

US, China and Indo-Pacific Region: The Strategy of Engagement and Containment

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Abstract

This qualitative research illustrates an argument that status enhancement on the part of great powers generates status discrepancies in the global order. Their power dynamics are visibly demonstrated either in engagement or containment stratagems. Cold war and the post-cold war eras continued the legacy of unipolarity vs multipolarity. Hegemonic Stability Paradigm remained prevalent since post WWII however emerging power centers like EU (European Union), ASEAN (Association for South East Asian Nations), BRICS (Brazil, Russia, India, China, South Africa) competed with US economic predominance. The challenges to the US prestigious position by mounting influence from China escalated strategic competition and confronted US economic and security interests. In this perspective Indo-Pacific region becomes more pronounced to examine this prisoner's dilemma revolving around containment or engagement. This research envisages that why great-powers entangle in strategic competition and what are its ramifications for regional states. The complex and consequential nature of power syndrome between US and China is scrutinized by numerous scholars hence this research magnificently epitomizes the recurring conflict and cooperation on epistemological grounds. Profoundly, analytical, descriptive and explanatory techniques are used to explore the literature and recommend those areas where equilibrium is preferably maintained for regional peace and stability.

Key words: China, Great Powers, Prisoner's Dilemma, Indo-Pacific Region, Status Enhancement, US, Zero-Sum Game.

Introduction

Prisoner's dilemma (term coined by US think tank RAND Corporation in 1950) occurs in a complex helm of affairs where states have paradoxical interactions depending upon the nature of global system and patterns of international politics. During cold war era, states experienced bipolarity on ideological grounds to uphold their respective shared interests and values. Both US

and USSR continued to contest with each other through regional wars, arms race, Cuban Missile Crisis, astro-politics along with nuclear non-proliferation and détente for peaceful co-existence. US opted containment policy since 1947 for supporting democratic countries to resist communist expansion. US strategies comprised to foster global monetary and trade regimes like GATT (General Agreement on Tariff and Trade) and IMF (International Monetary Fund), security alliances including NATO (North Atlantic Treaty Organization), SEATO (South Asian Treaty Organization) CENTO (Central Treaty Organization) and democracy support funds to her allies. Similarly, USSR had a very close-ended system with communist states under Warsaw Pact¹.

Both the major powers sustained 'tit for tat' strategies during cold war largely to maintain dominance over the other. All key regions Europe, South Asia, Africa, Latin America and Indo-Pacific underwent conflict or cooperation between capitalist and communist forces which caused multiple ramifications for regional states. The competitive systemic attributes trickled down to the smaller states and compelled them to play their tactics accordingly. After the fall of USSR in 1989 US again held unilateral leading position in world system. Since then, China gradually explored more opportunities to create her presence in global markets through 'Open Door Policy' and inclusion in WTO (World Trade Organization). This consistent Chinese permeation was perceived distressing by US administration during previous decades. Conversely, all regions mainly Indo-Pacific became a center of gravity for US-China competition.

Indo-Pacific region extends from the US Pacific Coast to the Indian Ocean including South Asia, Northeast and Southeast Asia and Oceania. This region is considerably important for contributing more than 40 percent of global GDP, high-tech industries, having economic giants like China, Russia, Japan, Asian Tigers and geo-political crossroads like Taiwan Straits, South China Sea and Korean Peninsula.

Objectives of Research

This study corroborates following objectives:

1. To explain the phenomenon of prisoner's dilemma in international politics.

¹ The Warsaw Pact, formally the Treaty of Friendship, Cooperation and Mutual Assistance, was a collective defense treaty signed in Warsaw, Poland, between the Soviet Union and seven other Eastern Bloc socialist republics of Central and Eastern Europe in May 1955.

2. To dig out the reasons for strategic competition in economy and security among great powers.
3. To highlight the significance of Indo-Pacific region with the perspective of engagement and containment among US and China.

Significance of Research

This research is substantially significant to address the structural compatibilities and incompatibilities in an international system due to great power rivalries. Prisoner's dilemma is assumed by political scientists as naturally inherent among major powers due to their patterns of interaction either synchronous or nonsynchronous. This study becomes ontologically distinct to examine the variation in power contenders from traditional to new emerging ones in Indo-Pacific with special focus on their priorities regarding security and economy. Now states are more concerned about economic stakes and commercial benefits therefore militarization undermines to ensure economic security. However, it depends upon their status enhancement strategies. They endeavor to counter each other while securing their regional goals. They either choose to baffle their counterparts or encompass some coordinated plan for coexistence. This argument is authenticated in this study with arduous reasoning. Comprehensive literature review and methodology to describe evidences elevates this research with validity.

Literature Review

(Marks, 2001) elucidates that prisoner's dilemma, embodied in game theory does not apparently incline towards cooperation due to particular confinements among states in international politics. Metaphorically, it is assumed to explain the repetitive actions by state actors in the global arena. This model of interaction covers the strategies to maximize better off even at the cost of self-defeating options by the elite. The situation where the dilemma occurs becomes more evident which compels the actors either to swindle or cooperate with the competitor. Therefore, it is a vicious circle which tightens the entities either to contain or engage each other. Prisoner's dilemma intrinsically exists in international system due to its anarchic nature propelling the states for seeking supremacy. Nevertheless, this enigma depends upon wide-ranging behaviors of states including deception or reception, leading them to transgression (infiltrations, surgical strikes) or integration (armistice, consortiums).

(Ehrhardt, 2008) describes prisoner's dilemma in terms of security predicament, arms race, nuclear deterrence, economic cartels and tariff protection among great powers to analyze that why states indulge in tug of war and make irrational decisions to maintain their hegemony. After Second World War US emerged as a world leader with all institutional arrangements, Bretton woods regimes and military alliances with her allies to keep preeminent position in world affairs. US took all burden of international monetary system to retain dollar supremacy, engaged in overseas commitments and endorsed this narrative that the presence of hegemonic state was mandatory for stability of international system. Although US economy was encumbered due to cold war but US leadership remained intact with the paradigm of hegemonic stability. US and USSR both demonstrated brinkmanship in order to achieve their desired goals like during Cuban Missile Crisis 1962, US President Kennedy put Soviet leader Khrushchev in a complex situation where he had to face risk of nuclear war. Similarly, in recent times US-North Korea conflict also manifests quandary from both sides because North Korean military expeditions provoke South Korea but there is a realization on the part of both US and South Korea that war would bring disaster for the region. Consequently, they opt diplomatic channels to reduce the intensity of conflict.

(Plous, 1993) highlights another dimension of prisoner's dilemma in the context of US-Soviet arms-conflict during cold war. Both contenders gradually persuaded towards nuclear arms reduction for preventing any catastrophe after Cuban Missile Crisis. They signed SALT I, II (Strategic Arms Limitation Treaty)² to ensure global peace and security. This perceptual dimension of prisoner's dilemma determined stable solution with cooperative stratagem. As a matter of fact, they were pushed to extend support despite their anarchic nature. They preferred to reconcile instead of aggressive unilateral actions. Moreover (Lipman & Barton, 1986) envisages the outcomes of Cuban Missile Crisis where USSR removed missiles, were assumed as pareto-optimality in prison dilemma because US also agreed not to invade the island. This variant behavior visibly maintained equilibrium however their ideological and political conflicts continued to exist.

(Hu, 2020) explains the dynamics of great powers rivalry establishing the attributes of international system. In this connection the patterns of interaction between US-China are getting complex due

²SALT I and SALT II, were signed by the United States and the Union of Soviet Socialist Republics in 1972 and 1979, respectively.

to world-wide Chinese expansion for economic empowerment and military might. This growing tendency mainly in Indo-Pacific created prison dilemma for strategic interests of both the states while making shifts in the geopolitics of the region. Though stable China is in the US interest but American administration always strived for hegemonic position in the region since post-cold war era. During 1990s China acknowledged US actions in Indo-Pacific like Chinese government condemned Pakistan-India nuclear tests to restrict arms race and sign Comprehensive Test Ban Treaty. Then China reinforced US for peace-building efforts near Korean Peninsula. China also agreed with Clinton administration to provide every possible assistance to US to check international human and drug trafficking. Nonetheless, China's BRI (Belt and Road Initiative) promoting regional and global infrastructural projects to attract the developing world has been compromising US core objectives in this region.

(Scobell, 2020) describes that Obama administration extended the policy of 'engagement and reassurance' in 2010-11 to show high expectations for mutual cooperation in Indo-Pacific. But this could not last long and was replaced by 'Pivot to Asia' for counterbalancing Chinese rising economic and military enlargement that became alarming for American primacy. Later, Trump in 2017 called China as a 'revisionist' and a threat for American aspirations, democratic values and security. Trump's approach of 'principled realism' and imposition of tariff on Chinese goods put both countries in a situation of prison dilemma where actors fight for hegemonic control of the region with viable policies.

(Zhang, 2020) scrutinizes that Indo-Pacific region appeared significant for all traditional powers like US, Australia, ASEAN countries and New Zealand. Considerably, APEC (Asia Pacific Economic Cooperation) Summit in Vietnam during May 2017 and Trump's meeting with the heads of Pacific states including Marshall Islands, Palau and Federated States of Micronesia during 2019 showed grave concern against assertive China. Trump also assured for \$100 million additional investment apart from \$ 350 million annual monetary assistances for democratic governance, infrastructural development and climate resilience. US aligned with Australia and New Zealand bolstered the PICs (Pacific Island Countries) to keep stronghold in the region. Trump articulated 'Pacific Pledge Policy' to counter growing Chinese influence. China made \$ 6 billion investments in Pacific during 2011-17 and enhanced the penetration of construction companies and Chinese goods in these countries.

Chinese preferred state-state approach as compared to US support for civil society in order to promote effective networking and better outputs. Pacific states like Fiji had to face restrictions from US-led allies due to close relations with China. Specially, military government in 2006 was condemned by and the PIF (Pacific Island Forum)³ suspended its membership. Moreover, the counter strategies by China like 'neighborhood policy' to foster positive diplomacy with all Pacific states through scientific research, resource-sharing and economies of scales are momentous to examine. China is the largest exporter to PICs and her trade surpluses reached at \$ 4,829million during 2015. In addition to trade volume the number of Chinese tourists is also increasing in PICs discovering more tourist destinations other than US and Europe.



³ The Pacific Islands Forum (PIF) is an inter-governmental organization that aims to enhance cooperation among countries and territories of Oceania since 1971.

Coverage of Data Presented for Coding

Node	Percentage Coverage
Nodes\\China's counter policies towards US	4.90%
Nodes\\Great power rivalry in global arena	2.37%
Nodes\\Hegemonic stability in international system	6.05%
Nodes\\Prisoner's dilemma in the context of armed conflict	8.23%
Nodes\\Theoretical foundation of prisoner's dilemma	5.36%
Nodes\\Trump's approach towards China	5.28%

Research Questions

This research substantiates the following questions:

1. Why is the phenomenon of prisoner's dilemma considerable for power dynamics between US and China?
2. What were the strategies opted by US to compete with the growing influence of China in Indo-Pacific during post-cold war era?
3. How did China endeavor to counter US tactics for retaining her competitive position in Indo-Pacific?

Methodology

This research is fundamentally a qualitative case-study of US and China strategic competition in Indo-Pacific region. The descriptive and explanatory techniques are used to deliberate the structural foundation of international system characterized by inter-state enmities or amities. In-depth exploration of secondary sources made possible to develop an authentic argument and unfold the reality of regional dynamics of smaller states. The incorporation of NVIVO to highlight the thematic weightage of literature review further extends the worth of the study. Books, journals and credible official reports are consulted to explore new avenues in the respective area of research. Explanatory technique tends to uncover cause and effect relation among numerous events affecting power-equation among states.

Prisoner's Dilemma Considerable for Power Dynamics between US and China

The United States has been working to strengthen its strategic hold in the Indo-Pacific, mainly as a way to contain China's growing influence. This includes building military alliances, deepening security ties with regional partners, and promoting a "free and open Indo-Pacific" a phrase that's often interpreted as code for keeping China in check. But China hasn't just accepted this shift. Instead, it's been actively working to push back and, in some ways, overturn the U.S. geographical security tactics in the region. One of the main ways China is doing this is through economic integration. It's Belt and Road Initiative (BRI) now includes over 150 countries and is aimed at building trade routes, infrastructure, and long-term economic ties. The logic is pretty straightforward: the more countries depend on China economically, the harder it becomes for the U.S. to isolate or contain it. In fact, this growing economic interdependence gives China a lot more diplomatic and strategic space to maneuver.

Among American decision-makers, a zero-sum mentality is quite prevalent when it comes to deterring China as a military and economic power. (Weiss, 2022) The US zero-sum approach towards China, provides that any advantage secured by Beijing whether in terms of diplomatic influence, technological progress, or economic advances must inevitably mean an impairment for Washington. (Rethinking Relations with China: Moving Beyond a Zero-Sum Game, 2024) US strategists largely perceive China, as a direct threat to US hegemony in world politics while being apprehensive that China's rise will inevitably threaten the order of global politics and relative peace established by international institutions. The zero-sum perception of US about China is evident by the fact that China has very little incentive to upset liberal world order and to undermine international institutions. The liberal world order remained advantageous to China's growing political and economic influences in different parts of world especially the regions far away from its geographical locality.

Moreover, since 1980s China gradually integrated itself into the international market economy and liberal world order which empowered almost 850 million Chinese people by lifting up them from absolute poverty. The negative portrayal of opponent state in US and China in their domestic politics with growing nationalistic impulses have compelled the respective policy makers in both states to view each other with adversarial lenses. This provided historically exceptional instances of reconciliation towards each other due to strong domestic pressures for a hardline approach. The

US tags China as a revisionist power while viewing most of China's international engagements as opposed to American interests. China also believes that the key strategy of US to sustain her hegemonic power is to challenge China's growth (McFaul, 2019).

The zero-sum outlook of US and China is also apparent in their strategic designs in Indo-Pacific region which paved grounds for securitization of seas and oceans while creating a possibility of extending this securitization to the decoupling of their economies. US maritime approach to containing China in Indo-Pacific region is based on its 'Island Chain Strategy' largely designed in 1940s and perceptible during Korean War to restrict the access of her cold war ideological competitors; Soviet Union and China to Western Pacific (Espena & Bompig, 2020). This US plan was incorporated by establishing the maritime strategic island barriers and vital choke points in the region. US placed its military bases while getting along strategically with regional allies like Japan, Philippines and Taiwan to secure friendly territories. The key goal is to confine China into its regional waters while preventing her to project her military power in Indian and pacific oceans.

Nevertheless, under a rule based global regime, emergence of China as a revisionist and hostile power is shaping the classical 'prisoner's dilemma' for US (Shinder, 2022). The contemporary policies of US and China; being the two rational actors are exclusively focused on their national interests however their miscalculation, mutual distrust, biases in their perception of each other and some other unlikely reasons can increase the threat for not cooperating when it makes sense for them to cooperate⁴. US-China trade wars depict that both states were engaged in non-cooperative game under Prisoner's dilemma problem as ending these wars was economically advantageous for both countries and their societies. The underlying reason for not resolving the tariff issues amicably are that both states focused on their individual interests while lacking the adequate understanding of other's nationalistic impulses and psyche. Their tariff imposing policies are based on their perception (likely to be biased due to their political & security perceptions) rather than their insights of other's motivations in the time of uncertainty.

⁴ Prisoner's Dilemma provides that increased insight into an opponent's or other party's motivations & aims offers hints into potential actions & rejoinders which allows for better-informed decisions. However, due to mutual distrust & uncertainty, players can go for non-cooperative behavior while leading towards 'Nash Equilibrium' even when co-operation is more beneficial. See; Davies, G (2018, March 25). Trade Wars & Prisoner's Dilemma'. Financial Times. <https://www.ft.com/content/d288a98e-2e90-11e8-9b4b-bc4b9f08f381>

Lately, US President Donald Trump used uncertainty as his tactical weapon to address the trade deficit between US and China. While declaring national economic emergency, he imposed new 34 % tariffs on Chinese imports to US as compared to 20 % to EU and 10 % across all countries. Certainly, the economic cost of these tariffs will mount the political pressure on China to retaliate. In a reciprocal strategy, tariff rate by China is estimated to levied on top of the 20% tariff Trump already imposed, making its total tariff rate to an enormous 54%. (Buchwald, 2025). Despite the fact that lowering tariff will benefit both US and China trade and economies however, their political and security driven suspicions and apprehensions will keep them engaged in confrontational way as both opted for protectionism.⁵ The lens of Prisoner's Dilemma can provide an insight that two economically interdependent states like US and China can manipulate their interdependence through leveraging global networks to achieve their objectives in Indo-Pacific region. The US security framework in Indo-Pacific is also expanded through its anti-terrorism and anti-narcotics arrangements with India and Vietnam to counter drug trafficking. However, US doesn't provide any substantial economic alternative possibilities apart from its security and military support.

Strategies Opted by US to Compete with the Growing Influence of China in Indo-Pacific during Recent Past

U.S. endeavors to limit China's access to advanced technologies like semiconductors and artificial intelligence. U.S. national interest largely focuses to slow down its competitors through effectiveness of tougher export controls and sterner implementations to block strategic transfers to competitors like China. However, due to complexity of supply chains, the role of third-party intermediaries becomes more perilous. (Li Yee, 2025) The chip war started in 2021, is part of contestation for economic and security domination between US and China in Indo-Pacific region. The global shortage of semi-conductor in 2021 and resultant US-China tensions and tech war pushed US to scrutinize the supply chain of advanced chip making manufacturing facilities located within its regional allies Japan, Taiwan and South Korea. (Lee, 2023) The supply Chain of semi-conductors seems quite complex as two Asian companies: Taiwan's TSMC (leading with 58 % share) and South Korea's Samsung Electronics (second largest foundry) collectively control

⁵ As a result of previous trade wars between US & China & tariffs imposed in 2018-19, US exports to China decreased by 26.3 % while exports to the rest of the world increased only by 2.2 %. China's exports to the US declined by 8.5 % whereas its exports to the rest of the world rose by 5.5 %. See for the details, WORKING PAPER; 29562; Fajgelbaum, P. Pinelop, K. Goldberg, P. Kennedy, P.J, Khandelwal, A & Taglioni, D. '(December 2021) The US-China Trade War & Reallocations' DOI 10.3386/w29562

approximately 70 % manufacturing market. Despite, TSMC and Samsung are the leading producers of semi-conductors, these companies still depend on profoundly for apparatus and machinery from the U.S., Europe and Japan. Three are American companies out of top five semi-cap equipment vendors who make up nearly 70% of the market, whereas, one is European and one is Japanese. (Kharpal, 2021)

Despite that some of US firms are integral to semi-conductors' supply chains however, Americans are lagging behind in manufacturing. The concentration of manufacturing of semi-conductors in the hands of few players worsened the problem for US and China. In 2021, President Joe Biden issued an executive order to address the global chip shortage affecting the industries such as medical supplies and electric vehicles. Biden administration intended to enhance the capacity of U.S. semi-conductor manufacturers to expand their capacity within U.S. primarily to lessen American dependence on manufacturing in geopolitically sensitive areas such as Taiwan. In 2022, US Congress while passing the CHIPS and Science Act, approved more than 53 billion US dollars funding to bring semi-conductors manufacturing back to US and securing leading position to lower the costs and to avoid disruption in supply chain. (Lobosco, 2022) Biden administration claimed that restriction on China regarding US exports of chips and related technologies are intended to constrain the China's ability to feed its development of strategic weapons rather than to control the rise of China's semi-conductor industry.

US envisioned to out-compete China in tech war and promoted the policy of 'Keep Away' and 'Run Faster'. (Schneider & Zhang, 2022) In the contemporary day and age, the military competence of both US and China majorly relies on chips and related technologies due to its key role in their defense systems. The relying on each other's technologies and ability to disrupt supply chain centered on geo-political sensitive territories are causing uncertainty and vulnerabilities between US and China while shaping the threats of cyber espionage for them. This also compels them not to cooperate as technological advancement has become a zero-sum game where of this can provide boom for one and bust for the other while determining their position in Indo-Pacific region. In 2023, Biden administration also prohibited the export of advanced technologies and equipment related to manufacturing of semiconductors to China via issuing an executive order. (Vidra & Hai, 2024). China's economic collaborations heavily depended on its strategic waterways to proceed with its maritime trade. Additionally, to become a dominant power in Asian region, the

Chinese influence and military presence in 'first Island Chain' is key to its success as it leads to other shipping routes. To accomplish this goal, China since 2018 strengthened its strategic position by installing weaponry and barracks, establishing communication networks, aviation, port facilities in Spratly Island.

China's Endeavors to Counter US Tactics for retaining her Competitive Position in Indo-Pacific

China has adopted a multi-front scheme while targeting different regional actors with respect to their varying potential of cooperation and confrontations with China. China's Indo-Pacific approach is to avoid major wars and large-scale conflicts while pursuing foreign policy objectives through multiple range of tactics. Contrary to US's cold war traditional containment strategies, China doesn't seem to project pro-American and pro-Chinese camps rather it employs political and corporate lobbying along with nation branding strategies and acts of public diplomacy. The 'Blue Dragon Strategy' of China consists of four frontiers. Firstly, it focuses on asserting its historical territorial claims over Taiwan (East China Sea) and Senkaku Island (Japan, Western Pacific Ocean) up to a manageable level to restrict any third-party intervention. (Graceffo, 2024) The prime intent is to keep Taiwan in check by encircling her through frequent militaristic arrangements. The unyielding pressure on Taiwan through presence of two Chinese aircraft carriers helps China to signal US and Japan about its retaliatory measures in case of their interruption.

Second frontier is to maintain China's militarized artificial island in South China Sea and publication of new maps to assert China's aggressive territorial claims to keep in check the US allies; Vietnam, Philippines and India. The third frontier is to transform Indian ocean into an area of Chinese influence while showcasing China's peaceful rise, mainly through 'Buddhist diplomacy' and infrastructure investment in Sri Lanka. (Mendis & Mendis, China's Secret "Blue Dragon" Strategy: Can US Containment Policy Succeed?, 2023) The prime intent is to facilitate 'Belt and Road Initiative' and encirclement of India to constrain the implementation of US-India strategic designs in the region. India is recurrently occupied by China's territorial claims on Aksai Chin and Arunachal Pradesh which keeps India's military power and financial resources substantially utilized in these conflicts. China also threatens India by engaging her into clashes like Golan Valley to constrain her support to potential Tibetan autonomy and active involvement in US backed encirclement of China through QUAD. The fourth frontier is China's geo-political

and geo-economic leverage of water in South Asia (Brahmaputra River basin in India and Bangladesh) and South East Asia (Mekong River). China's 'hydro-hegemony' over these waters empowers her to coerce downstream and smaller states of the region such as; Cambodia, Laos, Myanmar, Thailand, and Vietnam (Mendis, 2022).

China's strategy of asserting its global leverage since 2010 is a mix of engagements and containment. This initially involved domestic development and expansion of its international trade and later adding an assertive 'wolf warrior' diplomacy⁶, providing foreign aid and accelerating the military buildup. Despite the fact that China's military technology and power is still unparalleled to US, however, China's global power is elaborated through its hard and soft power means. In the contemporary age, China has hugely invested on advanced technology and data which helped her to transform from an authoritarian regime to a surveillance state while mastering the art of artificial intelligence (AI) to broaden its power by exporting AI around the world and positioning China as a prospective global leader.

Building on China's strategic pushback against the U.S. Indo-Pacific security framework, it's helpful to take a step back and examine the broader logic behind U.S.-China interactions. A useful lens for this is game theory, specifically the concept of the Prisoner's Dilemma. This model captures the deep-seated tension between cooperation and competition that defines their relationship where both sides have the option to either work together or act purely in their own interest, often at the other's expense. In a classic Prisoner's Dilemma, the optimal outcome for both players is cooperation, but the temptation to defect can be strong especially if one party believes the other might betray them first. In the context of U.S.-China relations, these dynamics play out repeatedly. For example, moments of mutual hostility, like the trade war, technological decoupling, or aggressive military posturing, reflect the "mutual betrayal" outcome: both nations end up worse off, yet continue to escalate due to mistrust.

On the other hand, when the two countries have chosen cooperation in areas like climate change or reopening military communications the benefits, though modest, have been clear. China's recent

⁶ The transformation of China's 'keeping the low profile' diplomacy of Deng in 1980s to more assertive & confrontational diplomacy by Chinese Spokesperson of Ministry of Foreign Affairs; Zhao Lijian in March 2020 while alleging that US spread Covid-19 in China, introduced 'wolf Warrior' diplomacy. Later, he also posted an image of an Australian soldier cutting the throat of an Afghan child while alleging that Australian forces committing war crimes. Chinese officials used social media especially their Twitter account handles to criticize western policies. See; Yuan, S. Tracing China's diplomatic transition to wolf warrior diplomacy and its implications. *Humanit Soc Sci Commun* 10, 837 (2023). <https://doi.org/10.1057/s41599-023-02367-6>

moves in the Indo-Pacific such as expanding economic interdependence through the Belt and Road Initiative, investing in technological self-reliance, and strengthening multilateral institutions can be interpreted as strategic attempts to change the structure of the game itself. By reducing its dependence on U.S. and building its own networks of influence, China is not only trying to increase its leverage but also reshaping the cost-benefit analysis of betrayal. The idea is that if cooperation becomes more beneficial or at least less risky than competition, the U.S. might be more inclined to engage in balanced dialogue rather than confrontation. At the same time, game theory reveals that trust and communication are the keys to avoiding the worst outcomes. Without mutual assurances, even rational actors can end up in a cycle of retaliation.

Concluding Remarks

While concluding this research embodies that the growing rivalry between the United States and China is one of the most important developments shaping today's global landscape. As the world watches these two powers compete and, at times, cooperate across economic, technological, and security domains, it becomes increasingly clear that their relationship will influence not just regional stability, but the future of global order itself. This study is motivated by the need to better understand the complex nature of this rivalry; how it has evolved, what drives it, and what it means for the rest of the world. This study concluded that both powers oscillate between engagement and standoff each afraid of being the "cooperator" in a round where the other side defects. The challenge lies in breaking that cycle and creating long-term incentives for cooperation. While China is actively challenging the U.S. geographical security position in the Indo-Pacific through economic, technological, and diplomatic means, these moves can also be understood as part of a broader strategic game. The goal isn't necessarily to win a zero-sum contest, but to shift the rules toward outcomes where both parties can avoid unnecessary loss if they're willing to trust each other just enough to take that risk.

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