

Rise and Fall

Global Competition, Conflict, and Realignment in an Era of Declining U. S. Hegemony and China's Rising Power

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A defining historical feature of the decline of specific empires in the world capitalist system has been the conflict surrounding the emergence of a successor. The United States and Germany engaged in a protracted struggle in the first half of the twentieth century to determine which country would replace Great Britain as the dominant power.

After Germany's second defeat in a world war in 1945, the U. S. and the U. S. S. R. contended for global hegemony even though the U. S. was the pre-eminent power in economic and military terms throughout the four decades of the Cold War. Since the demise of the Soviet Union, the U. S. has attempted to use its unrivaled military power as a weapon to retain an eroding supremacy.

However, given extensive internal and external contradictions, the U. S. empire faces global competition and realignment, especially, but not exclusively, as a consequence of the rise of Chinese global power.

While it may be that global capital has, to a certain extent, delinked itself from the nation-state, in the case of the United States, in particular, the state and state apparatus, especially in the form of military neo-liberalism, still perform essential geostrategic functions. A fully realized deterritorialized and decentered global system, whether envisioned by Hardt and Negri on the left or Thomas Friedman on the right, does not yet exist.

Indeed, the "dialectical relation between territorial and capitalist logics of power," which David Harvey identifies as the defining characteristic of the "new imperialism," still persists. That persistence of territorial logic, described by Chalmers Johnson, in the *Sorrows of Empire*, as an "empire of bases," more than a predetermined inter-imperialist rivalry or an emergent transnational capitalist class, underscores the growing geopolitical competition between the U. S. and China. On the other hand, it is necessary to account for both elements in Harvey's dialectic in order to demarcate those sites of US/Chinese competition and conflict.

While the United States no longer dominates the global economy as it did during the first two decades after WWII, it still is the leading economic power in the world. However, over the last few decades China, even with all its internal contradictions, has made enormous leaps until it now occupies the number two spot.

In fact, the International Monetary Fund recently projected that the Chinese economy would become the world's largest in 2016. In manufacturing, China has displaced the US in so many areas, including becoming the number one producer of steel and exporter of four-fifths of all of the textile products in the world and two-thirds of the world's copy machines, DVD players, and microwave ovens.

Yet, a significant portion of this manufacturing is still owned by foreign companies. On the other hand, China is also the largest holder of foreign reserves, especially of US treasury bonds. The latter is one of the reasons mitigating against a full-blown conflict with the US since China has such a large stake in the US economy, both as a holder of bonds and as the leading exporter of goods to the US. Yet, China's leading trade partner in 2007 was the European Union.

At the same time, China is now the world's largest consumer of essential metals (copper, zinc, platinum) and one of the most voracious importers of hydrocarbons. Essential investment and trade by China in Saudi Arabia,

Iran, and Venezuela, plus engagement with a host of Central Asian countries, indicates China's growing need for oil and natural gas, as well as its growing challenge to US geostrategic interests in these countries and regions.

With China's energy consumption approaching 20 percent of the world's total, it may well overtake the US as the largest hydrocarbon consumer in the next decade or so. It is already the number one producer of greenhouse gasses although the US is still the per capita leader.

Nonetheless, as Michael Klare points out in *Rising Powers, Shrinking Planet: The New Geopolitics of Energy*, the scramble for more oil will lead to extracting what he calls "tough oil," leading to more expensive and environmentally destructive production. Compounding the energy strains and resource competition are additional environmental catastrophes in the form of global warming and desertification.

As one skeptical analysis of China's rise warns: "By impinging on the very process of world-systemic reproduction itself, the mutually interpenetrating character of energy resource bottlenecks and extreme climate perturbations should make an already unlikely transition in world-systemic leadership between a declining US and a rising China even more inconceivable—especially considering these bottlenecks and perturbations will both compound China's well-documented explosion of peasant and worker protests and hamstringing the capacity of the Chinese state to respond to myriad crises."

Beyond the internal and external environmental crises facing China and the United States, the resource competition between these two powers will invariably lead to geostrategic conflicts. The US obsession over the growing Chinese economic and geopolitical threats deliberately obfuscates those factors that have led to a declining global hegemony.

Author James Petras captures the global contradictions that flow from these differing geostrategic postures in the world:

1. Washington pursues minor military clients in Asia; while China expands its trading and investment agreements with major economic partners—Russia, Japan, South Korea and elsewhere.
2. Washington drains the domestic economy to finance overseas wars. China extracts minerals and energy resources to create its domestic job market in manufacturing.
3. The US invests in military technology to target local insurgents challenging US client regimes; China invests in civilian technology to create competitive exports.
4. China begins to restructure its economy toward developing the country's interior and allocates greater social spending to redress its gross imbalances and inequalities while the US rescues and reinforces the parasitical financial sector, which plundered industries (strips assets via mergers and acquisitions) and speculates on financial objectives with no impact on employment, productivity or competitiveness.
5. The US multiplies wars and troop build-ups in the Middle East, South Asia, the Horn of Africa and Caribbean; China provides investments and loans of over \$25 billion dollars in building infrastructure, mineral extraction, energy production and assembly plants in Africa.
6. China signs multi-billion dollar trade and investment agreements with Iran, Venezuela, Brazil, Argentina, Chile, Peru, and Bolivia, securing access to strategic energy, mineral and agricultural resources; Washington provides \$6 billion in military aid to Colombia, secures seven military bases from President Uribe, backs a military coup in tiny Honduras and denounces Brazil and Bolivia for diversifying their economic ties with Iran.

Given the reactionary political trends in the US and the continuing commitment to preserving the empire at the expense of major investments in domestic infrastructure, education, health-care, etc., it is hard to imagine a different trajectory. Indeed, as James Petras contends, "The US Empire will continue to wallow in chronic stagnation, unending wars and increased reliance on the tools of political subversion...The US, unlike the established colonial powers of an earlier period, cannot deny China access to strategic raw materials as was the case with Japan [prior to WWII]. We live in a post-colonial world where the vast majority of regimes will trade and invest with whoever pays the market price."

Moreover, given the global realignment that is emerging in the wake of a declining US empire, other countries, like Brazil and Turkey, will take the initiative on the global stage to address geopolitical concerns that the US continues to impede and/or neglect. Global powerhouses, like the BRIG (Brazil, Russia, India, and China), will look for ways to affirm their own self-interest in trade and geopolitical alignments.

As much as the competition over essential resources contains a component of the capitalist logic of the “new imperialism,” it is at the level of military rivalry and geopolitics that the US and China are positioning themselves to claim certain geostrategic objectives.

The Pentagon continues to assert its military prerogatives in the Pacific and the South China Sea. Conducting naval exercises recently in that region, the US staked out its commitment to what a previous national security strategic document called “full spectrum dominance.” Yet, there are numerous Pentagon officials, from Admiral Mike Mullen, the Chairman of the Joint Chiefs of Staff, on down, who, while committed to maintaining and even expanding US presence in the Pacific, consider China’s rise as part of a regional alignment that can be managed. There are others, however, such as President Obama’s National Security Advisor Tom Donilon, who worry about China’s “unchecked influence in the region.”

China has greatly expanded its investment in the military, especially with naval vessels and sophisticated electronic equipment. Some analysts, such as Alfred McCoy, foresee an eventual US/China military conflict that may very well be resolved in favor of China, especially as a consequence of its growing network of supercomputers and cyber warfare. On the other hand, there are scholars like Giovanni Arrighi who, taking the long view of China’s geopolitical role in the world, see an alternative outcome.

According to Arrighi:

Would it not be in China’s best interest, one, to let the US exhaust itself militarily and financially in an endless war on terror; two, to enrich itself by supplying goods and credits to an increasingly incoherent US superpower; and three, use its expanding national market and wealth to win over allies (including some US corporations) in the creation of a new world order centered on China, but not necessarily dominated militarily by China?

While it is not hard to imagine that China may wish to bide its time and remain an economic powerhouse without exacerbating geopolitical flashpoints such as Taiwan, it is more difficult to assume that the US will renounce its “indispensable” leadership and step down from its military pre-eminence.

One must turn, therefore, to prior historical examples of the conflicts between rising and declining or competing powers in order to provide more context to the present competition and conflict between the US and China. In conservative historian Paul Kennedy’s recounting of the growing antagonism between England and Germany leading up to WWI, geopolitical conflicts and military imperatives played a significant, if not solely determining, role in their eventual clash.

The history of the Cold War was replete with geopolitical conflicts that were proxy or surrogate battles between the US and Russia. Perhaps, as in the case of the Cold War, containment will be the preferred strategy of the US and direct conflict will not occur. On the other hand, the Soviet Union was never an economic threat to the US nor was the US in the dire circumstances of imperial overstretch.

While it remains unclear what the ultimate outcome might be of growing competition and conflict between the United States and China, it is very clear that the US is a dying empire with declining hegemonic power in the world.

There are those who see the emergence of a multi-polar world where China and other regional powers supersede US global dominance. In this scenario, the US, out of a recognition of the detrimental domestic and foreign effects of imperial overstretch, accommodates itself to such a multi-polar world.

However, it is hard to envision any tendency within the American political elite who would be prepared to surrender continuing US global dominance.

Unless and until there are radical changes in how the US is governed and how it operates militarily in the world, permanent war, including military conflict with China, may be inevitable.

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