



Institute of Regional Studies

China-US competition will not escalate into an outright conflict, Riaz

ISLAMABAD, April 12, 2021: “Although President Biden has described Sino-US relations as ‘extreme competition’, it is not likely to escalate into an outright conflict,” said Amb Riaz M Khan. The former foreign secretary of Pakistan was speaking at a webinar titled Dynamics of Sino-US Relations under the Biden Administration organized by the Institute of Regional Studies (IRS) here on Monday. He added that military confrontation was farfetched because, one, China did not want to escalate the situation; two, the economies of Asia-Pacific were strongly integrated with China; and, three, Taiwan and China had very strong economic relations.

Amb Khan shared that China-ASEAN trade stood at \$732 billion in 2020 and Chinese firms had thousands of joint investment ventures with firms from ASEAN countries. He added that not only was China-Taiwan trade very strong but that a large number of Taiwanese had permanent residence in mainland China.

He shared that \$5 trillion worth of commerce crossed through the East China Sea and the South China Sea, which was not something either China or the US and its regional allies could ignore. We should not portray our relations with both China and the US as a balancing act. Therefore, Amb Khan argued that China would use diplomacy rather than push its strategic objectives through aggression. “It is not a repeat of the US-Soviet cold war because there is no iron-curtain and no clearly delineated alignment structure,” he said.

Amb Khan was of the view that technological revolution and globalization of international economy had forestalled such compartmentalized blocs. He maintained that economics rather than geopolitics determined international relations in the twenty-first century.

Amb Khan stated that while the US was part of a Western and European civilization and prided itself as its leader since the Second World War, a clash between China and the US owing to civilizational differences was not inevitable. He shared that Chinese military spending was one-third of that of the US but it had a strong international economic clout having an annual surplus trade with the US of over \$200 billion. “China holds the world’s largest surplus capital for investment,” shared Amb Khan.

He said that the US was portraying itself as the saviour of the countries trapped in Chinese debt but the claim did not appear viable because China was renegotiating its loans with countries having difficulties in repayments.

Amb Khan argued that although containment came natural to the US as it had worked effectively during the Cold War, it might not work as effectively against an economically powerful and well-integrated China in an age of globalization and information technology. “China has emerged as a repressible economic power but cannot be contained strategically like the Soviet Union was contained,” he said.

Referring to the US-led Quadrilateral Security Dialogue also known as the Quad, Amb Khan termed it as part of the US containment approach. He added, however that envisioning the Quad as a military alliance was untenable. He shared that by its own claim, Quad was meant to evolve a code of conduct for freedom of navigation, which, he argued, raised some questions. He cautioned that China would have to carefully handle freedom of navigation and freedom of patrolling of US vessels as envisaged under the Quad.

Amb Khan urged Pakistani decision-makers not to see the competition between China and the US in zero-sum terms in which Pakistan would be compelled to do a balancing act. “Pakistan should not be nervous because the US would impose a policy choice on us,” he said. He urged the Government of Pakistan to work in the best interest of the country with both China and the US simultaneously by taking advantage of its geostrategic location. Amb Khan termed resolution of the conflict in Afghanistan and improvement of relations with India instrumental for regional integration.

Responding to a question about the idea of an alternative to BRI was floated by Joe Biden, Amb Khan said that the specifics of that idea were unclear and, in contrast, the BRI was quite specific and being operationalized very quickly.

President IRS Amb Nadeem Riyaz thanked Amb Riaz M Khan for his very educative and enlightening presentation.

