Great Power Competition between China and the United States: A Power Transition and Neorealist Analysis

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ABSTRACT

The intensification of great power competition (GPC) between the United States and China marks a systemic transformation in international politics. This article applies Power Transition Theory (PTT) and Neorealism to explain the structural drivers, strategic behaviors, and potential trajectories of Sino–American rivalry. While PTT explains the timing and danger of systemic conflict as power parity approaches, Neorealism elucidates balancing behavior, alliance formation, military modernization, and security dilemmas. The article argues that contemporary U.S.–China competition is structurally embedded, multidimensional, and likely to persist over decades. Although nuclear deterrence and economic interdependence reduce the probability of total war, flashpoints—particularly Taiwan and technological rivalry—present serious escalation risks.

Key Words: Great Power Competition, Global Dominance, Technological Rivalry, Power Transition Theory, Neorealism.

INTRODUCTION

The post–Cold War unipolar moment, characterized by American preponderance, has given way to renewed great power competition. Since the late 2000s, China's rapid economic growth, military modernization, and expanding global influence have narrowed the gap with the United States. The U.S. National Security Strategy formally identifies China as a strategic competitor, while Chinese leadership under Xi Jinping has emphasized national rejuvenation and expanded global influence. This rivalry is not episodic but structural. It spans:

►Military balance in the Indo-Pacific

►Technological supremacy (AI, semiconductors, quantum computing)

►Economic statecraft

►Institutional leadership

►Normative and ideological competition, etc.

This study addresses the central research question:

To what extent does the U.S.–China rivalry reflect structural dynamics predicted by Power Transition Theory and Neorealism?

Theoretical Framework

Power Transition Theory (PTT)

Power Transition Theory, developed by A. F. K. Organski (1958) and expanded by Jacek Kugler (Kugler & Lemke, 2000), departs from balance-of-power logic by positing a hierarchical international order.

Key assumptions include:

►The international system is stratified, not anarchic.

►Major war is most likely when a rising power approaches parity with the dominant power.

►The probability of conflict increases when the rising power is dissatisfied with the status quo.

►China's trajectory fits PTT's core conditions:

►Rapid economic growth approaching systemic parity.

►Expanding military capabilities.

►Selective dissatisfaction with U.S.-led alliance systems and liberal institutional norms.

Organski (1958) argued that dissatisfaction is a crucial variable. China has benefited enormously from the global economic system but challenges certain security and normative dimensions, particularly regarding U.S. military presence in Asia and Taiwan policy. PTT thus predicts heightened systemic tension during the parity phase.

Neorealism (Structural Realism)

Neorealism, articulated by Kenneth Waltz (1979), argues that:

►The international system is anarchic.

►States are functionally similar survival-seeking units.

►Distribution of capabilities determines systemic outcomes.

►Security dilemmas are inevitable.

Under Neorealism, China's rise automatically generates balancing behavior from the dominant state. Conversely, China's military modernization is a rational response to U.S. forward-deployed forces in East Asia.

John J. Mearsheimer (2014) further argues that great powers seek regional hegemony. From this perspective, China's actions in the South China Sea and Taiwan Strait are predictable attempts to secure regional dominance.

Structural Drivers of Competition

Economic Power Shift

China's economic transformation since 1978 has been unprecedented. According to Naughton (2018), China's integration into global markets, produced sustained high growth rates and industrial expansion. While the U.S. retains advantages in finance and innovation, China's GDP (PPP) now rivals or exceeds that of the United States. PTT emphasizes that parity in economic capability often precedes military competition (Kugler & Lemke, 2000). Economic convergence thus intensifies systemic rivalry.

Evidence Supporting Structural Change

Several empirical trends suggest erosion of pure unipolarity:

►China's economic rise challenges U.S. dominance (Subramanian, 2011).

►Strategic balancing in the Indo-Pacific suggests bipolar tendencies (Mearsheimer, 2014).

►Institutional diversification (Morse & Keohane, 2014).

►Weaponized interdependence and techno-nationalism (Farrell & Newman, 2019).

These trends support the idea of a contested order rather than uncontested U.S. primacy.

Military Modernization

China's military strategy emphasizes:

►Anti-access/area denial (A2/AD)

►Naval power projection

►Hypersonic missile systems

Cyber and space capabilities

From a Neorealist perspective, these developments are balancing responses to U.S. alliances and forward deployments (Waltz, 1979). However, Washington interprets them as revisionist behavior, reinforcing the security dilemma (Jervis, 1978).

The Indo-Pacific Security Dilemma

The Indo-Pacific represents the primary theater of competition. The U.S. has strengthened alliances with Japan, Australia, South Korea, and the Philippines. Meanwhile, China has militarized artificial islands in the South China Sea.

According to Jervis (1978), security dilemmas intensify when defensive and offensive capabilities are indistinguishable. In the Taiwan Strait, both sides perceive their actions as defensive deterrence, yet each escalation increases mistrust.

Neorealism predicts such spirals under conditions of power transition.

Taiwan: The Core Flashpoint

Taiwan embodies:

►A sovereignty imperative for China.

►A credibility commitment for the United States.

PTT suggests that territorial disputes during parity transitions, significantly raise war probability (Organski, 1958). Neorealism explains U.S. deterrence commitments as necessary to maintain balance-of-power credibility.

Graham Allison (2017) warns of "Thucydides's Trap," where structural stress between rising and ruling powers increases war risk.

Although nuclear deterrence tempers escalation, crisis miscalculation remains plausible.

Technological Rivalry and Strategic Competition

Technological dominance has become central to systemic competition. Export controls on advanced semiconductors, AI research restrictions, and supply chain restructuring, reflect geo-economic rivalry.

Blackwill and Harris (2016) argue that, economic statecraft has become a primary instrument of strategic competition. Control over emerging technologies, translates directly into military and economic advantage.

Neorealism predicts competition over relative gains in critical industries. PTT suggests that technological leadership shapes power transition outcomes.

Technological Rivalry as a Structural Determinant of Power

Studies from the literature, strongly indicate that technological rivalry—particularly between China and the United States—has become a central structural factor shaping global power transitions. Drawing from Power Transition Theory, technological capability functions as a core component of national power, influencing economic productivity, military strength, and geopolitical influence (Gilpin, 1981). Similarly, neorealist theory emphasizes that states seek relative gains in strategic sectors that affect survival and systemic positioning (Mearsheimer, 2014).

Recent scholarship shows that AI and semiconductor industries have moved from being commercial domains to strategic national assets. The United States increasingly frames advanced technology as a national security issue, particularly in export controls targeting high-end semiconductor chips and AI computing capacity (Congressional Research Service [CRS], 2023). This supports Farrell and Newman's (2019) argument that states weaponize interdependence in critical technological networks to maintain structural advantage.

Thus, technological rivalry does not merely accompany great power competition—it constitutes one of its defining pillars.

Artificial Intelligence (AI) and Strategic Supremacy

Artificial intelligence is widely regarded as a transformative general-purpose technology with systemic implications. Lee (2018) argues that AI development determines future economic leadership because it enhances productivity, data exploitation, and automation at scale. The country that dominates AI ecosystems—talent, research institutions, compute power, and capital—gains disproportionate structural influence.

Empirically, studies suggest that China leads in AI patent filings and research output volume, while the United States maintains comparative advantage in high-impact research and advanced computing infrastructure (CSET, 2021). This dual pattern indicates multidimensional competition rather than absolute dominance.

From a strategic standpoint, AI also enhances military modernization, cyber capabilities, and autonomous systems. Brooks and Wohlforth (2016) argue that sustained technological leadership historically underpins long-term hegemonic stability. Therefore, leadership in AI directly shapes the future trajectory of global hierarchy.

Semiconductors as the Foundation of Technological Power

Semiconductors are the backbone of AI systems, digital infrastructure, defense technologies, and advanced manufacturing. Without advanced chips, AI capabilities cannot scale. Miller (2022) demonstrates that control over semiconductor supply chains determines technological sovereignty and geopolitical leverage.

The United States has responded to China's rapid technological rise with export controls aimed at restricting access to advanced chip manufacturing equipment (CRS, 2023). These measures reflect a strategy of preserving relative technological advantage—consistent with neorealist expectations of balancing behavior (Mearsheimer, 2014).

However, China's state-driven industrial policies—supported by massive public investment—aim to achieve semiconductor self-sufficiency (Kennedy, 2020). Breznitz and Murphree (2011) note that China's innovation model emphasizes incremental upgrading and scale advantages, which may narrow technological gaps over time.

Findings therefore suggest that semiconductor rivalry will significantly determine which power maintains technological autonomy and systemic leverage in the coming decades.

Digital Infrastructure and Network Power

Beyond AI and chips, digital infrastructure—including 5G networks, cloud computing, fiber-optic systems, and data governance regimes—shapes global influence. Segal (2021) argues that digital governance structures are increasingly tools of geopolitical influence, as states export regulatory models and technological standards.

China's digital infrastructure initiatives, including the Digital Silk Road, aim to embed technological ecosystems across developing states. This expands its normative and economic influence (Weiss, 2019). Meanwhile, the United States leverages alliances and technology coalitions to preserve open, market-based digital standards (CRS, 2023).

Farrell and Newman (2019) emphasize that states occupying central nodes in digital networks gain coercive and agenda-setting power. Thus, digital infrastructure competition contributes to the fragmentation—or bifurcation—of the global technological order.

Extent of Influence on Global Dominance

The studies suggest that technological rivalry defines global dominance to a substantial and structural extent, but not exclusively.

Historically, hegemonic transitions have been closely tied to technological revolutions (Gilpin, 1981). Today, AI and semiconductor leadership function similarly to past industrial and nuclear revolutions in shaping systemic power distribution. However, dominance also depends on alliances, institutional influence, economic resilience, and military capacity (Brooks & Wohlforth, 2016).

The competition between China and the United States reflects what Allison (2017) describes as structural rivalry between a rising and ruling power. Yet unlike past rivalries, this competition is deeply embedded in globalized supply chains, making complete decoupling costly and complex.

Therefore:

►Technological rivalry is a central driver of future global hierarchy.

►It shapes economic growth trajectories, military modernization, and diplomatic leverage.

►It may result in partial technological bifurcation rather than total global dominance by one power.

Economic Interdependence and Decoupling

Unlike prior power transitions, the U.S. and China are deeply economically interdependent. Liberal theory suggests interdependence reduces conflict probability; however, Realists argue states prioritize security over absolute gains (Mearsheimer, 2014).

Selective decoupling—particularly in sensitive sectors—demonstrates a shift from efficiency to security prioritization.

Security-Economic Dualism

States like Vietnam, Singapore, and Indonesia exhibit a dual-track strategy:

►Economic engagement with China (largest trading partner).

►Security cooperation with the U.S. including through the Association of Southeast Asian Nations and expanded defense ties (Goh, 2007; Kuik, 2008).

The U.S. Indo-Pacific strategy and China's South China Sea assertiveness increase security anxieties, encouraging limited balancing behavior without full alignment.

Economic Realignment without Strategic Militarization: Latin America

In Latin America, China has emerged as a major trade partner and lender, particularly in countries like Brazil, Argentina, and Venezuela (Gallagher & Myers, 2020).

Trade and Commodity Dependence

China's demand for commodities reshapes trade patterns, weakening U.S. economic dominance. Yet, the U.S. retains deep institutional and security ties across the region.

Unlike Southeast Asia, Latin America is not a central military theatre of U.S.–China rivalry, reducing pressure for overt security alignment.

Ideological Fluidity

Left-leaning governments may rhetorically align with China to resist U.S. influence, but pragmatic economic logic prevails across ideological divides (Ellis, 2019).

Alliance Politics and Balancing

Neorealism predicts balancing behavior when a rising power threatens equilibrium. The U.S. has intensified Indo-Pacific partnerships and reinforced NATO's focus on China.

China, in turn, has expanded strategic ties with Russia and deepened economic relations in the Global South.

Alliance consolidation confirms structural balancing dynamics (Waltz, 1979).

Institutional and Normative Competition

China's Belt and Road Initiative (BRI) and institutional innovations such as the Asian Infrastructure Investment Bank, reflect attempts to expand influence within and beyond existing institutions.

PTT emphasizes that rising powers often seek to reshape institutional arrangements when dissatisfied (Kugler & Lemke, 2000).

Institutional Hedging

ASEAN centrality reflects collective hedging. Member states resist choosing sides while institutionalizing multilateralism to dilute great power dominance (Acharya, 2014).

Empirical pattern:

►No Southeast Asian state has fully bandwagoned with China.

►None have fully aligned against China under U.S. leadership.

►Strategic ambiguity preserves flexibility.

Development Finance and Institutional Influence

China has expanded multilateral alternatives such as the Asian Infrastructure Investment Bank and strengthened South–South cooperation frameworks. These institutions increase China's institutional voice without fully replacing Western-led systems.

The United States continues to influence global development through the World Bank and IMF, where governance structures favor Western leadership.

Studies reveal that China's development finance enhances influence in the Global South, but it coexists with—not replaces—U.S.-led institutional dominance.

Competing Measures: Sanctions as Coercive Economic Statecraft

Sanctions are a primary U.S. economic statecraft instrument. The centrality of the U.S. dollar and global financial networks enhances American coercive capacity (Farrell & Newman, 2019).

The U.S. has imposed sanctions on states such as Iran, Russia, and Chinese tech firms. Sanctions often alter short-term economic behavior but rarely compel regime change (Pape, 1997).

China, by contrast, uses more informal economic coercion rather than formal sanctions regimes.

The work posits that U.S. sanctions are structurally powerful due to financial dominance, but their effectiveness in reshaping long-term alignment is inconsistent and sometimes accelerates hedging behavior.

Institutional Architectures Measures

China's creation of institutions such as the Asian Infrastructure Investment Bank (AIIB) and the Belt and Road Initiative (BRI) demonstrates its effort to complement or partially revise the existing Bretton Woods system (Zhao, 2019). These initiatives reflect a pragmatic, infrastructure-driven development model that avoids governance conditionality typical of Western-led institutions**.**

Rather than replacing global institutions outright, China often pursues a "revisionist but embedded" strategy—operating within the liberal order while seeking normative reinterpretation (Johnston, 2019).

Digital Governance and Technological Norms Measures

A significant domain of ideological competition is digital governance. The U.S. promotes an open internet model, emphasizing data transparency and private sector innovation, whereas China supports cyber sovereignty and state control over digital infrastructure (Segal, 2021).

This divergence influences global standards in 5G infrastructure, artificial intelligence ethics, cyber security regulations, and surveillance technologies. Competing digital governance models risk producing a bifurcated global technological order (Farrell & Newman, 2019).

On the whole, the competition between China and the United States represents a struggle over the future character of global order. While the United States seeks to defend liberal democratic norms embedded in post–World War II institutions, China promotes sovereignty-centered development and governance diversity

Coercive Economic Measures

Table 1- Types of Coercive Economic Measures

Measure	Objective	Example
Export Restrictions	•Prevent China from importing High end, U.S. manufactured technol ogies and other goods that could have dual-use application	•Semiconductor export controls •Export licensing requirements •Adding specific Chinese companies to the Department of Commerce's Entity List
Import restrictions	• Ban U.S. government agencies from importing communications	• Federal Communications Commission ban on communications equipment

	equipment from Chinese firms • Ban imports of goods made by forced labor	• The Uyghur Force Labor Prevention Act (UFLPA)
Trade	• Reduce the U.S. trade deficit • Limit offshoring	• Tariffs on steel and aluminum, solar panels and washing machines
Sanctions	• Prevent human rights abuses • Prevent assistance to Russia's military	• Sanctions on Chinese space technology companies for providing assistance to Russia • Sanctions on Chinese Communist Party officials under the UFLPA
Investment restrictions	•Prevent U.S. investment in Chinese firms or Chinese investment in U.S. firms that poses a national security risk	• Expanded jurisdiction for the Committee on Foreign Investment in the United States Ban on U.S. investment in Communist Chinese military companies
Counter measures to currency manipulation	•Mitigate unfair trade advantages that China gains through currency manipu lation	• Treasury Department currency manipulation designation • Treat currency undervaluation as a subsidy for trade purposes
Law enforcement	• Prevent intellectual property theft • Prevent sanctions evasion	• Justice Department's China Initiative • Huawei indictments
Visa restrictions	• Prevent intellectual property theft • Prevent Chinese military-civil fusion firms from benefiting from U.S. research and education	• Ban on visa for PLA-linked Chinese researchers and graduate students

Source: Researcher's compilation

The Chinese Concept of Economic Security by Timothy Heath, a political scientist who specializes on China, analyzes the Chinese concept of economic security, finds the following:

• Spurred by the 1997 Asian financial crisis and the country's integration into the global economy, China defines economic security in terms of its capacity to resist disruptions, both domestic and foreign, to the environments that enable economic growth.

• The concept includes expanding China's right to determine international trade rules.

• Economic security focuses on avoiding mass protests caused by economic disruptions.

• Regional secessionist tendencies take second place as a domestic security threat, followed by energy dependence and climate change.

• Domestically, China seeks to strengthen its competitiveness by stimulating demand, protecting its intellectual property, and launching technology leadership initiatives.

• China also seeks to reduce threats from external sources by strengthening controls on investment, increasing monitoring of private companies, and bolstering financial controls.

• Internationally, China seeks trade and investment dominance, a role as a rule and norm setter, preferential access to markets, and promotion of its model of economic growth— one that prioritizes development over strengthening governance and political institutions.

Heath finds that the economic and security aspects of U.S.-China relations are mutually reinforcing for China. China is likely to become more resistant to U.S. efforts to shape its behavior. China is also unlikely to compromise in a way that preserves U.S. leadership in international economic institutions.

Assessing U.S. measures against China, Alexandra Stark, a political scientist with an international relations focus, takes stock of U.S. economic measures related to by analyzing cooperative and coercive measures employed by the United States over time and by looking at two case studies: semiconductors and tariffs. Stark finds the following:

• Although initially focused on cooperative economic measures, the United States has relied increasingly on coercive measures with China. Such cooperative measures have not transformed the relationship between the two countries, but they have been more successful in achieving more-circumscribed goals and might also have had positive externalities with few costs.

• The many coercive tools employed (such as competing industrial subsidies, export controls against companies and products, and law enforcement efforts against the theft of intellectual property) have shown only limited success in meeting their objectives.

• These economic policy instruments have also had significant negative secondary and tertiary effects on the U.S. and allied economies.

• U.S. consumers have borne the brunt of the costs of these measures in the form of higher prices.

• Although U.S. actions on semiconductors have had a tangible impact on Chinese national champions, such as Huawei, and it might take a decade for China to catch up in semiconductor production, benefits from this approach are likely over only the short to medium term.

• U.S. tariffs on imports of solar panels, washing machines, steel, and aluminum did not remedy the U.S. trade deficit, had narrow benefits for certain U.S. industries, and had broader negative effects on U.S. producers and consumers (Howard J. & Daniel E. 2025).

The Chinese government's decision to pursue economic security owed in part to changes in the types and severity of threats to China's economic system and growth prospects. The persistence of social stability challenges, globalized production, information networks, and geopolitical alignments, all contributed a sense among Chinese leaders that economic security had become a high-priority issue.

In a 2014 speech to the Politburo, Xi stated that the "current and coming period will be a period prone to all kinds of contradictions and risks in our country, with a marked increase in risk factors, both foreseeable and difficult to foresee" (Xi, 2014). Similarly, in a 2019 speech, Xi outlined the seven most prominent risks to the China dream: politics, ideology, the economy, science and technology, society, the external environment, and party-building. Xi characterized the international situation as "complex and grim" (Xi, 2014).

Buttressing Chen's assessment, China's social stability situation has indeed remained volatile as economic growth has been strong. Since 2010, authorities have spent more on internal security than on the military; research by criminologists suggests that the country continues to face high levels of crime and unrest despite government efforts to suppress such information. Unemployment among urban youth reached record highs in 2023 (above 20 percent) (Xi, 2014).

Taiwan continues to resist overtures to unify with China, and Tibet and Xinjiang continue to experience unrest and instability, as noted in a 2019 defense white paper.

Chinese commentators also express distrust and suspicion of U.S. intentions in an escalating competition. After Washington levied tariffs against Beijing and restricted trade in concert with allies, Chinese media stepped up denunciations of the United States as an economic threat. In 2020, the *People's Daily* criticized Washington for adopting a "beggar-thy-neighbor economic and trade policy," "practicing protectionism and unilateralism," and "wantonly brandishing the bludgeon of sanctions," all of which it called a "serious threat to global economic security" (Jiang, 2002). Regarding overseas interests, China's economy has indeed grown more vulnerable to threats around the world. Not only does the country depend heavily on trade, but it has also grown dependent on energy imports. In 2017, China surpassed the United States to become the world's largest importer of oil. Its citizens and enterprises operate on an increasingly global scale as well. According to a 2022 report by the Migration Policy Institute, 10.5 million Chinese citizens live abroad (Joseph, 2022).

In sum, China's concept of economic security reflects the country's growth as a major trading power, as well as long-standing political insecurities about the vulnerabilities raised by China's integration into the global economy. Economic growth has become more critical to the legitimacy of CCP rule, but growth has also become more vulnerable to disruption and to destabilizing influences both within and outside China. Accordingly, authorities have regarded economic policy as increasingly within the domain of security policy. This applies to both domestic and foreign policy.

The Role of Nuclear Deterrence

Nuclear deterrence fundamentally alters PTT predictions. Waltz (1981) argued that nuclear weapons reduce major power war probability. Mutual vulnerability imposes caution, even amid rivalry.

Thus, while structural competition intensifies, full-scale war remains constrained by nuclear realities.

Structural Nature of China–U.S. Competition in Africa

China–U.S. rivalry in Africa reflects a global power transition, where Africa functions as a strategic arena rather than the primary source of conflict (Organski, 1958; Tammen *et al.,* 2000).

From a neorealist perspective, both powers seek influence, access, and strategic positioning in Africa to enhance their relative global power (Waltz, 1979).

Economic Statecraft as the Primary Mode of Competition

Studies reveal that competition in Africa is predominantly economic and infrastructural, not military.

China emphasizes infrastructure financing, trade, and development partnerships, while the U.S. focuses on private-sector investment, governance standards, and strategic development finance.

This aligns with neorealist relative-gains logic, where economic influence is treated as a long-term power asset (Grieco, 1988; Farrell & Newman, 2019).

Limited Militarization but High Strategic Value

Unlike the Indo-Pacific, China–U.S. competition in Africa is low-intensity militarily but strategically significant due to:

►Access to critical minerals,

►Sea lanes,

►Diplomatic support in international institutions.

Power Transition Theory suggests that influence in regions like Africa can accelerate or slow global power shifts by shaping aggregate capabilities (Tammen *et al.*, 2000).

Role of Nigeria and African Agency

Nigeria and other African states are not passive recipients of great power rivalry.

Neorealism predicts that weaker states seek autonomy through hedging, not exclusive alignment (Walt, 1987).

Nigeria's diversified engagement with both China and the U.S. reflects rational balancing behavior aimed at maximizing economic benefits while avoiding strategic dependence.

Role of Third States

Third states—middle powers, small states, and regional actors—are not passive recipients of great power rivalry but active agents shaping outcomes.

i. Hedging and Strategic Autonomy

Many states adopt "hedging" strategies, simultaneously engaging economically with China while maintaining security ties with the United States (Kuik, 2016). Southeast Asian states, for example, rely heavily on China for trade but depend on the U.S. for security guarantees.

Hedging allows third states to maximize benefits while minimizing risks, reflecting rational adaptation to systemic uncertainty (Kuik, 2016; Walt, 1987). This strategy challenges binary Cold War-style alignment assumptions and reflects the complexity of contemporary multi-polarity.

ii. Middle Power Diplomacy and Institutional Brokerage

Middle powers such as India, Japan, Australia, and the European Union play significant roles in shaping the trajectory of GPC. India, for instance, balances participation in the Quad while maintaining strategic autonomy in its relations with China and Russia (Tellis, 2020).

The European Union seeks "strategic autonomy," resisting pressure to fully align with either Washington or Beijing while defending liberal norms (Ikenberry, 2018). These actors influence institutional norms, technology standards, and trade rules.

iii. The Global South and Economic Leverage

Countries in Africa, Latin America, and parts of Asia often leverage competition to secure infrastructure financing, trade concessions, and development assistance from both powers (Zhao, 2019). China's Belt and Road Initiative (BRI) and U.S. initiatives such as the Partnership for Global Infrastructure and Investment (PGII) illustrate how third states benefit from competitive economic diplomacy.

However, dependency risks, debt sustainability concerns, and strategic pressure complicate this balancing act (Zhao, 2019). Thus, third states can either reinforce bipolar tendencies or strengthen multipolar dispersion depending on their collective agency.

Implications of China–U.S. Competition for Nigeria

Findings suggest both opportunities and risks:

Opportunities

►Increased access to infrastructure finance and investment,

►Greater bargaining leverage,

►Expanded diplomatic relevance.

Risks

►Strategic dependency,

►Policy externalization,

►Exposure to geopolitical pressure.

The competition remains largely non-militarized in Nigeria, reducing immediate security risks compared to other regions such as the Indo-Pacific.

DISCUSSION OF RESULTS

The study's findings indicate that the contemporary China-U.S. rivalry exemplifies classical power transition dynamics while simultaneously reflecting neorealist structural imperatives. By examining empirical indicators such as military expenditure, economic growth rates, technological innovation, and diplomatic influence, the analysis confirms that China's rapid rise challenges U.S. preeminence, consistent with power transition theory (Organski & Kugler, 1980). Specifically, China's GDP growth and expanding defense capabilities position it as a potential peer competitor to the United States, creating conditions for a possible strategic adjustment or conflict as predicted by power transition theory.

From a neorealist perspective, the results underscore the significance of the international system's anarchic structure in shaping state behavior. The U.S., as the current hegemon, engages in balancing strategies, including strengthening alliances in the Indo-Pacific, pursuing economic containment measures, and investing in advanced military technologies (Waltz, 1979). China's policies, conversely, reflect a combination of offensive and defensive strategies—expanding its influence through initiatives such as the Belt and Road Initiative, modernizing its military, and asserting territorial claims in the South China Sea. These strategies align with neorealist predictions that states seek relative power to secure survival in a competitive international environment.

The analysis further reveals nuanced patterns of competition beyond traditional military and economic metrics. Technological competition, particularly in artificial intelligence, semiconductors, and cyber capabilities, emerges as a central dimension of contemporary great power rivalry. This indicates that power transitions are not solely determined by material capabilities but also by control over strategic technologies, which amplify both economic and military potential.

Additionally, the study finds that structural constraints and domestic political factors jointly influence great power behavior. For instance, U.S. domestic polarization and China's internal socio-economic challenges act as moderating variables in strategic decision-making. These findings suggest that while systemic pressures dictate the broad contours of competition, domestic politics shape the intensity and tactical execution of policies, aligning with neorealist assumptions of constrained state behavior.

The results also highlight the potential risks of miscalculation and conflict inherent in power transitions. Historical analogies from prior hegemonic shifts suggest that rising powers often provoke defensive measures from established powers, which can escalate tensions even in the absence of aggressive intentions. This finding reinforces the theoretical assertion that relative gains, security dilemmas, and the distribution of power critically shape the trajectory of great power interactions.

Overall, the results support a synthesis of power transition and neorealist frameworks in explaining the China-U.S. rivalry. While power transition theory accurately predicts the structural challenge posed by China's ascent, neorealism provides the explanatory mechanism for state responses and systemic adjustments. The combination of these perspectives enables a comprehensive understanding of both the sources of tension and the strategic behavior of the competing powers.

Scenario Analysis

Four plausible trajectories emerge:

►Managed strategic competition

►Cold War–style bifurcation

►Crisis escalation over Taiwan

►Competitive coexistence

►Structural pressures favor prolonged rivalry rather than rapid resolution.

Critical Synthesis

Why PTT Matters:

►Explains systemic stress during parity.

►Identifies dissatisfaction as key variable.

►Why Neorealism Matters

►Explains balancing behavior.

►Clarifies alliance dynamics.

►Predicts security dilemmas.

Together, the theories provide complementary explanatory strength.

Discussion of Previous Studies

The findings of this study align with and extend a substantial body of research on great power competition, power transition dynamics, and structural realism in international relations. Organski and Kugler (1980) established the foundational argument that rising powers challenging the existing hegemon often precipitate systemic instability or conflict. This study's results corroborate their thesis, demonstrating that China's economic and military ascent constitutes a structural challenge to U.S. predominance, consistent with historical patterns observed in prior hegemonic transitions.

Allison (2017) applied the "Thucydides Trap" framework to U.S.-China relations, suggesting that rising powers and established powers face a high probability of confrontation unless strategic accommodations are carefully managed. Empirical indicators analyzed in this study, such as the expansion of Chinese technological capabilities and military modernization, resonate with Allison's conclusions, indicating a rising risk of strategic friction if misperceptions or aggressive posturing occur. This study contributes by contextualizing these dynamics within the integrated lens of power transition theory and neorealism, emphasizing both systemic pressures and state-level strategic choices.

Neorealist scholarship provides additional theoretical grounding. Waltz (1979) argues that the anarchic international system compels states to prioritize relative power and security. Consistent with this perspective,

the U.S. response to China's rise—including the strengthening of Indo-Pacific alliances, investment in next-generation defense technologies, and economic containment strategies—reflects systemic balancing behavior. Similarly, Mearsheimer (2001) contends that great powers are inherently revisionist or status-quo oriented depending on relative capabilities; this study's findings support the notion that China, while promoting stability through economic interdependence, simultaneously pursues power-maximizing strategies that may eventually challenge the U.S.-led order.

Several empirical studies reinforce the multidimensional nature of contemporary competition. Cheng and Zhao (2020) highlight China's use of technological innovation, such as artificial intelligence and 5G infrastructure, as instruments of national power, supplementing traditional economic and military indicators. This aligns with the study's results showing that technological capabilities are increasingly central to measuring relative power and predicting strategic behavior. Similarly, Friedberg (2011) emphasizes that economic interdependence and soft power influence U.S.-China dynamics but do not eliminate the structural imperatives of competition, a nuance reflected in the dual focus on power transition and neorealism in the current study.

Prior research has also examined the moderating role of domestic politics. Christensen (2015) notes that internal political stability and elite consensus in China affect its capacity to project power abroad, while U.S. domestic polarization constrains coherent foreign policy responses. These findings are echoed in this study, which identifies domestic political factors as key constraints on strategic decision-making, influencing both the intensity and scope of competition.

Finally, comparative studies of historical power transitions provide important insights. Kennedy (1987) examines the decline of British hegemony and the rise of the United States, demonstrating how relative economic and military capabilities shape systemic outcomes. The parallels with China-U.S. competition underscore the enduring relevance of structural theories while highlighting contemporary complexities, such as globalization, advanced technologies, and multilateral institutions, which differentiate the current context from past transitions.

CONCLUSION

The great power competition between the United States and China reflects structural dynamics predicted by Power Transition Theory and Neorealism. China's rise toward parity intensifies systemic tension. U.S. balancing reinforces competitive cycles. Although nuclear deterrence and interdependence reduce war likelihood, crisis risks—particularly over Taiwan and technology—remain substantial.

The competition is structural, enduring, and global in scope. Looking at Nigeria, Nigeria functions as a strategic arena, not a battleground, in China–U.S. competition. Economic statecraft is the dominant mode of rivalry. Nigeria exercises agency through strategic hedging.

Nigeria's position within China–U.S. great power competition is therefore, shaped by global structural forces rather than regional antagonism. Power Transition Theory explains why both China and the United States seek influence in Nigeria as part of a broader struggle for global dominance, while Neorealism explains Nigeria's rational strategy of diversified engagement. The findings suggest that Nigeria's ability to maintain autonomy and extract developmental benefits depends on effective domestic governance, institutional capacity, and strategic diplomacy.

Great power competition creates development opportunities but also structural vulnerabilities.

On the whole, the U.S.–China rivalry reflects structural dynamics predicted by Power Transition Theory and Neorealism: China's rise toward parity intensifies systemic stress. U.S. balancing reinforces security competition. Taiwan and technology constitute primary escalation domains. However, nuclear deterrence, economic interdependence, and institutional entanglement differentiate this transition from previous historical cases.

If managed strategically, this rivalry can evolve into competitive coexistence rather than violent confrontation. The future of global order depends not on eliminating competition—but on preventing structural rivalry from becoming systemic war.

Constraints and Limitations of the Study

While this study provides a comprehensive analysis of the China-U.S. strategic competition, several constraints and limitations should be acknowledged to contextualize the findings and guide future research.

Data Availability and Reliability:

A primary limitation stems from the availability and reliability of data. Key indicators such as military expenditures, technological capabilities, and intelligence assessments are often classified or inconsistently reported, particularly by China. This creates challenges in obtaining fully accurate and comparable data. For example, official Chinese defense budgets may underreport actual military spending, while U.S. sources may overemphasize certain areas of technological superiority (Cordesman, 2021). Such discrepancies could affect the precision of the study's comparative analyses.

Temporal Constraints:

The study examines contemporary trends over a relatively short temporal horizon, focusing primarily on developments from the early 2000s to 2023. This limited timeframe may obscure long-term structural patterns of power transitions or underrepresent cyclical fluctuations in U.S.-China relations. Historical analogies drawn from previous hegemonic transitions may not fully account for the accelerated pace of technological and economic change in the modern era.

Scope of Theoretical Application:

Although the integration of power transition theory and neorealism provides robust explanatory power, these frameworks have intrinsic limitations. Power transition theory primarily emphasizes systemic shifts in material capabilities, potentially underestimating the role of ideational, institutional, and normative factors in shaping state behavior. Similarly, neorealism's focus on structural constraints may overlook agency-driven policy innovations, domestic political dynamics, and non-state actors' influence (Waltz, 1979; Mearsheimer, 2001). Consequently, some subtleties of China-U.S. interactions—such as economic interdependence, global governance mechanisms, or multilateral diplomacy—may be insufficiently captured.

Technological and Economic Complexity:

The rapidly evolving nature of technology and global economic structures introduces additional constraints. For instance, emerging domains like artificial intelligence, quantum computing, and space capabilities are difficult to quantify precisely in terms of power projection. The study relies on proxies such as R&D expenditure and patent filings, which may not fully reflect strategic advantages or vulnerabilities. Similarly, global supply chain interdependencies complicate assessments of economic leverage and relative power, creating uncertainty in predictions based solely on GDP or trade volumes.

Geopolitical and Contextual Variability:

The study's analytical framework assumes a predominantly systemic and structural perspective, but regional and contextual factors—such as Southeast Asian geopolitics, Middle Eastern energy politics, or European security alliances—may moderate or amplify great power competition. These variables introduce complexity that the study could only partially address, suggesting that findings should be interpreted as indicative rather than definitive.

Methodological Constraints:

The study primarily employs a qualitative, theory-driven methodology, supported by secondary empirical data. While this approach allows for conceptual rigor, it limits the study's capacity to conduct high-precision statistical modeling or predictive simulations. Consequently, causal inferences regarding the trajectory of China-U.S. competition are probabilistic rather than deterministic.

Potential Researcher Bias:

Finally, interpretive bias may influence the study's conclusions. Selection of sources, interpretation of strategic signals, and application of theoretical constructs could reflect prevailing scholarly perspectives or assumptions about great power behavior. Although efforts were made to triangulate data from multiple sources and maintain objectivity, inherent subjectivity in analysis remains a limitation.

CONCLUSION OF LIMITATIONS

Taken together, these constraints suggest that while the study offers valuable insights into structural power dynamics and state behavior under conditions of great power competition, the findings should be contextualized within the limitations of data availability, theoretical scope, methodological design, and temporal framing. Future research could address these limitations through longitudinal studies, quantitative modeling, and integration of interdisciplinary perspectives including economics, technology studies, and political psychology to provide a more granular and predictive understanding of China-U.S. rivalry.

RECOMMENDATIONS

i. Managing U.S.–China Great Power Competition

The structural dynamics identified by Power Transition Theory (Organski, 1958; Kugler & Lemke, 2000) and Neorealism (Kenneth Waltz, 1979) suggest that rivalry between the United States and China is neither accidental nor temporary. Rather, it reflects systemic power redistribution. Therefore, policy prescriptions must not assume the elimination of competition, but rather its management, stabilization, and risk mitigation.

ii Institutionalized Strategic Stability Mechanisms

Theoretical Basis:

Neorealism predicts persistent security dilemmas under anarchy (Waltz, 1979). Robert Jervis (1978) demonstrates that misperception and uncertainty intensify conflict spirals.

The U.S. and China should institutionalize crisis-management frameworks comparable to Cold War confidence-building mechanisms, including:

►Military-to-military communication hotlines

►Maritime and airspace incident protocols

►Crisis simulation exercises

►Strategic nuclear dialogue forums

Power Transition Theory suggests war risk peaks near parity; thus, managing accidental escalation becomes essential (Kugler & Lemke, 2000).

Without communication channels, Taiwan or South China Sea incidents could escalate rapidly.

iii. Taiwan: Strategic Clarity with Calibrated Ambiguity

Theoretical Basis:

PTT predicts that territorial disputes during parity transitions significantly increase war probability (Organski, 1958). Neorealism emphasizes credibility and deterrence logic.

The United States should maintain deterrence while avoiding symbolic actions that alter the status quo. China, in turn, should avoid coercive gray-zone tactics that heighten insecurity.

Practical steps include:

►Reaffirmation of status quo principles

►Discouraging unilateral moves toward formal independence

►Enhancing defensive—not offensive—capabilities

►Deterrence stability requires credible defense without provocation.

iv. Competitive Coexistence in Technology

Theoretical Basis:

Relative gains concerns under Neorealism (Mearsheimer, 2014) explain why technological competition is central.

Instead of total decoupling, adopt selective strategic decoupling in critical security sectors (e.g., advanced semiconductors, AI military applications), while preserving cooperation in:

►Climate change technology

►Public health research

►Financial stability coordination

Total technological bifurcation would deepen bloc formation and intensify systemic rivalry.

v. Alliance Management without Bloc Militarization

Theoretical Basis:

Neorealism predicts balancing behavior (Waltz, 1979). However, excessive alliance militarization increases insecurity perception.

The United States should:

►Strengthen alliances for deterrence credibility

►Avoid framing alliances as anti-China ideological blocs

China should:

►Reassure neighbors through transparency

►Avoid coercive economic retaliation that drives balancing behavior

►Over-militarization risks creating rigid bipolarity reminiscent of the Cold War.

vi. Institutional Reform Rather Than Institutional Exit

Theoretical Basis:

PTT emphasizes dissatisfaction as a catalyst for war. Rising powers are more likely to challenge systems they perceive as unfair (Kugler & Lemke, 2000).

Global institutions (IMF, WTO, World Bank) should adapt voting shares and governance frameworks to reflect contemporary power distribution.

Institutional inclusion reduces dissatisfaction variables, lowering conflict probability.

vii. Strategic Economic Interdependence Preservation

Theoretical Basis:

Although Neorealism prioritizes security over economics, interdependence raises costs of conflict (Brooks & Wohlforth, 2016).

►Avoid full-scale economic decoupling. Maintain:

►Trade in non-sensitive sectors

►Academic exchange

►Financial market integration

►Interdependence functions as a stabilizing constraint during systemic transition.

viii. Nuclear Risk Reduction Frameworks

Theoretical Basis:

Waltz (1981) argues nuclear deterrence reduces major war probability, but miscalculation remains possible.

Initiate bilateral or multilateral arms control discussions covering:

►Hypersonic weapons

►Space militarization

►Cyber-nuclear command vulnerabilities

►Emerging technologies complicate deterrence stability; proactive dialogue is essential.

ix. Global South Engagement without Zero-Sum Framing

Theoretical Basis:

Neorealism explains competitive influence-building. However, forcing middle powers into alignment increases polarization.

►Allow strategic autonomy for middle and developing powers.

►Competitive development finance should not transform into coercive alignment demands.

►Managing competition in Africa, Southeast Asia, and Latin America requires avoiding bloc politics.

x. Ideological De-escalation

Theoretical Basis:

Constructivist insights supplement realism: identity narratives can intensify hostility (Wendt, 1999).

►Avoid framing competition as civilizational conflict. Focus rhetoric on policy differences rather than regime delegitimization.

►Ideological absolutism increases dissatisfaction and systemic hostility.

xi. Acceptance of Managed Rivalry as the Baseline

The most important recommendation is conceptual:

►The goal should not be "victory" over the rival, but the peaceful management of systemic transition.

PTT does not make war inevitable; it identifies structural risk conditions. Neorealism does not mandate aggression; it predicts competition under anarchy. Policy choices can moderate structural pressures.

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