



THE REGIONAL IMPACT OF THE EMERGING GREAT-POWER DYNAMICS
REPORT OF THE WEBINAR ON
THE EMERGING GREAT-POWER DYNAMICS AND SOUTH ASIA

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Executive Summary

NUST Institute of Policy Studies (NIPS) organized the webinar on emerging great-power dynamics and South Asia on Wednesday, September 30, 2020. The webinar brought together a distinguished panel of veteran diplomats, senior security analysts, IR and security studies academics, and think tank experts to discuss and explore the implications of the emerging great-power dynamics, especially U.S.-China competition, for the region. Researchers, scholars, and students attended the seminar to listen to the views of the experts.

The webinar focused on the following question:

What do the evolving great-power dynamics, especially the U.S.-China competition, augur for the region and how best can Pakistan navigate the shifting terrain of this great-power struggle to secure its vital interests?

Following recommendations emerged from the expert deliberations during the webinar:

1. Pakistan should focus on expeditiously removing the bottlenecks of domestic development and effect speedy comprehensive development and economic growth, as only those countries which simultaneously possess economic strength and powerful defense capabilities will be able to withstand the pressures of the emerging great-power dynamics of which the U.S.-China competition is the key manifestation in the interstate system.
2. Pakistan should also focus on securing itself against multiple external and internal hybrid warfare actors. It should identify its key vulnerabilities and work to address them before they can be manipulated beyond redemption by hybrid warfare actors. It should undertake a comprehensive hybrid warfare assessment and threat analysis with the concerted cooperation of the leading minds in the state, government, private sector, academia, and think tank community. Countering hybrid warfare should also be based on the synchronization of the various elements of power at the disposal of Pakistan.
3. China-Pakistan cooperation should continue to develop as a non-confrontational partnership focused on bilateral growth, regional connectivity, shared development, and mutual respect for each other's domestic conditions.
4. Pakistan should continue to abstain from participating on one side or the other in the Middle Eastern regional complex. This abstention should be informed by the knowledge that prolonged neutrality can insidiously slide into isolation. In this regard, Pakistan should remember well the late 19th century Bismarckian dilemma of omnidirectional relations and balance-seeking with all kinds of powers which did not end well for Germany. However, friendly admonition to various Middle Eastern players to overcome their differences may suffice for the time being. Pakistan should try and understand the geopolitical compulsions of its Middle Eastern friends like Saudi Arabi, Iran, and even Turkey, and, equipped with this understanding, should focus on its bilateral relations with them without allowing their relations with each other to affect its bilateral partnerships with them. It is easier said than done but Pakistan should not be dismayed by the scale of the challenge. Pakistan should also not recognize Israel till the creation of a territorially continuous Palestinian state comes about. On the off chance that a fully sovereign Palestinian state has come into

being, Pakistan should thoroughly consider that there is no urgency in recognizing Israel.

5. Pakistan should try and see if it can diversify its energy trade so as to be able to avoid getting caught in the future fallout of the increased Arab-Israeli and Indo-Arab economic engagement. Pakistan should also see if it can propose any alternative form of engagement to its Arab friends. If the answer to this question is not in the affirmative, then it should try to hedge its energy bets while it can. For this to happen, Pakistan should also try to increase the share of non-hydrocarbon energy in its energy mix to be able to benefit from the coming energy transition in which China will play a leading role. It should realize its immense potential for solar energy through a concerted national approach.

6. Pakistan should try and see if the bilateral approach advised for its relations with its friends in the Middle East will also work in the context of U.S.-China competition. Pakistan should take anticipatory precautions now in view of the future exacerbation of the competition between the U.S. and China. Pakistan should increase cooperation with Germany as well as work to increase economic engagement with Southeast Asian, African, and Latin American economies.

7. Pakistan should also continue to assist and help the intra-Afghan peace negotiations and extend any legitimate assistance, as before, to the U.S. efforts for peace in Afghanistan.

8. Pakistan should try to expand and increase its considerably constrained options vis a vis the Kashmir dispute in view of India's unilateralism and its change in the status of the Illegally Indian-Occupied Jammu and Kashmir.

9. Pakistan should increase economic cooperation with Turkey, Malaysia, Singapore, and Indonesia to benefit from the advanced economy of Singapore, the newly industrialized economies of Turkey and Indonesia, and the emerging economy of Malaysia. No matter how challenging, Pakistan should continue to improve relations with Bangladesh as well as increase mutual economic and cultural cooperation. Regardless of how painful it is for both countries, Pakistan and Bangladesh may still be capable of providing shared resources for a renewed partnership based on mutual trust. Pakistan should also deepen economic cooperation with Sri Lanka.

10. Pakistan should deeply and intensely study Russia's behavior now that both countries are desirous of the normalization and consolidation of bilateral relations. A correct calculation of Russian capabilities and intentions will enable Pakistan to avoid disappointment and frustration later on.

The Regional Impact of Emerging Great-Power Dynamics

1. Introduction

U.S.-China competition currently forms the most important instance of great-power competition in the existing interstate system. As a result, it holds within itself the key to the all-important question of global stability and continued peace. The intensification of Sino-American competition has come about as a result of the tardy dawning on the part of the U.S. of the systemic challenge that China's unhampered rise by means of its peaceful development poses to the enjoyment by the former of unbroken hegemony in the world system. It seems that this realization was delayed by the heady combination of long Sino-American economic interdependence, the lingering strategic compass of Cold War thought and behavior, and the strategic indolence induced by the brief spell of American unipolarity. It took President Trump's hard-sell worldview to bring the hoary verities of interstate relations back into the focus, and persuade the U.S.' strategic community of the need to view China as a strategic competitor rather than a global partner. The trade war, beginning in 2018, was the first major step that marked Washington's policy reorientation toward China. On a systemic level, this transformation of China from a partner into a competitor seems to have been driven by the inexorable approach of the point of no return in the global power transition. This has weakened the prospect of continued global cooperation between China and the U.S. In any case, cooperation between the system's dominant power and the next most powerful state only takes place as long as the former has not registered the approach of the point of inevitability beyond which the dominant power becomes a declining power. The next 3 to 5 years will determine whether the U.S.-China competition will morph into an irrecoverable antagonism to be sustained till the strategic retreat or defeat of either the U.S. or China, or if it would remain limited largely to the economic domain. The key characteristic of great-power competition is its tendency for being conducted over an extensive range of issues, areas, domains, and regions. Sino-American competition, no exception to this tendency, will likewise be global in scope but will manifest with particular intensity in Asia Pacific, Middle East, and South Asia for the simple reason that the dominant power prefers to bring the struggle physically closer to the doorstep and backyard of the rising power. The ability to do so is the boon of the systemic dominance and confers an immense strategic advantage on the dominant power.

The following report is based on the critical analysis of the consolidated views of the speakers and discussants on the question of the regional impact of the dynamics of this great-power competition.

2. The Dynamics of U.S.-China Competition

The enduring trust deficit¹ between the U.S. and China was overlaid between 1990 and 2015 by a booming economic interdependence that not only benefited the economies of the U.S. and China but also fueled global growth. The success of

¹ Kenneth G. Lieberthal & Wang Jisi, "Addressing U.S-China Strategic Distrust," *Brooking Institution's John L. Thornton Center Monograph Series*, No. 4, (March 2012), <https://www.brookings.edu/research/addressing-u-s-china-strategic-distrust/>.

bilateral partnership, whose fundamental rationale was built on the strategic exigencies of the Cold War, could not overcome this strategic trust deficit.

Beneath the surface of Sino-American bilateralism, however, the innate mutual suspicion of major powers was at work. If anything, the phenomenal four-decade-long growth of China increased the mutual trust deficit. Unbeknownst to China and the U.S., their partnership would become the basis for the resumption of intense competition between them.

What makes the U.S. extremely worried about China is that the former knows from its own historical experience that the logical end state of the rise of major powers is either unipolarity or systemic hegemony. Multipolarity, whether balanced or unbalanced, and bipolarity are transitional systemic states from the standpoint of the power maximization considerations of great powers. The objective circumstances of China's peaceful development so far point to that eventuality and herein lies the source of U.S.-China friction. From its experience of having defeated the Nazi Germany and Soviet Union in two different manifestations of the great-power struggle, the U.S. is also aware of the fact that the rise of major powers into hegemony is certainly not a foregone conclusion, and that through commitment and resolve rising great powers can be contained. The challenge before the U.S. is that China, its current competitor, is a great power of new type, much deeper in its strategic wisdom and much nuanced in its approach toward the U.S.

China, schooled in the same crucible of history and global politics as the U.S., has also learned its own lessons, and knows that a great power fails to rise to become dominant power of the system if they do not succeed in establishing economic and trade interdependence with the hegemon. Among other things, the U.S. rose to become the dominant power on the basis of economic linkages with the U.K. The Soviet Union fell because, among other things, it failed to create this economic engagement with the U.S. and Western Europe, and failed to promote and sustain it with China.

Therefore, President Trump is right, from the standpoint of American supremacy, in identifying the source of the biggest danger to the preeminence of the U.S. in the rise of China. Where he errs is the approach he has taken to deal with what appears a problem to the U.S. To undo the interdependence between the dominant power and the next most powerful state in the system, once it has been established, can seriously destabilize and even undo the system apart from seriously undermining the economy of the dominant power itself.

The strategic consensus in the U.S. seems to have settled in favor of viewing China as a competitor. Second Trump Presidency or the Biden Presidency, after November 2020, would only differ on the type and scale of means to be utilized but not on the strategic direction of U.S.-China relationship. However, it seems that the major dynamic of the U.S.-China competition will be economic, financial, and trade-based for the foreseeable future with trade war and the planned reshoring of U.S. businesses operating in China serving as tools of choice to coerce China.²

² Mark Magnier, "US Companies Looking to Return Home from China facing Significant Problems," *South China Morning Post* (July 28, 2020), <https://www.scmp.com/news/china/article/3094943/us-companies-looking-return-home-face-significant-problems>.

Both the major powers will try to keep the military competition from spiraling out of control. As a result, cyberspace will become a contested arena. The intensification of competition in the subconventional domain will increase the risk of “wormhole escalation” defined as the potential for “Holes” to “suddenly open up in the fabric of deterrence through which competing states could inadvertently enter and suddenly traverse between sub-conventional and strategic levels of conflict in accelerated and decidedly non-linear ways.”³ This risk of asymmetric escalation will face not only the U.S. and China but other powers in the system as well.

On a consolatory note, however, the competition will not affect the Chinese consumption of American cultural products. The fault line of Western-style democracy and Chinese-style meritocracy will become more salient as the competition intensifies. As always, second-tier partners of major powers will face the brunt of the great-power competition. One of the biggest challenges for the U.S. will be to adapt its behavior, honed and matured in the eras of bipolarity and unipolarity, to the emergent reality of a multipolar world. Doing so will entail frustration which could lead to geopolitical miscalculation and hasty actions.

3. South Asian Regional Complex

The new Sino-American competition will enhance the Indo-U.S. alignment and further aggravate India-China tensions. In a classic case of offshore balancing, India will be utilized by the U.S. to hamper China in the region. However, this policy will not succeed simply because of the mammoth momentum of China’s peaceful development. One of the key effects of the Indo-U.S. partnership will translate into diminished regional stability as a result of the encouragement that India will derive from its cherished place in the new U.S. strategy to contain the rise of China.

While the competition between India and China is nearly perennial and rooted in the logic of the interstate system, it is not supposed to be a foregone conclusion. The effects of this competition will be extremely destabilizing because India’s modest development potential relative to China will force an Indian recourse to disruptive means to offset the lag in capabilities with China. India’s embrace of the strategic neologism of Indo-Pacific and the Quad of Australia, India, Japan, and the U.S. already bespeak their adversarial intentions against China.

As a result, India has come close to abandoning its much-prized strategic autonomy in the pursuit of its unrealistic goal of surpassing China by any means possible. It has failed to realize that developing a mutually beneficial relationship with both China and Pakistan would have allowed it to exercise and expand its strategic autonomy considerably. India’s behavior is the geopolitical equivalent of cutting off one’s nose to spite one’s face.

Increased Indian recklessness, as manifested in its actions in the Illegally Indian-Occupied Jammu and Kashmir and along the Line of Actual Control (LAC), could not have come about in the absence of a keen U.S.-China competition.

The consequences of U.S.-China competition on Pakistan have been paradoxical at best. On the one hand, it has made Pakistan more secure in geostrategic and

³ Rebecca Hersman, “Wormhole Escalation in the New Nuclear Age,” *Texas National Security Review*, 3, no. 3 (Autumn 2020): 91-109, <https://tnsr.org/2020/07/wormhole-escalation-in-the-new-nuclear-age/>.

gocioeconomic terms, but on the other, it seems to have exposed Pakistan's relatively constrained options on the Kashmir dispute.

A strange situation also seems to have come about in Afghanistan. While the U.S. has signed a peace deal with the Afghan Taliban, yet its fate hinges on the ongoing Intra-Afghan peace talks. The question is, will the U.S. and the Afghan Taliban be able to honor their peace deal if the Intra-Afghan peace negotiations come a cropper. The failure of Afghans to bring peace to their country will undermine regional stability in a big way and continue to haunt Pakistan especially.

An exceptionally gifted and competent leadership could still manage to delink domestic peace from Afghanistan and promote major domestic development, but it does not even seem to be on the cards as the strategic thinking in Islamabad seems to have resigned itself to the idea of inescapable security and peace linkages between the situations in Afghanistan and Pakistan. While this geopolitical linkage certainly exists, it is not irreversible nor inevitable. Thinking that it is so will only lead to the reinforcement of circular thinking and complicate things for Pakistan.

The aim of strategic imagination is to see things as they are and move to try to make them as they should be. Pakistan's geopolitical compulsions, domestic preoccupations, exigencies of the Afghan situation, and the fallout of an India running amok in South Asia will make it difficult to look consistently beyond Afghanistan and India. In the context of the former, integration with Central Asia will continue to be honored more in theory than in practice. In the context of the latter, the potential of Pakistan's engagement with Southeast Asia will remain limited as things stand.

Similarly, partly due to the ceaseless manipulation and tantalization of Bangladesh by India, the former will not be inclined to look favorably at mutually beneficial cooperation with Pakistan. However, it is important to remember that history does not only throw up specters from its fathomless depths but may also keep hidden in those very depths the forgotten and unfulfilled potential of friendliness and mutual development. One day, this stultified potential may be suitably recollected and actualized by the states and peoples of Bangladesh and Pakistan. Pakistan-Sri Lanka relations would continue to be strong with a lot of potential for increased economic cooperation. Deepening of Sri Lanka-China partnership would also prove to be beneficial for ties with Pakistan. However, Indian dissatisfaction would continue to pose a danger if not for China-Sri Lanka relations, then certainly for Pakistan-Sri Lanka relations.

In terms of the U.S.-China competition, the South Asian regional complex will consist of the continued geostrategic interest of the U.S. and dominant socioeconomic position of China. While China may only cautiously increase its geostrategic footprint in the region, the U.S. will have to struggle to recover its socioeconomic dominance in the region.

4. Middle Eastern Regional Complex

The generational turnover in the leadership of the Middle East will entail major changes in the region, as has been demonstrated by an increasingly pro-Israeli Arab policy. The establishment of Israel's formal diplomatic relations with UAE and Bahrain will accelerate the process of Arab-Israeli normalization minus the

Palestinian-Israeli normalization. The sundry conflicts of the Middle East mean that the region will not be pacified for a long time to come.

The U.S. will continue to enjoy major strategic and economic presence in the region. Russia's proximity to the Middle East via Caucasus will continue to see Russian involvement in the region mainly in the military domain, whether it is the conflict in Syria or the sales of arms to countries in the region. China will continue to expand its economic footprint in the region, mainly in terms of oil imports. China currently imports 75% of its oil. In 2019, at least 44.8% of crude oil imported by China originated from nine countries in the Middle East.⁴

China enjoys a potentially greater geoeconomic advantage in the region than the U.S. because China, unlike the U.S., is dealing economically with Arab countries, Iran, and Israel at the same time. U.S.-Iranian rivalry denies the U.S. this omnidirectional advantage. However, China's geostrategic presence is virtually non-existent in the region which may jeopardize its geoeconomic leverage in the event of the aggravation of U.S.-Competition.

The recent China-Iran deal worth around \$400 billion dollars, which will lead to massive Chinese investments in energy, infrastructure, and communications in Iran may end up changing the regional balance in the favor of Iran. It can be clearly seen that this deal is driven by China's status as the largest net importer of oil in the context of the risk of the escalation of competition with the U.S.

In future, this deal may prove momentous in terms of rearranging the regional balance much as the conclusion of Israeli-Egyptian peace treaty in 1978 had done. From being a first-rate Arab power, Egypt became a second-tier Middle Eastern state. Among other things, the Arab gravitation toward Israel is perhaps being hastened by, from the Arab perspective, the looming prospect of the major enhancement of Iranian capabilities by way of the Sino-Iranian deal.

The U.S.' reduced energy dependence on the Middle East also means that its policy can become bolder in the region. Increased Indian economic engagement with the region can also be explained partly as a result of the strategic space provided to India by the U.S.' reduced dependence on the region's hydrocarbon resources.

Increased Indo-Arab and Arab-Israeli engagement, Pakistan's continued energy dependence on Arab states in the region, and the China-Iran deal will form key aspects of the overall equation of the regional interaction between Middle East and South Asia in terms of the historically strong and deep relations Pakistan has enjoyed with the Gulf States.

A massively upgraded Iran thanks to Chinese investments and the Arab states post normalization with Israel and engagement with India may prove to be relatively new and interesting entities from the standpoint of Pakistan's relations with them.

Turkey's involvement in the region has become another significant factor. Turkish presence in the Middle East might be misrepresented as an attempt to recoup its bygone role of the key security provider of the Middle East. In fact, Turkey's proximity to the Middle East and the risk of the region's security spillover into Anatolia have

⁴ Daniel Workman, "Top 15 Crude Oil Suppliers to China," *World's Top Exports* (August 20, 2020), <http://www.worldstopexports.com/top-15-crude-oil-suppliers-to-china/>.

animated and justified Turkey's actions in the Middle East. The Iraqi and Syrian conflicts and tensions in the Eastern Mediterranean have amply shown the seriousness of this risk.⁵ The ongoing hostilities between Azerbaijan and Armenia over the disputed region of Ngorno-Karabakh can also influence the Middle Eastern geopolitics bringing it closer to Caucasian geopolitics.⁶

In terms of its internal dynamics, the Middle Eastern regional complex consists of three competitive sets of Arab-Non-Arab competition and rivalry, namely, Arab (mainly Saudi)-Iranian rivalry, Arab (mainly Saudi, UAE, Egyptian)-Turkish competition, Arab (excluding the Palestinians)-Israeli rivalry. The first two competitive sets will not be resolved any time soon, whereas the third set is fast on its way to becoming cooperative.

In terms of the U.S.-China competition, the Middle Eastern regional complex will be characterized by U.S. military and financial dominance, massive Chinese geoeconomic engagement, and Russia's defense intervention.

5. Asia Pacific Regional Complex

In terms of the U.S.-China competition, Asia Pacific is the most dangerous region in the world right now as this is where China and the U.S. face off against each other militarily. The multi-country claims in the disputed South China Sea, China's efforts to assert its sovereignty as per its claims in the South China Sea, and the U.S.-led freedom-of-navigation operations make the potential of an accident or a misunderstanding to snowball into a military conflict particularly acute.

The intensification of the pro-Independence sentiment in Taiwan coupled with the visit of the U.S. Health Secretary in August 2020 in the backdrop of the COVID-19 pandemic has contributed to the exacerbation of relations between the U.S. and China. From China's standpoint, this visit has constituted a breach of the U.S.-China understanding on the One-China Policy.

Japan's participation in the Quad as well as the encouragement of the Japanese government to Japanese firms doing business in China to shift operations out of China due to the pandemic by earmarking a fund of \$2.2 billion for the purpose has strained relations between the two East Asian major powers.⁷ Japan has also made efforts to promote quality infrastructure development in Asia Pacific by investing over \$110 billion between 2016 and 2020.⁸ While projected as a cooperative effort not aimed at any other initiative, it is clear that Japanese efforts are aimed at ensuring

⁵ Amin Bagheri, "What is Happening in the Mediterranean Region," *Daily Sabah* (September 11, 2020), <https://www.dailysabah.com/opinion/op-ed/what-is-happening-in-the-mediterranean-region>.

⁶ Hilal Kaplan, "Mapping the Turkish Military's Expanding Footprint," *Daily Sabah* (October 2, 2020), <https://www.dailysabah.com/opinion/columns/mapping-the-turkish-militarys-expanding-footprint>.

⁷ Isabel Reynolds & Emi Urabe, "Japan to Fund Firms to Shift Production out of China," *Bloomberg* (April 9, 2020), <https://www.bloomberg.com/news/articles/2020-04-08/japan-to-fund-firms-to-shift-production-out-of-china>.

⁸ Ministry of Foreign Affairs of Japan, "Announcement of "Partnership for Quality Infrastructure: Investment for Asia's Future,"" *Ministry of Foreign Affairs of Japan* (May 21, 2015), https://www.mofa.go.jp/policy/oda/page18_000076.html.

that the Belt and Road Initiative (BRI) does not deprive Japan of its influence in Asia Pacific.

Japan has also shown a keen interest in developing a comprehensive partnership with India. This partnership includes the modernization and upgradation of India's infrastructure and skills training and development of hundreds of thousands of Indians to increase their productivity.⁹ Japan also happens to be one of the top four investors in India.¹⁰ Increased Indo-Japanese partnership should concern Pakistan as it will increase India's capabilities which will be automatically utilized against Pakistan.

Between 2016 and 2018, Japan's total stock of outward direct investment (ODI) in the top ten Asian economies minus China reached \$259 billion as opposed to China's total ODI stocks of \$58.3 billion in the same economies.¹¹

In the context of U.S.-China competition, it is not difficult to see that Japan will become a robust partner for the U.S. Japan, unlike the U.S., will not confront China directly but will rather use more discreet and mutually attractive ways to compete with China. China will have certainly pulled off a coup if it can come to some strategic understanding with Japan leading to the latter's withdrawal from the evolving architectonics of China's containment.

The intensification of the U.S.-China trade war and the disruption of global supply chains in the wake of the trade war and the pandemic led to the ASEAN becoming the major trading partner of China between January and June 2020.^{12 13} However, this trade interdependence will continue to co-exist with multi-country disputes with China in the South China Sea. This is a worrisome situation because while the regional countries have traditionally proven capable of separating geopolitics and economy, the potential of the disputes to end this equanimity cannot be ruled out.

It is plain to see that the U.S. is trying to utilize this regional disjuncture as a ploy against China. Countries like Philippines and Vietnam may be more amenable to such utilization than other parties with conflicting claims in the South China Sea like Indonesia and Malaysia. Australia is enthusiastically following the U.S.' lead and taking a hardline against China with regard to the South China Sea. An estimated

⁹ Malini Goyal, "Why Japan is Pouring Lakhs of Crores in Cut-Rate Loans to Build Infrastructure across India," *The Economic Times* (September 17, 2017), <https://economictimes.indiatimes.com/news/economy/infrastructure/why-japan-is-pouring-lakhs-of-crores-in-cut-rate-loans-to-build-infrastructure-across-india/articleshow/60712934.cms>.

¹⁰ Deepshika Sikarwar, "India's Eyes Investment from Japan," *The Economic Times* (September 13, 2020), <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-eyes-investment-from-japanese-firms/articleshow/78094411.cms>.

¹¹ Carlos Casanova, "Japan Outstrips China in Investment in Asia," *Brink: The Edge of Risk* (January 22, 2018), https://www.brinknews.com/japan-outstrips-china-in-investment-in-asia/?utm_source=BRINK+Asia.

¹² Anna Fifield, "Taiwan's 'Born Independent' Millennials are Becoming Xi Jinping's Lost Generation," *The Washington Post* (December 26, 2019), https://www.washingtonpost.com/world/asia_pacific/taiwans-born-independent-millennials-are-becoming-xi-jinpings-lost-generation/2019/12/24/ce1da5c8-20d5-11ea-9c2b-060477c13959_story.html.

¹³ Sarah Clarke, "US Health Secretary's Taiwan Visit Angers China," *AL Jazeera* August 9, 2020), <https://www.aljazeera.com/videos/2020/08/09/us-health-secretarys-taiwan-visit-angers-china/>.

70%-85% of China's total oil imports pass through Malacca Strait connecting the Indian and Pacific Oceans. South China Sea is a critical global shipping lane through which transits annually \$3.5 trillion worth of trade.¹⁴ In view of the strategic importance of Malacca Strait and South China Sea, Indo-U.S. alignment and the Quad of Australia, India, Japan, and the U.S. will remain a serious concern to China's peaceful development and global peace.

The case of Indonesia is both interesting and instructive. The country recently became the first, and so far the only, OIC member country to have a nominal GDP of more than \$1 trillion. Indonesia's discreet rise as a major economy in Southeast Asia has come at the expense of its near-total geopolitical dormancy in the wake of the 1999 East Timorese crisis. Indonesia seems content to continue its economic rise without the distraction of getting involved in the great-power competition in Asia Pacific. In comparison, Pakistan does not have the choice that Indonesia had at the dawn of the 21st century. Pakistan's development would, therefore, have to accompany its active participation in regional geopolitics.

In terms of the U.S-China competition, Asia Pacific regional complex, especially in East Asia and Southeast Asia, would be dominated by the U.S.'s forward defense posture buttressed by the increased geoeconomic role of its partners, and Chinese geoeconomic preeminence accompanied by the acquisition of formidable defense capabilities, especially Anti Access/Area Denial (A2/AD) capabilities.

6. Russia in the U.S.-China Competition

Russia would become the *tertius gaudens*¹⁵ in the Sino-American competition. Whether or not the U.S. inaugurates the second round of triangular diplomacy that earlier saw engagement with China as a strategy of containment of the Soviet Union,¹⁶ – this time against China – Russia is certainly going to benefit massively from a strategic partnership with China that has been established with converging Sino-Russian threat perceptions. This strategic partnership has provided Russia with the confidence and the breathing space to resist the eastward expansion of NATO, intervene in the Syrian and Libyan conflicts, and collaborate with Iran for its larger South Asian-Middle Eastern ambitions. Sino-Russian strategic partnership would also be at work in Central Asia to deny the U.S. the strategic entry it was given in the region in the immediate aftermath of 9-11. From Pakistan's standpoint, Russia would only advance ever so cautiously in deepening cooperation with Pakistan.

7. The 21st Century Energy Geopolitics

The U.S-China competition will also play out in the realm of energy geopolitics. China is acutely aware of its vulnerabilities as the largest net oil importer in a global maritime system dominated by the U.S. and its partners. China is, therefore, investing massively in energy transition to offset the U.S.' advantage as the world's biggest oil and natural gas producer and one of the biggest oil exporters, thanks to

¹⁴ P. K. Balachandran, "Sino-US Difference over South China Sea Appear to be Irreconcilable," *MENAFN* (September 7, 2020), <https://menafn.com/1100761247/Sino-US-differences-over-South-China-Sea-appear-to-be-irreconcilable>.

¹⁵ Refers to the third party that benefits in the conflict between two other parties.

¹⁶ Henry Kissinger, *Diplomacy*, (New York: Simon & Schuster, 1994).

the shale revolution.¹⁷ China already produces 70% of world solar panels.¹⁸ Energy dependence is the major reason for China's keen interest in a strategic partnership with Russia. The traditional American strengths in innovation, research and development will prove to be a major asset in the emerging global geopolitics of energy as well as energy transition to non-hydrocarbon sources of energy in which China and the U.S. will lead the way, but the U.S. will still have a big stake in hydrocarbon-based energy.¹⁹ If this energy transition takes place with China in the lead, then the U.S. dominance of the global oil economy will be impacted adversely. Russia, Saudi Arabia, and Iran will be even more severely affected than the U.S. It will be interesting to see how Pakistan's key partnerships will be affected as a result of this transition, considering its solid partnerships with the Arab states in the region of which energy dependence is a major aspect, and its comprehensive cooperation with China, which, in view of its oil dependence, will be interested in accelerating the diversification of the global sources of energy away from oil and gas.

8. Role of Hybrid Warfare

Hybrid warfare will increasingly be used in the emerging great-power dynamics. This use will aim to gain strategic advantage over competitors and adversaries. The utilization of hybrid warfare will intensify in direct proportion to the reduced power distance and difference between established great powers and new major powers.

Described as the “synchronized use of multiple instruments of power [military, political, economic, civilian, and informational (MPECI)] tailored to the specific vulnerabilities across the full spectrum of societal functions [political, military, economic, social, informational, and infrastructure (PMESII)] to achieve synergistic effects,” hybrid warfare actors will simultaneously deploy vertical escalation [intensified use of a single means or instrument of power] and horizontal escalation [combined application of the MPECI instruments of power] to exploit and create vulnerabilities in the critical functions of PMESII spectrum of the target socio-political system such as a state, its society and its various sections, whose discontinuation can lead to the disruption of that system.²⁰

Pakistan has already been in the crosshairs of hybrid warfare actors for the greater part of 2000-2020. It, therefore, needs to be especially aware of its various vulnerabilities, fix them before long, and stay ahead of different hybrid warfare actors and attacks to which it is exposed.

From the standpoint of the U.S., country-wide current civil unrest and protests around the Black Lives Matter (BLM) and increased political polarization, and from the standpoint of China, the unrest in Hong Kong may be seen in the context of hybrid warfare. It is also not irrelevant to see the “wormhole escalation”²¹ mentioned

¹⁷ Daniel Yergin, *The New Map: Energy, Climate, and the Clash of Titans* (New York: Penguin Press, 2020).

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Patrick J. Cullen & Erik Reichborn-Kjennerud, *Understanding Hybrid Warfare* (Multinational Capability Development Campaign (MCDC) 2016-2017).

²¹ Rebecca Hersman, “Wormhole Escalation in the New Nuclear Age,” *Texas National Security Review*.

above as a strategy of choice of hybrid warfare actors to maintain escalation dominance.

9. Recommendations

Based on the foregoing analysis, the following recommendations are proposed for Pakistan to successfully navigate the emerging great-power dynamics:

1. Pakistan should focus on expeditiously removing the bottlenecks of domestic development and effect speedy comprehensive development and economic growth, as only those countries which simultaneously possess economic strength and powerful defense capabilities will be able to withstand the pressures of the emerging great-power dynamics of which the U.S.-China competition is the key manifestation in the interstate system.
2. Pakistan should focus on securing itself against multiple external and internal hybrid warfare actors. It should identify its key vulnerabilities and work to address them before they can be manipulated beyond redemption by hybrid warfare actors. It should undertake a comprehensive hybrid warfare self-assessment and threat analysis with the concerted cooperation of the leading minds in the state, government, private sector, academia, and think tank community. Countering hybrid warfare should also be based on the synchronization of the various elements of power at the disposal of Pakistan.
3. China-Pakistan cooperation should continue to develop as a non-confrontational partnership focused on bilateral growth, regional connectivity, shared development, and mutual respect for each other's domestic conditions.
4. Pakistan should continue to abstain from participating on one side or the other in the Middle Eastern regional complex. This abstention should be informed by the knowledge that prolonged neutrality can insidiously slide into isolation. In this regard, Pakistan should remember well the late 19th century Bismarckian dilemma of omnidirectional relations and balance-seeking with all kinds of powers which did not end well for Germany. However, friendly admonition to various Middle Eastern players to overcome their differences may suffice for the time being. Pakistan should try and understand the geopolitical compulsions of its Middle Eastern friends like Saudi Arabia, Iran, and even Turkey, and, equipped with this understanding, should focus on its bilateral relations with them without allowing their relations with each other to affect its bilateral partnerships with them. It is easier said than done but Pakistan should not be dismayed by the scale of the challenge. Pakistan should also not recognize Israel till the creation of a territorially continuous Palestinian state comes about. On the off chance that a fully sovereign Palestinian state has come into being, Pakistan should thoroughly consider that there is no urgency in recognizing Israel.
5. Pakistan should try and see if it can diversify its energy trade so as to be able to avoid getting caught in the future fallout of the increased Arab-Israeli and Indo-Arab economic engagement. Pakistan should also see if it can propose any alternative form of engagement to its Arab friends. If the answer to this question is not in the affirmative, then it should try to hedge its energy bets while it can. For this to happen, Pakistan should also try to increase the share of non-hydrocarbon energy in its energy mix to be able to benefit from the coming energy transition in which China will play a leading role. It should

realize its immense potential for solar energy through a concerted national approach.

6. Pakistan should try and see if the bilateral approach advised for its relations with its friends in the Middle East will also work in the context of U.S.-China competition. Pakistan should take anticipatory precautions now in view of the future exacerbation of the competition between the U.S. and China. Pakistan should increase cooperation with Germany as well as work to increase economic engagement with Southeast Asian, African, and Latin American economies.
7. Pakistan should also continue to assist and help the intra-Afghan peace negotiations and extend any legitimate assistance, as before, to the U.S. efforts for peace in Afghanistan.
8. Pakistan should try to expand and increase its considerably constrained options vis a vis the Kashmir dispute in view of India's unilateralism and its change in the status of the Illegally Indian-Occupied Jammu and Kashmir.
9. Pakistan should increase economic cooperation with Turkey, Malaysia, Singapore, and Indonesia to benefit from the advanced economy of Singapore, the newly industrialized economies of Turkey and Indonesia, and the emerging economy of Malaysia. No matter how challenging, Pakistan should continue to improve relations with Bangladesh as well as increase mutual economic and cultural cooperation. Regardless of how painful it is for both countries, Pakistan and Bangladesh may still be capable of providing shared resources for a renewed partnership based on mutual trust. Pakistan should also deepen economic cooperation with Sri Lanka.
10. Pakistan should deeply and intensely study Russia's behavior now that both countries are desirous of the normalization and consolidation of bilateral relations. A correct calculation of Russian capabilities and intentions will enable Pakistan to avoid disappointment and frustration later on.