

Sino-US Competition: Implications for South Asia and the Asia-Pacific

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Abstract

This paper explores the impact of Sino-US competition on the Asia-Pacific and South Asian regions. The competition in these regions revolves around a range of issues ranging from geopolitical and geo-strategic to geo-economic interests. However, the US's Asia policy poses a challenge to Asia's leading power, China. This article investigates factors behind Obama administration's policy of Asia Pivot and the policy options available to the present Trump administration and implications for the Asia-Pacific and South Asia regions. An over-emphasis on a hard military-only approach would also be viewed in the South Asia context, where China has adopted an economic approach to extend its influence. A hard approach would have adverse implications for strategic stability in South Asia between India and Pakistan, and there is a possibility of an escalation of tensions between China and its US-allied neighbouring states over maritime disputes.

Keywords: US Asia Policy, Asia Pivot, East Asia, China, Pakistan, South Asia, ASEAN.

Introduction

The Cold War (1945-1991) was characterised by the ideological conflict between the two superpowers — the US and the former Soviet Union. During this phase, the two rival super powers used every possible means to pursue the conflict whether domestic, regional, international, conventional, nonconventional or unconventional. It was an ideological tussle because it denoted conflict between two specific and different forms of political government.¹

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¹ Samuel P Huntington, "The Clash of Civilisations," *Foreign Affairs* 72, no. 3 (Summer, 1993): 22-49.

The decade that followed the termination of the Cold War was termed as the Unipolar Moment of the US.² However, the exact nature of global polarity, since then, remains debatable. During the current decade, there is a clear shift in economic wealth distribution worldwide. This has given impetus to terms like the ‘Asian Century,’ and significantly enhanced the role of regional organisations like the Association of Southeast Asian Nations (ASEAN), Brazil, Russia, India, China and South Africa (BRICS) etc. The implications of this economic shift are expected to have an impact in the political domain. The rising economic strength of China, if accompanied with military power, would result in a power shift to the declining power of the US and European states. Nonetheless, the US, Russia and other western states remain militarily stronger by a huge margin as compared to China. Therefore, any military build-up by China is viewed with great concern in the US. The nature of the emerging multi-polarity is such that the US has to contend with the regional preponderance of China in the Asia-Pacific region. On the contrary, the US is also confronted with the Russian involvement in the Middle East and the East European regions.³ This study focuses on the implications of Sino-US competition on the Asia-Pacific strategic stability. There is hard power projection by both China and the US in the South China Sea. However, hostilities have not broken out between the US and China so far. The effect of Sino-US competition on the Indian Ocean littoral states is also discussed in this paper, which includes South Asia and particularly the bordering Pakistan.

There are two reasons, which prevent both, China and the US, from an all-out war despite warnings of an impending conflict in the Asia-Pacific region. The first reason is the high-level economic integration within the entire region. The second reason is the presence of nuclear weapons. Most countries seeking to project power in Asia possess nuclear weapons and the possibility of a conventional war is generally ruled out due to nuclear deterrence.⁴

² Charles Krauthammer, “The Unipolar Moment,” *Foreign Affairs* 70, no. 1 (1990): 23-33.

³ Matthews Lee, “US-Russia Relations Plummet further over Syria, Ukraine,” *AP News*, October 3, 2016.

⁴ Ashley Smith, “US Imperialism’s Pivot to Asia,” *International Socialist Review*, no. 88 (2013).

Sino-US Competition

In view of the increasing importance of the Asia-Pacific and South Asian regions, the former US President, Barack Obama, announced a new Asia policy ‘Pivot to Asia’ in November 2011,⁵ which was aimed to strengthen the economic, diplomatic, political and security ties within the region at bilateral and multilateral levels. To reassure the US allies and others that the US had not over-stretched itself due to the wars in Afghanistan and Iraq, the Asia policy was later termed as “re-balancing” policy. It implied that while reducing military presence in the Middle East and other regions, the US would increase its investments and engagements in the Asia-Pacific region.

The Asia Pivot is widely perceived as a US strategy to revert to the pre-9/11 strategy focused on China.⁶ Although the Obama administration rejected the notion that the policy of Asia Pivot was directed towards containing China. However, but in the Chinese view, the pivot was an unsettling policy that could incite other countries in the region to step-up their territorial claims vis-à-vis Beijing, indirectly getting America’s help to resolve their problems. Therefore, the Chinese perceived it largely as a policy to restrict China’s expanding influence in the Asia-Pacific region.⁷

The US’s Asia policy encompassed the security, financial and diplomatic sectors⁸ since it was announced in the backdrop of an ongoing debate in the US over the benefits and drawbacks of globalisation. This debate was based on the perception that the phenomenon of globalisation is not only an economic process but a cultural, environmental, military and political one, too. It brings with it a range of costs and benefits.⁹ The US commentators acknowledged the fact that the US interacts with an interdependent world and no single country, no matter how powerful, can survive alone.¹⁰

⁵ “Obama Tells Asia, US ‘here to stay’ as a Pacific Power,” *Guardian*, November 17, 2011.

⁶ Phillips C Saunders, “China’s Rising Power, the US Rebalance to Asia, and Implications for US-China Relations,” *Issues and Studies* 50, no. 3 (2014): 19.

⁷ Michael D Swaine, “Chinese Leadership and Elite Responses to the US Pacific Pivot,” *China Leadership Monitor* 38, no. 5 (2012).

⁸ Joshua A Parker, and David A Anderson, “The Reality of the So-Called Pivot to Asia,” *Inter-Agency Journal* 7, no. 1 (2015).

⁹ Mark Beeson, “Globalisation, Governance, and the Political-Economy of Public Policy Reform in East Asia,” *Governance* 14, no. 4 (2001): 481-502.

¹⁰ Joseph S Nye Jr, *Bound to Lead: The Changing Nature of American Power* (Basic Books, 2016), 281-313.

The experts on globalisation emphasised that this phenomenon limits the US to employ its resources to play an influential role globally.¹¹ In this context, the Obama administration was striving to develop an extensive network of trade and investment while fostering partnerships among the prominent regional economies to hedge China in the Asia-Pacific region.¹²

The electoral success of the Republican Party indicated a shift in the US policies toward Asia. However, this shift might yet not materialise. Given Trump administration's retraction from the Trans-Pacific Partnership (TPP), the international standing and economic indicators of the US are in decline. The upward economic trajectory of the Asia-Pacific states is coupled with efforts towards regionalism and regional integration.

America's role, as the undisputed global leader, is facing increasing economic challenges due to economic stagnation at home and rising Gross Domestic Product (GDP) in the Asian states. China's upward economic trajectory, during the last two decades, has created a possibility that it could overtake the economies of the North American and West European states.¹³ If this happens, then China would be in a position to challenge the economic and the possible political leadership, particularly within regional organisations and international regimes.¹⁴

The opposing views in this globalisation debate recommended an isolationist posture for the US and received prominence when the Republican Party scored a victory in the US elections in 2016. However, the Trump administration, despite disowning Obama administration's policies towards the region, could not afford to disregard the Asian region.¹⁵ The Trump administration was not able to withdraw completely from the region

¹¹ Ivo H Daalder and James M Lindsay, "The Globalisation of Politics: American Foreign Policy for a New Century," *Brookings Review* 21, no. 1 (2003): 12-17.

¹² Jeffrey S Lantis, "Strategic Cultures and Security Policies in the Asia-Pacific," *Contemporary Security Policy* 35, no. 2 (2014).

¹³ G John Ikenberry, "The Rise of China and the Future of the West: Can the Liberal System Survive?" *Foreign Affairs* (2008): 23-37.

¹⁴ Huyen Phuong Nguyen, "Hegemonic Decline, Globalisation and the United States' Strategic Pivot to Asia: Implications for Vietnam," Thesis, Victoria University of Wellington (2013): 9-19.

¹⁵ Sukjoon Yoon, "President Trump and the Crisis on the Korean Peninsula," *Monde Chinois* 4 (2016): 62-67.

in the wake of the current North Korean crisis.¹⁶ However, by discarding the component of the economy in Asia Pivot, such as TPP, now Trump administration would be forced to rely on a ‘military-only’ approach toward the region. Nonetheless, the US policy in the region should concentrate on soft power to compete against the various Chinese soft power initiatives in the region.

Theoretical Framework

According to three realist theories – classical, structuralism and neo-realism – there could be three scenarios of the future of Sino-US interactions. The first scenario is that China would fight against the US hegemony. The second scenario is that two powers would cooperate. The third scenario is that China could strive to garner maximum advantages under the current US hegemony till it is powerful enough to form its own world order.¹⁷ According to John Mearsheimer, offensive realism stipulates that a peaceful rise is not possible for China, and it is more likely that the US would engage in an escalating strategic competition with China.¹⁸ In Mearsheimer’s view, China would push the US out of Asia in order to establish its regional hegemony.

The Neo-realist theory contends that the US, in order to ensure its own survival, will form a balancing coalition and alliances with the regional countries to contain China.¹⁹ The US is making attempts to improve ties between Japan and South Korea and constructing an offshore balancing role.²⁰ China’s lukewarm response to the previous US administration’s

¹⁶ Kristine Phillips, “Trump is not Ruling out Military Action against North Korea,” *Washington Post*, April 30, 2017.

¹⁷ Rong Chen, “A Critical Analysis of the US ‘Pivot’ toward the Asia-Pacific: How Realistic is Neo-realism?” *Connections* 12, no. 3 (2013).

¹⁸ John J Mearsheimer, “Can China Rise Peacefully?,” *National Interest*, (October 25, 2014): 23-37.

¹⁹ Francis P Sempa, “Hans Morgenthau and the Balance of Power in Asia,” *Diplomat*, May 25, 2015.

²⁰ ‘Offshore balancing’ is a strategy derived from the Realist tradition in the same vein as primacy or hegemony. However, offshore balancing permits the hegemon to shift the burden of security management in turbulent regions to regional states and major powers. Offshore balancing is deemed to be the appropriate strategy for a multi-polar world as dominance is considered to be the preferred course under uni-polarity. See, Christopher Layne, “Offshore Balancing Revisited,” *Washington Quarterly* 25, no. 2 (2002): 233-248.

pivot policy was demonstrative of the Chinese apprehensions in regard to the US involvement in the region even though the official Chinese reaction was relatively cautious. The US's Asia policy could also be viewed through the explanation offered by defensive realism because of the US priorities that include coordination and cooperation within the region. However, offensive realism retains greater focus on the military options to establish the American hegemony in Asia.²¹

The Obama administration's Asia policy was founded on realist assessment of the international system that shows a rise of China. However, it also envisaged a softer US policy involving America handing over responsibility in some parts of the world to other regional states including China and to prioritise Asia. The US announced that it would make cost-benefit calculations to guide foreign policy in pursuit of its national interest. This meant that America would choose where and how it would intervene rather than sustain global hegemony.²²

Theoretically, a return to realist thinking dictates a US policy of power competition with China even though it demonstrates a major break from its traditional priorities that ascribe to the image of a liberal global power. The realists view the international system as being governed by power politics. According to neo-realism claims, it is the international system, which compels states to acquire maximum power. The US anticipates a challenge to its dominant role in Asia due to China. This US thinking is in line with the traditional concept of hegemony. Consequently, the US is pursuing certain policies to contain China.²³ This containment effort provided the rationale behind Obama's Asia policy and it would remain as a factor in determining the incumbent Trump administration's policy towards Asia.

²¹ Defensive and offensive realism are schools of thought that seek to explain state behaviour in the international system. According to offensive realists, states seek hegemony in order to offset the security dilemma caused by international anarchy. The defensive realists believe that states are content if security is guaranteed even without hegemony. See Gideon Rose, "Neoclassical Realism and Theories of Foreign Policy," *World Politics* 51, no. 1 (1998): 144-172.

²² Sean Kay, "America's Asia Pivot - A Return to Realism?," Centre for International Peace and Security Studies, (2013):<https://www.ciaonet.org/catalog/30981>

²³ Mearsheimer, "Can China rise peacefully?"

US Asia Policy and National Interests

The Obama administration decided to initiate the policy of Pivot to Asia because of the increasing significance of Asia in economic, political and military sectors as compared to other world regions like Africa, and Latin America. The Obama administration's policy pronouncement about an Asian pivot was intended to achieve America's political, economic and military goals. There was a perception among the policy makers in the US that China's advancement in international politics of the future would reduce the influence of America in Asia and beyond.²⁴

The Congressional Research Service (CRS) identified four major factors, which were emphasised by the Obama administration while shifting its focus to the Asia-Pacific region. According to Manyin these factors included:²⁵

- i. The economic role of ASEAN for the US.
- ii. The military power projection of China in the South China Sea to settle maritime territorial disputes in its favour thereby restraining the US freedom of navigation and curtailing the US ability to retain its assets in the Asia-Pacific.
- iii. The termination of American involvement in Iraq and Afghanistan.
- iv. There was an ongoing effort to reduce the US defence budget and abandon policies that raised budgetary expenditures.

Hillary Clinton, as the US Secretary of State, in President Obama's first administration, worked with the various US agencies and departments in pursuit of Obama's vision through six key efforts. According to Campbell and Andrews, this US policy initiative pertained to maintaining alliances, partnerships with emerging powers, regional institutions, economic structures, universal values and military presence.²⁶

²⁴ Nina Silove, "The Pivot before the Pivot: US Strategy to Preserve the Power Balance in Asia," *International Security* 40, no. 4 (2016): 45-88.

²⁵ Mark E Manyin, et al., "Pivot to the Pacific? The Obama Administration's Rebalancing Toward Asia," Library of Congress (2012).

²⁶ Kurt Campbell and Brian Andrews, "Explaining the US 'Pivot to Asia,'" Chatham House (2013).

In pursuit of the liberal objectives mentioned above, the US sought to strengthen its alliances with regional countries to enhance regional stability. The US tried to improve its relations with other emerging powers specifically China. The US worked to strengthen Asia-Pacific's multilateral institutions in order to promote cooperation between regional countries. An element of this policy was to build the regional economic architecture for the US economic recovery.²⁷ The US declared support for universal values including human rights and democracy throughout the Asia-Pacific region. While there was some progress across the region but the further effort was required to curb ethnic violence for instance in the case of Rohingya Muslims in Burma (Myanmar).²⁸ Furthermore, the maritime disputes in the South China Sea require resolution according to international law.²⁹

The US had been developing an effective and politically feasible military presence in the region. To continue the structures formed during the Cold War, the US was increasing its military involvement in the region. The US deployed its marine forces in Australia, Vietnam, South Korea, Japan and Philippines. The US and India signed a military logistics agreement in 2016.³⁰ It has been noted by some political analysts that the Asia Pivot policy was covertly formulated to contain the growing Chinese influence in the region and also encourages India to become a regional power in competition against China.³¹ The navies of the US, Japan and India conducted the trilateral joint naval exercise termed as 'Malabar 2017' during July 2017, in the Indian Ocean region.³²

²⁷ Ibid.

²⁸ Bonnie S Glaser, "Armed Clash in the South China Sea," *CFR Press* (2012), <http://www.cfr.org/>

²⁹ Beenish Sultan, "US Asia Pivot Strategy: Implications for the Regional States," *ISSRA Papers*, no. 5 (2013), <http://ndu.edu.pk/issra/>

³⁰ Yeganeh Torbati and Ali Idrees, "US, India Sign Military Logistics Agreement," *Reuters*, Aug 29, 2016. For analysis see Munir Akram, "The Indo-US Alliance," *Dawn*, April 17, 2016.

³¹ Murtaza Hussain, "How Obama's Asia Pivot Nudged China toward Pakistan but Helped Aggravate India," *Intercept*, September 1, 2016, <https://theintercept.com/>

³² C Uday Bhaskar, "Malabar 2017: India-US-Japan Naval Exercise not Aimed at Stoking China's Anxieties," *Hindustan Times*, July 16, 2017.

China's Response

The US efforts to engage with the Asian states in order to contain China could lead to antagonism and a renewed Cold War. While the Cold War was an ideological conflict characterised by traditional threats only, this renewed Cold War could also include non-traditional threats.³³ The US power projection in Asia-Pacific has led to confrontations in the past like the Korean War in 1952, the Cuban Missile Crisis in 1962 and the Vietnam War in the 1970s etc. Furthermore, it is not possible for the US to apply pressure on China in order to impose the values of human rights and democracy in the country. However, due to the US insistence on divisive issues, the security of China and the entire region would face the threat of a major power rivalry. China, on the other hand, would compete more rigorously with the US in order to protect its system of government.

There is an increasing trust-deficit amidst the US and China because the pivot is widely perceived as an effort by the US to restrain China's growing economic and political clout in that region. The counter-strategy being pursued by China is concentrated in the economic sector.³⁴ China has envisioned a vast network of logistic corridors for regional economic integration under its "One Belt One Road" (OBOR) initiative.³⁵ The flagship project under the OBOR is the China-Pakistan Economic Corridor (CPEC). The CPEC provides China strategic access to the warm waters of the Indian Ocean through the Gwadar port.³⁶ The CPEC includes various infrastructure and energy-related developmental projects. These investments are intended to build Pakistan's economic capacity.³⁷

China has a new vision for Asia to counter the US involvement in Asia. China terms it as the "Asia-Pacific Dream." For this purpose, the modus operandi adopted by China entails the increasing Chinese soft power

³³ Khalid Chandio, "US Rebalancing Policy towards Asia," IPRI (2015), <http://www.ipripak.org/us-rebalancing-policy-towards-asia/>

³⁴ Rosemary Foot, "Chinese Strategies in a US-hegemonic Global Order: Accommodating and Hedging." *International Affairs* 82, no. 1 (2006): 77-94.

³⁵ Hussain, "How Obama's Asia Pivot Nudged China."

³⁶ Hasan Yaser Malik, "Strategic Importance of Gwadar Port," *Journal of Political Studies* 19, no. 2 (2012): 57.

³⁷ Louis Ritzinger, "The China-Pakistan Economic Corridor," *Regional Dynamics and China's Geopolitical Ambitions*, The National Bureau of Asian Research (2015).

through joint economic ventures in conjunction with other regional states. China has garnered the support of 21 states to form part of the new Asian Infrastructure Investment Bank (AIIB). Furthermore, the Chinese President, Xi Jinping, instituted the OBOR initiative to support a “neo-Silk Road” plan in order to improve economic ties between Asia’s economies.³⁸ It is reminiscent of the ancient Silk Road that connected the East and the West throughout history and was disrupted by regional wars. Although China has signed project agreements with 20 countries, yet, most of the development projects have not started and there are some concerns within China’s corresponding states in the projects that the huge Chinese footprint could result in a new kind of colonialism.³⁹

The list of the US Asian allies includes many states with which China would not wish to seek needless disagreements e.g., Japan, South Korea, Philippines, Australia, New Zealand, Singapore, Indonesia, Brunei, Myanmar, Taiwan, Vietnam, Thailand, Malaysia and India. However, China spelled out a defence doctrine in its white paper on defence in 2015.⁴⁰ China pledged not to be the first to attack but guaranteed to retaliate massively in case of an attack on it. The military strategy being adopted by China to oppose the US policy of providing support to Taiwan and confronting Japan due to the Senkaku Island dispute is termed as area denial strategy (A2/AD). This would require a massive response by the US in order to counteract China’s military strategy.⁴¹

Impact on South Asia

South Asia is important to the US objectives in Asia due to its regional interconnectivity. There have been crosscurrents of cultural interactions between China and the sub-continent for centuries. Historically, traders and merchants from South Asia used to sail to East Asia. In the same vein, the Chinese seafaring expeditions reached up to the African coast and the Arabian Peninsula. A closer look at the Asia-Pacific and the

³⁸ Simon Denyer, “China Promotes ‘Asia-Pacific Dream’ to Counter US Pivot,” *Washington Post*, November 11, 2014.

³⁹ “Is China’s New Silk Road Neo-colonialist?,” *TRT World*, February 22, 2017.

⁴⁰ Dennis J Blasko, “The 2015 Chinese Defence White Paper on Strategy in Perspective: Maritime Missions Require a Change in the PLA Mindset,” *China Brief* 15 (2015): 3-7.

⁴¹ David W Kearn, “Air-Sea Battle and China’s Anti-Access and Area Denial Challenge,” *Orbis* 58, no. 1 (2014): 132-146.

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Indian Ocean region reveals that the historical East and South Asia civilisations have left their unmistakable imprints.⁴²

With the rise of China, realism, based on power and security, is again emerging. China has become an influential international player and has made economic investments in troubled regions e.g., Afghanistan. The Chinese increasing use of veto power in the United Nations Security Council (UNSC) since 2004, and display of lethal weaponry portrayed its growing status as a global power.⁴³ China also has an agreement with Sri Lanka for better maritime security in the Indian Ocean.⁴⁴

The rise of China has increased India's importance for the US to advance its defence cooperation. India has become the recipient of the US weaponry and economic investment.⁴⁵ But the US is not the sole supplier for India's defence needs.⁴⁶ Furthermore, it would not be feasible for India to push the US agenda vigorously because India cannot ignore the Chinese veto power and would require both the US and Chinese support to attain membership of the UNSC.⁴⁷ There was the Chinese unease at the US-sponsored waiver of Nuclear Suppliers Group (NSG) granted to India.⁴⁸ It is probable that India would try to maintain a balanced approach in dealing with these two major powers in light of its broader geopolitical objectives.

China was apprehensive about the Pivot to Asia policy as it was announced. While India might not adopt the US policy agenda for the region in totality, yet, there is still a strong possibility that India will

⁴² Ameen Izzadeen, "Rising China and Regional Stability: South Asian Perspective," Conference Proceedings, IPRI (2016).

⁴³ Joseph Yun, "The Rebalance to Asia: Why South Asia Matters," *Statement to House Subcommittee on Asia and the Pacific*, February 26, 2013.

⁴⁴ Rama Lakshmi, "India and US Deepen Defence Ties with Landmark Agreement," *Washington Post*, August 30, 2016.

⁴⁵ David R Jones, "Advancing Defence Cooperation in Asia Pacific and the US Re-Balancing Strategy: The Reality of an American-Indian Strategic Partnership," Conference Proceedings, IPRI (2016).

⁴⁶ "Russia, India Sign Defence Deals Worth Rs 43,000 Crore," *Indian Express*, October 15, 2016.

⁴⁷ Sultan "US Asia Pivot Strategy."

⁴⁸ Benjamin Wastler, "Having its Yellowcake and Eating it Too: How the NSG Waiver for India Threatens to Undermine the Nuclear Nonproliferation Regime," *BC Int'l & Comp. L. Rev.*, 33 (2010): 201.

typically align itself with the US in order to establish its hegemony in the South Asian region. This would create a confrontational situation between China and India. In this context, the US may provide support to India that will disturb the strategic stability in South Asia.⁴⁹

The policy of US focus on the East Asia could also influence the South Asian regional security environment and Afghanistan and Pakistan could bear the consequences. The emergence of new conflicts amongst the US and its competitors, Russia and China, could turn South Asia into an arena for the pursuit of geo-strategic goals by major powers. Pakistan possesses an important geo-strategic location. It enjoys good relations with the P-5 nations and regional states including Saudi Arabia, Iran, Turkey and Qatar.⁵⁰

The Indian government led by Narendra Modi has not changed its aggressive policy towards Pakistan and has also not tried to improve bilateral ties. This deterioration in bilateral relations has negatively impacted the South Asia's regional organisation i.e., the South Asian Association for Regional Cooperation (SAARC). Pakistan is trying to balance its power with the military power of India.⁵¹ In response to the US and the Indian initiatives, China could extend economic and military aid to Pakistan. Resultantly, the two nuclear powers of South Asia would fall under the influence of two different global powers, which could negatively affect the stability of the region.

Implications for Pakistan

Pakistan did not fit into the US Asia Pivot policy per se but it would be affected by the increased US engagement in Asia. Pakistan has an effectual understanding of the whole region since the Colds War. There are some constraints in the US-Pakistan bilateral relations. The US policy for Pakistan has been conditioned by the emphasis on the global 'War on

⁴⁹ Rizwan Nasser, "Conflict and Cooperation in the Indo-Pacific: Pakistani Perspective," Conference Proceedings, IPRI (2016).

⁵⁰ Ibid. The P-5 states are the permanent members of the UN Security Council. These states include China, France, Russia, the United Kingdom and the US. These five states are also the *de jure* nuclear-weapon states (NWS) under the Nuclear Non-Proliferation Treaty (NPT).

⁵¹ Arif Rafiq, "How China and Pakistan are Beating India in the New Great Game," *National Interest*, June 12, 2015.

Terror' (WoT). The US has sought to dictate Pakistani stance towards the Afghan issue. The outcome of the relationship between the US and Pakistan remains a moot point. There is scant possibility of complete severance of ties because of the fact that Pakistan can potentially support the US interests in the broader Asian region, Afghanistan quagmire and the seemingly endless war on terror.⁵²

Pakistan, formally adopted 'Vision East Asia' to connect itself strategically to the East Asian regionalism in October 2003. According to a former foreign minister, Pakistan's inclusion in Vision East Asia and the Treaty of Amity, both under the rubric of the ASEAN, is not driven by economic impulses only but also by Pakistan's commitment to play a constructive and meaningful role in South and South East Asia.⁵³ Pakistan's special relationship with China gives it an advantage in the Asia-Pacific region. Looking forward, Pakistan should leverage the CPEC and its own geostrategic location to attract investment from East Asia to enhance outreach in the region.⁵⁴ This could lead to diversification of investments and investors, enhances regional trade and add to the regional benefits of the CPEC.

The significance of the Chinese economic stability has increased further in the light of huge regional investments in economic corridors initiated by China. If a hard power competition ensues between China and the US, both the regional as well as the Chinese economies are bound to suffer. This would have an adverse effect on the CPEC. Pakistan has an interest in the stability of Sino-US relationship for the success of the CPEC. India, on the other hand, is contemplating its own parallel Chinese economic project in the form of a logistic corridor that passes through Bangladesh, Burma and Bihar in India.⁵⁵ India is also collaborating with Japan for joint regional development.⁵⁶ It is improbable that India would try to put its economic development in jeopardy by risking a global conflict.

⁵² Ahmad Rashid Malik, "The US Pivot to Asia: Recalibrating Pakistan's Vision East Asia," *Strategic Studies* 34, 35. no. 4,1. (2014), <http://www.issi.org.pk/>

⁵³ Abidoon Nadeem, "Pakistan's Vision East Asia Policy Seeks Constructive Role in South Asia: FM," *Pakistan Today*, November 24, 2010.

⁵⁴ Mohsin Raza Malik, "The US Pivot to South Asia," *Nation*, June 15, 2016. <http://nation.com.pk/columns/15-Jun-2016/the-us-pivot-to-south-asia>

⁵⁵ "China-Pakistan Economic Corridor," <http://www.cpecinfo.com/10-questions-on-cpec>

⁵⁶ Avinash Nair, "India-Japan Joint Vision Document: A free India-Pacific Region for Asia, Africa," *Indian Express*, May 25, 2017.

Impact on Asia-Pacific

The issues of importance to East Asia include territorial disputes, terrorism, and the role of the ASEAN and the US. The implications of the US interests in Asia would appear in the form of the heightened Asian disputes, a challenge to the ASEAN, and the emergence of further terrorism-related objectives and strengthening of the US neo-colonialism in Asia. However, there would be one group of countries to benefit from the pivot and these states are the weak economies, which would experience increasing economic prospects.

Exacerbation of Maritime Disputes

There are territorial delimitation issues between China, Japan, Vietnam and the Philippines over rights to islands and seabed in the East and the South China Sea. These territories under dispute possess mineral resources, oil, gas and fishing zones. Japan and South Korea both are the American allies in Northeast Asia.⁵⁷

The American allies e.g., Japan and the Philippines demand military support from the US this includes bilateral defence treaties. These regional states are particularly concerned about a military confrontation with China over disputed maritime locations in the Western Pacific.

Under these circumstances, any adverse perceptions in China in regard to the US role in Asia will increase maritime disputes between China and the US allies in the region. If there were an active arms race between the two major powers this would inevitably lead to the militarisation of most parts of Asia. This would hinder regional integration in East Asia, and there would be an increased possibility of major power confrontation in the region.⁵⁸

Effects on Regional Integration

The US interest in the ASEAN effectively eclipses the influence of other regional member states. While the US is not a member of the ASEAN, however, the US is a member of the East Asia Summit. Therefore, it

⁵⁷ Ibid.

⁵⁸ Chandio, "US Rebalancing Policy towards Asia."

would not be possible for the ASEAN states to decide matters on their own in an individual capacity, without taking into account the national interest of the US.⁵⁹ This is due to the reality that America is the most powerful state in its role as a regional player in Asia. The bilateral agreements signify deep partnership between the US and regional states. While they add to the US influence and power profile it does not necessarily strengthen regional integration among the ASEAN countries.

Implications for War on Terror in Asia

The enhanced military engagement of the US in the Asian region would cause further extremism and violence in the region. There are anti-American groups like Abu Sayyaf, (in the Philippines), Hezbollah (in Lebanon) and al-Qaeda etc., who would increase their activities. These organisations attempt to target American resources and the US military presence would provide them visible and prominent targets within their regional reach.⁶⁰ On the other hand, there are China-focused terrorist groups in the restive far western region of Xinjiang.

The militant activities pose internal security challenges to regional states including China. These militant activities will open the possibility for the US to bolster its military presence in terrorism-prone areas. However, both the US and China should deal with the threat posed by terrorism without distinguishing between terrorist groups on the basis of which group targets which state at any given time.

Expanding the US Influence in Asia

Almost 36 per cent of the global economy is influenced by the US economy.⁶¹ In the political context, America's national interests in Asia include the expansion of its influence through values like democracy, human rights, and accountability. If these universal concepts were coercively imposed by the US hegemonic presence in the various Asian regions, this would challenge the traditional Asian culture, intellectual thoughts and political system. Societal change and political development

⁵⁹ Mohammad N Nabi, "US Pivot Policy towards Asia-Pacific: Implications for the Region and Bangladesh," *Journal of South Asian Studies* 2, no. 3 (2014): 203-215, <http://escijournals.net/index.php/JSAS/article/download/765/452>

⁶⁰ Ibid.

⁶¹ Malcolm Scott and Cedric Sam, "China and the United States: Tale of Two Giant Economies." *Bloomberg*, May 12, 2016.

should come about through grass root action from below and not by external action from above. Additionally, the hard power policy will increase reliance on economic and political support from America among the Asian regional states. There are many frail and fragile economies in Asia e.g., Cambodia, Nepal, Bangladesh and Fiji whose sovereignty could be compromised. Resultantly, it would become possible for the US to increase its influence in the internal and external policies of these fragile states.

Economic Dividends for Smaller Economies

There is a possibility that the US economic engagement with the region would have some positive effects for the region. The weaker economies of the region could form relationships with the US economic sector to the benefit of the former. This could cause modernisation of Asian economies through new technologies, thoughts, infrastructure and culture. The US involvement could result in brighter economic prospects for multifarious economies in the region, however, the possibility remains that the US engagement would result in a reduction of sovereignty among the Asian states. Yet, dependency is possible in the case of the Chinese investments as well. Hence, it is a risk regional states might not be able to rule out in both cases.⁶²

Conclusion

China's GDP growth would eventually surpass the US in the coming decade. Consequently, the world politics would witness a shift from geopolitics to geo-economics in the coming decades of the 21st century but there will eventually be a transition in global politics as well.

The US involvement in Iraq and Afghanistan, over the last two decades, paved the path for Chinese opportunity to increase its influence in the economic and political sectors in the region. America and its allies in Asia view the rise of China as a diplomatic, economic, and military challenge. These states do not believe that the Chinese rise would be peaceful and deem it as a challenge to America's global status.

⁶² Nabi, "US Pivot Policy towards Asia-Pacific."

Sino-US Competition

To address the threat posed by the rise of China, in late 2011 and early 2012, the former Obama administration decided to initiate a policy of increasing its focus on Asia termed as Pivot to Asia as a central component of the US foreign policy orientation for the future. The former president Obama declared that the US would play a strong role in Asia in future.

The Trump administration would require a sustainable policy for Asia in view of crises such as Ukraine and threat posed by Islamic State of Iraq and Syria (ISIS). These regional crises necessitate a re-formulation of America's Asian rebalancing strategy. On the other hand, there are different factors that could hinder the US ability to achieve its political and economic goals in Asia. There is a politically and economically revived Russia that would seek to restrict the US influence within Asia particularly sub-regions of the Middle East and Eastern Europe.

In case of Russia's aggressive stance, the states in the region would not be over-enthusiastic to join a US-led bloc because they would be mindful of a Russian backlash. It would be difficult for the US under President Trump to exercise undisputed influence in the region. The US engagement in Asia has been focused on building military coalitions, defence pacts and military-related transfers. On the other hand, the Chinese approach has been inclined toward the development of the economic sector and building economic corridors to provide regional integration for regional economic growth. The US-led NATO forces were not able to achieve decisive victory in Afghanistan and called off military operations without restoring long-awaited peace in that violence-stricken country. It would be a challenge for the US to maintain long-term engagement in Asia with a militaristic approach. This could result in Sino-Russian alliance to offset the US primacy. The US should adopt offshore balancing, soft power instruments and economic cooperation since these are as important as militarily domineering policies in Asia.