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CAN INDIA AND PAKISTAN OVERCOME THE PAST?

HUMERA IQBAL*

Abstract

India's cold response to Pakistani overtures can largely be attributed to Modi's renewed strategy to marginalise Pakistan both at the regional and international levels. It was only after the Galwan Valley incident that killed more than a dozen Indian soldiers that New Delhi is seemed to be flexible and, thus, involved in backdoor diplomatic engagement with Islamabad. Will that negotiation be taken to its meaningful end? The answer to this question remains as uncertain as it was in the past. India is not going to bring a reasonable change in the situation of Indian Illegally Occupied Jammu and Kashmir (IIOJK) as demanded by Pakistan. Since Pakistan has made this demand non-negotiable and India's recent engagement was born out of the necessity of changing regional dynamics which appear to be faded away, the future of bilateral talks is highly uncertain. To keep the ball rolling, both states, especially India, would need to show some ownership of the process. As of now, there is little to no scope of normalisation between the two countries.

Keywords: *India, Pakistan, Kashmir, ceasefire, dialogue*

Introduction

India and Pakistan owe a great deal of their ongoing differences to the uncomfortable history they share. In the recent past, both countries had several remarkable opportunities to break the ice

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and engage each other in initiating a meaningful dialogue process. However, both the parties could do little to optimally utilise such opportunities, especially following Narendra Modi's election as the Prime Minister and his political party's anti-Pakistan rhetoric. Shanghai Cooperation Organisations' summit in Bishkek with the presence of both the prime ministers is a glaring instance of a missed opportunity. With every olive branch Pakistan offered to India from time to time, New Delhi became more inflexible. So why this show of inflexibility to engage with Pakistan? For quite some time, especially since Narendra Modi came into power, India has actively pursued a strategy of isolating Pakistan, both regionally and globally, by playing an influential diplomatic role in creating various regional and global alliances without actively engaging the former. At the bilateral level, India has seemingly continued to pursue a complete *no talk policy* with Pakistan. Ties between the two especially since 2016, have been frozen. The situation further deteriorated after incidents like the Pulwama militant attack in 2019 and the Indian retaliatory airstrikes in the town of Balakot in Pakistan that prompted a further response from Pakistan in the shape of the capture of an Indian pilot who was later released as a goodwill gesture. Sudden strikes and aggressive statements from India as per the choice of the government rather became a norm under Modi. Any effort on the part of Islamabad to melt the ice or efforts in establishing people-to-people contacts via the opening of the Kartarpur corridor, exchange of artists etc. received a discouraging response from New Delhi. The arbitrary decision of August 2019 to revoke the special constitutional status of Kashmir by turning it into union territories eventually led to further worsening of bilateral ties to the extent of Pakistan giving up the idea of proposing peace talks to India. Furthermore, New Delhi has time and again created challenges for Pakistan under the pretext of terrorism. Therefore, the timing of the latest backdoor diplomatic engagement can and must be viewed rather sceptically.

Why the Offer to Break the Ice?

So what reasons could be behind this sudden development between Pakistan and India to inch towards melting the ice? One significant reason could be the intensification of clashes between India and China at their disputed Himalayan border for the first time in 45 years. The situation got out of hand due to Modi's failure to defend an Indian airbase against China in Ladakh's Galwan valley, which left at least 20 Indian soldiers dead.¹ The tensions between the two nuclear powers intensified to the extent that, they not only aggravated the risk of escalation but also had a negative impact on the popularity of Modi at home, who had initially garnered a reputation as India's security saviour. The scaling down at the Kashmir border with Pakistan became inevitable for India as Chinese actions in Ladakh had forced the country to turn defensive. India at present cannot face tensions on two fronts. Moreover, trade differences between the United States and China and the increasing threats of a shift in the world order are deeply influencing the political order in Asia alongside other factors. India, therefore, is not only under the influence of these developments, it is additionally struggling to balance its relations with major powers.

India aspires to become a part of major powers and its strategic partnership with the US is essential in this journey. Joe Biden's victory as the new American president had slightly changed the special relationship enjoyed previously by Modi and the cover with the US during the Trump administration. Modi and his harsh policymaking against the Muslims of India were, perhaps, silently supported by some of the populist leaders of the West due to similar political approaches. It became clear to the Modi government that once Biden wins, he would raise the issue of Kashmir with India, in particular the unconstitutional actions taken by his government against the people of Kashmir. Biden's victory, hence, repeatedly raised concerns over Modi's inconsistent democratic actions taken in

Kashmir with regard to the blatant violation of human rights and civil liberties, including the ban on freedom of expression, internet access, etc. Recently, at the Indo-Pacific congressional hearing on democracy, the Acting Assistant Secretary of State for South and Central Asia, Dean Thompson, pointed out that the actions of the Indian government had been inconsistent with their democratic values as concerns over the restrictions on basic rights of freedom of expressions, detention of activists and journalists, extra-judicial killings committed by the Indian police, etc. are major human rights violations. Therefore, these undemocratic measures carried out by the Indian government raise critical questions.²

The US looks towards establishing a stronger strategic partnership with India. With the changing global discourse today, it is not Pakistan but India that plays a key role in the future of US foreign policy. As the US military footprint shrinks in the region, the shifting strategic rationale compels Washington to look beyond counterterrorism and focus on emerging economic challenges rather than on its defeated longest war. Above in view, Washington is pursuing a wider peace effort in Afghanistan for which it requires strong support from Pakistan in making its efforts a success. The underlying US objective is perhaps to compensate for its defeat by leaving Afghanistan considerably stable, with the Taliban playing a responsible role than activating terrorist networks against them. Therefore, Pakistan's assistance is vital more than it is inevitable at this point. Washington is aware of changing alliance patterns of Islamabad and the bilateral relations since Modi came to power. The US policymakers are also familiar with the competition over influence in Afghanistan between the two countries. The last thing America expects from India is to have a competition in Afghanistan with Pakistan. Recognising the regional realities, India itself has set aside its past resentment with the Taliban and is talking to them. Furthermore, New Delhi in the post-Galwan episode cannot risk pursuing its

interests against the US interests in the region. Shoring up economic and military strength on its border with China with the assistance of the US is essential for India. Subsequently stabilising its relationship with Islamabad to come out of a two-front situation is strategically inevitable for India more than it is for Pakistan. Moreover, neither Biden nor Modi administration wants to see Pakistan victorious in Afghanistan. Hence, realising the grave conditions on the ground in Afghanistan, a thaw in Indo-Pak relations could lead Pakistan to focus more on assisting the US to develop a sustainable peace through a working agreement among the Afghan political elites and Taliban. Therefore, the merging of US-Indo pertinent interests has been another key reason behind the shift in the Indian approach towards Pakistan.

Back Channel Diplomacy

To everyone's surprise this time, at the behest of the US, the UAE played a major role in bringing New Delhi and Islamabad to the negotiating table. This mediatory role fits into the UAE's foreign policy goals aimed at power projection and global recognition as a responsible regional power.³ Therefore, in the words of the UAE envoy to the US, they wanted to help the two countries reach a 'healthy and functional' relationship.⁴ From December 2020 to April 2021, intelligence officials of both countries were facilitated by the Gulf country to engage in a direct secret meeting at least four times. It started from a surprise rare joint communique on resuming the 2003 ceasefire agreement and was followed by the meeting between the UAE Foreign Minister with Indian counterpart where their discussion covered all the regional and international issues of mutual interests. The idea expressed by the officials called for a ceasefire leading to a larger roadmap to ensuring lasting peace between India and Pakistan.⁵

Following the initial step, the second phase of the process included more challenging talks. Besides other key issues, the two

sides discussed the matter of Kashmir. Once these informal communications and engagements made headlines in the media, the talks came to a standstill awaiting a progressive move from India. During these off-the-record meetings, an understanding was reached between the two sides where Islamabad clearly demanded concrete measures to be taken by New Delhi if it intended to convert the talks into future dialogue by bringing a reasonable change in the situation of Indian Illegally Occupied Jammu and Kashmir (IIOJK) to demonstrate responsible progress for further bilateral engagement.⁶

The key demands put on the table by Islamabad for New Delhi were as follows:

1. India must not change the demography in IIOJK, and it was made non-negotiable;
2. India must not undertake any measures that alter the character of the region;
3. India must take steps to normalise the lives of the people in the occupied territory, including the release of prisoners;
4. India will need to give statehood to IIOJK in one form or another;
5. Any discussion from the Indian side on the status of Azad Kashmir and Gilgit-Baltistan is off the table.⁷

An Unforgettable Past

The existing situation requires an understanding of the strategic policy shift generated by Gen. Qamar Javed Bajwa's unexpected statement of offering "to bury the past and move forward" with India, while also proposing the military's readiness to engage in talks to resolve all outstanding issues with the country.⁸ The statement made by Gen Bajwa was big enough for the country to adjust to easily. The ambitious strategic shift with India by forgetting the past and looking forward to agreeing on peace cannot be done in isolation. The readiness of institutions and masses is of critical importance. Several

questions emerge out of the aforementioned statement and these questions are critical enough to seek answers to for determining the future course of relations with Pakistan's eastern neighbour.

First, can the Pakistani army forget the detestable past that it shares with India since its creation? Second, are the people on both sides of the border willing to accept peaceful relations by burying the past? Ironically, the past is not restricted to being in the past anymore and has rather become a stark reminder in the present under the Modi-Shah governance model. The dilemma in Pakistan both at the institutional and public level of the masses has been the absence of a thought process that enables and facilitates critical decisions. The political leadership has been devoid of conceiving and implementing strategic policies of significance on its own. Decisions of such utmost importance cannot be taken in isolation. The policy-making institutions must ensure that all relevant stakeholders are on the same page with regard to issues of such grave importance to move forward.

Pakistan came out first on offering peace at a high profile public gathering, i.e., Islamabad Security Dialogue in March. Expressing readiness for trade engagements without any calculative measures showed more eagerness towards India on part of Pakistani leadership. This inadvertently resulted in an embarrassment at home, leading the Indian media to make a mockery of it by relating it to continued economic pressures. India has maintained its composure by avoiding making any news of talks public. The Indian government is cautious of the potential backlash to the extent that it even chose to disregard the humanitarian gesture from Pakistan and refused to receive oxygen cylinders from Pakistan for its people battling COVID-19. It rather preferred to take Western assistance.

The underlying message perceived from burying the past statement indicates a change in the military approach of accepting the status quo between India and Pakistan at the Line of Control (LoC). It also means that the discussion on the Pakistani side of Kashmir should

not become a part of future discussions. Hence, the big offer comes with expectations from New Delhi to bring some constitutional changes in the IIOJK to end people's miseries. How much accommodation and reversal of policies the Modi-Shah administration can afford while keeping in view the political cost they might be paying or whether they can skillfully escape the brunt of Hindutva is yet to be seen. The expectations and policy possibilities on the part of India would certainly take time after further rounds of back-channel diplomatic meetings. In the end, although both the countries have begun talking, they still fall short in anchoring peace and building trust.

Another critical point is to generate a rational opinion on these secret talks within Pakistan. Given the secretive nature of high-level talks, the general population which had become accustomed to aggressive anti-Pakistan policies of Modi has naturally become suspicious of these developments. On the matters of national importance that affect the lives and businesses of people, it is imperative to take them into confidence. The spirited people of Pakistan today are very much aware of the difficulties faced globally and the role India has played in creating a systemic marginalisation of their potential internationally. Even people-to-people contacts have been banned by the Hindu nationalist government of India. In the past seven years of Modi-Shah governance, the spread of Hindu nationalism and hatred towards Pakistan has simmered into the masses. The liberals and secularists have restrained themselves to silence rather than being questioned or becoming targets of Hindu fanatics. Hence, for India, it is more challenging to balance out the new policy shift of accepting Pakistan for talks.

It is important to answer if Pakistanis as a nation are ready to forget the dark realities of the period between 1971 and 2019. In addition, the recently exposed damaging Indian campaign of maligning Pakistan on every available opportunity is not forgivable.

The consequences of such a campaign are still being faced by Pakistan even in attracting global attention to its economic market. Opening trade corridors and talking about future peace would not wash away the damages of the past. For Pakistan, the projection of the right self-image is of utmost importance.

The fact that India has always been looked at as an enemy must not be forgotten. At present, the global order has very clearly positioned the shifting of regional alliances. Both India and the US are not only strategically aligned in a partnership against the future development of Pakistan but against its strategic partnership with China as well. Also, the role of Israel as a strategic ally and role model for New Delhi in marginalising Muslims has been a reality, which cannot be ignored. The policies of demographic changes and occupying territory with forceful encroachment in Kashmir are exactly what Israel's line of strategy has been against Palestinians. By imposing prolonged lockdown, the Indian government unilaterally introduced a new residency law through which domicile certificates were issued to Indians and non-residents to allow them residency rights and government jobs in IIOJK. The new law aims at creating demographic changes to forcefully integrate Muslim cultural Kashmiri identity with Hindus similar to Israeli policies in the West Bank of settling non-resident civilians in the region.⁹ Moreover, non-residential entrepreneurs and investors have been encouraged by the Modi government to invest in IIOJK to allow settler economies along with special colonies for ex-Indian army personnel.¹⁰ The determination to align against Muslims, be it of Pakistan, Kashmir, or anywhere where their interests demand is the primary goal of the Hindu nationalists. The genocides and brutal humanitarian atrocities inflicted upon the innocent people of IIOJK do not allow them to be morally buried in the name of peace talks. So, while Pakistan should move forward to have a working relationship with India for future peace and stability, it is not possible to bury the past and forget history.

Conclusion

'To forget and bury the past' is easier said than done. However, Pakistan and India can move forward with the talks process transforming into a formalised dialogue process once the basis of contention is resolved maturely. Long term conflicts are detrimental to both Pakistan and India and will eventually affect their participation in regional development. The policymakers in Pakistan must never be too impatient in engaging with India to disregard the political game that India plays at the regional and international levels and the consequences that it may face at home. Additionally, talking from the position of respect and honour is extremely imperative. India is talking to Pakistan only because of the changing systemic order and regional needs. So far, it is Islamabad that has shown a positive response to the backchannel diplomatic initiative. India still needs to show some ownership of the process if not willing to engage on equal levels. Despite Pakistan's expression and intent to engage, India's averseness to peace has been visible in its recent conduct. Therefore, the roadmap to normalisation of ties with India requires addressing core defects in bilateral relationship to move forward.

Policy Suggestions

1. Discussion on IIOJK is of utmost importance because without its resolution, reconciliation, and normalisation of the relationship between India and Pakistan is not possible. Laws imposed arbitrarily in IIOJK must be demanded consistently to be removed.
2. Pakistan must maintain its composure while dealing with India. The eagerness shown on the part of Pakistan in extending friendship from both the political and military leadership is premature and can be misread. Pakistan must decide on the status of India: whether it is a friend an adversary.

3. Dialogue is a good method through which Pakistan should first assess the seriousness of India on taking forward the engagement. Pakistan needs to talk less and assess more on the realistic scenario at present.
4. What is Pakistan's Kashmir policy and what does Pakistan seek to achieve from engagement with India? Indian policy in Pakistan should be well-thought upon and a coherent diplomatic approach via international campaign must be carried out to build a stronger narrative on this policy.
5. A formal engagement with India should only be reached when Pakistan has attained something concrete alongside that serves its national interest. There are no low-hanging fruits. Pakistan needs to assess the seriousness of India on engagement with Pakistan.
6. Initiatives such as the Kartarpur Corridor and religious relaxations must be pursued to build confidence and understanding among the two sides.
7. People-to-people communications and cultural and educational openings can also help bring both countries closer, which will eventually have positive results.

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PAKISTAN-INDIA SECURITY DILEMMA AND THE ROLE OF EXTERNALITIES: AN INTERPLAY OF REALISM AND LIBERALISM

MAIDA FARID*

Abstract

Ever since the independence of India and Pakistan, the relationship between the two countries has been marred by wars, cross-border skirmishes, and human rights violations in the Indian Illegally Occupied Jammu and Kashmir (IIOJK). The hostile relationship between the two nuclear powers is seen as a threat to regional security. Power politics and investment of both countries in enhancing their respective defence budgets have been the main underlying causes of the prevailing security dilemma between the two states. The security of one means insecurity for the other and this assumption is based on both conventional and non-conventional security threats. This paper intends to understand the concept of security dilemma in the context of India and Pakistan under the theoretical framework of realism and liberalism. In doing so, the paper aims to look into the threats posed by both countries and viable solutions necessary to mitigate the security dilemma. It also covers the role of externalities, i.e., the United Nations and the United States in dealing with the situation, particularly about the Kashmir dispute.

Keywords: Security dilemma, bilateral dispute, Pakistan, India, external actors, realism, liberalism

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Introduction

Since the bifurcation of the princely state of Jammu and Kashmir in October 1947, Pakistan and India have had an unstable relationship marked by wars, cross-border skirmishes, and human rights violations in the Indian Illegally Occupied Jammu and Kashmir (IIOJK). Kashmir has been a zero-sum case for both dominions, directly challenging their basic ideologies.¹ Considering India as a secular state and Pakistan as an Islamic state, legitimisation of one has inevitably been perceived as invalidation of the other. A Kashmir under Pakistan would be an anathema to Indian secularism as it challenges the very idea of the successful integration of all religions, ethnicities, and minorities. Therefore, both countries rely on what could be referred to as a '*mini-max*' strategy, which entails that at minimum, both states seek to retain the area that they currently administer, and at maximum, they aim at taking wholesome control of IIOJK in its entirety.² Pakistan and India have fought three wars since its independence in 1947-48, 1965, 1971, and 1999. This hostile history of the two nuclear states continues to pose a serious threat to regional peace and stability.³ For years, Pakistan and India have been pushing each other to alter their positions on Kashmir but their continued disagreement has kept the tensions growing and on a constant boil. Considering the nuclear capability of both countries, their constant tussle over outstanding issues remains a challenge for their neighbouring countries, in addition to being an imminent threat to regional stability.

In addition to wars and near misses in the past, India and Pakistan have also struggled to maintain healthy diplomatic ties with each other, with each country trying to undermine the other to gain international support. Scholars believe that the continuous threat, doubtful motives, and prevalent mutual mistrust have kept both sides wedged in a security dilemma.⁴ Therefore, most of the scholarly work on the India-Pakistan relationship has been done through the

theoretical lens of realism. However, it is also important to consider that both countries at different points in history tried to come to a more liberal understanding of their issues as well. Irrespective of the success or failure of the approaches adopted by both sides, their relationship reflects an interplay of realism and liberalism. Realism remains the dominant theme in existing discourse. This paper discusses how these two theoretical understandings (i.e., realism and liberalism) encounter each other in the context of India and Pakistan and their seemingly unending tensions.

Security Dilemma: A Realist Understanding

Security Dilemma was introduced by John Herz in 1951, mainly as a realist idea. Many other scholars later added to the understanding of the concept. Herz considered 'fear' as the key instigator of conflict between different states, thus, creating a security dilemma.⁵ Based on the work of Butterfield (another pioneer in the field) Morgan suggested that security dilemma arises when one body of decision-makers fails to understand that their actions of strengthening the security can be perceived as a threat by the other body and, thus, strengthening security and arms build-up of one can induce threat and fear in the other.⁶ This is what Booth and Wheeler termed as the 'dilemma of interpretation' and 'dilemma of response', which turns into an action-reaction cycle where the security of one breeds insecurity of the other and the trends keeps on going in a spiral fashion.⁷ This understanding of the security dilemma is reflected in realism. According to realism, "In an anarchic domain, a state of war exists if all parties lust for power. So too, however, will a state of war exist if all states seek only to ensure their safety."⁸ Realism has always been at the core of the India-Pakistan relationship, where both countries pursued actions for victory and sovereignty over their territorial claims. At the very basic level, it is a territorial conflict driven by the urge of each state to expand. The underlying causes or

intentions are often not studied under the ambit of realism. So, as Walt suggests, it is either lust for more power or to seek safety. The intentions always remain vague to the other state, thus, causing a security dilemma. Robert Jervis explains the *security dilemma* in a somewhat similar fashion stating, "When a state increases its security, it decreases the security of the other." Jervis in his article, *Cooperation under the Security Dilemma* discusses how it is common for states with compatible goals to go to war. In the case of India-Pakistan rivalry, Kashmir is the compatible goal between the two states, for which both countries are open to considering the option of war. Jervis extensively focuses on defence-offence capabilities and their role in a security dilemma. He suggests that if a situation favours defence capabilities, even a small country can defend itself effectively. He places military capability at the heart of the security dilemma in contrast to realism which focuses on states' urge for power. This assumption discredits Jervis's analysis to fit in with structural realism.⁹ However, Pakistan and India seem to be failing in achieving a defence-offence balance to reach a more viable military cooperation.

Security Dilemma and Neo-liberal Solutions

Cooperation in times of anarchy is an idea proposed and propagated by neo-liberals. Neo-liberals argue that cooperation attained through engagement is sustainable as it generates benefits for all the parties involved in forming a complex interdependent regime between two or more states. The positive outcomes minimise the selfish tendencies of the states involved. Neo-liberalism concedes with realism in acknowledging the world to be anarchic but, at the same time, it proposes more liberal solutions to overcome the anarchic nature of the world by prioritising economic welfare over national security of a state. This endorses the idea that the stronger the economic ties of a country with another state, the more the countries have at stake if there is any conflict. This is an inside-out neo-liberal

approach.¹⁰ According to the neo-liberals, it is possible to build peace and cooperation if the regimes assure each state that their absolute gains would be achieved.¹¹ As transnational interdependence increases, it compromises the state's position as a dominant actor. It provides a lens to look outside military solutions and to consider non-military mechanisms that do not require enhanced military capabilities (that could lead to a possible security dilemma).

The applicability of neo-liberalism can be seen in terms of several regimes and treaties signed between India and Pakistan in the past, to name a few: the confidence-building measures (CBMs) and trade agreements including the South Asian Free Trade Area (SAFTA) and SAARC Preferential Trade Agreement (SAPTA), and Turkmenistan–Afghanistan–Pakistan–India Pipeline (TAPI).¹² The trade regimes develop a life of their own, they survive despite conflicts and wars in the region because of the vested interest of parties involved in the conflict. Indus Water Treaty (IWT) is one example where the agreement survived two wars and a long period of the cold war between India and Pakistan. In this case too, both the countries had their stakes involved in sustaining the treaty.¹³ Therefore, the neo-liberal understanding convinces one to believe that liberal institutionalism, in the form of regimes and CBMs, has a spill-over effect on long-lasting and sustainable peace.

However, realists do not believe in the notion of international regimes developing a life of their own. They propose that the international regimes fall prey to *realpolitik*.¹⁴ Realists put forward the example of SAARC which has not been able to play a substantial role in the peace and development of the region. The key factor for the inefficiency of SAARC is the lack of trust of Pakistan and India in the organisation. The power politics between the two countries have had negative repercussions for the entire region. Realists also highly criticise the much-celebrated IWT, contending that such treaties should have been capable of putting an end to wars, which is not the

case in the India-Pakistan scenario. Realists criticise the liberals to be excessively idealistic and naïve.¹⁵ It is an evident reality that India and Pakistan have not been able to execute any of their liberal solutions to their realist problems without indulging in the cycles of mistrust and doubts about each other's intentions. Both countries fear landing in a disadvantageous relationship with each other. India gaining more out of an agreement means a further economic disadvantage for Pakistan, whereas, in the case of Pakistan, India fears that revenues generated by Pakistan through these regimes may be used to strengthen its military capabilities and consequentially heighten the insurgency in Kashmir.¹⁶

In addition to trade and energy regimes, Pakistan and India are signatories to agreements like the Tashkent and Simla following the wars of 1965 and 1971, respectively. Later on, in February 1999, *Lahore Declaration* was signed. Under this agreement, 'a mutual understanding was reached towards the development of atomic arsenals and to avoid accidental and unauthorised operational use of nuclear weapons.'¹⁷ But soon after the Lahore Declaration, the Kargil war started which lasted for two months, three weeks, and two days and further deteriorated the relationship between both countries. The year 2001 and 2002 mark the period of intense military standoff between India and Pakistan. Despite the diplomatic efforts at the international level to mitigate the situation, the military mobilisation remained in place with the prevailing threat of another war between the two countries. However, on 25 November 2003 India and Pakistan agreed on a comprehensive ceasefire which marked the first formal truce between the two armies since the outbreak of militancy in Jammu and Kashmir.¹⁸ However, a critical realist analysis of all these liberal regimes and measures reveals that irrespective of the intentions and efforts put in by different governments in both countries, the hostilities and tensions between the two did not come to a halt. The hawkish behaviour has prevailed despite measures including

increased trade and the signing of bilateral agreements. Thus, the collective security concept presented by liberals, or as Barry Buzan calls it, the need for a Regional Security Complex (RSC) does not seem to be persistent in the context of India and Pakistan. The very features of the security complex presented by Buzan are durability and relative self-containment.¹⁹ Whereas in the present context, the historical, as well as the contemporary relationships between both countries, have a hawkish outlook. And the continuous interference and meddling of India at territorial and institutional levels in its relationship with Pakistan nullifies the idea of a security complex. Also, the unilateral escalations of a bilateral dispute often fuel the bellicosity not only at the state-to-state level but also between the masses of the two countries.

Assessing the liberal claim of democratic peace thesis, i.e., 'democracies do not go to war', in the Pakistan-India context, it seems challenging to fit both countries into the given framework with the illiberal nature of their democracies. In Pakistan, these illiberal components are more evident especially with the history of four eras of military rules, i.e., under the governments of General Ayub Khan (1958-1969), General Yahya Khan (1969-1971), General Zia ul Haq (1978-1988), and General Musharraf (2001-2008). This makes a total of three decades of military rule in Pakistan. However, during civil governments, there seems to be an over-arching military presence in governmental affairs which makes the democratic credentials of Pakistan questionable. Whereas in India, the dominant illiberal elements may not be very evident but they contribute substantially to the anarchic nature of the dispute. A relevant instance of the said is the one-party rule in India for 30 years which was later challenged by other emerging parties like the Bhartiya Janata Party (BJP). The Indian democratic system is highly contaminated with the caste system and religious binaries which gives rise to authoritarian enclaves. One of the important intra-state dynamics is the way political support is gathered

before elections by using the Kashmir conflict as the primary tool. Kashmir is used to generate anti-Pakistan sentiments among the masses. When in power, these parties cannot deflect from their anti-Pakistan policy because it always backfires. These intra-state dynamics are a key determinant in understanding the complex inter-state relationship between the two countries.

In the recent past, India accused Pakistan of involvement in a terrorist attack in Pulwama. This was followed by the former violating the territorial integrity of Pakistan by intruding into its air space on 26 February 2019, claiming to have hit a 'terrorist' hideout. The very next day, Pakistan shot down two warplanes of India in Azad Jammu and Kashmir (AJK) near the Line of Control (LoC) when India again intruded Pakistan's airspace. India justified these invasions as pre-emptive measures. However, these military exchanges between the two nuclear states put not only endangered regional but also global peace. Yet, amidst this anarchic atmosphere, Pakistan released the Indian pilot Varthaman Abhinandan whose plane was shot down on 27 February. Although this goodwill gesture was appreciated globally, instead of acknowledging the gesture, India continued with its unjustified use of force with the abrogation of Article 370 of the Indian Constitution and consequent implementation of a curfew in the IIOJK.

The aforementioned series of incidents reveals a clear pattern of continuous enmity, mistrust, and fear of attack (leading to pre-emptive military measures) more than a liberal relation driven by trust, cooperation, and amity. Therefore, the Pakistan-India relationship is more of an insecurity complex than a security complex. And as suggested by Buzan, such dynamics of (in)security complexes define and shape the security dilemma in a region.²⁰

Liberal Institutionalism and Security Externalities

To minimise the security dilemma between states, liberal institutionalists suggest that international institutions can play a vital

role in bringing peace to the region.²¹ While exploring security in a regional context through the conceptualisation of Regional Security Complexes (RSCs), Lake and Morgan emphasise the importance of 'security externalities'.²² Security externalities are defined as the forces that mediate and bind the members together. This seems to be true in the case of the India-Pakistan relationship considering the involvement of externalities, i.e., the UN and the US from the very beginning of the conflict. However, even after more than seven decades, both of the aforementioned externalities appear to have failed in binding the states together, resolving disputes, and bringing peace to the region. India took the Kashmir dispute to the UN in 1948, after which the Security Council devoted several sessions to look for a mutually acceptable resolution of the issue. The Security Council suggested a plebiscite to be held in the contested valley to which both states agreed.²³ However, despite the willingness for a free and impartial plebiscite, both countries could not agree on ensuring arrangements that required them to withdraw their forces from the IIOJK. The UN resolution provided that a Commission would ensure its presence in the disputed territory for a fair plebiscite when the parties to the conflict had made the said arrangements.²⁴ But all efforts came to halt when India and Pakistan showed reservation over the Commission.

Role of Externalities

The role of the United States as a facilitator has been noteworthy over the decades. Neither realism nor liberalism seems sufficient to explain the US engagement in the past seven decades. At the beginning of the conflict between India and Pakistan, the US did not want to engage itself with interstate politics due not only to a lack of expertise about South Asia but also the cold war. However, given the strategic geographic location of Pakistan and the Soviet invasion of Afghanistan, it became evident for the US that a conflict between

two states could lead to a full-blown war, which would not only disturb the region but would also provide the USSR space to expand its presence and influence in the region.²⁵ Given these historical events and American concerns at the time, a very realistic goal of attaining power and dominance over the Soviets was attached to what can be seen as a liberal act of intervening between two hostile neighbouring states to tune down the conflict.

Conversely, the post-cold war era presents a different picture as America's Kashmir policy seems to be driven by its interests in the region. The alliance between Pakistan and the US is of complex nature which does not fit entirely in either the framework of realism or liberalism. Realists categorise alliances into different types, based upon hard and soft balancing.²⁶ According to Schweller, in the Pak-US alliance, the act of balancing could be in the form of bandwagoning, buck-passing, distancing and appeasement. These approaches are passive and avoid any kind of direct conflict with the party in power. To Schweller, the idea of omni-balancing, regional balancing, leash-slipping, and hedging seems unrealistic as it is more assertive and aggressive.²⁷ The reason is the centrality of non-state actors in the post-cold war era. However, Walt argues that Pakistan resorted to hard balancing against the US by conducting a nuclear experiment and becoming a nuclear state.²⁸ This is true as Pakistan changed its outlook for the world by rising as the first Muslim nuclear state of the world. Whereas, in liberal understanding, the alliance cannot be justified because the liberals strictly define alliances to be between two democracies. However, in this case, there seems a lack of liberal understanding which could explain the Pak-US alliance and cooperation. Given liberal values, cooperation between states is defined as promoting democratic values, peace, and integration.²⁹ At face value, these claims of liberalism seem to be fitting in the framework, but they hardly do, as the Pak-US relationship has been strongest in the eras when Pakistan was under military rule. This very

fact nullifies the claim of cooperation between the democracies for the enhancement of democratic values.

Over the years, the US has been able to maintain close ties with both countries and there has been no direct intervention by the US vis-à-vis Kashmir question and the conflict between India and Pakistan. In the post-cold war period, Bill Clinton's administration was initially sympathetic towards Pakistan regarding the Kashmir dispute but over time and with a misplaced sense that Pakistan was supporting the Taliban and was involved in transnational terrorism, made the Pak-US ties uneasy. The 9/11 bombings brought the biggest trial for Pakistan. In the post-9/11 world, the US started seeing Pakistan as a safe haven for terrorists and resultantly increased pressure on Pakistan to root out all militant groups from the country.³⁰ Pakistan became trapped between international pressure and national and regional security. The crackdown on these militant groups and implementing a ban on them resulted in increased terrorist activities inside the state which made Pakistan vulnerable to intra-state as well as inter-state threats, simultaneously. However, the US has repeatedly asked Pakistan to *do more* despite the decade-long war on terror.

Marginalising Pakistan on the one hand, the US extended its diplomatic relationship and alliance with India. India and US in the post-cold war era have emerged to be strong allies and bilateral trade partners. According to the 2018 statistics, India is the ninth-largest trade partner with the US with a total investment of \$87.9 billion. India has also strengthened its relationship with the US in the fields of science and technology. The US shares a more liberal relationship with India as compared to Pakistan. However, there is a realist dynamic to this alliance, i.e., the enmity of both countries towards China. China is considered a primary security threat to India, and it is a strategic competitor for the US.³¹ The growing common interests of India and the US are a grave concern for Pakistan. Because these interests and common goals make their collaboration more prolific in the security and strategic domain. India has become an asset for the US, whereas

the US sees Pakistan as a liability in most cases. The patronage from a superpower makes India an exceptional case as Pakistan seems to be continuously struggling with the balance of power. India's strong ties with global powers have made Pakistan more vulnerable and put it at a disadvantage to take a strong stand for Kashmir and to bring global attention to Indian atrocities and human rights violations in IIOJK.

Conclusion

It is difficult to understand the security dilemma between India and Pakistan solely in terms of traditional security or through a single theoretical lens. To have a better understanding of historical events and contemporary dynamics it is crucial to study the role non-traditional actors play in creating and defining dynamics of the security dilemma and how inter-state relationships are not independent of intra-state or domestic political structure, civil-military relationships, and peace and stability within the state. Can peace be achieved by increasing nuclear arsenals and other military capabilities to achieve the balance of power between two countries (as realism suggests) or strengthening liberal institutions (regional and international organisations, e.g., SAARC and the UN) can be instrumental in building a friendly relationship between the two bellicose neighbours? The available evidence supports neither of the thesis. There have been treaties and trade regimes in the past between India and Pakistan most of which failed to achieve any long-term goal. At the same time, external powers other than regional institutions have a key role to play in bringing the two bellicose nuclear neighbours on common ground. Kashmir presents a case of the most volatile regional dispute which poses a threat of nuclear war, thus, expanding its horizon from regional to the global level. So, the global institutions must play their role in mitigating tensions to end the endemic insecurity and instability in the region. There is also a dire need for both countries to engage in bilateral dialogues, of which India has always been the advocate but fails to walk the talk.

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SINO-INDIAN COMPETITION IN THE MALDIVES: IMPLICATIONS FOR REGIONAL SECURITY

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Abstract

Small island states that are strategically located especially along the lines of communication of energy resources often find themselves in a competition between great powers. The Maldives is no exception to this as it has seen both China and India compete for exerting influence over the state. In the recent decade, The Maldives has become an integral part of China's Maritime Silk Road which threatens Indian hegemony and interest in the South Asian region. This paper aims to uncover the diplomatic relations of the Maldives with both the states until now, understand the implications on each other as well as regional security and work towards finding areas of possible cooperation between China and India.

Keywords: *The Maldives, India, China, regional security, competition, cooperation, South Asia*

Introduction

The Maldives, a famous holiday destination, is a small island state and an archipelago consisting of 26 atolls, that spreads around 800 kilometres vertically and 130 kilometres horizontally. The 26 atolls encompass a total of 800 islands, out of which Male is the capital of the state. The state formally gained independence in 1965 from the British Crown after ceasing to be its protectorate. The Maldives is an integral

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member of the South Asian Association of Regional Cooperation (SAARC) and a strategically significant state for South Asia as a region with special emphasis on the Indian Ocean. Historically, the small island state enjoyed relations with many neighbouring and international states, and since the cold war has been strategically valuable. It had an important military base of the British known as the 'Gan' base which both the US and USSR had wanted to use various times but were denied access.

Similarly, the positioning of the small island state is optimal with the 'Strait of Malacca' and in between the 'Gulf of Hormuz' and the 'Gulf of Aden', it lies amidst strategic oil transportation and trade routes. The area has been of geostrategic importance to the great powers of South Asia such as India, the regional hegemon, and China, the regional influencer.¹

The Maldives' geostrategic location interests both India and China. It is strategically located in the Indian Ocean, allowing China to counter Indian dominance while also advancing its global military goals. In the last decade, China made the Maldives an integral part of its strategy in the Indo-Pacific region and has tried time and again to extend its influence to the small island state diplomatically and via economic assistance.² Historically, India had enjoyed better relations with the Maldives but its coercive role in South Asia and aversion to making SAARC work had made it somewhat unpopular. China's foreign policy saw the Maldives as a key component of consolidating its interests in the South Asian region, with hopes of promoting regional peace and stability and adding to the credibility of China's 'peaceful' rise to prominence.³ However, the growing Chinese influence seems to spell alarm for regional security as it not only raises Indian apprehensions but receives a significant amount of US attention as well. Neither the US nor India want China to have increased influence over the Indo-Pacific region and extend its 'string of pearls' strategy. Contemporarily, the Maldives has become a key

battleground for Sino-Indian competition and at the same time enjoys substantive relations with not one but both the states.

This paper aims at understanding the relations of the Maldives with both India and China in the recent past and highlights areas of competition between the two. Towards the end, it explores its regional implications in South Asia and the possibility of 'Chindia' cooperation in the Maldives. The term 'Chindia' refers to both India and China together, this portmanteau was coined by some scholars after the meteoric rise to the global arena by these Asian giants.⁴

China-Maldives Relations

China's ties with the Maldives began late because primarily the state held no immediate importance for the Chinese in its independence in 1965. The relations between the two started in October 1972 and slowly deepened in recent times due to China's growing influence in the region. The relations took a turn to prominence only in the last decade where in 2013 China had increased its economic assistance to the Maldives to \$15.4 million, established direct flights between the two states, and offered various scholarships for higher education to its citizens. The first Chinese embassy in the Maldives was opened in 2014 and China announced that the relations between the two states would become an example of how large and small states could ideally interact. There are various trade agreements and economic ties between the two states, marked primarily by the 2015 Free Trade Agreement between the two claimed by China to benefit the common fishermen in the Maldives.⁵ The two states also signed certain military assistance agreements and joint training. China had expressed its desire to build a military base in the state but decided against it to not threaten India and the US which were also security partners of the Maldives.

The most significant and impactful areas of Chinese-Maldives relations were climate change and tourism. Both fields were integral to

the Maldivian foreign policy and diplomatic relations. The Climate Change Policy Framework in the Maldives states that the country would aim to establish better diplomatic and trade relations with states that not only respect the Maldivian cause for climate change advocacy but also help the state improve its survival capacity against the climatic threat. China provided the state not only with economic assistance but also with increased technological help to improve its infrastructure and economy against the threat of the climate. This was further consolidated when China helped build the 'city of hope', the Maldives' first man-made city to symbolise the resilience and perseverance of the state against climatic change.

On the other hand, tourism accounts for nearly 70 per cent of the Maldivian economy, China established better relations with the state by helping develop its tourism industry. China not only created the 'China-Maldives' friendship bridge to link Maldivian islands but a sizeable portion of tourists to the Maldives are also from China.⁶ In addition, China helped develop the capital cities and the tourist attraction islands in the Maldives to help it generate more revenue. In the wake of the Covid-19 pandemic, when the Maldivian economy was struggling to make money due to lack of tourism, China came to the rescue of the state. The Maldives is very important for China's Maritime Silk Road (MSR) and over the last decade, China has tried to consolidate its interests in the state through a multi-faceted diplomatic approach.

India-Maldives Relations

The Maldives and India have enjoyed historical relations that date back to pre-colonial times. In 1965, when the Maldives got independence from being the British Protectorate, India was one of the first countries to establish diplomatic ties with it. Historically, the Maldives had an India-first foreign policy, where it considered the regional hegemon's approval before making certain decisions. An

example of this can be the refusal to let the US use the Gan base as it would have thrown the regional security of South Asia off-balance. India also helped the Maldives handle a coup against the then president Maumoon Gayoom in 1988.⁷ The warm relations that had been maintained over the decades weakened in the last five years and then surged again. With the new President Yameen terminating the \$500 million contract with India, tensions between the countries increased. They further sank when India refused entry to a member of the Maldivian parliament wanting to visit the country for a health check-up and the Maldives began to deny Indians work in their state, proudly advertising 'Indians need not apply'.⁸ Yet, India understood the importance of the Maldives for the regional security of South Asia and the Indo-Pacific region.

Political instability in the Maldives has, to a large extent, influenced the relationship between the two states as well. However, since 2019 and especially in 2020, the relations between the two states have significantly improved. In August 2020, India offered \$500 million in aid to the Maldives once again and proposed a connectivity project.⁹ They aimed to link two neighbouring islands to the capital island of Male via an over sea road in hopes of better connectivity and improving development and infrastructure in the neighbouring islands.¹⁰ The investment in connectivity projects that India proposed is much larger than the Chinese ones.

India has also worked with the new government to mitigate political instability in the Maldives as well as to keep a check on terrorism in the state. Better relations with India were to open a better and more stable South Asia, where the Maldives expects India to play a more benevolent role in SAARC. Similarly, the Covid-19 crisis saw India extending aid, health facilities, and other important requirements to the Maldives which improved its ability to tackle the virus. India, too, has begun to invest in environmental development in the Maldives to win over their favour and has adopted a policy of 'neighbours first' in

the case of the Maldives.¹¹ In the past year alone, various researchers have noted a shift in the Maldivian foreign policy inclining towards an 'India first' notion once again and bilateral ties between the two states have improved significantly.¹²

The India-Maldives-China Triangle

For more than four decades since its independence, the Maldives was under the Indian sphere of influence. But recently China-India competition in the Maldives has started to emerge. However, the 2018 elections proved to be a turning point for China's position in the ocean. The victory of Ibrahim Mohammed Solih, a pro-Indian candidate, proved to be a victory for India. Alongside the shifts from presidents to presidents, the Maldives also faced bloc shifts with every president. The Maldives had an 'India First' policy during Mohamed Nasheed's term and pro-Chinese policy during Abdulla Yameen's tenure in which President Xi Jinping visited the Maldives resulting in Sino-Maldivian relations growing stronger. As part of the trade and infrastructure initiative, Chinese investment proved beneficial for the island as it funded the up-gradation of the airport, resorts, land recovery projects, housing, and roads infrastructure. Moreover, due to a \$373 million loan for up-gradation of the Male airport from the Chinese Exim bank, the Maldivian contract with the Indian company was cancelled.¹³

Additionally, China succeeded in the construction of the China-Maldives Friendship Bridge as well as housing projects of over 7,000 homes that cost about \$210 million.¹⁴ Apart from this, a neighbouring island to the Male airport has been leased to China for 50 years. The Chinese infrastructure as well as Feydhoo Finolhu Island being leased to China is of concern to India because they fear that this will not only strengthen China's economic presence in the region but will also lay a foundation for Chinese military installations such as airfields, naval bases, and observation ports.

The Indian fear is justified as the Chinese control is growing over the Hambantota Port in Sri Lanka and also due to a new naval base in Djibouti. Like Sri Lanka, the Maldives has also leased out several islands to China which could be used as part of the military element of China's 'String of Pearls' strategy to encircle India and counter its influence.

Moreover, if Nasheed, who was exiled, comes back to power, it will prove to be a threat to China's economic and strategic interests under the Belt and Road Initiative (BRI) in the Maldives. He has been strongly against Chinese influence and accuses the current president of opening the gates to Chinese investments with little or no transparency.

Apart from this, in the contemporary Covid-19 crises, India has been efficient in helping the countries in the Indian Ocean to counter the growing Chinese influence. To maintain its upper hand in the Maldives as compared to China, India sent Covid-19 vaccines to the Maldives, which included it in the first countries, along with Bhutan, to receive the vaccines from India. As a gift from India, a shipment of 100,000 doses of vaccines was received by the Maldives government.¹⁵

Implications for Regional Security

The Maldives has good relations with both China and India, but it leans more towards India for support because it has a considerable influence on regional security and stability.¹⁶ The dynamics of engagement with the two states are, of course, on different terms. With India, the Maldives is dealing with the regional hegemon and a direct neighbour in South Asia, one that it has had historic ties with for most of its political history. On the other hand, with China, the Maldives deals with the regional influencer that is an external power looking to rise to importance. China sees the Maldives as a component of consolidating its efforts towards the MSR and the String of Pearls strategy. Both states engage the Maldives from

different perspectives, while China is seen as caring little for the quality of government and political unrest in the state, India is perceived as looking towards stabilising a neighbour and saving it from exploitation at the hands of China.

The competition between the two states increases regional tensions, especially when it has been backed by the US, as seen in recent years. China had successfully managed to influence South Asian states, such as Pakistan, Sri Lanka, the Maldives, Bhutan, and those in South East Asia by what is often referred to as the 'Dragon's Charm Diplomacy'.¹⁷ China is successfully making itself more popular in the Asia-Pacific, which spells trouble for not only India but the US as well. China has been trying to incorporate these littoral states in the Indian Ocean and India's neighbours through the BRI as well as its String of Pearls strategy. This has led to India becoming more unpopular in South Asia.

India has noticed China's growing influence in the region and effectively tried to counter it. This had been helped by the US too, as both signed new military agreements with the Maldives and the state backtracked on its Free Trade Agreement with China. India puts forward a front of a concerned neighbour for the Maldives where it fears that the state will fall prey to the 'Chinese Debt Trap' as Sri Lanka did with one of its ports.¹⁸ In 2018, India had given the Maldives around \$1 billion to repay Chinese loans, because around 45 per cent of the Maldivian budget goes into repaying Chinese loans.¹⁹ India could not afford something like what happened to Sri Lanka to happen in the Maldives, for the state is located far too strategically for that to happen. Hence the two states are trying to counter each other's influences, whilst the Maldives continues to get increased aid from both for better development and infrastructure.

Implications for the United States

In the contemporary world, the rivalry between China and the United States is evident. This rivalry has intensified US engagement with the Maldives as China's growing presence and influence in the littoral states is of immense danger for the United States. For many years, the United States has been keenly observing China's activities in East Asia and its provocation in the South China Sea threatens the interests of the US partners and allies. China's provocation along the Indian border in Ladakh and opening a Chinese military base in Djibouti compelled the US to realise the geostrategic significance of the Maldives.

Consequently, in September 2020, the US signed a new defence framework agreement with Male. Later, the Trump administration announced the establishment of its first US embassy in the Maldives. The US also stepped forward for maritime cooperation with Male including assistance of approximately \$11 million since 2018.²⁰ In addition, any investment by India for influence building in the Maldives is also looked at by the US as a positive gesture. The Maldives has also given opportunities to the US to start projects to counter-balance China. These include 'Development Finance Cooperation' and 'Blue Dot Network' to build transparent and effective infrastructure in the region which were established by the Trump administration.²¹ The early part of the term of the Biden administration largely focused on Afghanistan, so the US secretary of defence only called the Maldives Foreign Minister to strengthen their relations which will help pursue the common interests in the Asia-Pacific region.

Moreover, the interests of the United States in the Indian Ocean—clearly declared in the US Indo-Pacific strategy—mainly revolves around controlling the Strait of Malacca which can be blocked and used against China in any case of escalation of disputes in the South China Sea or an arms confrontation with China over the issue of Taiwan.

Possibilities for 'Chindia' in the Region

Although both India and China are aggressively competing for exerting greater influence in the Maldives, theorists often ponder upon the ability for cooperation between the two in the region. The possibilities for cooperation between the two are on the following fronts:

1. The two states could come to terms with the fact that competition will make the small states warier of hegemony. India could help the Maldives improve its economy through training of human resources, better technology, etc. while China can offer economic assistance to help improve the infrastructure of these states. This will help promote growth in the region whilst the Maldives gets to enjoy equally favourable ties with both states.
2. Since both states are interested in economic and energy security as well in protecting the Sea Lanes of Communication, developing the economy of the Maldives will be beneficial to both India and China as it would not only open new markets for the two states but also help make transportation of energy resources effective and safe in the region, increasing the economic integration of the region.
3. Climate change is a cause of concern for both India and China. However, for the Maldives, it is a matter of survival. Both the states are part of international climate agreements and negotiate with the Maldives to improve regional climate and make it safer for those who live in it. China and India have great potential for using science and technology alongside research and development to help the Maldives at regional and international levels as well as improve their own climate change situations.
4. Terrorism is one of the main problems of the globalised world in the 21st century and India and China are not new to facing

this threat. The growing threat of Islamic extremism in the Maldives is not only a cause of concern for the peace and stability of South Asia but also for the trade and tourism of the Maldives itself. If the state is plunged into instability, the efforts of China and India to develop it for their own interests would go to waste. Hence, both can cooperate to mitigate the threat of terrorism in the region.

Conclusion

The growing competition between China and India in the Maldives is a cause of concern for regional stability in South Asia and the Indo-Pacific. Although both states have justifiable goals in the Maldives and solids reasons for the discontent towards one another, the competition between the two is neither good for the economy of the region nor for that of the littoral states in the Indian Ocean. This also shows that the small island state of the Maldives has the potential of influencing the regional dynamics of South Asia. The developments in the relations of both India and China with the Maldives help one to understand the political relationships of large states with smaller ones, especially ones that are strategically located. This paper examined the opportunities for cooperation between the two powers in the Maldives that would improve the regional economy and security in South Asia. A cooperative approach could help both states achieve not only their own goals but bring the region prosperity as well which will indefinitely serve them well in the long run. Moreover, India has a better chance of gaining the support of the Maldives in the case of bloc politics in the region since it is geographically closer to India and can also produce a viable relationship. In any case, if the Maldives chooses to remain neutral, it may suffer economic consequences.

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CHINESE INVESTMENTS IN THE MIDDLE EAST AND POSSIBLE OPPORTUNITIES FOR PAKISTAN: A CASE STUDY OF OMAN

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Abstract

Over the last few years, Gulf countries have been increasingly engaging with China primarily because the latter is fast emerging as the world's leading economy. China's rapid economic growth has necessitated an aggressive pursuit of much-needed natural resources. Beijing's multi-billion Belt and Road Initiative (BRI) focuses on enhancing connectivity through both diplomatic and economic activity and thus is a conduit for consolidating trade and commercial relations between China and the countries in the Gulf. To a substantial degree, Chinese ventures in the Gulf focus on energy, infrastructure, construction, agriculture, and finance. The China-Pakistan Economic Corridor (CPEC)—which is the flagship project of China's Belt and Road Initiative (BRI)—has the potential to noticeably increase bilateral trade and investment between China and the Gulf countries. Due to the ongoing economic glut in both the Gulf countries and Pakistan, Chinese investments provide an ideal opportunity for helping revive the Covid-19 hit economies of both regions. Focusing specifically on Oman's Vision 2040, a Middle Eastern country with which Pakistan needs to enhance its economic engagement, this paper gives a brief overview of Chinese investments in the Middle East and highlights opportunities for collaboration among Pakistan, China, and the Middle Eastern countries in terms of energy and food security.

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Keywords: *Oman, Pakistan, China, BRI, CPEC, food security*

Introduction

Over the last few years, Gulf countries have been increasingly engaging with China as opposed to the US, their traditional ally. This is primarily because China is fast emerging as the world's leading economy. China's rapid economic growth has necessitated an aggressive pursuit of much-needed natural resources. Beijing's multi-billion-dollar Belt and Road Initiative (BRI) focuses on enhancing connectivity through both diplomatic and economic activity and, thus, is a conduit for consolidating trade and commercial relations between China and the countries in the Gulf. To a substantial degree, Chinese ventures in the Gulf focus on energy, infrastructure, construction, agriculture, and finance. Both sides have compatible interests in integrating the BRI into national redevelopment projects, examples of which are the Saudi *Vision 2030*, the UAE's *Vision 2021*, Jordanian *Vision 2025*, Turkey's *Middle Corridor*, Bahrain's *Vision 2030*, China-Iran Comprehensive Strategic Partnership, and Kuwait's *Vision 2035*.

Pakistan and the countries in the Middle East have friendly relations, originally established on the basis of religious affinity but now including political, security, and economic ties as well. At the same time, the China-Pakistan Economic Corridor (CPEC)—which is the flagship project of China's BRI—has global importance due to its focus on increasing linkages and connectivity. It also has the potential to noticeably increase bilateral trade and investment between China and the Gulf countries.

Due to the ongoing economic glut in both the Gulf countries and Pakistan, Chinese investments provide an ideal opportunity for helping revive the Covid-19 hit economies of both regions, particularly in areas of energy and food security. Focusing specifically on Oman's *Vision 2040*, a Middle Eastern country with which Pakistan needs to enhance its economic engagement, this paper gives a brief overview of Chinese investments in the Middle East and highlights

opportunities for collaboration among Pakistan, China, and the Middle Eastern countries in terms of energy and food security. It will aim to answer the following questions:

- What is the nature of Chinese investments in the Middle East?
- What are possible opportunities for collaboration between Pakistan, China and Oman?

Nature of Chinese Investments in the Middle East

China's BRI remains the most promising specimen of transformation in China's policies from isolation to outward ambitious endeavours. The BRI is a gigantic project focusing on amplifying linkages through both sea and land routes, concurrently cementing commerce and trade between China and the BRI associated nations. This Chinese illustration of South-South cooperation guarantees that both Beijing and partner countries will benefit from the investments.

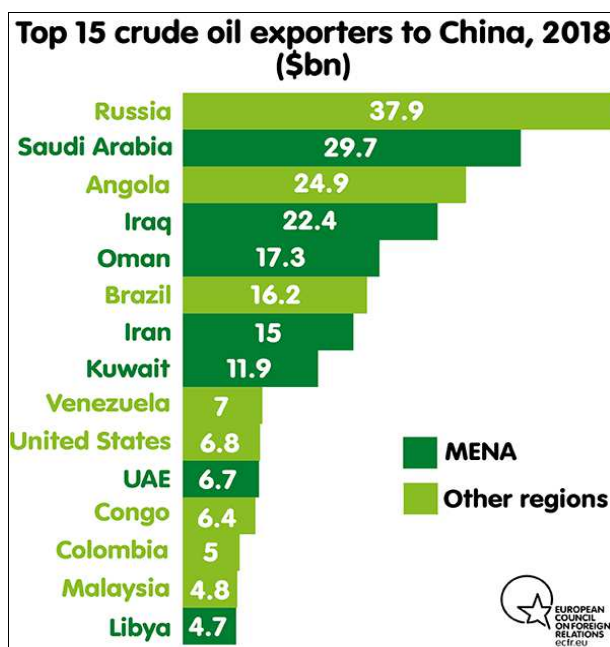
Over time, China has significantly increased its economic and diplomatic participation with countries in the Middle East, particularly the Gulf. The Gulf holds immense significance for the BRI primarily because of its ideal location at the junction of three continents as well as also at the intersection of five seas. Moreover, the region links the crucial maritime routes of the Bosphorus, Dardanelles, Bab El-Mandeb Strait, and the Strait of Hormuz.

China's approach towards the Middle East, particularly the Gulf, is based on the following factors:

- China's interests in terms of national security, economic growth, and energy needs. necessitating uninterrupted flow of oil and gas;
- Beijing's belief in economic development as essential for the maintenance of peace in any region;
- A significant shift in the US policy away from the Middle East leaving space for China to make inroads; and
- The 2008 financial crisis, shifting the focus of many countries in the Middle East towards China to seek economic investment.

By early 2020, China had entered into more than two hundred partnerships under the fold of the BRI.¹ The welcome attitude towards the BRI by its partner countries is a confirmation of the prospects the BRI offers in terms of augmented economic progress. Furthermore, the fact that Beijing refrains from all political entanglement and instead focuses its policies upon practicalities is a plus point for many countries. A case in point is the way China has always maintained rationality in the Saudi-Iran conflict. Therefore, the BRI exemplifies a new notion of regional security, based on inclusivity, contrary to the Western model which is based on reducing risks by implementing democratisation supported by military intercession if deemed necessary.

Gulf countries' harbours and commercial parks have been central to their cooperation with China. This can be seen in the UAE's Khalifa Port, Oman's Duqm Port, and Saudi Arabia's Jizan Port. In terms of construction contracts for Chinese companies, Qatar's Lusail Stadium and the Haramain High-Speed Railway in Saudi Arabia are also good illustrations.²



Regarding China's engagement with the Gulf, the energy sector continues to be the main building block. This can be seen in the fact that almost 56 per cent of Chinese investment between 2013 and 2019—amounting to over \$75 billion—in the form of projects was in the energy sector.³ Since the International Energy Agency (IEA) has predicted that China will double its oil imports from the Middle East by 2035, an increasingly upward trajectory is expected in terms of oil trade.

Covid-19 has provided a possibility for both China and the Gulf countries to showcase camaraderie. For example, at the start of the Covid pandemic, the Gulf states provided medical assistance to China. This was later reciprocated by Beijing when the virus spread in the Gulf.

Even though it was believed that decreasing oil prices concurrent with an economic glut as a result of Covid-19 could affect the performance of the BRI projects in the region, it did not happen because China successfully overcame the Covid-19 pandemic. All this said, it should not be forgotten that diverse intricacies concerning religious, ethnic, and humanitarian connotations are sure to play a significant part in determining the trajectory of the BRI in the Gulf in terms of security as well as economic and cultural exchanges.

Brief Overview of Chinese Investments in Oman

Oman Vision 2040

Amidst a dilatory state of affairs and an objective of weaning the country off of dependence on hydrocarbons, the Government of Oman introduced its national rejuvenation plan called vision 2040 (which in essence is the renewal of its Vision 2020 introduced in 1995). This Vision is expected to help stimulate the country towards a knowledge-based economy.⁴ The vision represents a set of socio-economic policies aimed at boosting tourism, modernising agriculture,

and establishing free industrial zones. In March 2021, in the backdrop of economic damage caused by the Covid-19 pandemic, the Sultanate presented tax incentives for companies, as part of an economic inducement plan to improve growth rates. The vision aims to increase Omani investment in the private sphere to 42 per cent as well as bolster FDI to 10 per cent of its GDP. A primary objective is also that non-oil sectors should contribute to 90 per cent of the GDP of the country.⁵

Chinese Investments in Oman

Over time, China has intensified its economic participation with Oman, especially in the oil sector. Currently, China is the recipient of almost half of Oman's total oil exports. In 2002, state-owned China National Petroleum Corporation (CNPC) procured 50 per cent shares in Oman's oil field.⁶ Even though oil is the dominating factor in China-Oman relations, China has slowly been expanding itself within Oman's non-oil areas as well through the BRI. In this regard, the Oman-China Friendship Association has been working to reinforce bilateral cooperation ties to increase mutually beneficial projects in different fields of economic, social, cultural, and sports arenas for the past 10 years. China has also initiated the China-Oman Industrial Park in the Duqm Special Economic Zone and it is anticipated that it will invest approximately 8.5 billion Euros by 2022.⁷ Moreover, in 2019, the State Grid Corporation of China purchased a 49 per cent interest in Oman Electricity Transmission Company. The Asian Infrastructure Investment Bank (AIIB) has also become an important fount of funding for Oman's projects. For example, in 2017, the bank invested \$239 million in Oman's fibre broadband network and in March 2020 it provided \$60 million of non-sovereign funding for Oman's Ibri-II 500MW Solar PV Independent Power Plant Project.⁸ China's FDI into Oman has grown by more than five times between 2018 and 2019.⁹

Oman's plans to transform its Duqm Port and the adjacent Special Economic Zone (SEZ) have coupled with China's BRI and

provide the Chinese companies with an ideal operating base through which to cultivate and carry out its operations in the Gulf and the wider region. Deepening engagement with China is a testament to Oman's objective of taking its economy away from dependence on hydrocarbons towards inviting FDI and expertise into the non-oil sectors. Several measures have already been taken in this regard such as the establishment of free zones which offer incentives such as tax exemptions and lower quotas for hiring Omanis. Laws that facilitate public-private partnerships and privatisation of state companies have also been introduced. An example is the Royal Decree 50/2019 which enables 100 per cent foreign ownership as well as no longer requires local participation.¹⁰ China's expansion into Oman is a mutually profitable venture as it aids Oman in realising its Vision 2040 while simultaneously helping expand China's footprint in the region.

Opportunities for Pakistan within Chinese Investments in the Middle East

In the backdrop of the Covid-19 pandemic and the dropping oil prices, the International Monetary Fund's (IMF's) World Economic Outlook report forecast economic losses of \$323 billion in the Middle East and North Africa region.¹¹ This amount is equivalent to almost 12 per cent of the GDP of the region with the major losers being the oil-exporting countries. The report also highlighted that countries dependent on energy export would suffer a loss of \$295 billion and oil-exporting countries of the region could potentially lose revenue up to \$23 billion in 2020 primarily due to the lack of demand for oil in the global market. The debt of these countries was also projected to increase simultaneously. The IMF predicted that debt would touch \$1.46 trillion for 2020 and the fiscal deficit would be higher as well. It also warned about the exacerbation of the situation due to the ongoing conflicts in the region.¹²

This unfavourable economic situation could affect millions of expatriate workers in the Middle East, particularly the Gulf, which is

host to a significant number of expatriates from South Asian countries. The social and economic cost could also be very high and reliance of these countries on food imports for sustenance could increase food insecurity coupled with increasing food prices. It has already been warned by UN agencies that due to the Covid-19 pandemic, food trade and supply chains could be impacted. Since long-term partners of the Gulf countries, such as the US and Europe, are going through adverse impacts of the virus themselves, they are in no position to help the region. Moreover, the energy market of the US has instead become a competitor for the Gulf energy market.

Chinese inroads into the Gulf countries have already been discussed. For Pakistan, the Gulf is of primary importance, especially in terms of remittances that make up almost 86 per cent¹³ of the secondary income of the country, nearly 60 per cent¹⁴ of which comes from Gulf countries. For too long, Pakistan has remained focused on its strategic ties with the Gulf countries. Only recently has there been a clear shift towards cementing economic ties.

Against this backdrop, China, Pakistan, and the Gulf countries must create a plan which can help them on a mutual basis. The Special Economic Zones (SEZs) were created in Pakistan because of the China-Pakistan Economic Corridor (CPEC) which is the flagship project of China's BRI and provides grounds for mutual collaboration. Both China and Pakistan should look towards the countries in the Gulf which can invest in the SEZs.

Various countries in the Gulf have already voiced interest in investing in the SEZs. For instance, in 2019, the UAE proposed that it would set up an oil refinery in Gwadar.

Hence, dedicated zones can be offered in this regard. The investment in the SEZs should be two-tiered: construction of SEZs and industrial development of SEZs. This would help provide much-needed momentum to Pakistan's domestic economy and help create good business opportunities for all investor countries. Alongside, good

livelihood prospects would be created for skilled and unskilled labour in Pakistan.

Another area of cooperation can be in the agriculture sector. First, Pakistan and China can look for ways to boost their scope in the agriculture sector and expand it to include the Gulf countries. Since they already have an MoU in place they can expand on it. The agriculture sector is ideal because Pakistan is home to vast arable lands, while China has the necessary technology and the Gulf countries have the required resources. Moreover, the Gulf countries are looking for quality food and concurrently Pakistan is looking for sizeable investment in its agriculture sector to modernise it. An MoU would help refine these into a win-win scheme. Cooperation between Pakistan and the Gulf countries vis-à-vis China would also help decrease reliance and dependence on the Western markets and also enhance the domestic capability of Pakistan.

Opportunities for Pakistan within Vision 2040 vis-à-vis CPEC

Even though it is the closest Arab neighbour to Pakistan in terms of proximity, not much is known about Oman, apart from military exercises. The two countries share very close ethnic, cultural, and religious ties. More than 30 per cent of Omanis share similar descent with the people of Balochistan province in Pakistan and more than 800,000 Pakistanis have migrated for work to Oman since 1971.¹⁵ Pakistan and Oman also share a maritime border—the significance of which is evident from the Gwadar port which is the linchpin of CPEC. Gwadar remained under Oman for 174 years till it was bought by Pakistan in 1958. Although not considered at the same level as its Arab counterparts, Oman portends a lot of opportunities for Pakistan in terms of untapped potential, particularly in the realms of tourism, technology, and energy. The number of opportunities for collaboration between Pakistan and Oman has increased in the backdrop of CPEC. These need to be identified and carried out expeditiously, especially in the coastal belt. Due to CPEC, Pakistan has

become an ideal linkage for the entire Gulf region, especially Oman, which is the closest of Gulf countries in terms of location. Pak-Oman collaboration vis-à-vis CPEC will also open space for the absorption of more Pakistanis into Oman. For this to optimally materialise, mutual needs have to be identified and labour welfare schemes need to be in place. It is needless to contend that Oman offers a vast variety of opportunities for collaboration between Pakistan and the Gulf, particularly in the realm of energy and food security.

Energy Security

For almost two decades, Pakistan has been facing a huge energy shortfall. Oman has already expressed willingness to invest in both the oil and gas sectors of Pakistan as well as in the SEZs of CPEC. Omani officials have recognised CPEC as a host of benefits and that through this venture, bilateral trade between Pakistan and Oman would significantly improve.¹⁶ Pakistani officials have likewise stated that through cooperation, both countries can benefit from the connectivity that is proposed under the CPEC.

Oman presently relies on China for exports in the energy sector. Thus, if it diversifies its exports to energy-starved Pakistan, Muscat will get much-needed diversification of its energy exports instead of relying on one country alone. The proposed oil city in Gwadar also provides fertile ground for Omani investments. Additionally, the SEZs in Pakistan can also play a conducive role in creating avenues for increased Pak-Oman bilateral cooperation in the petroleum sector.

Moreover, Pakistan can benefit from Oman's technical progress in the oil sector. As Pakistan is revising its infrastructure for the import of LNG from the Gulf States, Oman's venture into Pakistan can result in a win-win situation for both countries.

Food Security

Pakistan is rich in agricultural lands, however with a potential that remains rather underutilised. CPEC serves as an opportunity to optimally utilise this comparative advantage. China is already providing technical assistance and support to develop Pakistan's research capacity. It will also provide scholarships to Pakistani students as well as commence exchange programmes for undertaking agriculture studies soon which in itself would be good exposure for the students in how China ensures food security for its 1.4 billion-plus population.

The agricultural MoU signed between China and Pakistan in 2020,¹⁷ rightly focused on addressing some of the problems that the latter has been facing. MoUs are effective instruments of ensuring development and creating prospects for future cooperation only when they are fully materialised. In the case of MoUs signed between China and Pakistan, both countries must actively follow up on the commitments made. Under the existing MoU between China and Pakistan, China is to establish several agricultural research laboratories according to Pakistan's requirements as well as provide technical assistance to help enhance Pakistan's agricultural capacity. Access to modern machines will help Pakistani scientists bridge the theory-practice gap which exists in the country.

Chinese help will also enhance Pakistan's capacity to meet the necessary sanitary requirements of agricultural produce which, in the backdrop of Covid-19, will be more important than ever. This may aid Pakistan in cementing its niche in agricultural exports, especially against competitors like India which was downgraded in 2019 for using too many pesticides.

Performing agricultural activities has always been a capability limitation for Gulf countries because of arid weather conditions. However, this has never been an issue for them given that they are all capital-rich. It is important to note, however, that while the countries

in the Gulf may fulfil all markers of food security at the moment, this does not amount to being self-sufficient in terms of food. It is for this reason that these countries are heavily reliant on food imports as they realise that they might not be able to secure food because of market shortages in future. This has reinforced in them the notion that food security cannot be left to market shortages.

Oman has a rich history in agricultural activity in the south of the country as well as in fisheries. In light of the changing advancements, Oman now needs to modernise its agricultural sector. Omani policymakers are now also faced with choices between trying to expand domestic production or investing in enhancing their land and water productivity. The former will of course put a strain on the scarce resources of land and water, something Oman would want to avoid altogether. Oman's *Vision 2040* specifically focuses on finding means to address food security and agricultural problems.¹⁸

In recent years, Pakistan has emerged as a food surplus country, yet a significant number of its people are caught in cycles of food insecurity because the government has failed to fully utilise its export industry, for instance through legislation aimed at securing productivity targets.¹⁹

Pakistan and Oman make a natural partnership and are natural allies in solving their agro-based dilemmas. For instance, Pakistan produces a poultry surplus and can easily tap into the niche of the poultry market in Oman, where there is a huge demand for poultry items. Oman imports around 57.5 per cent of its poultry at the moment.²⁰ This and other areas of cooperation can be facilitated through a joint business council where each country could regulate bilateral trade between them.

Pakistan may also consider dedicating one of the SEZs entirely to food processing where Chinese food manufacturing groups can be invited to participate in value addition. Moreover, it will link Pakistan to China's agro-supply chain. Along the same lines, Omani companies

can be invited to invest in Pakistani SEZs in terms of food production. This will prove beneficial for both countries in terms of foreign direct investment (FDI), production, and export.

Conclusion

Taking into account the fact that Oman is Pakistan's closest neighbour in the Gulf as well as the special relationship that Oman shares with the people of Balochistan province, the government of Pakistan should devise a plan for a larger role in Oman's *Vision 2040*. A special joint development package to facilitate the development of aquaculture along the coastal belt could be developed. There is also a need to start ferry services that would link the entire Gulf region to CPEC. This would also facilitate the transport of trucks carrying goods from Oman to Pakistan.

It goes without saying that at an individual level, no country is in a position to revive its economy on its own. CPEC and, by extension, the BRI provide a mutually beneficial proposition for Pakistan, China, and the Gulf countries. While Pakistan would be able to not only mitigate its energy woes it will also be able to expand and secure its export portfolio to the Gulf countries in the economic realm. China will benefit also by further increasing its footprint in the Gulf region and will find new avenues to export its goods under the umbrella of CPEC. Oman is on its way to implementing its *Vision 2040* with some of the main focus areas being tourism, transport, mining, and agriculture.

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THE US SECURITY LEADERSHIP IN THE ASIA-PACIFIC AND CHINA'S COUNTERMEASURES

MUHAMMAD ABUBAKAR*

Abstract

The Asia-Pacific has emerged as the central playing field for strategic competition between the United States and China. The US is increasing its footprints in the region to contain China in its neighbourhood and not to allow it to expand its sphere of influence. China perceives the Security leadership role of the US against its sovereignty and core national interests. To neutralise the security leadership of the US, Beijing is focusing on a soft balancing approach based on its economic prowess and diplomatic tools. China is seeking ways to attract the US allies to counter the US containment policy through the Belt and Road Initiative (BRI) and regional economic initiatives such as the Asian Infrastructure Investment Bank (AIIB) and the Regional Comprehensive Economic Partnership (RCEP). This paper sheds light on the broader context of China's attempt to neutralise the Security leadership of the US in Asia-Pacific and to secure its core national interests.

Keywords: *Asia-Pacific, China, US, RCEP, competition*

Introduction

The advent of the 21st century brought with it a shift from the 'American Century' towards the 'Asian Century' and considerably enhanced the significance of the Asia-Pacific region. The Asia-Pacific

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has emerged as the central playing field for the strategic competition between the United States and China. Both the great powers are employing different strategies in the power struggle to counter the influence of each other and they have their reasons to do so.

The US is increasing its footprints in the region to contain China in its neighbourhood and not allow it to expand its sphere of influence. The US feels threatened, due to China's increasing economic and military influence. Washington is aware of the fact that China has the potential to destroy the superpower status of America and to deal with China they have adopted a hegemonic approach to tackle the increasing influence of China in the international system in general and particularly in the Asia-Pacific region. It has devised a full-blown China containment policy to prevent it from dominating the US sphere of influence and impeding the geopolitical interests of the US. That is evident from the US 'Pivot to Asia' policy developed back in 2011, which has guided American manoeuvres and policy in a region extending from the United States Pacific coast to India.

The US accelerated its efforts towards China's containment under the Donald Trump administration. Surprisingly, the National Security Strategy (NSS-2017) in Trump's era which was, initially set to be released to the public at the end of 2042,¹ revealed rare insights into how the US perceives its opponents and allies in the region. The strategy focused on strategies to maintain the US strategic edge and promote a liberal economic order while preventing China from establishing its sphere of influence through the so-called 'new-illiberal sphere of influence'. The Declassification of the National Security Strategy (NSS-2017) before time, was a symbolic effort by President Trump to put pressure on China and to accelerate its anti-China efforts in the form of an ongoing trade war, US commitment to the defence of Taiwan, and accusing Beijing of hiding the outbreak of Covid-19.

The US leadership is currently employing the hegemonic and hard military approach to challenge the rise of China. It is exploiting

the volatile situation in the Asia-Pacific due to competing claims over issues of the East and the South China Sea. The US raised the level of hostility through the revival of Quad, by approving large defence deals with Taiwan including military capacity building, security alliances in the region, multilateral exercises, and deployment of sophisticated military hardware. China perceives the security leadership role of the US against its sovereignty and core national interests. To neutralise the security leadership of the US, the Chinese are focusing on a soft balancing approach based on their economic prowess and diplomatic tools. China is seeking ways to attract the US allies to counter the US containment policy through the Belt and Road Initiative (BRI) and regional economic initiatives such as Asian Infrastructure Investment Bank (AIIB) and the Regional Comprehensive Economic Partnership (RCEP). The success of Chinese efforts can be measured in terms of its success in attracting the regional allies of the US. Beijing believes that after the integration of these states into its economic ventures, it would neutralise an all-out anti-China military alliance in the region. It is within this context that this paper sheds light on the broader context of China's attempt to neutralise the security leadership of the US in the Asia-Pacific and to secure its core national interests.

South China Sea: A Bone of Contention between Major Powers

The South China Sea spans from Singapore to the Taiwan Strait. Covering an area of 1.4 million square miles, it is composed of several islands, reefs, and rocks. The South China Sea is critical for economic, military, and strategic purposes and is rich in resources like oil and gas reserves. The competing claims of regional states like China, the Philippines, Indonesia, Malaysia, Vietnam, and Cambodia over this territory and waters of the South China Sea is making it one of the most controversial and contested regions in the world. China has asserted it as a core national interest and says that it has irrefutable sovereignty over it. The region is extremely important for the regional

and global powers including China, Japan, and the US due to its strategic location. This region has considerable importance because it is the hub of economic maritime passage from the West to the East. Around \$5 trillion worth of goods flow through these waters² and its seabed contains 11 billion barrels of oil and 190 trillion cubic feet of natural gas.³ Other than that, 80 per cent of Asian trade passes through this region, which is nearly one-third of all of the world's maritime trade.

The South China Sea has not always been in a conflict situation. However, tensions escalated when China started building artificial islands in this region and inside the Exclusive Economic Zone of the Philippines and Malaysia according to its nine-dash line plan. This claim was made by China because of the number of lines on the original map made by a Chinese geographer Yang Hua rein.⁴ The claim was rejected by the contesting parties because, according to them, it did not fall under the United Nations Convention on the Law of the Sea (UNCLOS). Since most of the Asian region was ruled by Chinese emperors, China still considers the South China Sea as its part because of its geopolitical importance. In 2016, the Permanent Court of Arbitration (PCA) issued its judgement and upheld the rights of the ASEAN claimants to their Exclusive Economic Zones (EEZs), noting that the Chinese claims had no legal basis. Even though China has at times signalled to claim the area with military power, it is not considering war as an option and itself wishes to avoid a military confrontation. China is probably going to achieve enough influence within the region to challenge and force the US out of the South China Sea. Beijing does not attempt to provoke a war with its neighbours because it would be too costly and harmful. This is especially because a war with America and its East Asian allies would not be worth the potential territorial gains. Instead, China is working from a rational viewpoint. At a similar time, it is progressively evident that China is not content with

maintaining the current status quo of the US within the regional balance of power.

China's assertiveness in the Asia-Pacific region busted the vacuum for the US to play a major security leadership role. The US denounced the unilateral actions by China and termed them against the established norms to impose its will on the region. Many regional countries contesting over the South China Sea intended to become the US allies. They welcomed the engagement of the US to ward off the overwhelming Chinese influence in the region. They preferred a dynamic equilibrium to deter coercion and conflict. The involvement of the US in Asia-Pacific to keep a close eye on the maritime status, navigational freedom, and its commitments to regional countries infuriated China. Beijing considers it as an effort against their core national interests and international stakes. To deal with the growing influence of the US, China is currently pursuing a soft approach to counter the alliance led by the US. It is monitoring the regional developments carefully and is working on long-term policies aimed at dealing with the imminent security threat posed by the US and its allies in the region.

New Challenges for China

The new pressing developments in the Asia-Pacific region suggests that all is not well for China as the US is preparing a playing field to challenge the regional influence of China. Both states are driving the region towards chaos, hostility, and instability.

Revival of Quad

The revival of Quad poses a serious challenge to the growing influence of China both at the regional and international levels. The Quad is an informal security alliance of Australia, Japan, India, and the US aimed at creating a rule-based order in the Asia-Pacific region. The Japanese Prime Minister Shinzo Abe gave the idea of a security diamond at the confluence of the two seas that would ensure the

interests of like-minded democracies.⁵ The main reason behind the formation of the Quad is to make a security partnership against China. The Quad countries are taking special measures such as joint exercises for advancing military interoperability and to improve their capacity in the Indo-Pacific region. The recent development of the first Quad Summit under President Biden on 12 March 2021, along with Prime Minister Modi of India, Japanese Premier Yoshihide Suga, and Australian Prime Minister Scott Morrison emphasised the need for an open and free Indo-Pacific region.⁶ They signalled to China that they would not accept China's assertiveness in the Asia-Pacific region and that the security alliance led by the US aimed to balance the Chinese threat and maintain a balance of power. The Quad members have their own unique set of strategic imperatives to revive the quadrilateral arrangement and to send out a signal to China that it is serious about its China containment policy.

If we look at India, it will benefit in terms of taking care of the threats to its security, as was evident from the Doklam and Ladakh crises. It will also benefit from bilateral US arms transfers, sharing of intelligence, military exercises, logistics, trade and investment relationships, and its status as a major power that played a major role in the making of a redesigned world order less susceptible to Chinese power. Japan on the other hand considers the revival of Quad to secure its maritime security and to balance China's advancing military capacity. It is also actively working with the Quad members to safeguard its national interests related to the Diaoyu/Senkaku islands. Australia considers itself as an anchor of a peaceful and rule-based order in the Asia-Pacific and it has ramped up its efforts to challenge Chinese actions in the South China Sea.

China, on the other hand, perceives the revival of Quad led by the US against its economic, military, trade, and maritime interests. China accuses the US of stoking tensions in the region to achieve its vested interests and to maintain its global primacy.

Multilateral Exercises

The second most destabilising factor and challenge faced by China is the multilateral exercises in the Asia-Pacific region. The Malabar exercise is one of the most important multilateral exercises that began in 1992 as a bilateral exercise between the Indian Navy and the US Navy. Japan became its permanent member in 2015 and now Australia has also been included in it in 2020.⁷ There is now a consensus among Quad states that China is a major threat to open societies, economic self-reliance, rule-based regime, and liberal democracy. The Malabar exercise strengthened the cooperation and resolve of these states to act against any Chinese attempts to impose its hegemony under the leadership of the US.

The other important development in the region in terms of the multilateral exercises was the French-led multinational exercise called 'Le Perouse' commenced in the Bay of Bengal on 5 April 2021. All Quad countries participated in it along with France. China considers the joint military exercise as a publicity stunt to draw more NATO members into its Indo-Pacific military framework and to invite them to cooperate with the future military operations in the region led by the US.

The other important pressing development was the two-week joint military exercise between the US and Philippines in the South China sea, starting 12 April 2021.⁸ The annual Balikatan exercise came amidst the rising China-US tensions in the South China Sea. China, in a response to the US provocation, deployed a carrier task group led by the aircraft carrier Liaoning, accompanied by the latest Type 055 destroyer for the first time this year in the region.⁹ All these developments and the gathering of many rival warships in the proximity suggest a worrying trend in the region. The situation is highly volatile and has the potential to lead the US and China to an armed conflict.

Arms Sales to Taiwan

China considers Taiwan as its sovereign part and, since 1949, it has never diplomatically recognised the democratically ruled Taiwan. When the US and China first established diplomatic relations in the 1970s the US pledged to engage only in economic and unofficial relations with Taiwan. Under the government's One China principle, any country that maintains relations with China is not allowed to recognise Taiwan diplomatically. But, in recent years, tensions are running high over Taiwan between the US and China. The US is deepening the relationship with self-ruled Taiwan due to China's military activity around the island. The US is supporting Taiwan through arms sales to modernise its armed forces and to maintain a credible defensive capability. The US has planned to sell armed MQ-9 Reaper drones, Harpoon anti-ship missiles, air-launched SLAM and mobile light rocket launchers to Taiwan.¹⁰ Recently, the head of Taiwan's defence ministry's strategic planning section announced that Taipei was looking forward to procuring air-to-surface missiles with a possible range of 925 km from the US.¹¹ The purpose is to bolster the defence capability and to give Taiwanese aircraft the capability to hit targets far inside China over the South China Sea. China strongly opposed the plans of arms sales to Taiwan and urged the US to cease US-Taiwan military contacts. President Biden sent former US senator Chris Dodd and former deputy secretary of state Richard Armitage to Taipei which further raised the level of hostility between the US and China. The American side described the trip as a personal signal aimed at their commitment to Taiwan and its democracy. China reacted by holding live-fire drills off the Taiwan Strait¹² as a clear warning to foreign powers not to intervene in what it sees as its internal matter. These developments indicate that Taiwan is one of the major sources of tension between the US and China. China considers it as meddling in its internal affairs and an effort by the US to play a major security leadership role in the region.

First US-Japan Summit under the Biden Administration

The US and Japan have renewed their alliance in all domains in the first summit under the Biden administration. US President Joe Biden and Japan's Prime Minister Suga Yoshihide vowed to maintain peace and stability in the Indo-Pacific region. Both sides exchanged views regarding China's activities in the region, conflicts in the East and the South China Sea, Taiwan, Xinjiang, and Hong Kong. They also discussed ways to boost their defence capabilities and to further their alliance to maintain regional security. They issued a joint statement, where we can see that the Biden administration has shown more inclination towards promoting Japan's role in enhancing regional security. They also discussed the importance of peace and stability across the Taiwan Strait and publicly mentioned Taiwan for the first time since 1969.¹³ Their Joint statement irked China, which expressed its opposition to it. China in response reiterated its 'One-China Principle' and supreme sovereignty over the islands in the South China Sea and the waters around them.

Strategic Competition Act

The Senate Foreign Relations Committee of the US has approved the Strategic Competition Act of 2021. It is a recipe for a New-Cold War and depicts China as the most serious current and future threat to the US, its allies, and global interests in multiple areas including technology, economics, and military security. The overall thrust of the Strategic Competition Act of 2021 is that China is an adversary that cannot be negotiated with. The act also specifies that it does not promote military solutions to the US-China conflicts. But it does promote the US cooperation with allies as well as reinforcement of the US capabilities to counter China. It is an exaggerated depiction of the threats China poses to the US and the world. In a nutshell, the Strategic Competition Act has the potential to further complicate the troubled relationship between the US and China.

These all-pressing developments in the Asia-Pacific regions show that the US is playing a major security leadership role one way or the other. It is collaborating with regional countries to form an alliance against China to challenge its assertiveness. On the other hand, it has deployed its finest maritime war assets in the region including USS Ronald Reagan and USS Theodore Roosevelt supercarriers, B-52 bombers, F-35 aircraft, USS Montgomery littoral combat ships, and an amphibious assault warship.¹⁴ China perceives these developments as a threat to its national security and is working on countermeasures to neutralise the security leadership of the US through a soft-balancing approach.

Countermeasures by China

China is concerned about the growing regional influence of the US and is trying hard to counter it through a soft-balancing approach.

China's Economic Initiatives

Since a military conflict will be costly, China is seeking other ways to counter the US-led security and containment efforts in the Asia-Pacific region. It understands that China's real strength is its economic prowess and strong economic ties with the neighbouring small and middle powers. It is working on the Belt and Road Initiative (BRI), economic initiatives such as the Asian Infrastructure Investment Bank (AIIB) and the recently signed Regional Comprehensive Economic Partnership (RCEP) to counter an all-out anti-China military alliance in the region. Through the BRI, Beijing aims to invest more than \$1 trillion in 72 countries. Besides the investment in the infrastructure development sector, China has also emerged as the world's largest creditor, having lent more than \$1.5 trillion around the globe.¹⁵ Similarly, it has also planned two economic corridors, the China-Indochina Peninsula corridor and Bangladesh-China-India-Myanmar corridor under the BRI projects for regional integration.

Primarily, the BRI was a domestic development strategy to fix the imbalance between various industries and regions. Now, the BRI is a global project to open China and its economic diplomacy. The US perceives it as a political and economic threat to its interests. Washington is worried about a new type of globalisation that China has initiated, to counterbalance the US hegemony in geopolitics and the global economy.

The success of Chinese efforts can be measured in terms of its success in attracting the US regional allies to join its economic initiatives. It is visible from the fact that Australia, India, the Philippines, South Korea, Singapore, and Vietnam are members of the AIIB. The other most important development in the region was the signing of the Regional Comprehensive Economic Partnership (RCEP) between the 15 Asia-Pacific countries. It was the biggest free trade deal between 10 Southeast Asian economies along with Japan, South Korea, Australia, New Zealand, and China.¹⁶ The RCEP solidifies China's regional geopolitical ambitions around the Belt and Road Initiative (BRI) and will help them to draft the rules of trade in the region. It also provides a major signal to investors that the Asia-Pacific region is still committed to multilateral trade integration. RCEP is considered a victory over US leadership in Asia, making China the leading protector of regional free trade, as the US pulled itself out of Trans-Pacific-Partnership (TPP) under President Trump. The success of China is visible as some of the closest US partners like Australia and Japan joined the RCEP. These economic initiatives will help China and other regional countries to lower their level of hostility. Their close cooperation related to economic and trade links will help them to avert a major conflict in the region.

China and regional countries of the Pacific coast have political and military disputes, but they do not allow their divergent interests in any area of interaction to deter the convergent ones in others. They are rather inclined to preserve and create space for cooperation in the

economic sector. Today, Japan is China's third-largest source of foreign investment and third-largest trading partner. The trade volume has increased from \$1 billion to some \$317 billion over the past 45 years.¹⁷ China is Japan's largest export market and trading partner and represents more than 20 per cent of Japan's total trade. The success of China is visible from the fact that Japan had refused to join Trump's trade war with China and later joined the RCEP, which is dominated by China. The other important country in the Asia-Pacific is Australia. The Australia-China bilateral relationship is based on strong economic and trade complementarities. The relationship between the two powers is considered a comprehensive strategic partnership. China is Australia's largest two-way trading partner in goods and services and their two-way trade reached \$251 billion in 2019-20.¹⁸ China remained Australia's largest services export market, particularly in education and tourism. On the other hand, China is the sixth-largest foreign direct investor in Australia. Chinese investors have invested around \$46 billion in Australia in 2019 accounting for 4.5 per cent of total foreign direct investment. So, China can utilise its economic prowess to press Australia to move away from a zero-sum mentality and to seek cooperation without abusing the concept of national security to pressure cooperation with China.

The other most important economic relationship in the region is between China and ASEAN. China has officially claimed to interact with Southeast Asian counterparts in accordance with its 2+7 cooperation framework, which covers economics, security, and development issues. China's primary focus is to advance cooperation on finance, development, and trade. They also focus on non-traditional security, economics, and development cooperation, which are elements of China's enhanced engagement in the region. The other most important development was that ASEAN became China's largest trading partner in 2020, with 7 per cent growth and the trade volume hitting \$731.9 billion.¹⁹ China and ASEAN have enjoyed strong regional

economic reciprocity, which has played a significant part in the growth of bilateral trade and economic cooperation.

The other most important development is that recently, Chinese firms, banks and government bodies have increasingly invested in large hydropower projects in the Mekong sub-region. Chinese institutions turn to Southeast Asia, where they are involved in more than 50 ongoing large hydropower projects in Cambodia, Myanmar, Vietnam, and Laos. These Chinese institutions maintained a strong influence on environmental and social practices as well as on trade and diplomatic relations. All these developments gave China the leverage to counter the security leadership of the US in the region and to achieve its own political, economic, security, and trade interests.

Vaccine Diplomacy

The second most important policy option for China was to conduct vaccine diplomacy in the Asia-Pacific region to counter the US influence. At present, the US and its regional allies like India are faced with a Covid-19 crisis. The latest surge has driven India's fragile health systems to the breaking point and one may assume that they are not able to help other regional states. Surprisingly, China offered help to India by saying that China was willing to provide the necessary support and help to fight Covid-19.²⁰ On the other hand, the recent meeting between the Chinese Foreign Minister and counterparts from Singapore, Indonesia, Malaysia, and the Philippines in China was a positive step to discuss vaccine distribution and help with post-pandemic recovery. This move will improve the trust level between China and Southeast Asia. It also provided China with a rare opportunity to improve its soft image and neutralise the leadership role of the US.

Diplomatic Engagement

The third policy option for China is to utilise diplomatic tools to ease the tension in the East and the South China Sea. China can

address the concerns of regional states through diplomatic engagements and confidence-building measures. As continuous tensions will make the US relevant to the security assurances of the states in the Pacific. It is an opportunity for China to work with the Association of Southeast Asian Nations (ASEAN) for an effective and substantive code of conduct for all activities in the South China Sea. As any military conflict in the region will lead the region towards chaos, instability, and destruction, by using its economic clout, China can address the threat perceptions of the neighbours and can reduce their dependence on the US security commitments in the region. It is understood that the US military activities in the Asia-Pacific are aimed against China. Therefore, neutralising the stances of allies in the Pacific region will question the undue security leadership of the US in the region.

Defensive Capabilities

The fourth policy option for China is to develop its defensive capabilities to deal with the emerging threat from the US-led Quad. As China's prominence has risen in the international arena, so too has its global interests. To protect its geopolitical, geo-economic, and geostrategic goals, it should develop strong power projection capabilities. It should understand that the regional strategic landscape is going through profound changes. The US and its regional allies have adjusted their national security and defence strategies in a way that provoked strategic competition. The US is engaging in technological and institutional innovation in pursuit of absolute military superiority. These developments are raising alarm bells for China, which should focus on defensive capabilities to protect its national sovereignty, unity, territorial integrity, maritime rights, and interests. On the other hand, it can improve its soft image through actively participating in the UN peacekeeping operations and international humanitarian assistance and by maintaining the security of international passages. It

will help to counter the growing influence of the US and to safeguard Chinese core national interests.

Conclusion

The overall developments in the Asia-Pacific region show that the US is playing a major security leadership role and pursuing its policy to contain the rise of China. The greater US engagement in the Asia-Pacific region shows its quest to dominate the region because the US believes that the future of world politics would be decided in Asia. The once-neglected region emerged as the central playing field between the major powers and gained popularity due to its tremendous economic growth. The region in recent years has experienced greater hostility due to the contention of sovereignty over disputed areas. These disputes forced the regional states to heavily invest in their defence sector and modernise their armies. The region's significance has also increased due to the rise of potential rivals in the shape of China and the US trying hard to contain their potential rivals in its neighbourhood. They are adopting a rebalancing political and military strategy in the region to contain the influence of China. On the other hand, China is focusing on a soft-balancing approach and still adheres to its policy of peaceful development. But recent developments indicate that they are more assertive in stabilising the external environment necessary for its economic development.

Now, China is very much concerned about the developments in the region like the revival of Quad, Multilateral exercises aimed against it, the US arms supplies to Taiwan, and close collaboration between Japan and the US. To neutralise the influence of the US, China is focusing on trade links through the BRI, AIIB, and RCEP. It believes that economic joint ventures, trade links, diplomatic engagement, and its soft approach towards regional countries would counter an all-out anti-China alliance in the region. The regional countries of Southeast

Asia are feeling the heat of the tussle between the US and China. They are trapped in an uneasy situation and are trying hard to balance their relations with both great powers. They do not support the element of competition in the region and advocate reliance on rule-based regimes and mechanisms to ensure the settlement of longstanding disputes to avert a major military clash in the region. They also tried to encourage the claimant states to address various security challenges ahead without becoming embroiled in existing territorial, political and strategic rivalries that have the potential to undermine regional stability and security apparatus. Therefore, all regional, extra-regional and major powers should work together to resolve their key issues through peaceful means. They should increase their diplomatic engagements to build trust levels to seek comprehensive solutions to all existing problems in the domain of politics, economics, and the military.

The other important aspect is a shift in the US policy from Asia-Pacific to Indo-Pacific, which gives India a leading partner role in the containment of China. China perceives the role of India against its national interests and considers it as a security threat to its regional and international ambitions. India is desperately working on a single-point agenda to counter the Chinese influence in its neighbourhood and to achieve that goal they are looking for enhanced cooperation with the US. In recent years, the growing defence cooperation between India and the US raised alarm bells not only for China but also for Pakistan. Both countries consider it as a security threat to their political, economic, and security interests. China is concerned about the Malacca dilemma. India has naval capabilities near the Indian Ocean choke points, especially around the Malacca strait which connects the Indian Ocean to the Western Pacific. These waters hold a lot of importance for China since it is a crucial route for trade and energy. Eighty per cent of China's oil imports come through the Malacca strait and China is concerned about their maritime interests as

India has been strengthening its maritime cooperation with the Quad countries. To counter the regional hegemony of India, China started China Pakistan Economic Corridor (CPEC) to obtain another route to secure its trade, economic, and maritime interests. On the other hand, Pakistan considers its strategic partnership with China as a counter-force against the Indian regional aspirations. China, through its economic initiatives, vaccine diplomacy, diplomatic engagement, and defensive capabilities, is successfully countering the US leadership role in the Asia-Pacific region. The study shows that China has successfully lured the Pacific countries into its economic orbit through the BRI, AIIB, RCEP, ASEAN 2+7 cooperation framework and its hydropower projects in the Mekong regions.

The developments discussed in the study show that the US has shifted its focus from European affairs into Asian affairs and is playing a greater security role in the region. The region of Asia-Pacific has emerged as the playing field for the strategic competition between the US and China. Both are employing different strategies to undermine the influence of each other. The US is employing a hard military approach and to counter it China is using its economic prowess. Their efforts have the potential to lead the region towards uncertainty and instability. To avoid any major conflict, they should focus on ways to resolve their differences and move towards sustainable peace. It will be a great favour to the regional stability and development.

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