

THE ECONOMIC DIMENSION OF THE POWER STRUGGLE BETWEEN THE UNITED STATES AND CHINA: A LOOK INTO THE BELT AND ROAD INITIATIVE

JULIA MARIA SOARES ANDRADE RUDRIGUES¹; WILLIAM DALDEGAN²

¹Universidade Federal de Pelotas – juliarudrigues@gmail.com

² Universidade Federal de Pelotas – william.daldegan@ufpel.edu.br

1. INTRODUCTION

This study aims to investigate the economic dimension of the power struggle between the United States (US) and China through an analysis of the economic power of both countries in the countries included in the Belt and Road Initiative (BRI) corridors China-Indochina Peninsula Economic Corridor (CICPEC), Bangladesh-China-India-Myanmar Economic Corridor (BCIMEC), and China-Pakistan Economic Corridor (CPEC). The time frame for this research is 2017-2025, covering Donald Trump's first term (2017-2021) and Joe Biden's subsequent term (2021-2025). The theoretical framework of this research is the realist branch of International Political Economy (IPE), specifically the International Political Change Theory (IPCT) developed by Robert Gilpin. IPCT focuses on the international system and the efforts made by actors to change the system to benefit their own interests, and understands that when new states undergo economic, political, technological, and territorial changes, this occurs to the detriment of the more powerful states in the system, which lose power (GILPIN, 1981).

Furthermore, this research is also supported by Susan Strange's concept of structural power. As STRANGE (1994) states, structural power exists as a counterpoint to relational power, and both are exercised in political economy. While the latter is related to the power of one actor to make another actor do something that they would not otherwise do, the former determines the very structures of the global political economy and means, according to the author, much more than the power to simply set agendas or design international regimes. For STRANGE (1994), structural power shapes the way things are done and the very structures within which states relate to other states, to people, and to companies, and is found in four related but distinguishable dimensions: production, finance, knowledge, and security.

During the 21st century, the United States and China have consolidated a process of power struggle (ESTACHY, 2020), defined by a relative decline in US hegemony and the rise of China as a great power (SCHUTTE, 2021; HAN; PAUL, 2020; MALKIN, 2020; WALDRON, 2020). According to HAN; PAUL (2020), China's challenge to the *status quo* has a strong economic focus, distinct from the military focus adopted by the last challenger to US dominance, the Soviet Union, during the Cold War. At that time, states in the international system were not subject to the strong economic interdependence that exists today, a factor that influences the difference in focus.

One of the largest initiatives undertaken by China this century is the BRI, an initiative for interconnectivity, infrastructure, and integration under the country's leadership and financing (PAUTASSO; NOGARA, 2023). Launched in 2013, it has mobilized, according to PAUTASSO; NOGARA (2023), more than US\$ 755 billion in investments from the countries that have joined it, along with approximately US\$ 100 billion annually between 2014 and 2019. This scale supports the research problem of this study: how has the power struggle between the US and China impacted their economic weight in countries along the CICPEC, BCIMEC, and CPEC?

2. METHODOLOGY

This study has analytical purposes and a mixed approach of qualitative methods and quantitative data. To this end, it aims to combine the theoretical-methodological framework of the IPCT with the collection and analysis of economic indexes. To date, a review of the literature on the IPCT has been conducted to identify the economic factor and properly isolate its operational definition. According to GILPIN (1981), the economic factor is environmental in nature and concerns the profitability of changing the economic system, which can be understood as “the techniques and organizations for the production, distribution, and consumption of goods and services” (GILPIN, 1981, p. 67).

The next step in this research will be to select and collect the appropriate data for analysis. The sample of countries consists of the countries that make up three of the BRI corridors: CICPEC, BCIMEC, and CPEC. As stated by YOU et al. (2022), there is no official list of BRI participating countries, so this study adopts the list designed by DERUDDER; LIU; KUNAKA (2018) in their discussion paper for the World Bank Group. The sample is therefore composed of Singapore, Malaysia, Thailand, Cambodia, Laos, and Vietnam (CICPEC), Bangladesh, India, and Myanmar (BCIMEC), and Pakistan (CPEC). This choice was made taking into account that the countries in these corridors are located along important shipping routes and chokepoints for global trade in the South China Sea and the Indo-Pacific (BARTON, 2020) and are therefore of great strategic importance to the US and China, the world's largest importers and exporters.

3. RESULTS AND DISCUSSION

This research is a dissertation project still in its early stages of development, so there are no results to present as of now. Scholars of International Relations puzzled by the economic factors of change in the international system, such as Fernand Braudel, Charles Kindleberger, and Robert Gilpin, have reflected on the issue of the displacement of hegemonic centers due to changes of the geographic core of economic and political activities. As stated by BRAUDEL (2002), the nature of hegemonic centers is impermanent, and they succeed one another as the flow of capital, goods, people, and news changes course. KINDLEBERGER (1973) is even more concerned with the role that economic aspects play in this issue. For this

author, the international economy and the monetary system need a state that is capable and willing to establish and enforce rules and keep them functioning.

China's economic focus as a rising great power has been widely recognized by other countries in the international system, but especially by its direct rival, the US hegemony. According to FAJGELBAUM; KHANDELWAL (2022), when the US decided to wage a trade war against China in 2018, raising tariffs on Chinese imports, this represented an abrupt break with its historical leadership based on the integration of global markets. Although this strategy began under the Donald Trump administration, the Joe Biden administration has followed it in its own way. One of these was the creation of the Build Back Better World (B3W) initiative, a channel to help poor countries develop infrastructure, which began as a direct alternative to the BRI in countries along the Indo-Pacific (ZHAO, 2022). According to ZHAO (2022), the BRI helps shape competition between China and the US, and its impact on how the two countries relate to each other deserves further study. PAUTASSO; NOGARA (2023) adds that the BRI faces challenges intertwined with Washington, which sees China as its main adversary.

3. CONCLUSIONS

This study's purpose is to contribute to the development of the field of Political Science, and especially International Relations and International Political Economy. The relevance of this work lies in its potential to offer a deeper understanding of the economic dimension of the power struggle between the United States and China through a look into the countries of the BRI. In addition, it is hoped that this research will contribute to the research agenda on BRI and IPCT.

5. REFERENCES

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