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# China-US Geopolitical Competition in the Asia Pacific



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**Ghulam Murtaza Mir\***

## Abstract

*The Asia Pacific Region particularly the South China Sea has become an arena of geopolitical competition between China and the United States. The US sees China as a threat to its unipolar supremacy in a globalised world. China maintains that its foreign policy is of peaceful coexistence with the rest of the world. The unipolar world is in transition into a multipolar one with the rise of geopolitical, geostrategic, and geoeconomic competition between great powers such as China, Russia, and the United States. The South China Sea has become a political arena between the US and China which has led to the development of geopolitical alliances such as the Quad, the Trans-Pacific Partnership, and the SCO in the Asia Pacific region. Pacific Island Countries are divided over the US-China maritime territorial conflict in the South China Sea. The diplomatic manoeuvres of China and the US in the South China Sea focus on sabotaging the diplomatic ties of each other with the Pacific Island Countries. This can result in further escalation of tensions in the Asia Pacific. This paper presents an overview of the geopolitical rivalry in the Asia Pacific region by explaining the foreign policy strategies of both China and the US, i.e., explaining their diplomatic relations with the Pacific Island Countries, emphasising their maritime territorial claims and highlighting their strategic developments in the Asia Pacific region.*

**Keywords:** Asia Pacific Region, geopolitical competition, South China Sea, US-China, maritime conflict, Pacific Island Countries

## Introduction

The Asia Pacific Region is one of the most significant regions of the world. It covers 22 per cent of the earth's mass and includes East Asia, South Asia, Southeast Asia, the Western Pacific Ocean, and

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\* Mr Ghulam Murtaza Mir is a student of MPhil in International Relations at the National Defence University, Islamabad.

Oceania. Major Powers of the world interpret the term the Asia Pacific according to their strategic interests. The Asia Pacific comprises half of the world's population. India and China make up 2.8 billion alone, being two major economic hubs along with the combined ASEAN population of 662 million. The 21 major economies in this region produce a GDP equal to 56 per cent of the world's economic output.<sup>1</sup> The Asia Pacific region comprises of two major Sea Lines of Communication (SLOCs), one transiting through the South China Sea to the Indian Ocean and the Middle East, and the other moving through the East China Sea and the Sea of Japan to the Pacific Ocean and the Pacific coast of the US and Canada. The oceans in the Asia Pacific are among the busiest in terms of sea transport development. The Asian Pacific nations depend intensely on intra-territorial trade for their economic means, and seaborne exchange is the most productive method for moving enormous volume and heavyweight cargoes. Shipping routes are considered as the arteries of the regional economy. In this view, China has become the heart of the regional economic prosperity in the Asia Pacific region.<sup>2</sup>

In the last four decades, China successfully embraced globalisation. It developed free trade agreements with regional neighbours and over time managed to become the hub of assembly-line production. The sea trade passages in the Asia Pacific region have helped China to extend its reach to the Middle East and West. In the 21<sup>st</sup> century, the Asia Pacific region has become a panacea to strengthen China's economy and the Asian market. China's foreign policy has become more progressive in President Xi's regime. China adheres to the five principles of peaceful coexistence and Xi Jinping's four principles of major power relations, i.e., National Sovereignty, National Security, Territorial Integrity and, National Unification.<sup>3</sup> US and China have conflicting interests in the Asia Pacific region. The US perceives China as a regional hegemon in the Asia Pacific. Economically, over two decades, China has developed vast networks

of trade with Asian Pacific countries and has established international monetary institutions such as Asian Infrastructure Investment Bank (AIIB), International Trade and Investment Corporation (CITIC) etc. To develop the economy and social standards of the Asian countries, China has established multilateral platforms such as Shanghai Cooperation Organisation (SCO), Regional Comprehensive Economic Partnership (RCEP) etc. The underlying premise behind these initiatives is to establish free trade agreements between the Asian Pacific states to promote China's foreign policy harmoniously.

The US steered its attention towards the Asia Pacific region back in 2011 during the Barack Obama administration, focusing on building multilateral alliances with the Asian nations such as the Trans-Pacific Partnership (TPP) and formation of Quadrilateral Security Dialogue with India, Japan and Australia. In a similar vein, the 60 billion dollars International Development Fund Cooperation (IDFC) package was regulated and proposed by the US in 2020 for securing alliances with the low-income Pacific island countries against Chinese economic interests.<sup>4</sup>

The US is sceptical over China's maritime territorial rights in the Asia Pacific region and considers its position as contested. The US under its Freedom of Navigation Program (FONOP) has conducted several surveillance exercises to contain China's position in the disputed maritime territories within the Asia Pacific region. China considers that its maritime territorial rights are in accordance with the United Nations Conventions on the Law of the Sea (UNCLOS). However, the US believes that China is developing illegal infrastructure projects over the disputed islands in the Asia Pacific region and that it is pressurising the economically weaker states to accept China's position in the region. To contain China's meteoric emergence in the Asia Pacific region, the US has entered into a fierce geopolitical competition with China. Under the Biden administration, the US has reassured its commitment to the Quad states to contain China in the

Asia Pacific region. The recent session of Quad Security dialogue between the US, India, Australia and Japan focused on strengthening alliances and aiding the Asian Pacific countries during Covid-19. In March 2021, the Quad Summit announced one billion vaccine doses for Asia, an initiative that reflects the vaccine diplomacy of Quad in response to counter China's outreach in the Asia Pacific region.<sup>5</sup> As a result of this geopolitical competition between the US and China, Sino-American rivalry has become evident which could further escalate tensions between the two hegemonies and potentially deteriorate the geopolitical environment in the Asia Pacific region.

If the Asia Pacific is seen through the prism of the US-India strategic partnership, the region is deeply entrenched in international politics. US partnership with India bolsters US containment of China in the region. Both US and India have signed several high-end strategic agreements such as the Memorandum of Understanding (MoU) on Logistic Exchange signed in 2016, Communication Compatibility and Security Agreement 2020, and some other agreements to contain China's rise in the Asia Pacific.<sup>6</sup>

### **Geopolitics of South China Sea**

According to the statistics developed by United Nations Conference on Trade and Development (UNCTAD), 80 per cent of global trade passes through the South China Sea.<sup>7</sup> It has vast economic importance for China, Taiwan, Japan, and South Korea, i.e., for countries that are dependent on the Strait of Malacca for their economic interests. The Strait of Malacca has been significant since World War I as a major shipping route between China and the Middle East. It has become a major chokepoint for oil trade being the shortest sea route between the Persian Gulf suppliers and key Asian markets in the Asia Pacific. It is estimated that 90 per cent of crude oil supplied between Africa and the Persian Gulf, i.e., 1.4 million barrels per day, passes through the Strait of Malacca that lies between Singapore and Malaysia.<sup>8</sup> It connects with the Pacific Ocean to the east, and with the

Indian Ocean to the west. Calculating South China Sea trade is necessary to determine its geopolitical significance. China’s 40 per cent net trade passed through the South China Sea in 2016. As per 2016 statistics, 5.3 trillion dollars’ worth of trade passes through the South China Sea on yearly basis.<sup>9</sup>

**Table 1**  
**South China Sea Data on Trade (2016)<sup>10</sup>**

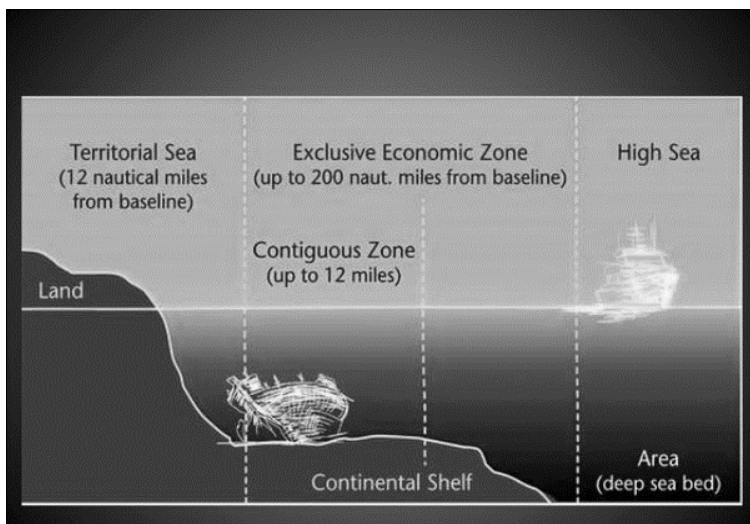
<b>Country</b>	<b>% Share of World GDP</b>	<b>Trade Value through South China Sea (USD billions)</b>	<b>South China Sea Trade As % of All Trade in Goods</b>
<b>United States</b>	24.5	208	5.72
<b>China</b>	14.8	1470	39.5
<b>Japan</b>	6.53	240	19.1
<b>Germany</b>	4.58	215	9.00
<b>United Kingdom</b>	3.46	124	11.8
<b>France</b>	3.26	83.5	7.77
<b>India</b>	2.99	189	30.6
<b>Italy</b>	2.45	70.5	8.14
<b>Brazil</b>	2.37	77.3	23.4
<b>Canada</b>	2.02	21.8	2.67

The shipping industry in the Asia Pacific plays a vital role in the global market share with a net worth of 43 billion dollars which is equal to 66 per cent of the global market share. The Shanghai Port is one of the biggest ports in the region with over 600 million tons of goods. China’s economic security is linked with the South China Sea. South China Sea was historically explored by China during the Song Dynasty in 960 AD. Ever since then, China has remained active in the South China Sea for 200 years. Whereas the Peoples Republic of China (PRC) officially included the South China Sea as part of China in 1947. Furthermore, China published a new map in 2009 wherein it represented a 9-dash line territory in the South China Sea, also called

the U-shaped line that it established in 1945, i.e., long before the United Nations Convention for the Law of the Sea (UNCLOS) became effective in 1982.<sup>11</sup> The U-Shaped line incorporates the disputed Paracel Islands, Spratly Islands, Pratas Islands and the Scarborough Shoal, and has become controversial because of the growing Chinese military presence along this line that intersects the maritime territory of Taiwan via the Taiwan Strait. Pratas Islands are located in the northern part of the South China Sea and fall under the jurisdiction of Taiwan. Due to the strategic significance of the Pratas Islands and China's naval encroachment along the U-shaped line, China could legally control the Islands as a gatekeeper to monitor the US and other countries' ships and aircraft entering the South China Sea from the Pacific Ocean.<sup>12</sup>

**Figure 1**

**Map of Exclusive Economic Zone**



According to the United Nations Convention on Law of Seas (UNCLOS), independent states have claim over the territorial waters up to 200 nautical miles as Exclusive Economic Zones (EEZ) and are forbidden to conduct foreign military exercises beyond 12 nautical miles within their EEZ.<sup>13</sup> China's main dispute with the United States in

the South China Sea is over the use of Exclusive Economic Zones and maritime territorial claims. US bases its argument referring to UNCLOS that coastal states have permission to conduct economic activities (for instance fishing and oil exploration) within 200 nautical miles of their EEZs but coastal states are restricted to regulate foreign military activities in their EEZs beyond 12 nautical miles. China, on the other hand, maintains its right of conducting foreign military activities within the EEZs.<sup>14</sup>

### **Territorial Counter Claims in South China Sea (Asia Pacific)**

China is involved in a number of maritime territorial disputes in the Asia Pacific, particularly the South and the East China Sea. In total, 44 out of 55 small islands and reefs are claimed or occupied by China, the Philippines, Vietnam, Taiwan, Malaysia and, Brunei.<sup>15</sup> United Nations Convention for Law of Seas (UNCLOS) have often declared China as an illegal claimant of its territorial rights but China has responded by considering these decisions as null and void, based on its traditional territorial rights. The following section offers a commentary on the four major maritime territorial disputes between China, the Philippines, Vietnam, Taiwan, Malaysia and, Brunei.

#### **Paracel Islands Dispute**

This maritime territorial dispute involves China and Vietnam as claimants and the islands are occupied by China in the South China Sea. The dispute dates back to 1974 when China intercepted the islands in a naval engagement with South Vietnam and since the 1980s remains victorious on the Paracel Islands.<sup>16</sup> China's military training in the Paracel islands has enraged the US, Vietnam and the Philippines. In response, the US conducted a 5-day military drill near Paracel Islands, signalling China not to militarise the contested maritime region.<sup>17</sup> China has rendered these claims baseless and

adheres to its rightful presence on the Paracel Islands in light of its traditional maritime rights.

### **Spratly Islands Dispute**

This maritime territorial dispute in the South China Sea involves China, Vietnam and Taiwan as main claimants to the islands who support their claims on the basis of historical facts. Whereas, Malaysia, the Philippines and, Brunei are partial claimants who base their claims on international law and conventions.<sup>18</sup> The presence of over 200 Chinese ships around the Spratly islands has caused a row with the Philippines. The Philippines perceives Beijing's presence in the contested Spratly Islands as an 'incursion' into its sovereign territory. In response, China has claimed that the vessels are mere fishing ships sheltering from bad weather conditions.<sup>19</sup>

### **Scarborough Shoal Dispute**

This maritime territorial dispute in the South China Sea involves China, Taiwan, and the Philippines as main claimants. The contested area has been under Chinese administration since 2012. According to UNCLOS, no state has complete control over the South China Sea but due to this maritime territorial dispute, both China and the Philippines engaged in a naval standoff for two months in 2012. In addition, Scarborough Shoal is closer to the Philippines' coastal territory rather than China.<sup>20</sup> The US stance on China's maritime claims is linked with the July 12, 2016, award of the arbitral tribunal that was pursued under UNCLOS. The tribunal nullified China's maritime claims as baseless and affirmed the position of the Philippines.<sup>21</sup> However, China claims all the islands, reefs, and shoals within a U-shaped line in the South China Sea drawn in 1947 as its territory. Scarborough Shoal lies within this area. Moreover, China considers Scarborough Shoal as its legitimate territory, existing decades before the establishment of UNCLOS.

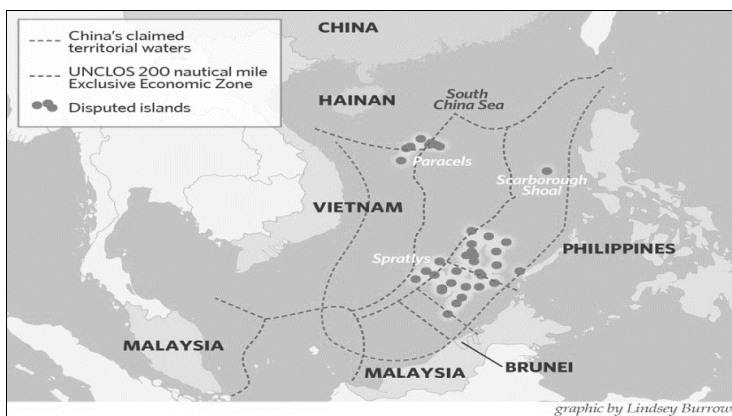


### Senkaku Islands Dispute

This maritime territorial dispute in the East China Sea involves China, Japan, and Taiwan. Senkaku Islands, also known as Diaoyu Islands, are administered by Japan and contain rich oil and fish resources that matter the most to both China and Japan for their economic interests. China's dispute over these islands is a matter of its national integrity and the Chinese Communist Party's (CCP's) internal power struggle.<sup>22</sup> Japan has filed a diplomatic protest against the presence of Chinese coastguard ships in the East China Sea. Tokyo claims that it has been there since approaching a Japanese fishing boat in October 2020. Zhao Lijian, China's Foreign Ministry spokesman stated on 13 October 2020, "Diaoyu and its affiliated islands are China's inherent territory and it is China's inherent right to carry out maritime patrols to enforce the law in the waters surrounding the Diaoyu Islands, which Japan should earnestly respect."<sup>23</sup> The current presence of Chinese vessels in these islands has been reported as the longest since 2012.

**Figure 2**

### EEZs Overlapping Zone in the South China Sea



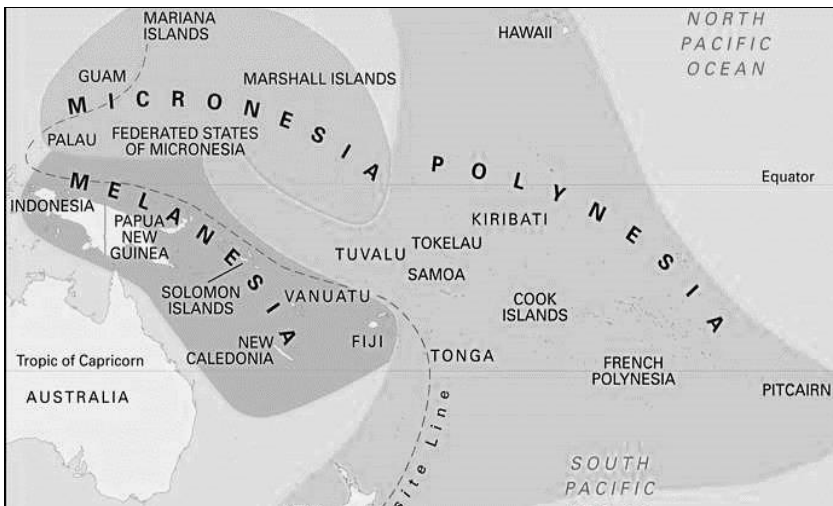
### China's Relations with Pacific Island Countries

Pacific Island Countries are divided into three ethno-geographic groupings which include; Melanesia, Micronesia and

Polynesia. The region covers more than eight hundred thousand square kilometres of land and includes a combination of sovereign states, associated states, dependent states, and integral parts of Non-Pacific Island states.<sup>24</sup> Ten out of fourteen sovereign Pacific Island countries diplomatically support China while the Marshall Islands, Palau, Nauru, and Tuvalu recognise Taiwan.<sup>25</sup>

**Figure 3**

**Ethno-geographic Map of Pacific Island Region**



In the 21<sup>st</sup> century, China pro-actively engaged with Pacific Island Countries by providing them with trade and investment opportunities. Chinese diplomacy with the Pacific Island Countries has helped it develop cordial relations with almost all the countries, among which some have also officially recognised Taiwan. China's intention to expand its navy and safeguard its market by securing naval bases in the Asia Pacific region has alarmed the United States, Australia, and New Zealand.<sup>26</sup> It has taken several diplomatic initiatives in the Pacific region, for instance, in April 2006, Chinese Premier Wen Jiabao visited Fiji and laid the foundation of the China-Pacific Island Countries Economic Development and Cooperation Forum. In the 3<sup>rd</sup> session proceedings of this forum which were held in October 2019,

Fiji's Minister of Industry, Trade and Tourism, Premila Kumar acknowledged Chinese efforts in promoting cooperation in infrastructure development, provision of goods, strengthening investment, and production capacity and signing 2020-2022 Action Plans on Agriculture Cooperation with Fiji. China's aid to Pacific Island Countries from 2011 to 2017 approximately amounts to 1.5 billion dollars.<sup>27</sup>

China's 'soft balancing' approach with the Pacific Island Countries is coupled with its peaceful diplomacy. Its economic growth has enormously bloomed in the past four decades and therefore, China naturally intends to expand its national interests in its surrounding region. China's core interest in the Pacific region is aimed at 'One China Policy' that was put forward by the Hu Jintao administration in a White Paper in 2011.<sup>28</sup> Moreover, China's 2015 Defence White Paper reflects its perception of abandoning its conventional land-focused security strategy and strengthening its naval capabilities through peaceful military and security cooperation with the Pacific Island Countries.<sup>29</sup> 'One China Policy' in this regard, is a connotation for China's peaceful diplomacy in the Pacific region to regain its inherent territorial right over Taiwan. One-third out of twenty diplomatic partners of Taiwan are located in the Pacific. Particularly, the six small pacific states, i.e., Marshall Islands, Solomon Islands, Palau, Tuvalu, Kiribati, and Nauru recognise Taiwan as a sovereign entity. Taiwan has been involved in a diplomatic competition with China concerning developing alliance(s) with Pacific Island Countries.<sup>30</sup> The economies of Pacific Island Countries are fragile and are often prone to natural disasters. Both China and Taiwan struggle to maintain their dominance over it by providing lucrative loans to these countries. Nevertheless, China enjoys an economic edge over Taiwan and is more active in building peaceful ties with its Asian Pacific neighbours.

China has become a major trading partner of the Solomon Islands.<sup>31</sup> It has assisted in upgrading telecommunication networks, electronic development, and food processing systems.<sup>32</sup> Similarly, Palau is another Pacific Island Country that has recognised Taiwan but it has developed strong commercial links with China as well. China has become Palau's largest contributor to the tourism sector. The tourist ratio between China and Palau increased from 39,383 to 162,000 during 2014-2015. As a result of this massive tourist surge, Palau had to impose travel restrictions on China.<sup>33</sup> China believes that its relations with the Pacific Island Countries are based on its core national interest, i.e., maintaining diplomatic posture in its foreign affairs, pursuing economic leverage, and practising non-interference in issues of other countries. Chinese Ministry of Foreign Affairs website has recorded over 235 high-level visits between China and Pacific diplomatic partners between 2006 and 2015. From the economic perspective, China's bilateral trade with thirteen independent Pacific Island Countries reached 7.5 billion dollars in 2016.<sup>34</sup>

In comparison to US and Australia, China lags in investments in the Pacific Island Countries. Between 2006 and 2017, China has invested 1.5 billion dollars in terms of grants and concessional loans.<sup>35</sup> On the other hand, from 2000 to 2016, Australia's total investment in the Pacific Island Countries reached around 178 billion dollars.<sup>36</sup> In the past 20 years, the United States has invested around 5.21 billion dollars in assistance to the Pacific Island Countries.<sup>37</sup> China's growing economic parity in the Asia Pacific region is likely to offset US ties with its allies, provided that China continues to promote its peaceful foreign policy in the region.

## **US Relations with Pacific Island Countries**

The US enjoys historic relations with Taiwan however, its interests have transformed over the years considering the US-China tensions in the 21<sup>st</sup> century. Both US and Taiwan were part of a mutual defence treaty from 1954 to 1979, which was later abolished under the

Carter administration to recognise relations with the People's Republic of China. But under Taiwan's Relations Act signed in 1979, the US provided military assistance to Taiwan including 12 billion dollars during the Obama administration. Furthermore, the US also provided 1.2 billion dollars of weapon aid to Taiwan under the Trump administration to counter China's influence over Taiwan.<sup>38</sup> Washington has remained neutral towards the 'One-China Policy' in the past but has become more active in developing defence and trade agreements with Taiwan to deal with the Chinese influence in the region. Former US Secretary of State, Mike Pompeo announced an end to self-imposed restrictions on the US-Taiwan relationship in January 2021, which could also result in the signing of a mutual defence treaty with Taiwan in future.<sup>39</sup> In this regard, the recent visit of former US Health and Human Services Secretary, Alex Azar was considered as the first high-profile official visit with the purpose to endorse Taiwan's stance as an independent state. China responded to this by conducting Air force exercises over the Air Identification Zone of Taiwan, warning the US to comply with its One China Policy.

Since 1971, the US has had dependable diplomatic relations with Fiji. The two countries have pursued relations based on mutual cooperation, ensuring diplomatic values and partnership over international peacekeeping operations, regional security, environmental issues, economic development, and climate change. US provides Fiji Foreign Military Financing (FMF) and military training. It also finances Fiji by providing its own US fishing vessels in the Pacific islands under the Multilateral Tuna Fisheries Treaty.<sup>40</sup> On December 17, 2020, tropical cyclone 'Yasa' hit one of the most populous islands of Fiji. In response, USAID provided 1 million dollars as humanitarian assistance to Fiji.<sup>41</sup> Kiribati became independent in 1979 and established diplomatic relations with the US in 1980. Kiribati along with other Pacific Island Countries receives 21 million dollars per year under the Economic Assistance Agreement signed with the US.<sup>42</sup>

Since its inception in 1978, the Solomon Islands have maintained good relations with the US. Historically, during World War II, the US and Japanese forces fought each other in the Pacific islands. At the end of the war, the US managed to outrun the Japanese forces from the Solomon Islands and it resulted in the formation of close ties between the two countries. US congress aided the Solomon Islands in the construction of parliament building. In 2016, the US had cumulative trade with the Solomon Islands worth 12 million dollars.<sup>43</sup> Marshall Islands gained independence from Japan in 1944 and became a part of US administrative control in 1983. After signing the Compact of Free Association with the United States, the Marshall Islands became independent in 1986 and developed close ties with the US, based on mutual cooperation. Due to being sparsely populated and being isolated geographically, the US aims at providing humanitarian assistance to the Marshall Islands to strengthen climate resilience through disaster preparedness. The US provided 2.5 million dollars to the Marshall Islands in drought assistance in 2016.<sup>44</sup> Palau became independent in 1982 under the Compact of Free Association agreement and since 1994 it maintains diplomatic relations with the United States. According to the agreement, the US remains responsible for Palau's defence until 2044. Under the Compact Trust Fund Palau has been provided \$226,362,000 to achieve sustainable economic growth.<sup>45</sup> US ambassador to Palau, John Hennessey met with Palauan President Surangel Whipps and Taiwan Foreign minister Joseph Wu to strengthen ties between the US, Taiwan, and Palau.<sup>46</sup>

Taiwan is an island country located in East Asia. Since 1949, the Republic of China has exercised independent control over the main island of Taiwan. The main island, known historically as Formosa, makes up 99 per cent of the area controlled by China. Currently, Taiwan's political status is ambiguous. The current administration of the Republic of China maintains that Taiwan is already an independent country. On the other hand, China considers Taiwan as part of its

territory under its One China Policy. China is 2,103 kilometres away from Taiwan. The official status of Taiwan is still ambiguous because the United States has not recognised Taiwan as an independent state. The United States under the Carter administration, severed ties with Taiwan after it established diplomatic ties with China on January 1, 1979. The US also shifted its embassy from Taiwan to Beijing and exchanged ambassadors with China in the same year.

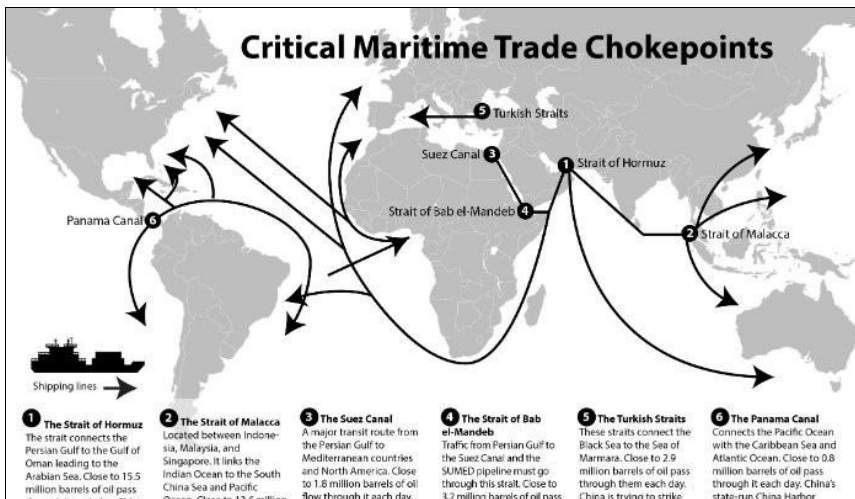
Taiwan is the biggest thorn in US-China Relations. The US signed the Taiwan Relations Act in 1979 to maintain economic ties with Taiwan and promote peace, security and stability in the Western Pacific. US-China geopolitical competition in the Asia Pacific has made Taiwan strategically significant for both global powers. Under the Trump administration, the US Congress signed the Taipei Act 2020 to further deepen the ties with Taiwan and encourage the rest of the world and international organisations to do the same. The US considers Taiwan as a pertinent security ally in achieving its geopolitical interest of a free and open Indo-Pacific. Under the Biden administration, former US Senator, Chris Dodd visited Taiwan in April 2021 and reassured President Joe Biden's rock-solid commitment to developing cooperation on shared interests in line with the US One China Policy. China's warning to the US stating "not to send any wrong signals to Taiwan independence" elements to avoid severe damage to China-US relations.<sup>47</sup>

### **China's String of Pearls Strategy**

In 2005, the phrase 'String of Pearls' was coined by Booz Allen in his study on 'Energy Futures in Asia'. He envisaged that China would make efforts to increase its naval presence all over the Indian Ocean Region (IOR) by providing infrastructure development to allied countries in the region.<sup>48</sup> The Indo-Pacific comprises the tropical waters of the Indian Ocean, the western and the central Pacific Ocean. To begin with, there are three important chokepoints in the Indian Ocean. The first one is the Strait of Hormuz, located between Iran and

Oman. The second is the Babb-al-Mandeb chokepoint, located between Yemen and Djibouti. The third chokepoint, i.e., the Strait of Malacca is located between Indonesia and Malaysia.



**Figure 4****Critical Maritime Trade Chokepoints**

About 80 per cent of the world's trade passes through the Pacific and the Indian Ocean. China imports from the Organisation of Petroleum Exporting Countries (OPEC) via the Strait of Hormuz. In case this chokepoint is blocked, it will impact 80 per cent of China's oil imports. The Babb al Mandeb chokepoint is equally important for European countries and the United States because of its proximity to the North Atlantic Ocean. Otherwise, the West would need to use an alternate route via the Cape of Good Hope which is too far, costly, and prone to pirates near Somalia. The Straits of Malacca and Hormuz are very pertinent for China's trade transportation. If these chokepoints are blocked, it will halt China's traditional practice of trade and that is why China has begun militarizing the Indo-Pacific region to secure its economic interests via the aforementioned trade routes. But on the other hand, the US has become apprehensive about China's increasing militarization. China believes that it is complying with the principles of UNCLOS and being a sovereign state, considers it necessary to protect its foreign economic interests in the Asia Pacific region.

**Figure 5**

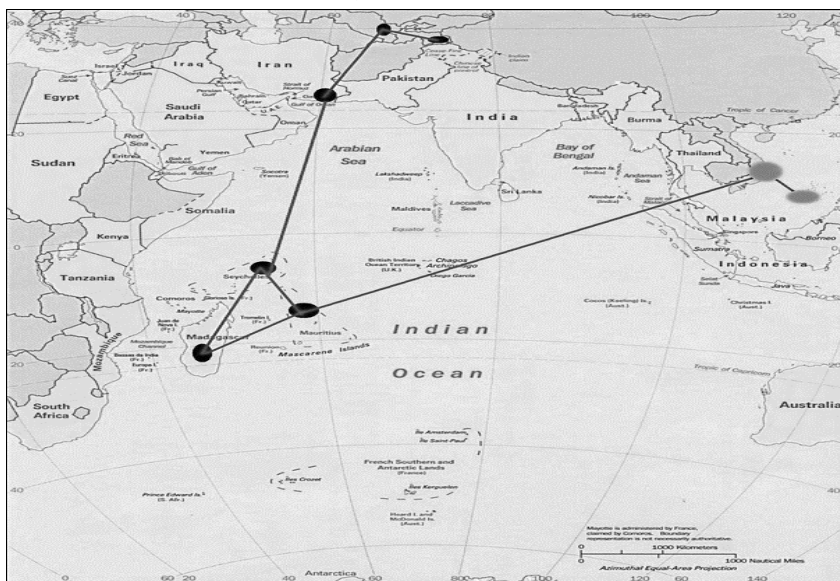
**China's String of Pearls**



China's strategy of String of Pearls also includes building sea-ports and military bases in the Indo-Pacific region to secure the trade passages, i.e., through the Belt and Road Initiative (BRI) and diminish India's military ambitions that are sponsored by the US. These build-ups include military developments around countries such as Bangladesh, Chittagong, Myanmar, Sri Lanka, Gwadar Port, and Djibouti. As a result of these developments, China has successfully encircled India (See Figure 5).<sup>49</sup>

**India's Necklace of Diamonds Strategy**

In response to China's String of Pearls strategy in the Indian Ocean, India has also built its naval bases near Sri Lanka, Mauritius, a radar system at Madagascar, military bases at Seychelles and last but not least, the Chahbahar Port.

**Figure 6****India's Strategy of Necklace of Diamond**

The development of Indian bases in the Indian Ocean represents a diamond necklace. In contrast to China's String of Pearls strategy, its military bases are more strategically coherent and encircle India aptly. Contrarily, India's strategy of Necklace of Diamond minimally encircles China which reflects India's flop policy to contain the latter in the Indo-Pacific region.<sup>50</sup>

**China-US Defense Policy in the Asia Pacific**

With respect to maritime strategy in the Asia Pacific, the US has deployed around 60 per cent of its naval force around the Strait of Malacca which is based on the US realist paradigm of containing China's growing hegemony and maintaining its supremacy as a superpower. US Freedom of Navigation Operations (FONO) reflects its claim of considering the South China Sea as part of the high seas and not as China's indigenous territory. China in response, under its cabbage strategy, is building artificial islands in the South China Sea, which involves a strategy of seizing control of the island by

surrounding and wrapping it in successive layers of Chinese naval ships, China Coast Guard ships and fishing boats, and cutting off the island from outside support.<sup>51</sup> The purpose of creating these artificial islands is to reaffirm China's claim over the South China Sea in line with its EEZ's 200nm principle. In the Asia Pacific region, China is mainly surrounded by countries that are friendly towards the United States, for example, South Korea, Japan, Taiwan, the Philippines, and Vietnam. In a war-like situation, the US might militarily encroach around these countries to form a wall around China, and to restrict its access to the rest of the Pacific region. As a result, Chinese warships would find it difficult to receive resupplies in the territory. In response, China might attack one of the surrounding countries as a pre-emptive step to prevent its sovereignty in the Asia Pacific region. And in such a scenario, Taiwan will become the primary target, considering the China-US conflict. Both China and Taiwan have an active interest in reclaiming each other just like North and South Korea. But China's relations with Asian Pacific countries are based on economic partnerships and free trade agreements. Even the Quad members and the other Pacific Island countries have developed massive economic linkages with China and a major volume of their economy generates from trade with China. As a result, the US might find convincing its Pacific allies to wage collective war against China extremely difficult. Due to China's emergence in the Asia Pacific, the US will no longer be the sole superpower in the region in near future. At present, however, China faces the US as a prime challenge in overcoming the existing geopolitical competition in the region.

## **Conclusion**

China's presence in the Asia Pacific region particularly its devotion to the South China Sea is two centuries old. China's presence in the region reflects its economic interests that are based on 'One China Policy' incorporating its peaceful relations with the Pacific Island Countries. China's peaceful rise in the era of globalisation has kept the

US foreign policy preoccupied vis-à-vis the Asia Pacific region during the Obama administration. This paper argued that the geopolitical developments between China and the US are based on US-China maritime territorial claims in the South China Sea, geopolitical alliances of both China and the US with the PICs, developing geopolitical blocs such as TPP, RCEP, ASEAN, the Quad, SCO, etc. to safeguard their respective interests by promoting free trade in the region and economically assisting the Pacific Island Countries alongside.

China provides concessional loans to the Pacific Island Countries to develop peaceful relations, strengthen bilateral relations, and expand the BRI in the region. The US blames China for messing up the economic capability of the Pacific Island Countries by indulging them in debt-for-equity traps. By providing concessional loans to the developing Asian Pacific countries, the US believes that China can entrap these states and use economic pressure to exploit their foreign policy decisions. The Pacific Island Countries find themselves stuck in a position where they have little choice but to take sides. China emphasises on South-South Cooperation, whereas being a superpower, the US aims to promote democratic values and security cooperation in the Asia Pacific region via its vested interests. These developments have threatened not only the security of the Pacific Island Countries that have low-income economies but increased the likelihood of an escalation in Sino-US tensions in the Asia Pacific region amidst Covid-19, which could result in a military confrontation between the two in near future.

China's premier Li Keqiang has stated that Taiwan will soon be reunified with mainland China because it is China's inherent right principally claimed according to the 1992 consensus and the One China Policy.<sup>52</sup> The Chinese premier claims that the nationals living in Taiwan and China both belong to one family. Moreover, China has also stressed that the US should abstain from deteriorating relations between Taiwan and China. The recent US arms sale to Taiwan have

raised concerns for China's national interests in the Asia Pacific region. According to the spokesperson for the Taiwan Affairs Office at the State Council of China, the US arms sale to Taiwan in December 2020 is detrimental to regional stability. China aims to pursue One China Policy which was signed in 1979 with the Carter administration under the 'Taiwan Relations Act'.<sup>53</sup> On the other hand, the Biden administration has pledged to provide 'rock-solid' support to Taiwan and defend it from China in case of an attack. President Biden's statement on Taiwan reflects US militarisation in the Asia Pacific.<sup>54</sup> China urges to pursue its foreign policy through peaceful diplomacy with the Pacific Island Countries and intends to safeguard its claim over Taiwan as an internal matter. Thus, US arms sale to Taiwan is likely to enhance its military might in the South China Sea, creating a harmful environment in the Asia Pacific region.

With respect to the US-China maritime territorial claims in the South China Sea, China has recently conducted military drills across the coast of Vietnam in the South China Sea. The military drills were led within the 200nm of EEZ.<sup>55</sup> This maritime territory is contested both by China and the US vis-à-vis Vietnam, Malaysia, the Philippines, Taiwan, and Brunei. Whereas China claims a huge part of this disputed waterway according to its nine-dash line claim over the South China Sea. In response to China, the US has increased its military operations in the South China Sea according to FONOPS. Since 2017, the US has conducted six FONOPS in the South China Sea.<sup>56</sup> The US foreign policy in the region portrays China as a dominant and assertive power in the Asia Pacific region which is undermining the sovereignty of the Pacific Island Countries. The US believes that China is set to overplay US supremacy in the region by acquiring power over trillion dollars' worth of untapped oil and gas resources in the sea. Whereas China has maintained that under international law, foreign entities are not allowed to conduct intelligence-based operations in the EEZ. The US further claims that China is constructing artificial islands in the sea

along with ports, military installations and airstrips at Paracel, Spratly and Woody Islands in particular.<sup>57</sup>

The geopolitical rivalry between US and China have developed such blocs in the region which are detrimental to the regional security of the Asia Pacific. The Quad is a security bloc that includes the US, India, Japan, and Australia and aims to diminish China's dominance in the Asia Pacific through geopolitics and militarization of the region. On the other hand, China has established Asia's largest economic network as RCEP which is aimed at developing legal and free trade practices between the partner countries amongst which, Australia and Japan are also the members. Japan which has a centuries-old rivalry with China over contested Diaoyu/Senkaku Islands, has pursued its foreign policy by becoming a member of the RCEP and safeguarding its economic interests.<sup>58</sup> The US signed out from TPP in 2017, an anti-ASEAN bloc that excluded China from having free trade with some of the Pacific Island Countries in the region. Therefore, the Quad members including India and Australia have not forgone their economic ties with China as the US has done.

Considering the recent developments in the Asia Pacific region, the growing US-China rivalry has overshadowed the region by pressurising the Pacific Island Countries in protecting their sovereignty and national interests. Pacific Island Countries are focused on attaining strategic autonomy and seek to establish friendly relations with both China and the US.<sup>59</sup> In an era where Covid-19 has infected the world, both United States and China must focus on helping the developing Asia Pacific countries to sustain their economies, provide health aid to fight Covid-19, and develop relations in the Asia Pacific region by maintaining mutual respect. The cold war between China and the US is being pursued on numerous fronts, i.e., from diplomacy to trade, investment, artificial intelligence, 5<sup>th</sup> generation warfare, and military affairs. For the Pacific Island Countries, safeguarding their sovereignty and national interests will be an uphill task, provided how skilled their

leadership is in uplifting the integrity of their countries and pursuing an independent foreign policy in the long run. It is time that the US must revitalise its foreign policy in the Asia Pacific towards stability and prosperity of the region. In the nuclear age, the US pursuing assertive foreign policy unlike China can further escalate Sino-US relations from geopolitical competition to asymmetrical warfare in the region and beyond.



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