



## Riding the Wave: The U.S., China, and Hegemonic Power

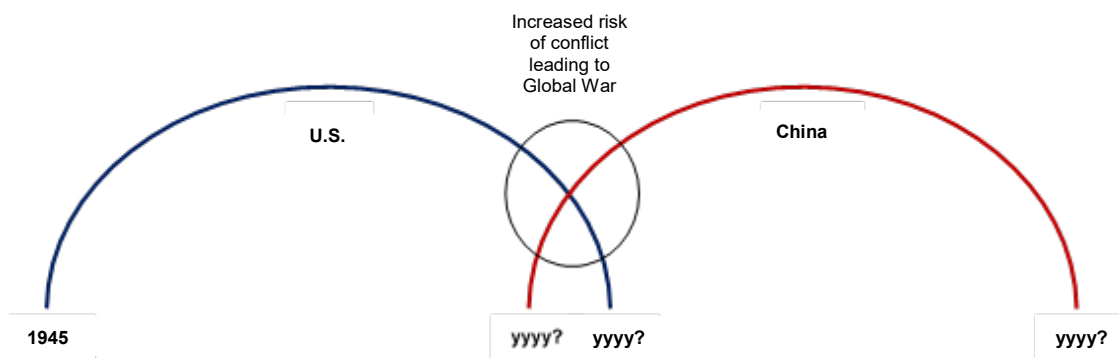
While the topic of Trade is capturing the headlines, escalating U.S.-China tensions are revealing a long list of issues, from economics to security, where the two countries' interests diverge. This latest development has sparked a wave of op-eds discussing their future relationship. Are we merely experiencing a temporary bump in the road, with both presidents needing a quick resolution to claim a "win," or is there something much deeper and structural going on?

Investors generally despise uncertainty, yet the new normal may very well be a prolonged period of uncertainty in relations between the world's first and second largest economies. International relations scholars can readily point to Hegemonic Stability Theory (HST) as offering insights about this emerging situation. Specifically, long cycle theory, a variant of HST, advanced by scholar George Modelski, seems most appropriate in summing up the current state of affairs.<sup>1</sup>

Long cycle theory posits that international political power resembles waves, with the strongest country, the so-called hegemon, rising, cresting, and falling to be replaced by a successor. At the wave's apex, the hegemon is all but unchallengeable, capable of dictating the international order. The rise and fall of a wave, however, present periods of uncertainty, holding the greatest potential for conflict among contenders for hegemonic status.

The risk for "Global War," Modelski's term for major, system altering conflicts, comes about by power miscalculations between hegemons and challengers. A hegemon in decline may overestimate their power on the downward slope while challengers may overestimate their rising trajectory (see **Figure 1**). The theory postulates that these hegemonic waves last approximately 70 to 100 years, adding a decade or so at the end to sort out the results of any transformative Global War.

**Figure 1. U.S.-China Long Waves**



The suggestion that China and the U.S. are sizing up one another vis-à-vis hegemonic superiority is scarcely new. It's acknowledged that the U.S. has been the global hegemon since the end of World War II. That means Washington has been riding high for 74 years, an advanced age for a hegemonic power wave.

<sup>1</sup> Modelski, G. (1987). *Long Cycles in World Politics*. Seattle: University of Washington Press.

By most measures, the U.S. still holds an edge over China in terms of economic power and certainty in terms of military strength, in absolute terms. But this advantage is shrinking in relative terms. Demographic trends and its sheer size add an air of inevitability to China's rise. HST critics contend that framing relations as inherently adversarial creates a self-fulfilling prophesy, that the past isn't prologue, and the symbiotic relationship between the U.S.-China upsets a simple hegemon-challenger dynamic.

Ultimately this is all theory, what matters is how the leaders of the two countries choose to characterize the relationship. If cast as a hegemonic competition, attention must turn to how to best avoid misperceptions. Challenging for power too early or too late in one's wave cycle can have grave effects. In such a scenario, today's trade war might just be a very early opening salvo of further conflict to come.

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