore, it is easy to understand that China's rapid economic expansion in the last twenty years creates a climate of fear for American economic interests. While USA foreign policy has attempted and succeeded in bringing the Chinese system into a regime of participation in the global market, as well as in the commercial and financial system, it is now understood that the intent of Chinese policy is more collusion than cooperation, with ultimate goal of global economic dominance.

Strategical Competition in the Eastern Asia

China's rapid economic growth during the first twenty years of the 21st century, has particularly concerned states in the Eastern Asia region. The fear lies in the looming transformation of economic power, into military power, through the new armament programs that China implements (Hundman et al., 2015).



(Fu, R., et al., 2015: 183)

Through increasing military power, China is likely to intensify its claim enforcement operation in the East Asian maritime region (Lanteigne, 2008). Specifically, in the public version of the Chinese national security strategy for 2019, the intention to upgrade the military is apparent, with the aim of responding to the Chinese interest on ensuring control of the China Sea (Ministry of National Defense of the People's Republic of China, 2019). Chinese claims in the region began in 1947, when the communist regime adopted the "eleven-dash line", placing outside the framework of international law and interstate understanding, under Chinese sovereignty, almost the entire East China Sea Asia, violating the sovereign rights of all states in the region (Papasotiriou, 2013). In the following years, Chinese policy adapting to the international economic and legal framework in other fields, did not retreat from its positions regarding the China Sea region, fearing that such a move would create problems of internal legitimacy. On the contrary, under the same framework of internal pressure, it escalated its political confrontation with Taiwan, during the decade 2010-2020.

Under these circumstances and with the real Chinese intentions unknown, USA fearing China's regional dominance with "hard power" in East Asia, has steadily increased its involvement in the region. In a context of solid military defense cooperation, maintain USs military units in Japan, South Korea, and Australia, as well as significantly enhance their defense efforts by providing weapons systems (Ekmektsioglou and Lee, 2020). As far as Taiwan is concerned, they maintain a defense agreement to ensure the essential independence of the island state, supplying it with anti-submarine warfare and "denial of access" weapon systems. In addition, the US continues to develop partnerships

with other countries in the region such as Malaysia, Indonesia, Singapore and the Philippines, providing steady diplomatic support against Chinese claims and maintaining naval bases on their territory.

Consequently, the effort to upgrade China's military capabilities, combined with its uncompromising and illegal claims, in the maritime areas of East Asia, causes "strategic fear" to East Asia states the countries. USA is missing a clear view of the Chinese real intentions, sees China's military build-up as a threat to the emergence of a new military regional power and escalates its presence in East Asia, both militarily and diplomatically.

Strategic situation after Covid-19 and Ukraine war Taiwan

Subsequent events, such as the covid-19 and the war in Ukraine in 2020-2022, created an environment of regional economic constraints and conflicts. USA increased its strategic and operational support to Taiwan, thus upleveled the intensity of its economic confrontation with China, attempting to limit its economic growth at the expense of the US economy. Moreover, China has further developed existing alliances, such as those with Iraq and Iran and attempts to play the role of international relations "coordinator" in the Middle East and Asia (MacGillivray, 2018; Sun, 2021).

In addition, it developed its economic and military relationship with Russia, keeping a neutral relationship in the Ukrainian war. This diplomatic attitude is connected with China's strategy towards Taiwan. Beyond that, strengthening relations with Russia can support Chinese interests in Africa, Latin America and vis-a-vis Japan.

Furthermore, the Aukus agreement and the discussions between NATO and Southeast Asian countries, attempted to limit China's capabilities in the Intelligence operational field (O'Connor et al., 2023). On the contrary, China proceeded to new alliances development in the Pacific region, such as the security agreement with the Solomon Islands, endeavoring to increase its military operational capabilities in the region (Fraenkel and Smith, 2022).

Strategic Perception

The present study, assesses the extent of the economic competition and China's rise in East Asia, as factors that reinforce the existence of a "Security Dilemma" between the USA and China. Besides, observing macroscopically the political reality and examining these factors, it is understood that the Western intelligence gap of China's real intentions in the global political arena and regionally in Asia, leads to tensions strengthening and military escalation.

It was mentioned in the chapter "USA-China Economic Rivalry" that the diplomatic relations between the two countries were excellent during the second half of the 20th century. The political climate seems to have changed with the rise of Xi Jinping to the political scene in 2012. The new Chinese political leadership pushed China to diplomatic exploitation of its monetary and commercial power. Thus, the country rapidly developed its strategic planning, for the sea and land trade connection between China and Europe. In addition, by forming new economic agreements in Africa and the Middle East, China attempted to ensure its energy autonomy. In this context, it developed close cooperation with countries such as Venezuela, Cuba, Iran, Pakistan and Iraq. The economic deals quickly evolved into lending financial support in countries, such as Pakistan and Iraq, as well as diplomatic support on critical issues, such as Iran's nuclear program (Scita, 2021).

Beyond the above economic and diplomatic developments, the factor of Chinese internal political stability is of critical importance. China is governed under a framework of "Communist Capitalism". This means that, political absolute control is maintained by the executives of the "Party", under the strict framework of state surveillance, overall economic and political movements. This significantly reduces the possibilities of foreign political intervention in China's internal issues, leading to inability of Chinese essential strategic goals understanding.

The above mentioned internal and external Chinese policies, create a climate of suspicion for other powers in the international environment. In this climate, a state such as USA is unable to ascertain the true intentions of China's economic and political rise. However, it should be pointed out that China's policy possibly aiming at securing its territory and internal stability. If we examine the political reality from the Chinese side, we find that the country is called upon to operate in a strategic environment surrounded by "personal enemies" or strategic allies of the USA (Balzacq et al., 2019). Especially, regarding its diplomatic relations in the region, while there is an attempt of partial normalization with countries such as India, it is evident at the same time an inability to develop strong alliances with countries whose interests could coincide with its own, such as Russia, despite the serious efforts that took place in 2022 and 2023 after the start of the Ukraine war (Hoslag, 2009; Pardesi, 2010). This is mainly due to the "political autism" of Chinese perceptual politics, which often focuses on solving internal problems and loses the "big strategic picture", placing every neighboring power, in the status of the "enemy" (Luttwak and Carson, 2019).

Conclusions

Eventually, the international balance between the USA and China was examined, through the factors that influence and increase the "Security Dilemma". China's economic empowerment was approached

as an event that causes fear of loss of economic primacy for USA, while increasing China's diplomatic power. In addition, China's claims and conflicts of interest in East Asia, reinforce USA's perception of fear, for the emergence of China as a military regional power in the region. Finally, the most important influencing factor of the "Dilemma" between the two powers, is the lack of understanding of their real strategic intentions. This intelligence gap, may lead China's decisions that cause the extreme reaction of USA. Hence USA escalates its presence in East Asia.

It is certain that, during historical moments, when a new power attempts its global emergence, in the international primacy, the previous stronger power reacts and attempts to limit it. Especially, in cases where a land power builds up and tries to gain naval power, the existent global naval power reacts, usually not by peaceful means. However, in present international environment, where significant steps have been taken in interstate understanding and cooperation, USA and China could seek cooperative frameworks, to manage the fields of interests' conflicts. Such a cooperative perceptual approach, may become possible through the strategic alignment of USA and Chinese interests in matters concerning the Arctic seas and Northeast Asia.

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