

Q. There is an ongoing rivalry between US and China since 2018. In academic circles it has been argued that this may be a new Cold War. How will this all impact Pakistan?

Introduction :

By the turn of 21st century, the world had witnessed a single super power - the United States (US) and it had enjoyed its superpower for almost two decades until China comes out of the isolation strategy and started building diplomatic ties with regional players. Now, there is an ongoing rivalry for gain of dominance over each other. US called China "a revisionist power" in their National Security Strategy in 2017. Since then, a war is started between them to gain influence - not a full fledged war. Both try to encounter each other through strategic moves. Furthermore, the impacts of this rivalry are not limited to themselves and are affecting the whole world. For instance, Pakistan has significant strategic relationships with China, but US is its important bilateral economic partner. Hence, situation might change for Pakistan.

US-China Rivalry : The New Cold War

The traditional coldwar between US and Soviet Union lasted for more than four decades. The two states were not involved in a direct war rather involved in facilitating the opposing players in different regions. A direct military confrontation was witnessed during Cuban Missile Crisis of 1962. Finally, the cold war ended with

the disintegration of Soviet Union into 15 member states. Since then, Russia had never been a threat to United States. Hence, US enjoyed its status of superpower for two decade while the China was growing side by side. Finally, China came out of its policy of isolation and established ties with regional states.

“The competition for gaining hegemony between US and China through out the world is termed as the New Cold War.”

Reasons for The New Cold War:

The role of China is important in breaking the US supremacy and to balance the power between East and West. There are many reasons for cold war including:

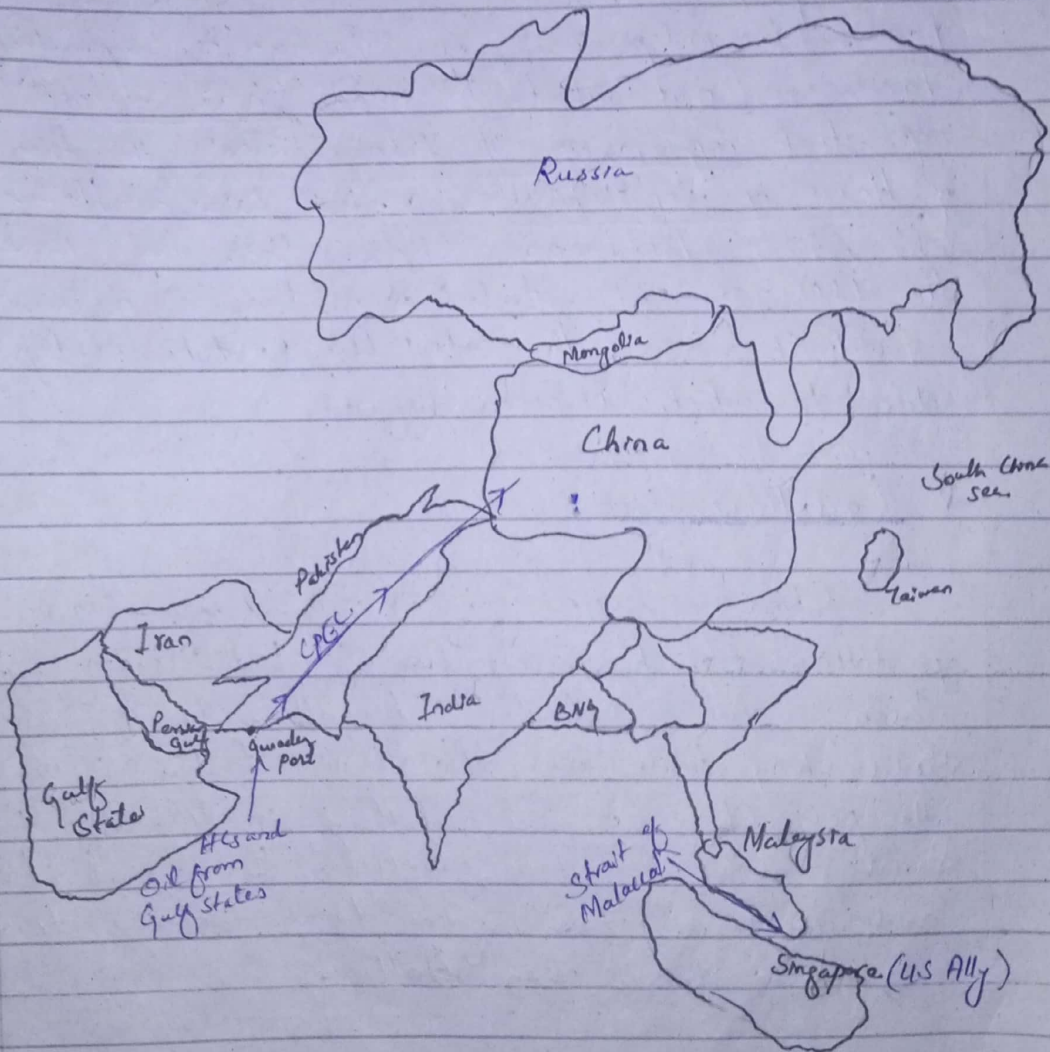
i. Difference in Political Views of China and US:

The US supports capitalism while China favours communism. The bone of content between both is US's insecurity from China with Beijing becoming a thriving economy. The countries which were exploited by US previously, had tilted towards China. For instance, Saudi Arabia has enhanced its relationships with China and also mended its relationships with Iran through mediation of China. Saudi Arabia and China signed 30 agreements of \$10 billion across different sectors including technology, minerals, supply chains etc. Moreover, US is trying to sway India from China's influence and has established strategic partnership in different sectors.

eg "INDUS-X."

ii. The New Cold War is Based on Allies and Economies:

The New Cold War is not solely based on military strength rather it relies on allies partnership and economy. The One Belt, One Road initiative aims at establishing diplomatic ties with different states. This OBOR derives due to insecurity from US and its alliance. For instance, China is investing in Gwadar and CPEC to smoothly transport its energy sources from Middle East through Pakistan and to avoid Strait of Malacca, where its opposite rivals are omnipresent.



iii. Difference in Contrasting Foreign Policies :

New Cold War is the result of contrasting foreign policies of both superpowers. China does not interfere in internal matters of its state partners and respect their territorial sovereignty. On the contrary, US intervenes in the allies internal affairs and have specific influence on less developed countries. For Example, **Backing of northern alliance in Afghanistan.**

iv. Taiwan as a Bone of Content :

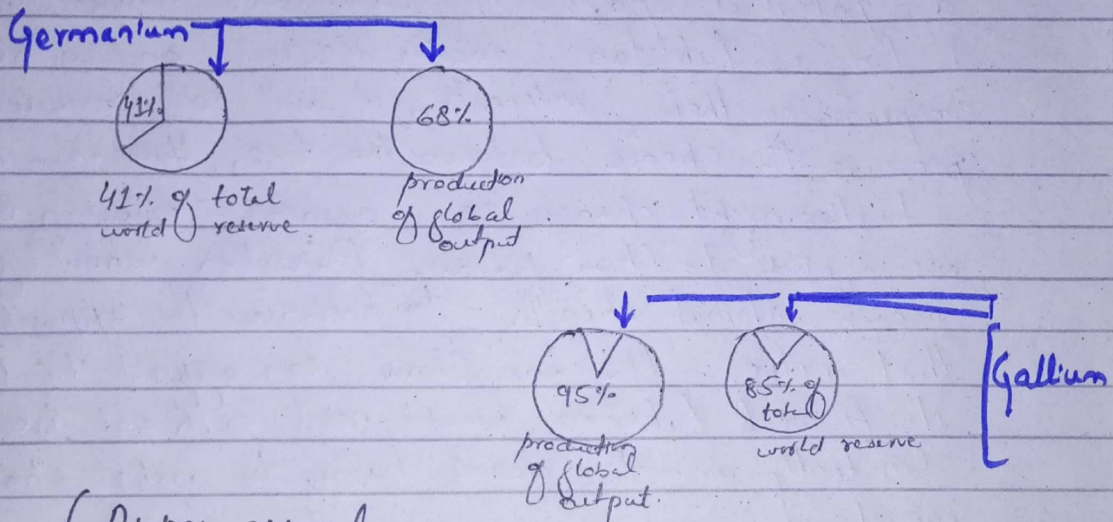
China has claimed Taiwan as its territory and a breakaway province from mainland China while US favours the independence of Taiwan by supporting Taiwanese nationalists. In 2022, China warned US of strict repercussions if Nancy Pelosi (the then Speaker of House of Representatives) visited Taiwan. However, she visited Taiwan and China took the issue to the UN and also started military drills in South China sea. This made US to take a step back due to which tensions diffused.

v. Dedollarization :

China has been trying to break the dominance of dollar. It has already started trading in Yuan and is exhorting its allies to do so. The Saudi-China trade has also been started in Yuan. As per China official website, countries like Russia, Saudi Arabia, Argentina, Brazil, Bangladesh, Iraq and Thailand have agreed to continue trade in Yuan rather than Dollar.

vi- US China Technological Entanglement

US and China have been locked in technological trade war since 2019. In October 2022, the US Department of Commerce had implemented a series of export control measures to protect its national security and foreign policy interests. These measures restricted China's ability to obtain advanced semiconductor chips for developing super computers. The US accused China for producing advance military systems. Japan and Netherland followed suit this year. To counter this move, China has imposed ^{export} control on Gallium and Germanium and other important chemical compounds from August 1st, 2023.



(As per official catalogue of China official's strategic minerals)

Impact of US-China Rivalry On Pakistan:

As per the article "US-China Rivalry" published in Dawn, Touqir Hassan argued that Pakistan cannot rely on any ~~oth~~ one of them directly, as she needs both for maintaining economic and diplomatic interests.

Pakistan, like other nations of the world, is also worried that how this rivalry will impact their relationships with both countries. However, there are no clear answers as Pakistan's relationship with China is significant, but not enough to meet its economical and security needs. Islamabad also needs Washington, an important bilateral economic partner that has traditionally been a security provider. US has been unreliable but remains relevant to Pakistan's needs given our limited resources. Regardless, US has the capacity to harm Pakistan through his strategic partner India.

Pakistan is also significant to US as a security partner in regional peace as well a potential spoiler in geopolitical competition. As long as Pakistan meets desired end without compromising their interests, it will not come under pressure to choose between the two. However, the situation might change if economic equation becomes overweighted to China favour. Pakistan should gain enough internal strength to enhance its appeal so that neither US nor China can afford to lose it. A weak Pakistan would need both and be constantly worried about having to make choice one day.

Conclusion :

This time US is facing tougher enemy due to its own reliance on China for trade. The US economy has not been doing well lately and banning Chinese imports has resulted in striking inflation. The world realizes that China, sooner or later, will overcome the US economically, if not militarily and that would result in China having more to offer than US.

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