MSI Journal of Multidisciplinary Research (MSIJMR)

Volume: 3, Issue: 11 (November-2026)
Published by *MSI Publishers*
ISSN 3049-0669 (Online)

Received: 02-10-2026
Accepted: 04-11-2026
Published: 08-11-2026

The Impact of China's Rise on the Transformation of the International Political System: Economic, Military, Technological, and Diplomatic–Soft Power Dimensions

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Abstract: One of the major structural changes observed in the international political system in the twenty-first century is the rapid expansion of China's economic, military, technological, and diplomatic capabilities. China's increasing weight in the global economy, its military modernization policy, the strengthening of its research and innovation capacity, and its growing engagement in international organizations and multilateral initiatives have significantly strengthened its position in the international system. This study examines the impact of China's rise on the transformation of the international political system through the interaction of economic, military, technological, and diplomatic–soft power components. It employs qualitative and comparative analysis, drawing on academic literature, reports by international organizations, and official statistical data. The findings demonstrate that China's rise cannot be adequately explained solely by the growth of its economic or military power. Economic potential provides the financial foundation for technological and military capabilities, while technological development enhances both economic competitiveness and the effectiveness of military capabilities. At the same time, diplomatic and soft power instruments facilitate the conversion of material resources into international political influence. The study concludes that China's rise should not be interpreted as an immediate transformation of the international system into a stable bipolar or multipolar order, but rather as a gradual

DOI: *10.5281/zenodo.24050562*

redistribution of global power resources and the expansion of strategic competition into new domains. The study's scientific novelty lies in integrating the four principal components of China's power potential into a unified analytical framework.

Keywords: *China; China's rise; international political system; economic power; military power; technological power; soft power; global balance of power.*

1. Introduction

One of the principal changes in the international political system of the twenty-first century has been the sustained expansion of China's economic, military, technological, and diplomatic capabilities. In the international system that emerged after the end of the Cold War, the United States enjoyed a significant structural advantage for an extended period. Over recent decades, however, the growth of China's economic potential, the modernization of its military capabilities, the development of its technological and innovative capacity, and its increased activity within international institutions have gradually altered the global distribution of power. This process has, in turn, intensified debates in international relations theory concerning power transitions, rising states, and the transformation of the international system.

The scale of China's rise is clearly reflected in its economic indicators. According to the final estimates of China's National Bureau of Statistics, the country's nominal GDP reached 134,806.6 billion yuan in 2024, while real GDP growth stood at 5.0 per cent. In the same year, value added in the information transmission, software, and information technology services sector increased by 11.7 per cent. These figures indicate that China's economy is undergoing transformation not only in scale but also in its technological and service-sector composition (National Bureau of Statistics of China, 2025a).

China's rise, however, is not limited to economic growth. The modernization of its armed forces, advances in high technology and innovation, participation in international organizations, expanding connections through the Belt and Road Initiative, and cultural and diplomatic activities are all important factors contributing to the country's growing global political weight. Accordingly, analysing China's rise through only one component of power cannot provide a complete picture of its impact on the international system.

 DOI: *10.5281/zenodo.24050562*

The principal aim of this study is to examine the impact of China's rise on the international political system by integrating its economic, military, technological, and diplomatic–soft power components. The central research question is therefore: How does the interaction and simultaneous development of China's economic, military, technological, and diplomatic–soft power affect the transformation of the global balance of power within the international political system?

The study's scientific novelty lies in bringing the different components of China's rise together within a unified analytical framework and examining their interaction in relation to the transformation of the international political system. Whereas some existing studies investigate China's economic, military, technological, or soft power separately, this article focuses on how these components complement one another and how their combined impact is reflected in the global balance of power.

2. Literature Review and Theoretical Framework

China's rise is examined in international relations theory primarily through the perspectives of realism, power transition theory, and soft power. From a realist perspective, the international system is anarchic, and states seek to increase their material capabilities in order to protect their security, independence, and international standing (Waltz, 1979). From this standpoint, the expansion of China's economic and military potential can be regarded as one of the principal factors increasing its capacity to play a more prominent role in the international system.

Power transition theory treats the narrowing of the power gap between a dominant state and a rising state as an important variable affecting the future stability of the international system. Within this framework, the expansion of China's economic and military capabilities is analysed in the context of changes in the relative power gap between the United States and China. Dulkadir (2020) analyses China's rise through power transition theory and emphasizes that China is one of the principal rising powers capable of affecting the existing international hierarchy. İnat and Yıldız (2021) compare the growth of China's economic and military indicators with historical cases of power transition and explore the potential implications for the international system.

 DOI: *10.5281/zenodo.24050562*

Nevertheless, China's rise cannot be adequately explained through hard power alone. According to Nye's (2004) concept of soft power, states can influence the behaviour of international actors not only through coercion and material incentives but also through attraction, culture, political values, and foreign policy. This theoretical approach provides an important foundation for examining the influence China generates through culture, education, diplomacy, and international cooperation.

Ding (2010) analyses China's rise from a soft-power perspective and emphasizes the importance of non-material resources in strengthening the position of rising states within the international system. Kılıptarı (2013), examining China, draws attention to the interaction of hard power, soft power, and smart power, demonstrating that China's rise cannot be reduced to a single form of power.

The concept of economic interdependence is also important for explaining China's rise. Using China as a case study, Leon (2017) examines the relationship between economic interdependence, military power, and international institutions, noting that economic relations can influence security dynamics. This approach is particularly relevant to analysing how trade, investment, and infrastructure links between China and other states affect their political relations.

The technological dimension has also become an important component of contemporary power. Gilli and Gilli (2019) identify limitations on the acquisition of advanced military systems through simple imitation and reverse engineering as military technology becomes increasingly complex. Their approach is relevant to understanding that China's technological rise depends not only on financial resources but also on scientific knowledge, human capital, innovation, and production capacity.

Thus, although the existing literature covers various aspects of China's rise, there remains a need for a systematic examination of the interaction among economic, military, technological, and diplomatic–soft power components within a single framework. This study seeks to address that gap to some extent by analysing the relationships among the different elements of China's power potential.

 DOI: *10.5281/zenodo.24050562*

3. Methodology

The study primarily employs qualitative and comparative analysis. Its theoretical foundation consists of realist, power-transition, and soft-power approaches. Official statistical data and reports from international organizations are also used to identify empirical indicators of China's rise.

The empirical base includes scholarly articles, monographs, reports by international organizations, data from China's National Bureau of Statistics, SIPRI military expenditure indicators, and other reliable open sources. Economic power is assessed through GDP, foreign trade, and the scale of economic relations; military power through military expenditure and modernization indicators; technological power through research and development (R&D) expenditure and innovation potential; and diplomatic–soft power through international initiatives, diplomatic relations, and cultural-diplomatic mechanisms.

The central methodological principle is to examine these indicators in relation to one another rather than in isolation. This approach makes it possible to assess China's rise not merely as an increase in economic or military potential, but as a complex process in which different components of power reinforce one another.

One limitation of the study is that soft power and diplomatic influence are more difficult to measure precisely than economic and military indicators. These components have therefore been assessed primarily through qualitative indicators and examples of institutional activity.

4. Findings

4.1. The Rise of China's Economic Power

One of the principal material foundations of China's strengthened position in the international system is its long-term economic development. Over recent decades, the country has become one of the major centres of the world economy and has secured an important position in manufacturing and global supply chains.

According to the final estimates of China's National Bureau of Statistics, China's GDP at current prices reached 134,806.6 billion yuan in 2024, representing real growth of 5.0 per cent compared with the previous year. Services accounted for 56.8 per cent of GDP, while

 DOI: *10.5281/zenodo.24050562*

the secondary sector accounted for 36.4 per cent. In addition, growth of 11.7 per cent in information transmission, software, and information technology services indicates the rapid expansion of the digital component of the economy (National Bureau of Statistics of China, 2025a).

These indicators show that not only the size but also the structure of the Chinese economy is changing. Alongside traditional manufacturing capacity, the development of information technology, high-technology industries, and innovation-driven sectors creates additional opportunities for global competitiveness.

Economic power also provides a resource base for developing other components of power. A large economic capacity enables greater investment in research, the defence industry, infrastructure projects, and overseas investment. In this sense, economic power provides the initial material foundation for the expansion of China's technological and military potential.

China's role in foreign trade is another major indicator of its global economic weight. Its extensive manufacturing base and position in international supply chains have increased many countries' interdependence with the Chinese economy. Nevertheless, economic interdependence does not automatically create political dependence. States may maintain extensive trade and investment ties with China while preserving independent positions on security and foreign policy.

Another important dimension of China's economic rise is the Belt and Road Initiative. According to the Chinese government, by June 2023 more than 150 countries and over 30 international organizations had signed documents on cooperation with China under the initiative. More than 200 cooperation agreements between China and partner countries had reportedly been signed during the same period (State Council Information Office of the People's Republic of China, 2023).

World Bank estimates also indicate the Belt and Road Initiative's potential effects on transport infrastructure and trade expansion. Its modelling suggests that the initiative could increase trade flows among participating countries by up to 4.1 per cent; this effect could be greater if infrastructure development were accompanied by trade reforms (World Bank, 2019).

 DOI: *10.5281/zenodo.24050562*

China's economic rise is therefore characterized not only by improvements in national economic indicators but also by its expanding participation in global trade, investment, and infrastructure networks.

4.2. The Rise of China's Military Power

The expansion of China's economic capabilities has also strengthened the financial foundations of military modernization. In recent decades, China has increased investment in upgrading the technical capabilities of its armed forces, developing its navy and air force, and advancing missile systems, space capabilities, and other sophisticated military technologies.

According to SIPRI, China's military expenditure amounted to approximately US$314 billion in 2024, an increase of 7 per cent compared with the previous year. China consequently remained the world's second-largest military spender after the United States. SIPRI also reports that Chinese military expenditure increased by 59 per cent between 2015 and 2024, marking the thirtieth consecutive year of growth (SIPRI, 2025).

These indicators suggest that China's military modernization is a long-term strategic process rather than a short-term development. According to SIPRI, in 2024 China continued to develop next-generation military capabilities, including unmanned aerial and underwater systems, as well as space and cyberwarfare capabilities (SIPRI, 2025).

The growth of China's military power is particularly significant for changes in the strategic balance in East Asia and the Asia-Pacific region. Ross (2010) examines the effects of China's economic and military capabilities on the regional security environment and highlights changes in power relations in East Asia.

Nevertheless, the expansion of China's military capabilities should not be presented as automatically eliminating the United States' global military superiority. A more cautious assessment is that the growth of China's military potential is an important factor expanding its strategic options, particularly in its immediate geographical neighbourhood and across the Asia-Pacific.

Another important feature of China's military development is its close connection with technological progress. Artificial intelligence, unmanned systems, space capabilities,

 DOI: *10.5281/zenodo.24050562*

cyberspace, high-performance computing, and precision-control technologies have become important components of modern military power. For this reason, it is increasingly difficult to analyse military power separately from technological power.

4.3. China's Technological Rise

One of the most important dimensions of China's rise is the expansion of its scientific, technological, and innovative capabilities. Artificial intelligence, digital infrastructure, 5G, electric vehicles, renewable energy, high-performance computing, and other technologies affect both economic competitiveness and the formation of strategic potential.

According to China's National Bureau of Statistics, total expenditure on research and experimental development (R&D) reached 3,632.68 billion yuan in 2024. This represented an increase of 8.9 per cent over the previous year, while R&D expenditure amounted to 2.69 per cent of GDP. At the same time, expenditure on basic research rose by 10.7 per cent to 250.09 billion yuan. R&D expenditure in high-technology manufacturing reached 766.89 billion yuan, an increase of 10.2 per cent year on year (National Bureau of Statistics of China et al., 2025).

Table 1. China's Key Economic and Technological Indicators, 2024

Indicator	Data for 2024
GDP	134,806.6 billion yuan
Real GDP growth	5.0%
R&D expenditure	3,632.68 billion yuan
R&D expenditure as a share of GDP	2.69%
Basic research expenditure	250.09 billion yuan
R&D expenditure in high-technology manufacturing	766.89 billion yuan
Military expenditure	Approximately US$314 billion

Source: *National Bureau of Statistics of China (2025a, 2025b); SIPRI (2025).*

As Table 1 shows, the expansion of economic and technological potential constitutes an important part of China's international power resources. R&D expenditure exceeding 3.6 trillion yuan indicates systematic investment in the country's innovation potential. The fact that R&D expenditure reached 2.69 per cent of GDP is also an indicator of the prominent role of technology in China's national development strategy.

Gilli and Gilli (2019) note that the increasing complexity of military technology makes it difficult to reproduce advanced military systems through simple imitation. This suggests that China's technological rise cannot be explained solely by the volume of its financial

 DOI: *10.5281/zenodo.24050562*

resources: scientific knowledge, human capital, production capacity, and systems integration also play important roles.

Technological development also strengthens economic power. New technologies increase productivity, create new industries, and expand competitiveness in global markets. Conversely, military requirements can stimulate technological innovation and increase state investment in strategic technologies. Technological power therefore acts as a link between economic and military power.

For this reason, in US–China competition, semiconductors, artificial intelligence, digital infrastructure, and advanced technologies are viewed not merely as commercial matters but also as strategic and national-security issues.

4.4. Diplomatic and Soft Power

China's rise has also been accompanied by an expansion of its diplomatic capabilities. Its extensive diplomatic relations, participation in international organizations, regional cooperation mechanisms, and multilateral initiatives have created opportunities to broaden its international political influence.

In this regard, the Belt and Road Initiative can be considered not only a collection of economic and infrastructure projects but also a diplomatic platform through which China develops long-term cooperative relationships with various states. According to the Chinese government, by June 2023 more than 150 countries and 30 international organizations had signed cooperation documents under the initiative (State Council Information Office of the People's Republic of China, 2023).

According to the Chinese government, between 2013 and 2022 the cumulative value of imports and exports between China and Belt and Road partners reached US$19.1 trillion, while the cumulative volume of mutual investment amounted to US$380 billion. These figures indicate that the initiative has played an important role in expanding the scale of economic relations (State Council Information Office of the People's Republic of China, 2023).

Soft power is a broader concept encompassing culture, education, language, academic cooperation, international image, and the attractiveness of foreign policy. Nye (2004)

 DOI: *10.5281/zenodo.24050562*

defines soft power as a state's ability to influence the behaviour of other actors through attraction. In this context, educational exchanges, cultural projects, academic ties, and international cooperation platforms are important instruments for China's development of soft power.

Ding (2010) examines the role of soft power in China's rise and emphasizes its potential to affect how China is perceived and accepted within the international system. Kılıptarı (2013) highlights the importance of combining hard, soft, and smart power in the Chinese case.

The effects of soft power, however, are not identical across all countries. Some developing states may view China's investment and infrastructure projects positively in terms of economic development, while others may adopt a more cautious attitude towards China's economic and technological influence. Assessments of China's diplomacy and soft power should therefore take account of both examples of cooperation and the differing perceptions that emerge across countries.

4.5. The Combined Impact of Power Components

One of the study's principal findings is that China's rise is shaped by the interaction of different components of power. Economic power generates the financial resources needed for technological and military development. Technological progress increases economic productivity and the effectiveness of military capabilities. The expansion of military capabilities raises the country's strategic weight, while diplomacy and soft power help convert these resources into international political influence.

This interaction can be represented schematically as follows:

Economic power → technological and military capabilities → strategic potential → diplomatic influence → international political weight

This relationship, however, is not unidirectional. Just as technological progress strengthens economic power, expanding economic resources stimulate investment in new technologies. Military requirements can also accelerate technological development. China's power structure is therefore better understood as an interconnected system than as a linear process.

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Table 2. China's Power Components and Their Mechanisms of Influence on the International System

Power component	Key indicators	Possible mechanism of influence on the international system
Economic	GDP, trade, investment, production	Expanded influence in global markets and supply chains
Military	Military expenditure, armament, modernization	Changes in the regional strategic balance
Technological	R&D, innovation, advanced technologies	Increased economic and military competitiveness
Diplomatic–soft power	Diplomatic relations, international initiatives, cultural and academic cooperation	Expanded international partnerships and political influence

From this perspective, China's rise does not mean that the international system is immediately becoming bipolar. Rather, the process involves the gradual redistribution of economic, technological, military, and diplomatic power resources.

5. Discussion and Recommendations

The analysis shows that China's rise cannot be explained adequately on the basis of economic and military indicators alone. China's growing international political weight results from the interaction of several components of power. Its role in the global system should therefore be assessed by considering material and non-material power resources together.

A realist approach helps explain how China's economic and military capabilities enable it to play a greater role in the international system. At the same time, soft-power and institutional approaches demonstrate that, alongside material resources, diplomatic legitimacy, participation in international institutions, and interdependence are also important in the contemporary international system.

China's economic rise has increased its role in global supply chains. Nevertheless, the effect of economic relations on political relations is not automatic. It would therefore be analytically unjustified to claim that all states engaging in economic cooperation with China necessarily support its political positions.

Technological competition is becoming one of the defining features of the future international system. Semiconductors, artificial intelligence, digital infrastructure, and advanced technologies have become areas where economic competition intersects with

 DOI: *10.5281/zenodo.24050562*

national security. Gilli and Gilli (2019) show that acquiring advanced military technologies cannot be achieved simply through access to economic resources or the imitation of existing technology. Technological superiority is instead shaped by human capital, scientific research, production ecosystems, and institutional capabilities.

The effects of China's rise are particularly visible at the regional level. In the Asia-Pacific region, the expansion of China's economic and military capabilities is one of the factors influencing other regional actors' security and foreign-policy approaches. Ross (2010) examines this process in the context of changing strategic relations in East Asia.

For Azerbaijan, China's rise creates new economic, logistical, and diplomatic opportunities. Azerbaijan's geographical position, participation in East–West transport links, and the development of the Middle Corridor offer significant potential for expanding China–Europe trade connections.

Several areas are particularly important for Azerbaijan in this context.

First, Azerbaijan's transit and logistics capabilities could be expanded in response to the development of China–Europe transport links. This requires stronger integration among railways, ports, logistics centres, and digital customs infrastructure.

Second, cooperation with China in digital technologies, artificial intelligence, innovation, and scientific research could contribute to the expansion of Azerbaijan's technological potential.

Third, expanding inter-university cooperation, student and scholar exchanges, joint research projects, and academic programmes could support the development of diplomatic and humanitarian ties.

Fourth, avoiding excessive dependence on a single external economic partner and maintaining parallel cooperation with different international economic centres are important for managing economic risks.

Fifth, amid intensifying economic and technological competition among major powers, preserving opportunities for multilateral cooperation and continuing a pragmatic foreign

 DOI: *10.5281/zenodo.24050562*

economic policy based on national interests can be regarded as important priorities for Azerbaijan.

6. Conclusion

This study demonstrates that the impact of China's rise on the international political system is a multidimensional and long-term process. The expansion of China's economic, military, technological, and diplomatic–soft power capabilities comprises a set of interrelated factors contributing to its growing political weight in the international system.

Economic power provides the material foundation for the development of the other components. China's GDP reached 134,806.6 billion yuan in 2024, while real economic growth stood at 5.0 per cent, illustrating the scale of the country's global economic potential (National Bureau of Statistics of China, 2025).

In the technological sphere, R&D expenditure reached 3,632.68 billion yuan in 2024, equivalent to 2.69 per cent of GDP, demonstrating the important place of research and innovation in China's development strategy (National Bureau of Statistics of China et al., 2025). In the military sphere, SIPRI estimates that China spent approximately US$314 billion on defence in 2024, a 7 per cent increase over the previous year (SIPRI, 2025).

In the diplomatic and soft-power sphere, the Belt and Road Initiative has become one of the major platforms for expanding China's economic and diplomatic relations. The signing of cooperation documents with more than 150 countries and 30 international organizations by mid-2023 demonstrates the initiative's extensive geographical reach (State Council Information Office of the People's Republic of China, 2023).

The findings therefore indicate that China's influence on the international political system is not simply the sum of individual power indicators. Rather, the mutual reinforcement of economic, technological, military, and diplomatic capabilities forms the basis of China's international influence.

Nevertheless, China's rise does not demonstrate that the international system has already transformed into an entirely new and stable bipolar or multipolar order. A more substantiated conclusion is that the distribution of power resources in the international

 DOI: *10.5281/zenodo.24050562*

system is changing gradually, while strategic competition is expanding beyond the economic and military spheres into technology, diplomacy, and institutional influence.

China's rise can thus be characterized as a complex process affecting the transformation of the global balance of power through the interaction of economic, military, technological, and diplomatic capabilities within the international political system.

For Azerbaijan, this transformation creates both opportunities and new economic and geopolitical challenges. The development of transport and logistics links, the expansion of technological and scientific cooperation, the advancement of economic relations with China, and the maintenance of diversified external economic relations can be identified as key directions for future cooperation.

The main limitation of this study is the difficulty of measuring diplomatic and soft power quantitatively in comparison with economic and military indicators. Future research could therefore measure China's different power components using comparative indices based on time-series data and conduct comparative analyses with other rising powers.

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