

The Race of Hegemony: China-U.S. Competition in South Asia

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Abstract

This research paper encompasses South Asia as an area of interest mainly focusing on the US-China competition and its impact on the South Asian region. The research paper focuses mainly on China's increased aggression and the United States' abrupt inward turn. China today wants more global influence; the United States currently wants less. Hence, there is sample reason to expect a soft landing as the world evolves from unipolarity to multipolarity. It has been about a few years since the United States and China saw their relationship deteriorate due to an increase in hostilities and a decrease in collaboration with each other. The United States and China are in the midst of a power transition that has significant ramifications for the balance of power in South Asia for their respective national security objectives. As the power transfer progresses, it is likely that a great power struggle will increase emerging as a new cold war. This competition would lead to many implications for South Asia and this paper would be highlighting the role of South Asian states in the new cold war scenario, emergence of new world order, the race for an arms race, economic turmoil, etc. The current US-China competition will have dire consequences both globally and regionally.

Keywords: Cold War, US-China Competition, New World Order.

Introduction

China is emerging as the world's leading economy and as a serious contender for the global leadership role, which is viewed as a major challenge by the US encouraging it to take measures that could help contain China's rise. The emergence of new alignment in the Indo-Pacific location and engaging India to help achieve the US objectives, and Pakistan's growing dependence on China could embroil the South Asian neighbors in the new Cold War that is developing between the two great powers. It seems doubtful that Pakistan will separate itself from China because of Pakistan's security worries over India. The United States has a complicated relationship with Pakistan. India and Pakistan are concerned about the likelihood as well as the opposition to these changes (Rashid, 2022).

To put it another way, ties between the two nations have been elevated thanks to China's investment in Pakistan's economy through the China-Pakistan Economic Corridor (CPEC) under the Belt and Road Initiative (BRI). Open confrontation is the only option in this new Cold War. By putting pressure on India to aggressively deny China the freedom it desires at sea and on land to achieve its economic ambitions, the United States hopes to make up for the loss of Asian

dominance it has already suffered. In the event of a new Cold War between the United States and China, South Asia's geopolitical equilibrium might be jeopardized (Dizard, 2004).

The United States has a long history of involvement in South Asia as it saw South Asia as strategically significant during the cold war era because of its proximity to the Soviet Union and China, as well as its strategic placement in the Indian Ocean. Moreover, a quarter of the world's population, or 1.9 billion people, lives there. There are a lot of resources and produced items that are shipped from here to other parts of the world. Since 1947, China has had commercial and business ties with Pakistan and India. In the contemporary era, the CPEC is a multibillion-dollar initiative between China and Pakistan that the United States and India oppose and are working tirelessly to thwart. In times of crisis, China has always stepped in with diplomacy to assist Pakistan. The "iron brother" is the name given to it." Furthermore, the long-standing security rivalry, a positive economic friendship, and cooperation on global issues are all part of China's strategic goals when it comes to dealing with India. The border dispute, India's rise as a power with abilities that go beyond its own borders, and China's own preferences in the Indian Ocean are all part of the security rivalry. India has always thought of itself as more of a rival to China than a rival to the US, and its last several strategic alliances with the U.S. are a cause of concern for China. The US-China competition has already swirled into an environment of a new cold war that would have implications for the strategic stability of South Asia causing a threat to the peace of the world unless reasonable minds prevail (Rauch, 2016).

Methodology

This study employs a qualitative approach by utilizing primary and secondary data—from speeches of representatives from both China and the US, books, journal articles, newspaper articles and research by national and international organizations.

Theoretical Framework

According to three realist theories – classical, structuralism and neorealism – there could be three scenarios of the future of Sino-US interactions. The first scenario is that China would fight against the US hegemony. The second scenario is that two powers would cooperate. The third scenario is that China could strive to garner maximum advantages under the current US hegemony till it is powerful enough to form its own world order (Chen, 2013). According to John Mearsheimer's, offensive realism stipulates that a peaceful rise is not possible for China, and it is more likely that the US would engage in an escalating strategic competition with China. In Mearsheimer's view, China would push the US out of Asia in order to establish its regional hegemony. The Neo-realist theory contends that the US, in order to ensure its own survival, will form a balancing coalition and alliances with the regional countries to contain China (Mearsheimer, 2014). The US's Asia policy could also be viewed through the explanation offered by defensive realism because of the US priorities that include coordination and cooperation within the region. However, offensive realism retains greater focus on the military options to establish the American hegemony in Asia (Sempa, 2015). The Obama administration's Asia policy was founded on realist assessment of the international system that shows a rise of China. The US announced that it would make cost benefit calculations to guide foreign policy in pursuit of its national interest. This meant that America would choose where and how it would

intervene rather than sustain global hegemony (Tehseen, 2017). Theoretically, a return to realist thinking dictates a US policy of power competition with China even though it demonstrates a major break from its traditional priorities that ascribe to the image of a liberal global power. The realists view the international system as being governed by power politics. According to neo-realism claims, it is the international system, which compels states to acquire maximum power. The US anticipates a challenge to its dominant role in Asia due to China. This US thinking is in line with the traditional concept of hegemony. Consequently, the US is pursuing certain policies to contain China. This containment effort provided the rationale behind Obama's Asia policy and it would remain as a factor in determining the incumbent Trump administration's policy towards Asia (Rose, 1998).

Formation of a New Global Order

The international system is generally hierarchical, with a dominating state at the top establishing and sustaining the international order; new powers frequently emerge as a result of uneven development rates, and the danger of conflict is greatest. The hegemon is seen as a brutal and immoral tyrant in Chinese culture. Subsequently, the hegemon shapes the international system significantly and power transitions occur when a developing power overwhelms the dominant power. These transitions can be peaceful, as in the case of the US overtaking Britain, when the rising power is content with the global order. In some cases, the transfer of power can lead to war when a dissatisfied power i.e. Germany, came to power against the hegemon Britain. Meanwhile, this explains the current geopolitical contention between the US and China, it also predicts likely events in the future such as an evolving cold war and its contact with South Asia (Griffiths, 2013).

Formation of Organizations

In the post-World War II era, the Soviet Union and the United States got involved in a worldwide struggle for domination that had ramifications for everyone's daily lives. These Cold War confrontations have left a legacy of military superiority, technical advancements, as well as the fabric of present global politics. In the current scenario, the QUAD i.e., an alliance between the militaries of the United States, the United Kingdom, and Australia generated quite a stir, but the main action took place somewhere. For the first time, the Quadrilateral met in person for the first time in Washington, D.C., and outlined the competing interests of big powers for the conceivable future. Though the word "China" was never said, limiting China is almost as much of a priority for the Quad as containing the Soviet Union was for NATO when it was first established 72 years ago. Furthermore, the UK, U.S, and Australia have announced a historic security pack known as AUKUS to counter China in the Asia Pacific. The AUKUS pact aims to prevent China's rapid expansion across the Indo-Pacific region (O'Rourke, 2020).

Afghanistan: Proxy War

Afghanistan is one of the regions where the original cold war was played out between the US and USSR in the form of a proxy war. Pakistan's role in the peace process of Afghanistan with the USA can never be marginalized. Furthermore, Afghanistan in the post-Taliban takeover is facing a huge humanitarian crisis which Pakistan supported by calling on the world authorities to release their 7 bn funds held by the USA, as well as opening up its border to India for

Humanitarian imports. A new cold war would be waged on Afghan soil, with the main players shifting their allegiances and shifting the goalposts constantly as well as Indian maneuvering, Afghanistan's own internal weaknesses, such as a lack of accountability in the political system and prevalent ethno cultural group divisions, all can contribute to the instability that is spreading throughout the region (Khan, 2020).

India: An Emerging Power

India is a rising power, because of the situation its value has increased. US foreign policy experts argue that India is an accepted friend of the US in the new cold war. This new friendship would play out as a recipe for a new divide and a new cold war, this inclination towards India would hurt the USA in a manner that Pakistan would place new limits on what it is sharing with the USA. As well as, would affect its Pak-US ties and policies in Afghanistan. The new Cold Trade war between The U.S. and China, which is fast developing both to India's west and east, confronts her with a stark decision. India has a strategic and economic choice to make. Furthermore, China's presence in Pakistan, particularly possible military vessels mostly around Gwadar, has previously caused India grave strategic anxiety (Jonathan, 2019).

Economic Competition

The world economy has grown increasingly integrated, with China's economy rising at a faster rate and the United States prepared to take over there at market exchange rates more critically, Beijing has physically assaulted the US as a key trade associate, borrower, and shareholder in a number of nations. Due to the degree of penetration of the economy of China, the strategy of containment of China has become impractical and expensive for all parties concerned, and the conflict between the United States and China has been lengthier as well as harder to settle (ZouKeyuan, 2021). A fork in the international economy has been slowly formed due to the rivalry, most noticeably in higher places such as the conflict between electronic totalitarian government and virtual social democracy, intelligent software and domestic spying methods, space probe navigation for the federal government-military purposes, and 5G/telecommunications, etc. In the international system, it is probably only a matter until China overtakes the United States as the biggest and most important nation. U.S. GDP of \$20.8 trillion, China's \$14.8 trillion, as of 2020, makes the United States the largest and most powerful financial system. It is predicted that by 2030, 15 China's economy would be far ahead of the United States' economy, which has a GDP of \$22.9 trillion. Energy consumption and military space make it one of the world's most populous countries. Quantum research, 5G connectivity, artificial intelligence (AI), robots, and space exploration are just some of China's cutting-edge technology. China's fast growth as a worldwide financial, technological, and military power has unnerved the United States and some of its allies. A power competition among countries, states, and China is evident in his BRI plan, which aims to include most of the Eurasian continent into China's economic system. Chinese growth in high-tech research and manufacturing during the last two decades has been astounding (Ling, 2018).



Figure 1: Redefining Economic Relations Between China and U.S. (Zhang, 2017)

Promoting trade and investment between the US and South Asian nations fosters economic interdependence and creates shared interests. Such as, the US stands as the largest importer of Bangladeshi products. In 2022, U.S. goods imports from Bangladesh totaled \$11.2 billion, as a notable increase from \$8.3 billion in 2021 (U.S. Department of State, 2022). Conversely, Bangladesh's imports in 2022 amounted to \$3.0 billion, marking a significant surge of 26.0 percent (\$612 million) from the recorded in 2021 (USTR, 2023). In 2021, the U.S. also stood as Bangladesh's primary export partner. In 2022, the trade between the United States and India reached an estimated \$191.8 billion, with exports valued at \$73.0 billion and imports at \$118.8 billion. Additionally, U.S. FDI in India amounted to \$51.6 billion in 2022, marking a 15.1 percent increase from the previous year (USTR, 2023). Conversely, the US has consistently served as Pakistan's largest export market, importing over \$5 billion in Pakistani goods in 2021, surpassing imports from any other country. Besides, it has maintained a significant role as a leading investor in Pakistan for the last two decades. In the latest fiscal year, U.S. direct investment in Pakistan escalated by 50 percent, reaching its highest point in over ten years (U.S. Department of State, 2022).



Figure 2: China, USA and India competition for Asia Region Dominance in 2030s (Brian, 2018)

The installation of U.S. sanctions or regulations on Chinese technology businesses serves as an appropriate example. President Joe Biden issued an Executive Order in August 2023 that prohibits U.S. investments in certain artificial intelligence systems, quantum information technology, semiconductors, and other sensitive Chinese technologies. In order to protect national security while preventing U.S. finance from supporting China's armed forces, the order prohibits or limits U.S. participation in various industries, including investment firms, venture capital, partnerships, and Greenfield investments. The ambiguity of the laws and the burden of

compliance on investors have alarmed U.S. financial firms. Likewise, in September 2023, the U.S. imposed sanctions on several Chinese and Russian businesses for providing components to a banned Russian company that was producing drones for Russia's military operations in Ukraine. Chinese IT businesses are working harder to create cutting-edge artificial intelligence systems that are independent of American chips because of U.S. limitations on exports. These actions may have significant repercussions for the Indian and Pakistani economies, which rely largely on Chinese investments and technology (Iftikhar, 2023).

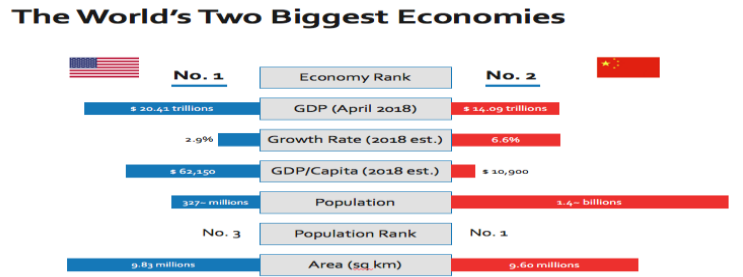
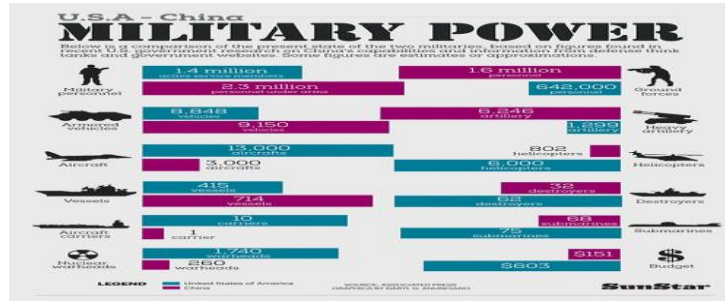


Figure 3: Two biggest economy (AmCham, 2018).

Race for Military Power Dominance

China uses political, financial, and military power to control the eastern seas and South China Sea, utilizing robots, AI, aircraft, and modern network technology. It uses asymmetrical techniques, surveillance networks, and military bases in the Pacific. The Indian Ocean Region (IOR) and eastern coast of Africa are developing dual applications for logistics and military access to China, enhancing its influence in the region. (Ling Wei, 2018) China's huge construction program intends to make the country into the world's biggest and most powerful armed navy by 2035, with around 500 boats, including 100 torpedoes and six aircraft carriers. China's strong space capabilities have resulted in enhanced capabilities for C4ISR stationed in space. On the other hand, the US maintains close to 400 outposts as part of an aggressive containment policy. The 2019 Quad Strategic Dialogue (Quad) reassessments between the US, India, Japan, and Australia are obviously centered on the Chinese. For instance, China's growth and danger to US hegemony were foreseen in 2001 by John Mearsheimer in his political and realistic "offensives," in which he argues that the actual world remains real. (Erik Slavin, 2014) The fundamental struggle between both the United States and China stems fundamentally from China's threat to usurp the United States' position as the world's technical leader. This has an effect on global governance laws, financial firms, and the financial system, as well as international institutions. China's ascent fundamentally undermines the present balance of power in terms of technical leadership and economic success. Due to China's vast market and purchasing power, its financial model is consuming the industries of East Asia, Central Asia, and South Asia. Chinese efforts to control Eurasian and the Asia-Pacific region are part of China's BRI effort to construct an unbroken global economic system. (China, US Policy, 2017)



Figures 4: Comparison of the present state of the two militaries, power. (Sunnexdesk, 2017)

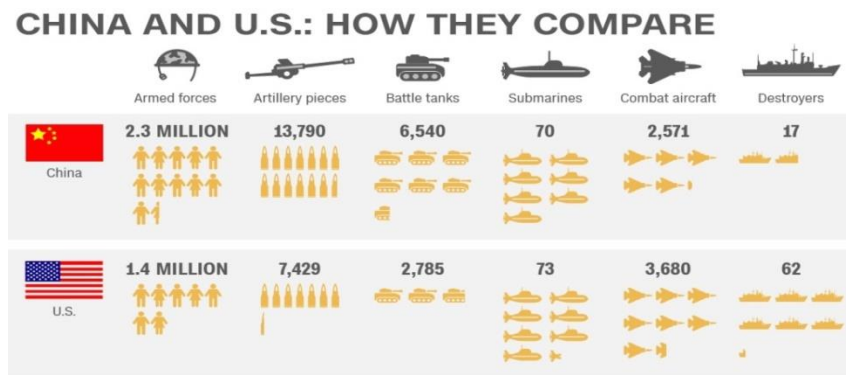


Figure 5: Military balance, 2015, international for strategic studies. (Papri Banerjee,2018)

Conclusion

In conclusion, the race for hegemony in South Asia between the United States and China has profoundly shaped the region's geopolitical landscape. The U.S.-China competition in South Asia reflects a modern iteration of Cold War dynamics, where two major powers vie for influence, not through direct confrontation, but via strategic partnerships, economic investments, and military cooperation. During the Cold War, South Asia was similarly contested by the U.S. and Soviet Union, as the region held key strategic importance. In today's scenario, Pakistan has clearly stated its stance that if a new cold war erupts due to US-China competition, it would not take sides of any bloc because it already has faced the repercussions of siding with the USA back in the days of the old cold war. But the situation is entirely different, in the new cold war environment the USA has made new alignments i.e., a friendship with India. China's growing presence, particularly through initiatives like the Indo-Pacific strategy and military cooperation via QUAD. China's GDP growth would eventually surpass the US in the coming decade. Consequently, the world politics would witness a shift from geopolitics to geo-economics in the coming decades of the 21st century but there will eventually be a transition in global politics as well. This race for hegemony, much like the Cold War, has forced South Asian nations into complex balancing acts, trying to navigate the benefits of Chinese investments while maintaining crucial relationships with the U.S. the Chinese approach has been inclined toward the development of the economic sector and building economic corridors to provide regional integration for regional economic growth. The US-led NATO forces were not able to achieve

decisive victory in Afghanistan and called off military operations without restoring long a waited peace in that violence-stricken country. It would be a challenge for the US to maintain long-term engagement in Asia with a militaristic approach.

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