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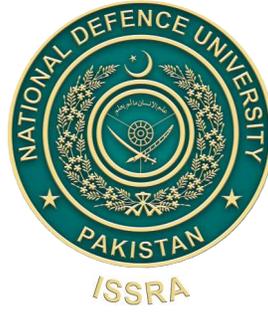
“US - CHINA RIVALRY AND SOUTH ASIA”

Post Roundtable Report

24 May 2023



INSTITUTE FOR STRATEGIC STUDIES
RESEARCH & ANALYSIS (ISSRA)
NATIONAL DEFENCE UNIVERSITY ISLAMABAD



ROUNDTABLE SPONSOR

Ambassador (R) Fauzia M. Sana
Director, Global & Regional Studies Branch

ROUNDTABLE REPORT

Ms. Qurat ul Ain
Research Associate G&RS Branch

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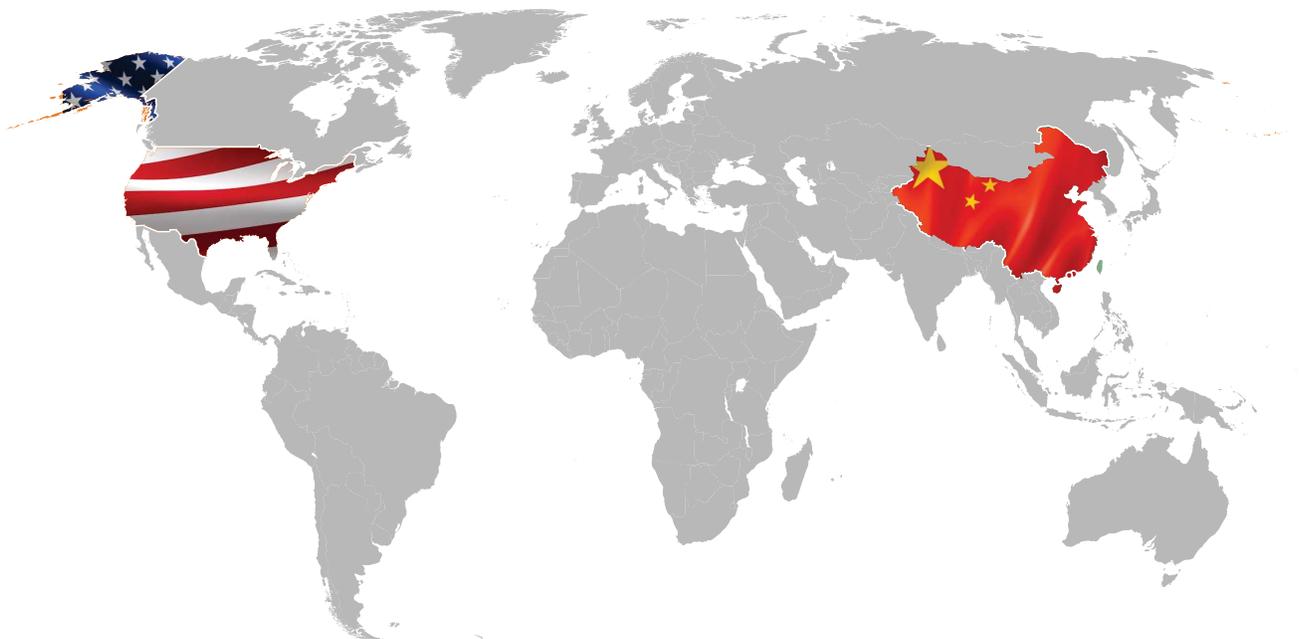
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CONCEPT NOTE

The competition between the United States and China has become one of the defining features of international relations in recent years. This competition is driven by a range of economic, political, and strategic factors, and has significant implications for countries and regions around the world. One of the regions that is particularly affected by this competition is South Asia, home to one fifth of the world population, two nuclear powers and a long-standing conflict of its own.

In the geopolitical and geoeconomic domains, both the US and China wish to deepen their engagement with South Asian countries. The US has been seeking to strengthen its partnerships with countries in the region, particularly India, which it sees as a key partner in balancing against China's rising influence. The US has also been supporting other countries in the region, such as Bangladesh, Sri Lanka and Nepal through various economic and security assistance programs. On the other hand, China has been investing heavily in infrastructure projects in the region through its Belt and Road Initiative (BRI), which seeks to build new economic corridors and improve connectivity across Asia and beyond. China has also been building closer ties with countries like Pakistan and Nepal, which has raised concerns among some of the region's other powers. This situation brings forth both challenges and opportunities for the regional states.

In this backdrop, ISSRA intends to organize a Roundtable to discuss:

- Global and Regional environment in the context of US- China Rivalry.
- What are the interests of United States in the South Asian region?
- What are the interests of China in the South Asian region?
- Where do Pakistan's interests align with those of US and China?
- How Pakistan's geo-strategic interests align with its geo-economic interests in contemporary global environment?
- Pakistan's strategic direction and policy options in the US- China rivalry.



US - CHINA RIVALRY AND SOUTH ASIA ROUNDTABLE



Maj Gen Muhammad Raza Aizad
Chair



Mr, Qian Feng
Research Fellow, Tsinghua University
China



Ambassador (R) Riffat Masood
Moderator



Senator Mushahid Hussain Syed
Chief Guest



Ambassador (R) Sohail Mahmood



Ambassador (R) Masood Khalid



Ms. Elizabeth Threlkeld
Director Stimson Centre Washington
USA

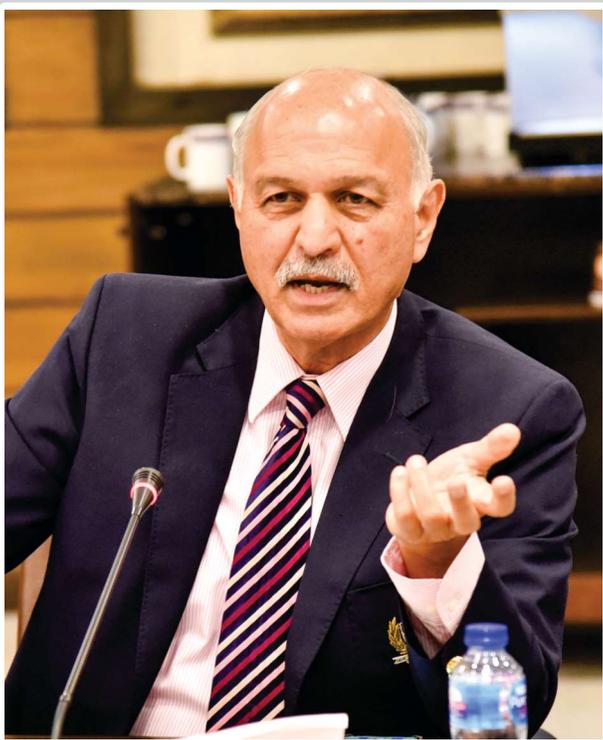


US-CHINA RIVALRY AND SOUTH ASIA

The Institute for Strategic Studies Research and Analysis (ISSRA), National Defence University, Islamabad organized a Roundtable (RT) on 24 May, 2023, on the overall theme of "US-China Rivalry and South Asia". The RT was conceptualized in the backdrop of the US-China competition as one of the defining features of international relations in recent years. This competition is driven by a range of economic, political, and strategic factors, and has significant implications for countries and regions around the world. The RT was organized to explore the on-ground debates and various opinions on following major questions:

- i. What are the interests of US and China in the South Asian region?
- ii. What is Pakistan's geo-strategic relevance in the US-China Rivalry?
- iii. How well have we defined our strategic interests and priorities, understanding the challenges and opportunities therein?

The RT was chaired by Maj Gen Muhammad Raza Aizad HI (M), DG ISSRA, while Senator Mushahid Hussain Syed was the Chief Guest. A number of academicians, policy makers, and students participated in the Roundtable in person as well as virtually.



SUMMARY OF THE PROCEEDINGS

- The current dynamics of geopolitics are primarily shaped by the intensifying contestation between the US and China, extending across major domains such as politics, economy, diplomacy, technology, connectivity, trade, and even their interactions with developing countries. This rivalry presents significant challenges for developing nations, as they grapple with difficult choices.
- While strategic competition between the US and China is considered pivotal for human development and survival, the relationship between the two major powers is also influenced by strategic contradictions, leading to complex dynamics in their engagement.
- The US has opted for a "double containment" policy towards both Russia and China. The strategic rationale behind the double containment policy is to prevent these two nations from gaining too much power and influence, which the US perceives as potentially detrimental to its own interests and those of its allies. By containing both Russia and China, the US seeks to maintain its position as a dominant global player and safeguard its national security interests.
- However, an unintended consequence of this policy has been that the increased pressure from the US has pushed Russia and China to find common ground and cooperate more closely. This alliance, often referred to as "with no limits," implies that there are no constraints on the extent of collaboration between the two nations. It also reflects a deepening of strategic, economic, and political ties between Russia and China as they seek to counterbalance US influence.
- China's focus on developing new economic opportunities is not intended to challenge the US' leading global economy status. Instead, it emphasizes economic integration and pursues specific objectives, including border protection, promoting the Belt and Road Initiative (BRI), ensuring regional security in Xinjiang and Tibet, preserving strategic alliances with Pakistan, and countering India's rise. However for China, Taiwan is a redline.
- The opinions vary regarding the US' interests in South Asia. While some argue for a stable, peaceful, and prosperous region, others contend that US actions in Afghanistan and support for India as a counterweight to China have led to increased instability in the region.
- The US is viewing China as its principal adversary and aligning itself gradually with India since the end of Cold War and more so since the start of the new Century. Supporting India's rise and curbing China's influence in the region are key components of the US policy. However, US interests face challenges, including the limitations of a waning power and emerging technological dynamics. Moreover, contrary to its much trumpeted 'strategic autonomy', India is projecting itself to be an unreliable partner of the West to combat China.

- The US National Security Strategy 2022 (US NSS) outlines a threefold strategy towards China. This includes investing in domestic strengths, aligning efforts with allies and partners, and engaging in competition with China. The competition is particularly pronounced in the Asia-Pacific region but is also expanding on a global scale.
- Pakistan's relationship with the US, especially post-Cold War, has experienced fluctuations but is primarily centred on security cooperation. In contrast, Pakistan's strategic partnership with China has strengthened, encompassing diplomatic, economic, security, regional development and connectivity aspects.
- The absence of Pakistan in the US NSS 2022 signifies evolving strategic priorities. Conversely, India has been increasingly highlighted as a strategic partner in the region, denoting a shift in the US approach. Nonetheless, there are some positive indications that Pakistan-US bilateral relations are moving towards cooperation in non-traditional security issues, such as climate change, development, education, trade, and investment.
- These relationships shape Pakistan's strategic position, creating space for its relations with the two major powers for regional stability, economic growth, and security.
- The core issue of Pakistan's current policy is the changing global landscape where politics has shifted from cooperation to confrontation and the suitable option for Pakistan is of opposing the bloc politics and not to stick with only one side. Thus, Pakistan should concentrate on broadening its trade and economic relations to lessen its dependence on a single country.



KEY CONCLUSIONS

1. The US-China competition is a complex and evolving phenomenon, and China's interests in South Asia are influenced by various factors beyond this contestation. Local dynamics, historical ties, and individual countries' priorities also play significant roles in shaping China's engagement in the region.
2. The US is very clear on its strategic ambitions in South Asia. Its strategic ally in South Asia is India and its principal rival for global hegemony is China. It therefore, has a geo-political and security centric view of the region.
3. India is getting the best of three worlds. On one hand, it continues to maintain its Cold War strategic ties with Russia and simultaneously growing its economic relationship with China. On the other hand, being cognisant of US' compulsion for finding a strategic ally in the Indian Ocean Region, India is fully exploiting US compulsion for its own benefits.
4. Pakistan wants to maintain relationship with both the major powers. However, the onus is on US with respect to its strategic relationship towards Pakistan. The US policy in South Asia has pushed Pakistan into an uncomfortable corner. Whereas, Pakistan wants to maintain its legacy relationship with the US, like in Cold War era but it finds no reciprocation from the US side, who is pre-occupied propelling India as a counter weight to China in the region.



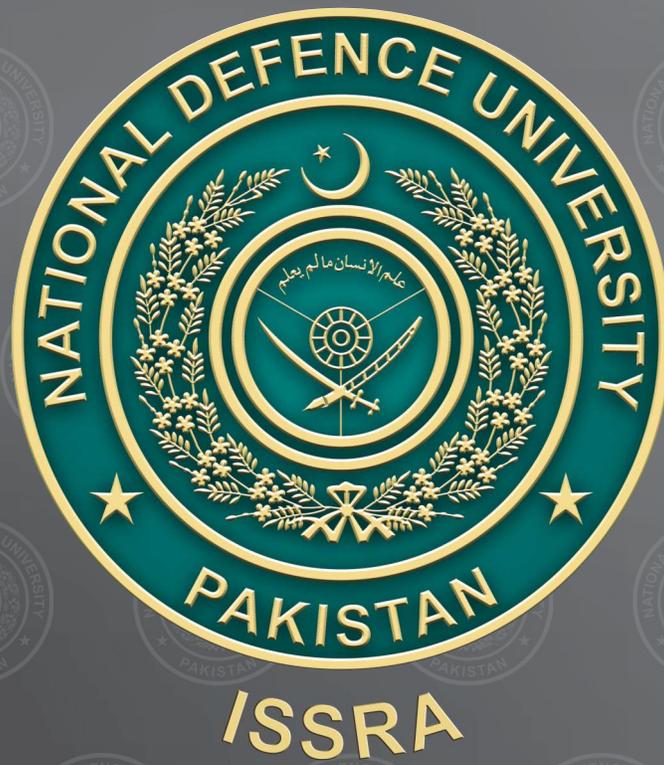


5. As Pakistan always depended upon the US-led West for its economic development and security requirements, which is no more available, it has moved towards China to fulfil the basic requirements related to economy and security. Although, some analysts propagate the idea of “Balancing” between US and China, it is nearly impossible for a country like Pakistan to accomplish this diplomatic miracle without burning its hands. Hence, under the given circumstances, it is getting abundantly clear that if push comes to shove, where would or should Pakistan's strategic compass lie.
6. As far as the US is concerned, Pakistan should continue to invite US for investment in infrastructure development and other projects and let the US divorce Pakistan and not vice versa.
7. In fact, Pakistan needs to work on “opportunity based policy” with all countries irrespective of geo-political constraints. In these critical times of geo-strategic realignments, Pakistan must focus on geo-economic priorities on opportunity basis. As a principle, Pakistan should forge a constructive relationship with all its neighbours. We should not make policies out of fear “but with a sense of optimism, confidence and driven by a sense of opportunity not challenges”.
8. Pakistan needs to pursue the policy of regional economic integration especially with its western neighbourhood under the framework of ECO with the support of Russia and China.
9. The phenomenon of De-dollarization refers to the process in which countries reduce their reliance on the U.S. dollar in international transactions. Pakistan should also explore the opportunity to do so.

PICTURE GALLERY







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