

How Will Great Power Competition Between the US and China Alter the Structure of International Law on Key Issues?

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ABSTRACT

With the rise of China, China has begun to play a more important role on the world stage, and the resulting competition between China and the United States has also become a worldwide concern. This article discusses the four directions of the US-China Trade War, the South China Sea issue, the Taiwan issue, and the technology war and analyzes and understands the impact of these issues on international law. In the end, no matter what the reason is, every country should actively cooperate and abide by international law.

Keywords: *International law, US-China Trade War, the South China Sea issue, the Taiwan issue*

1. INTRODUCTION

In recent years, with the rapid development of China, the competition between China and the United States has become a worldwide topic. There is competition between China and the US in trade and science and technology, for example, trade war and science and technology war. At the same time. The two countries have often clashed over regional issues, such as the South China Sea and the Taiwan issue. Because of the breadth of the dispute between China and the United States, many other countries and regions will also be affected. Therefore, the impact of the dispute between China and the United States is worldwide, and it may have a profound and lasting impact on the world structure. Disputes between China and the United States on some key issues may lead to further discussion of international law and may change the content of certain provisions of international law. This article will discuss the important issues between China and the United States and their impact on the world and international law.

2. US-CHINA TRADE WAR – THE DANGER OF PROTECTIONIST POLICIES ON MULTILATERAL TRADING

2.1. Introduction

Despite the distinctive economic institutions and antagonistic diplomacies, the US and China have an interdependent trading relation. As the two largest economic entities, US and China play indispensable roles in multiple international trading organizations, such as the World Trade Organization (WTO) and G20. However, the recent US-China Trade War exposed the underlying conflicts that had long existed since China's accession to WTO in 2001 and have caused more pain than gain for both countries. Using the scope of international law, this paper aims to analyze the cause and effect of the US-China Trade War and discuss possible resolutions that the two countries may take to facilitate future trading collaboration. The US-China Trade War was caused by both countries' protectionist attitudes and policies. The two countries imposed unilateral trade tariffs on each other, which breached the general principles – openness and nondiscrimination – of the WTO. This has had a destructive effect on

multilateral trade globally, most notably in smaller developing countries. In order to resolve this dilemma, both countries should follow the WTO's regulations, and the US should reconsider its longstanding notion that a communist country should not have global influence.

2.2. The Context and Causes of the Trade War

The US-China Trade War was triggered by the US allegations toward China on intellectual property theft, unfair trading practices, forced technology transfer, and discriminatory policies for American companies. Justifying the accusations, the US resorted to the Trade Act of 1974, Section 301, which states that the government is obligated to take necessary actions against a foreign country when it determines that certain country utilizes any "unreasonable or discriminatory" policy that "burdens or restricts the United States Commerce." During the 2016 US presidential campaign, the huge trade deficit with China emerged as a major political issue that needed to be promptly addressed by the candidates. Prior to the start of the trade war, the US trade shortfall rose from "US\$103.1 billion in 2002" to "US\$ 375.6 billion in 2017" [1]. Moreover, the US blames China for suppressing domestic job opportunities and taking advantage of its state-led market structure through state-owned enterprises, government subsidies, and monopolies that jeopardizes national security.

Nevertheless, the US did not always take aggressive approaches against the Chinese economic system. The US was among the first few countries that recognized the huge potential of the Chinese market and became the strongest supporter of China's entrance to WTO back in the 2000s. According to Bill Clinton's speech in 2000, the US believed that allowing China to join WTO would "require China to open its market" and implement positive political impact since the 1970s. The US had a strong urge to reach a mutually beneficial trading relationship with China for achieving an initial position to access one-fifth of the world's population and potentially the biggest market in the world. However, it is also noteworthy that the US aimed to liberalize the Chinese economy and hoped to sow the seeds of capitalism and democracy. Thanks to joining the WTO, China experienced significant economic growth over the past 20 years, with its GDP growing "tenfold, surpassing that of the US" [2].

Moreover, China became the centre of the world's manufacturing and had a tremendous impact on international trade by establishing its trillion-dollar Belt and Road Initiative. However, the US saw little change in neither the authoritarian control of Beijing nor its state-led economies. Essentially, the US was frustrated that China was abusing its power as a dominant member of WTO while continuously violating the terms of Protocol of Accession, namely the principles of "non-discrimination, market access, fairness, and

transparency" [3]. The US Trade Representative even admitted that the US made a mistake by supporting China's entrance to WTO and that "it is simply unrealistic to believe that WTO enforcement actions alone can ever have a significant impact on an economy as large as China's economy."

2.3. The Chronology and the Phase-One Trade Deal

The US-China Trade War started on 6 July 2018, when the US levied the unilateral trade tariff that covered approximately "US\$34 billion of imports from China, including cars, hard disks and aircraft parts" at the rate of "25%". China responded swiftly and aggressively by imposing a retaliatory "25% trade tariff on US\$34 billion goods" as well [4]. In addition, China denied all the accusations regarding intellectual property theft or unfair trade policies and condemned the US for its reckless big stick diplomacy. The Trade War continued to escalate until the two countries reached a phase-one trade deal in December 2019, calling an end to the third round of tariffs. Signed on 15 January 2020 by US President Trump and China's Vice-Premier Liu He, China agreed to purchase American goods and services over the next two years "by no less than 200\$ billion" and lift bans to various US exports. The US also compromised by suspending the new planned "15% tariff on around US\$ 162 billion worth of Chinese goods" [1]. However, the temporarily relieves tension between the US and China is exacerbated by the rapid spread of COVID-19 since January 2020, which has a devastating effect on the global economy. The pandemic raised questions on whether China would fulfill its obligations on purchasing goals and postponed the prospect of the phase-two agreement indefinitely.

2.4. The Significance of the Trade War

The US-China Trade War made both countries suffer great economic pain, created collateral damages for other countries, and jeopardized the structure of WTO by imposing the threat of a new Cold War. The Trump administration repeatedly emphasized advancing American interests and bringing manufacturing jobs back to the US and blamed China as the source of problems. Donald Trump hoped to use the Trade War to pressure Beijing to end the acts of currency manipulation, which gives China an unfair advantage when imposing equivalent tariffs, thus resulting in a declined base of domestic manufacturing. Although he believed that the Trade War would be "good" and "easy to win," the outcomes proved that his strategy to use a Trade War to shrink the trade deficit was ineffective, and the expectation of resolving the underlying economic conflict between two countries fell flat due to the impact of Coronavirus. A 2019 report from Bloomberg

Economics forecasted that the Trade War would cost approximately “\$316 billion” by the end of 2020 [5].

Furthermore, many studies showed that US private companies suffered from bankruptcy and wage cut for losing the Chinese market. Acting oppositely from creating substantial job opportunities for America, the significantly raised prices of importing agricultural goods brought a devastating effect for US farmers, who lost the “vast majority of... once a \$24 billion market in China” [2]. Although Beijing agreed to complete the purchase goal in the Phase-One Trade Deal, the commitment level of enforcement remains unknown as China had fulfilled only “23% of the total purchase target for the year” by the first half of 2020 [2]. Moreover, the structural change of the Chinese economy, namely reducing state control, is unlikely to take place due to the unchanged nature of China’s communistic political system. Furthermore, protectionism policies from both China and America could influence other countries to use similar approaches to deal with trade conflicts and potentially escalate the Trade War to a global level. In addition, countries interconnected with the US and China were also harmed by the trade tariffs. For example, the East Asian value chains “contracted about 160 billion dollars” in the past two years [5]. By imposing potential danger that could topple the order of the global economy, China and America undermined their leadership credibility as the two largest trading partners in WTO.

2.5. Possible resolutions to the Trade War

In order to restore stability in the global economy, the US and China must find some ways to resolve the current dilemma. Although WTO showed its limits as a regulatory body for preventing the Trade War from happening, it is still the best option to facilitate multilateral trading and can act as an important mediator in resolving trade conflicts. Both US and China should comply with the laws of the WTO and fulfill their obligations responsibly. It is noteworthy that China could have stopped the Trade War from escalating by resorting to the Dispute Settlement Understanding Article 23, which requires WTO members not to take retaliatory actions on their own. In this case, after the US levies the first round of unilateral trade tariffs, China could have filed litigation to WTO, accusing the US actions were illegal and waiting for WTO’s verdict to authorize the use of retaliatory trade tariff. By exercising DSU 23, China would have gained a moral high ground in arguing that the US provoked the Trade War by violating the WTO laws.

Nevertheless, China turned to unilateral self-help, which disabled the WTO from intervening in the Trade War or playing a mediator to alleviate the geopolitical tension between the two countries. In addition, the US may accept the fact that the political system of China is relatively stable and will not experience a major

alteration in its communistic nature any time soon. Therefore, the attempts to subvert the Chinese economies to capitalism or completely market-oriented are futile. The huge loss from the Trade War is a reminder of the interdependency of the US-China trading relationship. For prolonging this indispensable relationship in the global economies, the US might reconsider the demonization of communism and prioritize multilateralism to reduce further economic collision.

2.6. Conclusion

The US-China Trade War was provoked by the unilateral trade tariffs levied by the US and was escalated because China failed to comply with DSU Article 23. The Trade War caused the economic recession in both countries, intensified their political tensions, and jeopardized the stability of the global economy with the potential danger of currency wars. To resolve the current dilemma and facilitate further trading cooperation, America and China may conform to the preexisting laws of the WTO and act more responsibly as the leaders of the global economy. As Joe Biden was elected as the new American President, the prospect of more effective negotiations under the structure of international laws may become brighter. President Biden reversed Trump’s decision to leave the Paris Agreement and rejoined the World Health Organization. It indicates that the new Biden administration is more willing to act in compliance with international institutions and would be less combative in the dealings with WTO.

As both countries could not achieve meaningful progress on trade deals, their conflicts on diplomatic relations expanded to territorial disputes of sovereignty over the South China Sea. This provided a challenging case to the peaceful order of the international community, and it remains to be examined on whether the two countries would be willing to conform to the legal frame of international laws.

3. THE SOUTH CHINA SEA ISSUE

3.1. Introduction

The escalating conflict between China and the United States over the South China Sea is a diplomatic challenge for both sides. At the end of August 2021, China sent a Type 055 destroyer to the waters of Alaska. On Oct. 2, a U.S. submarine struck an unidentified object in the South China Sea, sparking renewed discussions between The U.S. and China over the South China Sea. Vietnam, Malaysia, and the Philippines are all concerned about the situation in the South China Sea because it involves their territorial waters and the exclusive economic zones they can claim. As mentioned in article 3 of UNCLOS, each country has control over the seas within 12 nautical miles of its territory. Therefore, the national interests involved

in the South China Sea issue are very complicated because the ownership of islands in the South China Sea determines the amount of ocean each country can control, it also determines the size of its exclusive economic zone.

3.2. The reasons that the Chinese government claims that the South China Sea belongs to China.

For several reasons, China claims sovereignty over the South China Sea, including all of the Islands in the region. First, the Chinese government argues that the South China Sea has been Chinese territory since ancient times since it has been exploited in Chinese history. Second, the Chinese government claims that the loss of sovereignty in the South China Sea is due to the encroachment of Western powers on Chinese territory since the 20th century. At the same time, during World War II, Japan invaded China and invaded the South China Sea. According to the Cairo Declaration, the Chinese side pointed out that sovereignty over the South China Sea has been returned to the Chinese government. In this case, China should enjoy sovereignty over the South China Sea.

3.3. The reasons that the US government and other governments (e.g., Vietnam government, Philippines government) claims that the South China Sea is not belongs to China.

Unlike Beijing, WASHINGTON D.C. does not believe China has sovereignty over the South China Sea. First, the US government claims that, according to the international law of the sea, China cannot claim sovereignty over the South China Sea by claiming "historic possession." Secondly, part of the South China Sea map provided by the Chinese government should not belong to China but to the Philippines, Vietnam, Malaysia, and other countries. Those nations' major claims include keeping their EEZ 200 off the shore of their coastline and also denying the generation of EEZ of other offshore features that do not meet the UNCLOS requirement, for example, the artificial Islands built by China. The Chinese government is in effect encroaching on another country's legitimate waters. The United States believes that under Article 59 of the International Law of the Sea, it is up to China and other countries to settle it peacefully under UNCLOS.

3.4. The possible impacts of the South China Sea problem to China and the US.

There is no doubt that the South China Sea issue will greatly impact the United States and China.

First, the South China Sea contains vast amounts of natural resources for China. These resources can play a

huge role in China's development. Secondly, the resolution of the South China Sea issue will create a better and more peaceful international environment for China. A good international environment can promote China's more rapid development for China. China is increasing exchanges with countries near the South China Sea. Second, for the United States, the South China Sea is an important part of its Pacific strategy. If China's sovereignty in the South China Sea is recognized, it will be difficult for the U.S. to stop China's expansion into the Pacific. The United States is concerned about the expansion of China's naval power. Once the Chinese navy controls the South China Sea, it will pose a huge challenge to the U.S. Navy in the Pacific. Third, for other countries in the South China Sea, such as Vietnam, the Philippines, Malaysia, if China claims the islands in the South China Sea, according to Article 56 of the UNCLOS, they will lose their territorial rights over the South China Sea, including exclusive economic zones. They will also lose access to the vast natural resources in the South China Sea. The UNCLOS provides the right for countries to explore natural resources in their exclusive economic zone.

Finally, such action destabilized the region. Despite the tribunal decision, China refused to accept it and continued its action to solidify its military force in the region. The region is anarchic, with the nations competing for more influence and international law losing its function. Those smaller nations are not even close to matching the Chinese military presence in the region. Concluded from the realist theory of international relations, China would act freely in the region, including building Islands, etc. However, the U.S., to limit Chinese influence in the region, was deeply involved in the region, which escalated the tension in the region. U.S. military vessels entered the region to conduct so-called freedom of navigation operations. "The first of the recent U.S. naval operations occurred on May 10, 2016, when the guided missile destroyer USS William P. Lawrence conducted such operation within twelve nautical miles of Fiery Cross Reef" (796). Tension peaked after the Tribunal decision, which saw an increase in military actions from both sides, including at least two Carrier Strike Groups (CSG) from the U.S. Navy. Such action, especially of the U.S. Navy because of their overwhelming advantageous naval power, would create numerous risks of conflicts or even wars around the world if unchecked. Militarization of Islands in the South China Sea is also another major concern for the stability in the region. China has expanded many Islands in the region, thus making it suitable for station troops and generating sovereignty. For example, the Scarborough Shoal, which previously could not support any life, now contains a military base with an airfield supporting fixed-wing aircrafts. China could have utilized its rich construction capability to expand Islands in the South China Sea, thus gaining more control in the region by

generating more EEZs and continental shelves, while the smaller nations do not have the equal ability to counter such action.

3.5. Personal opinions about the South China Sea issue in the future.

In the author's opinion, China and the US will continue to discuss the South China Sea issue, and there may be more friction. For China and the United States, the South China Sea issue has always been an important pawn on the negotiating table. There is no detente between China and the United States over the South China Sea issue. However, the author thinks the South China Sea issue will symbolize detente between China and the United States. If China-US relations detente in other areas, such as trade war or technology war. Then the South China Sea issue will also cool down. For China and other countries around the South China Sea, China can develop the south China Sea resources together through peaceful cooperation with other countries in the South China Sea.

3.6. Policy suggestion

The anarchic situation made the dispute difficult to be solved peacefully and incited military actions in the region, including the militarization of the Islands and freedom of navigation operations. In order to prevent further escalation, it is crucial to start a new conflict-solving mechanic and methods to prevent actions that derive from its original purpose, including freedom of navigation and constructions of Islands. Coercion and war would never be a long-lasting solution to conflicts. Freedom of navigation, despite being generated with positive intention, has been misused in recent years. The frequent presence of foreign military vessels and aircraft would severely damage the security in the region, which itself is already a zone full of conflicts due to the Taiwan issue. Since China "China insists that foreign warships obtain prior authorization before exercising their right of innocent passage" [6], while the U.S. does not believe that such authorization is necessary. This alone with "lack of transparency" has made that operation increasingly risky, which includes a recent incident of the U.S. Connecticut collision with an "unknown object" [7]. Due to its relatively inferior naval capability compared to the U.S., China has militarized many Islands in the regions to enforce its control further. Chinese "Anti-Access Area Denial" strategy was meant to deny intervention from the U.S. during potential military operations targeting Taiwan or the South China Sea, but it also raised concern to the smaller nations in the region since, without the U.S., they would not be able to balance against China. The key factor is to limit the operations of both sides through changes in international organizations. Both nations' actions should not remain unchecked. First, there should be stricter regulation to

freedom of navigation operations. The U.N. or other international organizations should carry out those operations instead of being unilateral operations with other intentions. Second, the Chinese should not be allowed to gain EEZ and other maritime claims through expanding the current Islands, militarization should also be prohibited. Those actions would lower the chance of military confrontations in the region. There is a new direct communication mechanics between nations in the South China Sea, including China, the Philippines, Vietnam, etc. Conferences between the leaders of those nations would be necessary for the issue to be solved permanently. Besides direct conferences from political leaders, individuals and businesses could also lead the issue in the South China Sea to a peaceful solution. Businesses from different nations could collaborate to use the rich natural resources in the region by setting up joint projects to excavate substances in the South China Sea. Individuals can assist by educating and communicating with the population of other nations, thus eliminating misunderstanding and encouraging peaceful exchanges for the civilians.

As the South China Sea issue is crucial for China's Pacific Strategy and developing vast natural resources, the territorial dispute over Taiwan carries more historical and nationalistic significance to China. Considering the separation of Taiwan as a centrifugal force, the Chinese government hopes to achieve U.S. recognition of its control over Taiwan to avoid the potential dangers of divisions.

4. THE TAIWAN ISSUE

4.1. Introduction

The use of force has been a long-standing phenomenon in international relations and has been directly linked to states' sovereignty- the limitless power wielded by states to use all possible means to guard and protect their interests. In this paper, the author has discussed the use of force by using the example of Taiwan issues.

4.2. Background of Taiwan with use of force

After August 29, 1945, Taiwan returned to China, but due to the cognitive errors of the Taiwanese, the voice of "Taiwan independence" often appeared. China has announced that it will prevent the independence of Taiwan using military force if need be. In doing so, the country has violated the prohibition of the use of force under international law. The prohibition of the use of force laid down in Article 2 (4) of the UN Charter applies "All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the

United Nations.” But Taiwan is a part of China (the UN has admitted this fact) so, the Taiwan issue is purely China's internal affair and does not allow any foreign interference which means the article 2(4) can not be applied, this does not involve territorial disputes between the two countries. China does not promise to renounce the use of force and reserves the option to take all necessary measures, it is aimed at the interference of external forces and a very small number of "Taiwan independence" separatists and their separatist activities, not at Taiwan compatriots.

4.3. How will the Taiwan problem affect the US-China relationship and the use of force?

Taiwan's geographical position is very important and has great strategic value, so it is the bottom line of China's tolerance for the United States. At the same time, some Americans think Taiwan is an independent country, and if the US-controlled Taiwan, it will be easier to against China, so both will not give up Taiwan. As a result, the relationship between China and the United States will continue to deteriorate. However, the United States will not use force to split China, which is meaningless. China and US are militarily powerful and would lose together if they start the war. Although US and China relations are very bad, there is still a little possibility of war. If the Taiwan issue does not continue to ferment, the provisions on the force in international law will stop at the threat of force.

4.4. How to improve the prestige of the UN

The second Iraq war (2003) had damaged the prestige of the UN when the US waged war using the excuse of preventive self-defense, the actual purpose was to overthrow the regime in Iraq and profit from the middle east. However, “Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a Member of the United Nations until the Security Council has taken measures necessary to maintain international peace and security.” the UN charter has not included preventive self-defense. The war was started without the agreement of the UN security council. (It violated article 46 of the UN charter, which is “Plans for the application of armed force shall be made by the Security Council with the assistance of the Military Staff Committee.”) Although the US thought it was a kind of self - defense Iraq did not Carry out a substantial armed attack on the United States. The author thinks The United Nations can introduce an enterprise or a country to help coordinate the interests of all countries. This enterprise must have a global interest chain to be relatively fair. US is the country behind the UN, but it is not fair in dealing with international affairs, the US pays too much attention to its interests, so big countries will be more willing to violate international law to protect their interests.

5. THE TECHNOLOGY WAR

From the ZTE Incident to the Huawei Incident, the United States has launched an escalating science and technology war against China, from a bargaining chip in the trade war to a strategic containment. The range of tools and means has far surpassed that of the US-Soviet and US-Japan technological wars. . The US's science and technology war against China can be divided into three levels: sanctions against high-tech companies, restrictions on scientific research personnel, and pressure on industrial policies. There are eight specific methods. In addition to using its high-tech monopoly position to attack the weak links of its opponents, the United States often uses a series of political, economic, and diplomatic tools such as public opinion wars and financial wars to launch a full-scale offensive.

Sanctions against high-tech companies: First, the United States adds certain Chinese high-tech (600730) technology companies or scientific research institutions to the export control "entity list" through "long-arm jurisdiction", thereby restricting the export of important raw materials, equipment, development tools, and software, cutting off the supply chain of Chinese high-tech enterprises, paralyzing the operation of target enterprises. In April 2018, the Bureau of Industry and Security of the U.S. Department of Commerce used ZTE (000063) to activate an export denial order because it made false statements, which caused ZTE's main business activities to stall immediately, and ultimately pay 1.4 billion US dollars in fines, The reorganization of the board of directors and the provision of a special performance coordinator by the US Department of Commerce have been temporarily settled. During the period, the company's stock price fell by more than 60%.

Second, on the grounds of national security risks, Chinese companies are restricted from investing and acquiring activities in US "sensitive fields", especially in "major industrial technologies" such as artificial intelligence, semiconductors, robotics, and advanced materials. Due to the review by the Committee on Foreign Investment in the United States (CFIUS), Huawei's acquisitions of 3Com and 2Wire, and Tsinghua Unigroup's acquisitions of Micron and Western Digital all failed. After Trump took office, the US has further tightened its investment and mergers and acquisitions for Chinese companies in the US. In 2017, Chinese capital tried to acquire US semiconductor companies Lattice and Xcerra but failed to pass the CFIUS review.

Third, in the name of national security, the United States has joined forces with allies to curb the market expansion of Chinese high-tech companies in the United States, Japan, Britain, Australia, and New Zealand. Since 2018, the United States has repeatedly used national security as an excuse to curb the development of Chinese companies such as Huawei. For example, in January, it

prevented Huawei from cooperating with the top two US operators, Verizon and AT&T, and prohibited US operators from selling Huawei mobile phones; Trading partner countries have caused Australia, New Zealand, the United Kingdom, Japan, and other countries to exclude Huawei, ZTE and other companies from the government procurement list and the 5G network construction and service bidding list since August.

Fourth, cooperate with financial warfare tools to restrict overseas financing of Chinese high-tech companies and maliciously short, related stocks and bonds.

Fifth, the United States imposes high fines on sanctioned companies and even arrests senior executives, which seriously interferes with the normal operation of the companies.

Sixth, restrict Chinese student visas and Chinese scholars to participate in academic exchanges in the United States to guide the "decoupling" of Sino-US science and technology.

Seventh, strengthen the review of scientific research projects of Chinese scientists to prevent China from benefiting from the research results funded by the US federal government. U.S. government agencies, including the National Institutes of Health (NIH) and the National Fund for Nature (NSF), began to carry out a series of investigations on institutions and scientists funded by them in the U.S., which led to several Chinese American scholars Being suddenly removed from office.

Eighth, carry out the "301 Investigation", extensively criticize the Chinese government's national strategy, industrial policy, financial support, and other methods in the high-tech field, and demand that China abandon the "Made in China 2025" plan. Attempt to curb the upgrading of China's industry.

Unlike Japan, South Korea, and the Soviet Union, China has a completely independent internal and external affairs, a large domestic demand market with a population of 1.4 billion, a complete manufacturing industry chain, and a more reasonable economic structure. This determines that China will be The United States has encountered the strongest technological competitor since the 20th century. The future is nothing more than four major endings: China and the United States decoupling, China is pushed out of the global market by the United States, China, and the United States form two camps, the United States completely loses China's huge market, China fully rises through reform and opening, the United States responds to improper and complete decline, and China and the United States compromise with each other and move toward win-win cooperation. Co-governance. In the short term, the possibility of a complete and hard decoupling between China and the United States is not high: 1) There are different interest groups in the United States, including

conservative politicians such as Pence and Pompeo, as well as entrepreneurs and intellectual elites. The power of reason, objectiveness, and friendliness. The game between different interest groups and the fluctuation of the political cycle will greatly increase the difficulty and time of China-US hard decoupling. 2) Hard decoupling will hurt the self-interest of the United States. Not only will multinational corporations lose the huge market of 1.4 billion people, but the suppression of talent exchange and scientific research cooperation will hurt the competitiveness of the United States in the field of scientific and technological innovation. 3) China has a complete industrial system and complete infrastructures such as water, electricity, transportation, and logistics. It is not easy to be completely replaced on a global scale. It is not feasible for the United States to initiate a hard decoupling unilaterally. The outcome is not yet known. Of course, the best outcome is forming a new international governance system and a win-win situation for both China and the United States.

Judging from the historical experience of the U.S.-Soviet and U.S.-Japan technological wars, the technological war will be a protracted technological competition, and there will not be only one battlefield. The main battlefield will gradually shift to the core technology that can truly determine the national security and economic lifeline. In the future, the United States may not only initiate continuous suppression in China's existing shortcomings such as chips and software, but from the federal government's priority research and development areas in recent years, the United States is likely to focus on artificial intelligence, quantum technology, high-performance computing, robotics, and biotechnology. A series of "technical arms races" in frontier technology fields, including personnel training, basic research, technology development, achievement transformation, standard-setting, and financial support, have been launched with China. Specifically, there are four potential escalation paths for the U.S. technology war with China:

First, in the future, the United States may continue to use its monopoly in information and communication technology and other high-tech fields to launch attacks on Chinese companies. Specifically, there are three sanctions escalation paths: 1) Expand the scope of sanctions on companies. At present, the U.S. Department of Commerce tends to generalize national security and abuse export control regulations. Taking Fujian Jinhua as an example, the DRAMs produced by Fujian Jinhua are mainly civilian products and have not yet been mass-produced. However, due to intellectual property disputes with US DRAM manufacturer Micron, it is still sanctioned by the US Department of Commerce BIS for "threatening national security". In the future, it is not excluded that the United States will continue to sanction other Chinese high-tech companies, such as SMIC, Yangtze River Storage, Hefei Changxin, Ali, Ziguang,

Hikvision (002415), Lenovo, DJI, etc. 2) Expand the scope of restricted export products and technologies. In the future, the United States may impose export controls on 14 types of core cutting-edge technologies, including biotechnology, artificial intelligence, and machine learning. 3) Revise the export control identification and restriction conditions. The United States may amend the Export Control Regulations (EAR) to reduce the proportion of foreign products containing American ingredients in projects subject to the EAR and force foreign suppliers of Chinese high-tech companies to cut their businesses.

Second, in the future, the United States may continue to tighten the investment and M&A activities of Chinese companies in the United States, further expand the jurisdiction of CFIUS, and “any other investment” involving critical infrastructure, critical technology or sensitive personal data, including a small shareholding, more rigorous review of non-controlling investment behaviors such as early investment in start-ups and establishment of joint ventures with US companies.

Third, the United States may tighten visas for Chinese students in the STEM field, restrict academic exchanges between China and the United States, and increase the review of scientific research projects. The United States may clean up scientific research projects that have violated regulations and prevent some Chinese researchers from using relevant scientific research results funded by the United States to return to China to start businesses.

Fourth, the United States may continue to put pressure on China’s industrial policies, forcing China to abandon strategies such as “Made in China 2025” and the “New Generation Artificial Intelligence Development Plan”, requiring government funds and state-owned enterprises to reduce or even withdraw investment in technological innovation.

If the United States continues to launch a technological war, it will surely cause continuous and far-reaching damage to the division of labor between Chinese and American high-tech companies and the global industrial chain. From a response point of view, regardless of whether the probability of decoupling is 1% or 99%, strategic deployment must be made following the worst-case scenario. Even with a probability of 1%, it may be fatal to specific enterprises and industrial chains. We may be more affected in the short term, but the number of Chinese researchers, invention patent applications, and authorizations have surpassed that of the United States, and China’s overall R&D expenditure will also exceed that of the United States by 2024.

Moreover, China imposed sanctions on the United States to protect its measures in the Sino-US Science and technology war. These sanctions have also increased tariffs on some parts of the US technology sector.

However, even though China has imposed sanctions on the United States in science and technology, it cannot avoid its losses in the field of science and technology. China has not gained much in the science and technology war, but its technological development has been further restricted, and it may develop more slowly in the future.

From the objective view, the technology war between China and US is a disaster for both sides in the conflict. On the Chinese side, the chip manufacturing industry and some of the sections in the high-tech field are seriously damaged, and these sections require several years or even decades to develop to a higher stage. On the American side, banning several Chinese technology companies in communication technology will force US users to suffer from the worse network and other inconveniences. Moreover, sanctions from the Chinese side will hurt the interest of American companies. Due to the double-hurting result of the Sino-US technology war, the best resolution of the conflict is to reach an agreement that can satiate both sides. Moreover, the Sino-US cooperation in the technology field should be recovered as soon as possible. Governments should not interfere with the legal cooperation of companies anymore.

The sino-US relationship is a broad topic that contains problems on many levels. The most significant characteristic of Sino-US relations is that two countries have both competitions and cooperations.

6.CONCLUSION

Several aspects of the competitions, including technology, the South China Sea, and the trade war between China and the U.S., were discussed in the previous sections of this report. Differences of values and interests were presented in those conflicts. From the territorial disputes in the South China Sea to the tariffs applied during the trade war, unilateral actions from both sides of the issue were against some basic values of international law. South China Sea conflicts saw the violation of the UNCLOS while the trade war was against the WTO law and severely disrupted the world economy. Solving those issues requires not unilateral action but also cooperation from both nations and effort from international organizations, like the WTO or U.N. They should act as a bridge of communication between the nations and utilize international law as a method to limit further aggressions. They should also urge China and the U.S. to comply with international law and promote further cooperation. Individuals and private sectors could also assist in lowering the tension between nations.

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