

## **Focus May 2021**

### **The US Security Leadership in Asia-Pacific and China's Countermeasures**



(This study sheds lights on China's attempts to neutralize the Security Leadership of the US in Asia-Pacific through its Economic Coup)

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## **Abbreviations**

<b>NSS-2017</b>	<b>National Security Strategy 2017</b>
<b>BRI</b>	<b>Belt and Road Initiative</b>
<b>AIIB</b>	<b>Asian Infrastructure Investment Bank</b>
<b>RCEP</b>	<b>Regional Comprehensive Economic Partnership</b>
<b>UNCLOS</b>	<b>United Nations Convention on the Law of the Sea</b>
<b>PCA</b>	<b>Permanent Court of Arbitration</b>
<b>EEZ</b>	<b>Exclusive Economic Zone</b>
<b>ASEAN</b>	<b>Association of Southeast Asian Nations</b>
<b>QUAD</b>	<b>Quadrilateral Security Dialogue</b>
<b>FOIP</b>	<b>Free and Open Indo-Pacific</b>
<b>TPP</b>	<b>Trans-Pacific Partnership</b>

## **Introduction:**

The advent of the 21<sup>st</sup> century brought with itself a shift from the “American Century” towards the “Asian Century”, and it enhanced the significance of Asia-Pacific region by manifolds. The region of Asia-Pacific 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 own reasons to do so. The US is increasing its footprints in the region to contain China in its neighborhood and not to allow it to expand its sphere of influence. The US feels threatened, due to China’s increasing economic and military influence. They are aware of the fact, that China has the potential to cripple the superpower status of America and to deal with China they have adopted a hegemonic approach to topple the increasing influence of China in international system in general and particularly in Asia-Pacific region. They have devised a full-blown China containment policy to prevent it from dominating the US sphere of influence and impeding the Geo-political interests of the US. That is evident from the US “Pivot to Asia” policy developed back in 2011, that has guided American maneuvers and policy in a region extending from the United States Pacific coast all the way 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,<sup>1</sup> revealed rare insights into how the US perceives its opponents and allies in the region. The strategy focused on ways, how to maintain the US strategic edge and promote a liberal economic order. While, preventing China from establishing new and so called ‘new-illiberal sphere of influence’. The Declassifying of National Security Strategy (NSS-2017) before time, was a symbolic effort by the President Trump to put more pressure on China and to accelerate its anti-China efforts in the form of an ongoing trade war, US commitment to defense of Taiwan and accusing it of the censorship of the outbreak of Covid-19. The US leadership currently, is employing the hegemonic and hard military approach to challenge the rise of China. They are exploiting the volatile situation in Asia-Pacific due to competing claims over issue of East and South China Sea. The US raised the level of hostility through the revival of Quad, by approving large defense deals with Taiwan including military

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<sup>1</sup> “US declassifies its strategy to use India against China,” *Trtworld*, Jan 15, 2021.

<https://www.trtworld.com/magazine/us-declassifies-its-strategy-to-use-india-against-china-43296>

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 neutralize the Security leadership of the US, they are focusing on 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), 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 and they consider that after the integration of these states in these economic ventures, it would neutralize an all-out anti-China military alliance in the region. It is with this regard, this paper sheds light on the broader context of the China's attempt to neutralize the Security leadership of the US in Asia-Pacific and to secure its core national interests.

### **Competing Claims in South China Sea:**

The South China Sea spans from Singapore to Taiwan Strait and it covers an area of 1.4 million square miles<sup>2</sup> and composed of several islands, reefs, and rocks, which are part of Paracel and Spratly islands. The South China Sea is critical for economic, military, and strategic purpose and is rich in resources like oil and gas reserves. The competing claims of the regional states like China, 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.<sup>3</sup> 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 powers including China, Japan, and the US due to its strategic location. This region has much importance because it is the hub of economic maritime passage from West to East. Around \$5 trillion worth of goods flow through these waters<sup>4</sup> and the seabed contain 11 billion barrels of oil and 190 trillion cubic feet of natural gas.<sup>5</sup> Other

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<sup>2</sup> Beina Xu, "South China Sea Tensions," *Council on Foreign Relations*, May 14, 2014.

<https://www.cfr.org/backgrounder/south-china-sea-tensions>

<sup>3</sup> Jane Chan, "Singapore and the South China Sea: Being an effective coordinator and Honest broker," *NBR*, no. 21 (January 2016): 41-46. <https://www.jstor.org/stable/24905088?seq=1>

<sup>4</sup> "Contested areas of South China Sea likely have few conventional oil and gas resources," *US Energy Information Administration*, accessed April 25, 2021.

<https://www.eia.gov/todayinenergy/detail.php?id=10651>

<sup>5</sup> *ibid.*

than that, 80% of Asian trade passes through this region and that is nearly the one-third part of all worlds maritime trade.

The South China Sea has not always been in a conflict situation however, the tensions occurred when China started building artificial islands in this region and inside the Exclusive Economic Zone of 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.<sup>6</sup> However, this claim was rejected because it does 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 hence 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.<sup>7</sup>

Despite the legal contestations, China sticks to its claims over the islands but it does not consider war as an option and itself wishes to avoid military dimension. China is probably going to achieve enough influence within the region to challenge and force the US utterly from the South China Sea. Beijing does not attempt to provoke a war with its neighbors because it would be too costly and harmful. This can be especially because of the value of 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 and conducts its actions with the well-thought-out results. At a similar time, it is progressively evident that China is not content about maintaining the North American nation current status quo within the regional balance of power.

China's assertiveness in the Asia-Pacific region created a rationale for the US to play a major security leadership role. The US denounced the unilateral actions by China and termed it 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 over whelming Chinese influence in the region. They preferred a dynamic

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<sup>6</sup> Benjamin Black, "The South China Sea Disputes: A clash of international law and Historical claims," *Journal of Laws and International affairs*. March 22, 2018. Accessed April 25, 2021.

<https://sites.psu.edu/jlia/the-south-china-sea-disputes-a-clash-of-international-law-and-historical-claims/>

<sup>7</sup> Ian James Storey, "Creeping Assertiveness: China, the Philippines and the South China Sea dispute," *Contemporary Southeast Asia* 21, no. 1 (1999): 95-118.

<https://www.jstor.org/stable/25798443>

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. They consider 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 soft approach to counter the alliance led by the US. They are monitoring the regional developments carefully and are working on long term policies aimed at dealing with the imminent security threat posed by the US and its allies in the region.

### **New Pressing Developments and 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. They both are the new players of geo-strategic chessboard and are challenging the influence of each other through different means. Both the states are moving towards hostile mode and their strategic competition is driving the region towards the chaos, hostility, and instability.

### **Revival of Quad:**

The revival of Quad poses a serious challenge to the growing influence of China both at regional and international level. The Quad basically 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 at the Confluence of the Two Seas gave the idea of Security Diamond that would ensure the interests of like-minded democracies.<sup>8</sup> 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 building in the Indo-Pacific region. The recent development of first Quad Summit under President Biden on March 12, 2021, along with Prime Minister Modi of India, Japanese Premier Yoshihide Suga and Australian Prime Minister Scott Morrison emphasized the need for an open and free Indo-Pacific region.<sup>9</sup> They signaled China that they will not accept the China's

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<sup>8</sup> Aneesa Aslam, "The Quadrilateral dialogue: A new security landscape in the Asia-Pacific," *Paradigm Shift*, March 14, 2021.

<https://www.paradigmshift.com.pk/quadrilateral-security-dialogue/>

<sup>9</sup> Kallol Bhattacharjee, Suhasini Haider, "First Quad Summit Quad leaders for 'open, free' Indo-Pacific," *The Hindu*, March 12, 2021.

<https://www.thehindu.com/news/national/first-quad-summit-meeting/article34054156.ece>

assertiveness in the Indo-Pacific region and the security alliance led by the US aims 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 Quad and to send out a signal to China that the Quad is serious about its China containment policy. If we look at India, they will benefit in term of security dividend and to take care of the more severe threats to its security, as is evident from Doklam and Ladakh crisis.<sup>10</sup> They will also benefit from bilateral US arms transfers, sharing of intelligence, military exercises, logistics, trade and investment relationship and their status as a major power that played substantial role in the making of a redesigned world order less susceptible to Chinese power. Japan on the other hand consider the revival of Quad to secure its maritime security and to balance the China's advancement of its military capacity. They are also actively working with the Quad members to safeguard their national interests related to Senkaku islands.<sup>11</sup> Australia consider itself as anchor of peaceful, rule-based order in the Asia-Pacific and they have ramped up their efforts to challenge Chinese actions in the South China Sea. China perceives the revival of Quad led by the US against its economic, military, trade, and maritime interests. China accused the US of stoking tensions in the region to achieve their vested interests and to maintain its global primacy.

### **Multilateral Exercises:**

The second most destabilizing 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 exercise 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.<sup>12</sup> There is now a consensus among Quad states that China is a major threat to open societies, economic self-reliance, rule-based regime and to 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.

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<sup>10</sup> Manoj Rawat, "Quad 2.0 Is off to a good start – It must keep going," *The Diplomat*, November 23, 2020. <https://thediplomat.com/2020/11/quad-2-0-is-off-to-a-good-start-it-must-keep-going/>

<sup>11</sup> Ibid

<sup>12</sup> Ravi Dubey, "Malabar Naval Exercise 2020: What is so special about it that worries China?" *DNA*, November 19, 2020. <https://www.dnaindia.com/analysis/news-malabar-naval-exercise-2020-what-is-so-special-about-it-that-worries-china-2857322>

The other important development in the region in term of multilateral exercise was France led multination exercise called ‘Le Perouse’ commenced in the Bay of Bengal on April 5, 2021.<sup>13</sup> 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 from April 12, 2021.<sup>14</sup> The annual Balikatan exercise come amid 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.<sup>15</sup> These all developments and gathering of many rival warships in proximity suggest a worrying trend in the region. The situation is highly volatile and if not managed carefully can lead to an armed conflict.

### **Arm Sales to Taiwan:**

China considers Taiwan as their sovereign part and since 1949 they have never diplomatically recognized 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 recognize Taiwan diplomatically.<sup>16</sup> 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 arm sales to modernize its armed forces and to maintain a credible defensive capability. The US planned sale of armed MQ-9 reaper drones, Harpoon anti-ship missiles, air-launched SLAM and mobile light rocket launcher.<sup>17</sup> Recently, the head of Taiwan’s defense ministry’s strategic

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<sup>13</sup> Abhijnan Rej, “France-led Multination Naval Exercise Commences in Eastern Indian Ocean,” *The Diplomat*, April 5, 2021.

<https://thediplomat.com/2021/04/france-led-multination-naval-exercise-commences-in-eastern-indian-ocean/>

<sup>14</sup> Ayush Jain, “US and Philippines begin war drills in the South China Sea as tensions with China reach ‘All-time high,” *The Eurasian Times*, April 12, 2021.

<https://eurasiatimes.com/us-philippine-joint-war-games-kick-off-amid-america-china-tensions-in-south-china-sea/>

<sup>15</sup> “China’s PLA Navy deploys ‘Liaoning’ carrier group to counter US-led Quad in the Pacific,” *The Eurasian Times*, April 6, 2021.

<https://eurasiatimes.com/chinas-pla-navy-deploys-liaoning-carrier-group-to-counter-us-led-quad-in-the-pacific/>

<sup>16</sup> Lindsay Maizland, “Why China-Taiwan Relations are so Tense,” *Council on Foreign Relations*, May 10, 2021.

<https://www.cfr.org/background/china-taiwan-relations-tension-us-policy>

<sup>17</sup> “United States approves \$600m sale of armed drones to Taiwan,” *Al Jazeera*, November 4, 2020.



planning section announced that they are looking forward to procure air to surface missiles with a possible range of 925km from the US.<sup>18</sup> The purpose is to bolster the defense capability and to give Taiwanese aircraft the capability to hit targets far inside China over the South China Sea. China strongly opposes the plans of arms sales to Taiwan and urged the US to cease US-Taiwan military contacts. The President Biden sent former US senator Chris Dodd and former deputy secretaries 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 Taiwan Strait<sup>19</sup> and it acts as a clear warning to foreign powers not to intervene in their internal matter. These developments indicates 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 effort by the US to play a major security leadership role in the region.

### **US-Japan First Summit under Biden Administration:**

The US and Japan have renewed their alliance in all domains in first Summit under the US Biden administration. The 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 South China Sea, Taiwan, Xinjiang, and Hong Kong.<sup>20</sup> They also discussed ways to boost their defense capabilities to further their alliance to maintain regional security. They also issued the Joint statement, where we can see that the Biden administration has shown more inclination towards promoting Japan's role in enhancing the regional security. They also discussed the importance of peace and stability across the Taiwan Strait and publicly mentioned Taiwan since 1969.<sup>21</sup> Their Joint statement irked China and they

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<https://www.aljazeera.com/news/2020/11/4/united-states-approves-600m-sale-of-armed-drones-to-taiwan>

<sup>18</sup> "Taiwan says it's looking to buy US missiles with 925-Km range, as tensions in South China Sea simmer," *RT*, April 19, 2021.

<https://www.rt.com/news/521475-taiwan-weapons-usa-china/>

<sup>19</sup> Kinling Lo, "China's military to hold live-fire drills off Taiwan as US delegation visits the island," *South China Morning Post*, April 14, 2021.

<https://www.scmp.com/news/china/military/article/3129534/chinas-military-hold-live-fire-drills-taiwan-us-delegation>

<sup>20</sup> "Headache For China: US-Japan plan full cooperation in 'All Domains' to counter Beijing," *The Eurasian Times*, April 20, 2021.

<https://eurasianimes.com/how-us-japan-cooperation-in-all-domains-could-increase-chinas-headache/>

<sup>21</sup> "US, Japan show unity against China in Biden's First Summit," *Global villages Space*, April 17, 2021.

<https://www.globalvillagespace.com/us-japan-show-unity-against-china-in-bidens-first-summit/>

have shown opposition to it. China in a 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 announced the Strategic Competition Act of 2021.<sup>22</sup> 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,<sup>23</sup> and 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 basically 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 relation between the US and China.

These all-pressing developments in the Asia-Pacific regions shows that the US is playing a major security leadership role one way or another way. They are collaborating with the regional countries to form an alliance against China to challenge its assertiveness. On the other hand, they have deployed their finest maritime war assets in the region including USS Ronald Reagan, USS Theodore Roosevelt Super carriers, B-52 bombers, F-35 aircrafts, USS Montgomery littoral combat ships, and an amphibious assault warship.<sup>24</sup> China perceive these developments as a threat to its national security and they are working on counter measures to neutralize the security leadership of the US through soft balanced approach.

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<sup>22</sup> Michael D. Swaine, “The ‘Strategic Competition Act’ is a dangerous declaration of Cold War on China,” *Responsible Statecraft*, May 5, 2021.

<https://responsiblestatecraft.org/2021/05/05/the-strategic-competition-act-is-a-dangerous-declaration-of-cold-war-on-china/>

<sup>23</sup> Sara Hsu, “Senate’s Strategic Competition Act will make China-US relations worse, not better,” *The Diplomat*, April 27, 2021. <https://thediplomat.com/2021/04/senates-strategic-competition-act-will-make-china-us-relations-worse-not-better/>

<sup>24</sup> Hira Akram, “US and China’s balance of power on the Asia-Pacific Chessboard,” *Paradigm Shift*, February 11, 2021.

<https://www.paradigmshift.com.pk/us-balance-of-power/>

## **Countermeasures by China:**

China is concerned about the growing regional influence of the US, and they are trying hard to counter it through soft balanced approach.

## **China's Economic Initiatives:**

The first policy option for China is economic initiatives. As military conflict will be costly China is seeking other ways to counter the US led security and containment efforts in the Asia-Pacific region. China understands that its real strength is its economic prowess and strong economic ties with the neighboring small and middle powers. China is working on the BRI, and other economic initiatives such as AIIB, and recently signed the RCEP to counter an all-out anti-China military alliance in the region. Through the BRI they aim to invest more than \$1 trillion in 72 countries. Besides the investments 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.<sup>25</sup> Similarly, China has also planned two economic corridors, 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, BRI is a top-level design to open China and its economic diplomacy. The US side perceive it as a political and economic threat to their interests. The US is worried about the new type of globalization that China has initiated to counterbalance the its 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 their economic initiatives. It is visible from the fact that Australia, India, the Philippines, South Korea, Singapore, and Vietnam are the members of AIIB. The other most important development in the region was the signing of 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.<sup>26</sup> The RCEP solidifies China's regional

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<sup>25</sup> Sebastian Horn, Carmen Reinhart, and Christoph Trebesch, "How much money does the world owe China?" *Harvard Business Review*, February 26, 2020.

<https://hbr.org/2020/02/how-much-money-does-the-world-owe-china>

<sup>26</sup> Joshua Kurlantzick, "The RCEP signing and its implications," *Council on Foreign Relations*, November 16, 2020. <https://www.cfr.org/blog/rcep-signing-and-its-implications#:~:text=Over%20the%20weekend%2C%2015%20Asian,the%20Regional%20Comprehensive%20Eco>

geopolitical ambitions around the 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 as a victory over US leadership in Asia. China become the leading protector of regional free trade, as the US pulled itself out of Trans-Pacific-Partnership (TPP) under President Trump leadership. The success of China is visible as some of the US closest partners like Australia and Japan joined RCEP. The study shows that 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 the major conflict in the region.

China and regional countries of 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 preserving and creating space for cooperation in 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.<sup>27</sup> China is Japan's largest export market and trading partner, and it represents more than 20% 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 as 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 2019-2020.<sup>28</sup> China remained Australia's biggest services export market particularly in education and tourism. On the other hand, China is the sixth-largest foreign direct investor in Australia. They invested around \$46 billion in 2019 accounting for 4.5 per cent of total foreign direct investment.<sup>29</sup>

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[nomic%20Partnership.&text=Overall%2C%20RCEP%20will%20create%20the,%2C%20Japan%2C%20and%20South%20Korea.](#)

<sup>27</sup> Abhijitha Singh, "Japan-China economic ties flourishing," *Sunday Guardian Live*, Jan 2, 2021.

<https://www.sundayguardianlive.com/news/japan-china-economic-ties-flourishing>

<sup>28</sup> "China Country brief," *Australian Government Department of Foreign Affairs and Trade*, accessed May 11, 2021.

[https://www.dfat.gov.au/geo/china/china-country-brief#:~:text=China%20is%20Australia's%20largest%20two,per%20cent%20year%20on%20year\).&text=Chinese%20investment%20in%20Australia%20is,part%20of%20the%20bilateral%20relationship.](https://www.dfat.gov.au/geo/china/china-country-brief#:~:text=China%20is%20Australia's%20largest%20two,per%20cent%20year%20on%20year).&text=Chinese%20investment%20in%20Australia%20is,part%20of%20the%20bilateral%20relationship.)

<sup>29</sup> Ibid.

So, China can utilize their economic prowess to press Australia to move away from zero-sum mentality and to seek cooperation without abusing the concept of national security to exert pressure on China.

The other most important economic relation 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.<sup>30</sup> 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 the elements of China's enhanced engagement in the region. The other most important development was that ASEAN becomes China's largest trading partner in 2020, with 7% growth and the trade volume hitting \$731.9 billion.<sup>31</sup> China and ASEAN have enjoyed strong regional economic reciprocity, which have 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 on going large hydropower projects in Cambodia, Myanmar, Vietnam, and Laos.<sup>32</sup> These Chinese institutions maintained strong influence on environmental and social practices as well as on trade and diplomatic relations. These all developments gave China 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 is to conduct Vaccine diplomacy in the Asia-Pacific region to counter the US influence. At present moment, the US and its regional allies like India are facing crisis from Covid-19. The latest surge has driven India's fragile health systems to

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<sup>30</sup> Brian Harding, "Southeast Asia's Role in Geopolitics," *Center for American Progress*, no. 5 (2017): 21-25. <https://sppga.ubc.ca/wp-content/uploads/sites/5/2017/10/8-Brian-Harding.pdf>

<sup>31</sup> "ASEAN becomes China's largest trading partner in 2020, with 7% growth," *Global Times*, Jan 14, 2021. <https://www.globaltimes.cn/page/202101/1212785.shtml#:~:text=ASEAN%20countries%20have%20jumped%20to,partner%20for%20the%20first%20time>

<sup>32</sup> Frauke Urban, John Nordensvard, Deepika khatri, and Yu Wang, "An analysis of China's investment in the hydropower sector in the Greater Mekong Sub-Region," *Environ Dev Sustain*, no. 15 (2013): 301-324. <https://static.springer.com/sgw/documents/1380545/application/pdf/An+analysis.pdf>

the breaking point, and we can assume that they are not able to help other regional states. Surprisingly, China offered help to India by saying that “China is willing to provide the necessary support and help” to fight Covid-19.<sup>33</sup> On the other hand, the recent meeting between 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 rare opportunity to improve its soft image and to neutralize the leadership role of the US.

### **Diplomatic Engagement:**

The third policy option for China is to utilize the Diplomatic tools to ease the tension in the East and South China Sea. China can address the concerns of regional states through diplomatic engagements and Confidence Building Measures. As the 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 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 them towards the chaos, instability, and destruction therefore China by using its economic clout can redress the threat perceptions of the neighbors 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, neutralizing the stances of allies in the Pacific region will question the undue security command 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 international arena, so too has its global interests. To protect its geopolitical, geoeconomics, and geostrategic goals it should develop strong power projection capabilities. China fathoms that the regional strategic landscape is going through profound changes. The US and its regional allies have adjusted their national security and defense strategies in a way that provoked the strategic competition. The US is engaging in technological and institutional innovation in pursuit of an absolute military

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<sup>33</sup> “China willing to help India in Covid-19 fight,” *The Express Tribune*, April 22, 2021. <https://tribune.com.pk/story/2296190/china-willing-to-help-india-in-covid-19-fight>

superiority.<sup>34</sup> These developments keep motivating China to focus on defensive capabilities to protect its national sovereignty, unity, territorial integrity, maritime rights, and interests. On the other hand, China maintains its soft image through actively participating in the UN peacekeeping operations, international humanitarian assistance, and by maintaining the security of international passages. It helps China to counter the growing influence of the US and to safeguard its own core national interests.

### **Key Takeaways:**

- The US greater engagement in the Asia-Pacific region is motivated by its quest to dominate the region because it is well understood that the future of the world politics would be decided in Asia.
- Though the contention of sovereignty over the disputed areas forced the regional states in Asia-Pacific to heavily invest in their defense sector and to modernize their armies. However, the rise of China as a potential rival to the US dominance increased the significance of this region manifold.<sup>35</sup> Through increasing engagements in the region, the US is trying hard to contain this potential rival in its neighborhood.
- China continues to focus on soft balanced approach and still adheres to its policy of peaceful development. But in recent years the developments show that China has also resorted to asserted measures to stabilize the external environment necessary for its economic development.
- Currently, the revival of Quad, Multilateral exercises aimed against it, the US arms supplies to Taiwan and close collaboration between Japan and the US have intensified China's concerns. To counter an-all out anti-China alliance in the region, China is neutralizing the US influence through trade links, BRI, AIIB, and RCEP.

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<sup>34</sup> Mike Yeo, "China: US 'in pursuit of absolute military superiority'," *Defense News*, July 26, 2019.

<https://www.defensenews.com/global/asia-pacific/2019/07/26/china-us-in-pursuit-of-absolute-military-surpremecey/>

<sup>35</sup> Hira Akram, "US and China's balance of power on the Asia-Pacific Chessboard," *Paradigm Shift*, February 11, 2021.

<https://www.paradigmshift.com.pk/us-balance-of-power/>

- The regional countries of Southeast Asia do not support the element of competition in the region and advocates reliance on rule-based regimes and mechanisms to ensure the settlement of long pending disputes and to avert major military clash in the region.<sup>36</sup>
- The other important aspect is a shift in the US policy from Asia-Pacific to Indo-Pacific which renders India the leading partner role to contain China. India being an important country of the US led Quad fully supports the freedom of navigation policy over flight, and unimpeded commerce based on the principles of international law.
- China perceives the role of India against its national interests and consider 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 neighborhood and to achieve that goal it is looking for enhanced cooperation with the US.
- China is concerned about Malacca dilemma because this narrow stretch of water could be easily blocked by the rival nations of China. These waters provide crucial route for trade and energy supply. About 80% of China's oil import come through the Malacca Strait.<sup>37</sup>
- China to counter the regional hegemony of India, started China Pakistan Economic Corridor (CPEC), it gave China 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.
- Overall, 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 BRI, AIIB, RCEP, ASEAN 2+7 cooperation framework and its hydro power projects in Mekong regions.

## **Conclusion:**

At present moment, both the US and China are locked in a strategic competition to exert their influence in the Asia-Pacific. Both countries are employing different strategies and have aligned

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<sup>36</sup> Jane Chan, "Singapore and the South China Sea: Being an effective coordinator and Honest broker," *NBR*, no. 21 (January 2016): 41-46. <https://www.jstor.org/stable/24905088?seq=1>

<sup>37</sup> Navya Mudunuri, "The Malacca Dilemma and Chinese Ambitions: Two sides of a coin," *Diplomatist*, July 7, 2020. <https://diplomatist.com/2020/07/07/the-malacca-dilemma-and-chinese-ambitions-two-sides-of-a-coin/>



the regional players according to their vested interests. The aim behind such a strategy is to increase the power of one's own state vis-à-vis its rival. The findings of this study show that the situation in Asia-Pacific would remain tense because both the US and China have different fixed strategic objectives. The pursuit of incompatible goals in the region shows a worrying trend and we can say that situation is highly volatile, but the chances of full-fledged military confrontation at this point seem low. In the current scenario, we can presume that China will not pursue the path to war but it does not imply that China will not respond back to the US strategy. The best possible option for Beijing is to proceed with its growing economic power peacefully and should also accelerate its defensive modernization. The US side should also understand that a direct confrontation would be catastrophic for the global security and economic interests of the regional countries. So, instead of a military field, the US and its allies should engage in constructive competition with China in the economic field. It will be a great favor to the regional stability and development.