

Sino-US Contestation and Its Implications for South Asia

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Abstract

The United States and China are facing a contestation across the world as Beijing's rise and its economic indicators show its emergence in the global mainstream. There are apprehensions that it can pose a challenge to the US-led liberal world order, formatting alternate mechanisms of global governance. China is competing with the US in global technological trade along with having flagship projects such as BRI containing 147 countries in it. The US and its allies are also doing some countermeasures in the form of B3W etc. to contain China yet face no success. In South Asia, Pakistan, and India are having multiple benefits from China such as huge trade of technological equipment, etc. as compared to the United States which is losing its place as a major trade partner in the region. This has generated a test case scenario for the South Asian neighbours to pick either of the major powers. Therefore, the paper addresses the key question of the implications of Sino-US rivalry on the foreign policy of China's South Asian neighbours. Earlier studies have claimed the growing tendencies of good relations between India and China but lacked the topic on South Asia with respect to Sino-US rivalry as it is a nascent debate in scholarly clubs. Meanwhile, Islamabad as well as New Delhi find a prudent policy approach in the longer future.

Keywords: BRI, Sino-US, South Asia, India, Pakistan

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1. Introduction

The United States (US) is enjoying the power of the status quo for decades (CD, 2023) Its global hegemony comes from its greater military capability, strong political and economic institutions, and other indicators like trade surplus, and exports with extensive savings. But a global challenger to their shaped international order is breaking the horns in the form of rising China. In recent years, Beijing has emerged as the challenger to the global hegemon to fulfill its organic capacity through the means which are reformed and reshaped, much similar but diverse than the incumbent superpower. The two giants are also competing on economic battlefields as one noted it as "a battle of efficiency", to match the other's capacity.

The Chinese emergence as a global competitor has found a space left by the US. The dysfunctional political system renders the superpower less capable of competing in terms of efficiency with the country in the east which is growing miraculously. Chinese growth remained much ahead of the rest of the countries throughout 7 decades. It was lifting its economy by 2.1 % ahead of the rest of the world from 1950 to 2001. They are aiming to reach the top of the world economic ladder by 2049. (Dollar et al., 2020) In addition to it, China has been utilizing its economic lever to influence the neighboring countries of the region which has been explained in detail below.

Meanwhile, the United States and its allies are also having some countermeasures against the Chinese Rise. These measures include the launch of the B3W project to counter the Chinese Flagship connectivity projects of BRI. But unfortunately, the US and its allies lack substantial initiatives against China and alternate options for the regional countries. Although, New Delhi is a major critique of Chinese BRI still the idea of B3W doesn't appeal to them. More similar in fashion, Pakistan would also not offend the billion-dollar investment coming to it especially when it harnesses the demographic and natural endowment of the country.

China's increasing influence across the region and beyond has been challenging the United States hegemony. Their competition engages both the situation where they are contesting each other at every front, particularly the economy. Their contestation is not limited to any specific region, but both are indulged in a race everywhere their interests come across.

South Asia is a highly volatile region that is home to the interest and rivalries of the major powers. The region includes the two nuclear archrivals India and Pakistan along with Afghanistan-the ultimate battlefield for the world in the so-called War on Terror after 2001. The region is also located at the mouth of the Indian Ocean, from where the world's major trade commodities such as oil flows to the Pacific. Its Geography intrigues the global power struggle in the dynamics of pairing. The US visualizes the region as an opportunity to contain the rising challenger which is China.

The current dynamics have been exploring other gateways to neutralize and balance the tension in South Asia. There are some challenges in Foreign Policy for China's South Asian neighbors that are India and Pakistan to pick the side among the two major rivals. Pakistan does not want to lose the United States but wishes to engage the two by

reaping full advantage of relations with both sides. And similarly, India has signed many agreements with the US vis-à-vis seeking opportunities to engage with China.

Previous studies lack the debate on the Sino-US contestation through the lens of South Asia. The existing literature mainly discussed the opportunities for India and Pakistan from the US as well as China. Nevertheless, the policy options for both countries have not been addressed. Therefore, the topic is nascent in the scholarly debate. Moreover, the study has been discussing only two countries of South Asia such as India and Pakistan which is its only limitation. Mainly, it will discuss the change in patterns in South Asia over the last decade.

In this context, the paper addresses the question of Foreign Policy options for India and Pakistan during the contestation between US and China. Through the descriptive-analytical study method, the Research has been conducted using secondary data collection techniques. For this purpose, the data was gathered through Journal papers, Press releases, News Paper Articles, and books. After the brief background of contestation between the US and China and the theoretical perspective, the study explains the Chinese economic rise and its influence among the neighboring countries. It also covers the US countermeasures against the Chinese rise in the region.

2. Literature Review

The topic of South Asia concerning Sino-US rivalry is a nascent debate in scholarly clubs. The study of Kishore Mahbubani in one of the chapters of his book 'Has China Won? The Chinese Challenge to American Primacy'(Clarke, 2021) titled "How will other countries choose?" stresses India to balance the relations between the United States and China. While arguing, he noted India to be a Buddhist culture that can be a future key for it to forge good ties with China. In addition to it, he also argued the advantages of joining BRI, RCEP, and external therapies to become a great power before the destination time. And US, India has a strong ethnic Indian community which can help them build ties with the United States. The study of Shannon Tow argues about the case of Southeast Asian countries for their accommodation of the great power influence. The countries instead aligned themselves with one of the two great powers that are U.S. and China and remained hedged, maintaining the ties at equidistance (Tow, 2004). Similarly, Ming-Te and Liu (2011) predicted back in 2011 that the future worldly endeavors between the states would be conducted on the playing fields of Sino-US relations. In the same discussion, the author had categorically claimed China was surpassing the US in trade relations with ASEAN states. As the US was the 4th biggest trade partner behind China which was on the leading stage. In addition to it, Obama's pivot to Asia raised new policy entrants for the South Asian nations as Tehseen (2017) pointed to the speculation of Indian alignment with the U.S. in vague of co-sharing the ambition to tackle the Chinese influence in the region. And obviously, the result would be Indian domination in the region. Meanwhile, Pakistan has tried to hedge between U.S. and China especially after the Trump administration took a hard-line approach towards the CPEC (Boni, 2021) Pakistan tried to mitigate the gap that prevailed between them and the United States, though remained the least successful. In the case of Trade options, a work entitled in an edited book, Choudhury (2021) claimed that China is a major exporter to India already

exceeding the USA in the region and the shift came gradually in the period between 2007-2017-18. On the other, the U.S. remained a destination for Indian goods as Indian exports always remained increasing in the same period. The work claimed India to be more reliant on Chinese goods than on the United States.

2.1. Theoretical Framework

As the growing rivalry between the two major rivals is the global competition to achieve the status of hegemon. China poses challenges to U.S. managed world where the single superpower is only the United States. This can simply be best understood under the Power Transition Theory (Lemke & Tammen, 2003) and its phenomenon of the Thucydides Trap. Power Transition Theory, first proposed by Organski, explains the high potential for escalation of conflict between the challenger and the preeminent nation at the time when dissatisfaction emerged between them. Meanwhile, Thucydides Trap has been provided by American Political scientist Graham Allison (Allison, 2017) in his book "Destined for War". Professor Allison added the reference from the history when Thucydides considered "the rise of Athens and a fear instilled in Sparta" caused the war. He argued that when a ruling power threatens the place of ruling one generates stress which can trigger large-scale conflict. Historically, Professor Allison noted the sixteen events when a transition of power happened in global dynamics. In twelve out of 16 cases, the war took place when a rising power crossed the threshold. When building his case, in its first chapter titled "Rise of China" the author noted the marvelous approach of China in chasing the US in the period between 1980 to 2014. He also claimed in his book that China has already balanced the United States in terms of GDP. While in terms of purchasing power parity (PPP), it will eventually surpass by 2024. As far as the study is concerned, it will find routes that how China's growing tendencies can bring it near a clash with the US, especially in terms of trade and financial integration with South Asia in the transition of power.

2.1.1. Chinese Rise

Since the 1990s, China has emerged as a rising global power. The country while following Deng Xiaoping's idea of "Hide Your Strength, Bide Your Time"(Tian, 2021) emerged into the global market as a trendsetter. Their rise had started since the year Deng Xiaoping had taken charge and opened the economy. The Chinese economy grew up with an annual average of 9.44% in the 50 years between 1978-2018. (Dollar et al., 2020) However, the sustainable growth trajectory found a little drop after a tariff regime by Trump in 2018 and the Covid-19 waves. It has vandalized the growth trajectory to 8.1% in the year 2021 (TWB, 2022) and is further assumed to be reduced in 2022. Anyhow, the country has reached a position to influence the world through economic frameworks especially after President Xi Jinping took office, back in 2013.

President Xi's agenda of global connectivity and China's emergence as a global competitor to the United States has opened its ways to the status of great power. Their internal stability and outward image as an economic giant have been widening their influence in South Asia and beyond (Singh, 2022) So, if the global hegemon has to fulfill its capacity to jump on the top of the ladder, by-passing the status quo through regional stairs, China does fit for all. The ancient civilization has only the economic levers of

influence and they wield them to achieve global objectives (Pal, 2021) They have investments in Pakistan under the CPEC including rails, roads, pipelines, and dams. Similarly, despite having clashes and differences with India, New Delhi is importing more from China than the United States. Chinese regional influence on the neighboring countries has been providing it the leverage to surpass U.S. supremacy by challenging the status quo in the region.

2.1.2. China's Goal

The modern world is the age that appeals to technology. The integrated circuit has been primarily composed of Silicon Chips are a vital element in this era. Both China and the United States have been involved in gaining such tools of technological advancements. Despite Chinese protest, in a provocative trip of U.S. House Speaker Nancy Pelosi to Taiwan (Iqbal, 2022), she managed to meet the top executives of Taiwan Semiconductor Manufacturing Company (TSMC) (NDTV, 2022). China provides integrated circuits to both India and Pakistan. In the year 2020, Beijing supplied integrated circuits worth US\$ 21.3M to Pakistan (OEC, 2020). On the other hand, the US could provide only the circuits worth half a million only. Similarly, Pakistan's imports of electrical and electronic equipment from China in the year 2021 reached 4.93 billion US\$ which contains diodes, Transistors, and Semiconductors worth US\$ 541.23. U.S. could supplement Electrical and Electronic equipment (TE, 2022a) of 79.35 million US\$ to the Pakistani Market containing diodes, Transistors, and Semiconductors worth only US\$ 1.66 Million.

Similarly, India is also breaking records in importing goods from China. The year 2021 has witnessed Indian imports surging to US\$ 97.5 Billion from PRC. The year 2022 had also crossed the US\$ 1 billion mark for the second consecutive year. Meanwhile, the exports of India to China have been decreasing gradually. In addition to it, the Indian Imports in the year 2021 contained Electrical and Electronic equipment worth 26.39 billion US\$. (TE, 2022b) The chief imported electronic product was Integrated Circuits worth US\$ 40.53 billion followed by Diodes, Transistors, and Semi-Conductor devices which are worth US\$ 3.86 Billion. On the other hand, Indian imports of U.S. products remained half of the total imports from China. It contained only a US\$ 1.7 Billion share of electrical and electronic products. (TE, 2022c) Similarly, US exports of integrated circuits and micro assemblies to India remained worth US\$ 275.26 Million. ("India Imports from United States of Electronic Integrated Circuits and micro assemblies," 2022) Semi-conductors, Transistors, and Diodes held a share of 45.41 Million US\$ in the whole sum. Such a wide gap between trade and opportunities draws a very different and clear picture. China has made the two countries rely on it at least in a module where the modern world will compete.

2.1.3. US Counter Measures

Western world ponders on the Chinese rise across the regions where the U.S. once used to live for strategic purposes. BRI has engaged almost 147 countries across the world under their connectivity projects (Nedopil, 2023). With the allies at the G7 summit back in 2021, the economic bloc had decided to plate the US\$ 40 trillion plan named B3W for these nations to counter the Chinese dominant connectivity project of BRI (TWH, 2021).

However, the plan doesn't illustrate a clear idea of the source of money for the initiative especially when the global share of the G7 economies has been halved since the day they joined in 1978 (Naureen & Waqar, 2021). To mark history, some scholars perceive that the US and its allies have lost credibility in these countries. Plan B3W is an evolutionary series of the American government's failed initiatives such as 'the United States Innovation and Competition Act (USICA)' (GovTrack.US., 2023) and the 'Blue Dot initiative'. (Kuo, 2020). Pakistan is already a part of billion dollars investment projects from China under CPEC. Therefore, there is no possibility to offend the investments coming to it, especially when it harnesses the demographic and natural endowment of the country. Even the Chinese are so confident of their economic network extended to Pakistan. Islamabad also got no reason to leave China, a partner next door. Therefore, it avoids any categorical statement of alignment that might have created hurdles for her.

Meanwhile, India which is the American strongest ally and regional partner to balance China couldn't get fruits through joining QUAD (Naureen & Waqar, 2021). The strategic alliance even couldn't appear to help India during the tough means of losing 1,450 KM in Ladakh to the Chinese Army. India also seems reluctant to join G7's proposed Partnership for Global Infrastructure and Investment (PGII) at this year's summit in Germany. Indian Foreign Secretary Vinay Mohan Kwatra had denied commenting much on the flagship project of the United States telling they will "look into the details first" (Diplomacy, 2022). Although, New Delhi is a major critique of Chinese BRI still the idea of B3W doesn't appeal to them. China and its BRI have held their depths in the economies of such countries by providing a win-win situation and providing incentives for technology and infrastructural developments across the borders.

2.1.4. Foreign Policy Implications for Pakistan

The global conflict among the major powers has many implications for Pakistan. The country that decisively picked the side with the Western alliance in a historic Cold War, has decided to hedge this time in an emergence of the so-called new cold war of the 21st century. In his speech to the Islamabad Conclave back in 2021, Pakistan's then Premier Imran Khan categorically stated to avoid bloc politics (Dawn, 2021). Instead hearkening back to Nixon's 70s, he pressed on to the bridging role between US and China when Islamabad's secret diplomacy brought the conflicting parties together.

However, Pakistan's policy orientation might have been directing the tilt toward China. Last year, Mr. Khan also visited Russia (Mohan, 2022), a key ally of China on geo-political grounds and an American rival. The development was not political and Khan's style of diplomacy but also a part of Pakistan's long-term foreign policy objective. As Bilawal Bhutto, Pakistan's new Foreign Minister from a coalition government after Khan's ousted also defended the ex-premier's visit to Russia calling it "a part of the foreign policy of the country" (Nasar, 2022). Pakistan also avoided joining a virtual summit of 'Democracy' called by the United States for two consecutive times in 2021 and 2023 successively (Iqbal, 2021). The speculated reason was the participation of Taiwan in the absence of China at the summit. In addition to it, Pakistan also responded with its 'commitment to the historic One China Policy' to

Nancy Pelosi's visit to Taiwan, stating that the world can't afford another Ukraine-type conflict which is harmful to humanity (MOFA, 2022). Such outcomes necessarily predict Pakistan's tendency towards China. Islamabad's this style of following diplomatic endeavors perhaps be the reason for the US' strange response after US troops withdrew from Afghanistan leaving limited options for Pakistan to engage with the US.

One would argue that the Geo-political leverage and strategic partnership between US and Pakistan will eventually lead the country towards America-centric. The reality has changed the subject anyhow. US leverage of influence due to aid and major defense exports to Pakistan has been declining. The reasons can be of varying approaches. As some suggest, the so-called alliance system working between US and Pakistan was on an ad-hoc basis that usually vanish after all immediate needs of Washington are met (Ashraf, 2022; Patranobis, 2022). While there is also a phenomenon existing in the literature which refers to China as an alternative to it. Beijing has remained historically a profound helper of Pakistan in the times when the US abandoned it Strategically. They had not only supplied Nuclear Technology, key plants, and bombs but also delivery systems such as M-9, M-11, etc. Recently, a report from Sweden-based Stockholm International Peace Research Institute (SIPRI) in March 2022 disclosed that between the years 2017 to 2021, China met 72% demand for arms made by Islamabad (Patranobis, 2022). Ultimately, the Chinese supplement further reduced the probability which can further bring a positive inclination in the relationship between Islamabad and Washington.

In the world after the withdrawal of American and NATO troops from Afghanistan, Pakistan's geopolitical relevance seems diminishing for the United States in the region. Pakistan's ex-Premier Imran Khan also coined the relations between them and the United States as lopsided in an interview in June 2021 (Bayoumy & Thottam, 2021). He noted that the US ask them to bid for themselves just utilizing the leverage of aid. Similarly, US Secretary of State Antony Blinken started to "re-assess ties with Islamabad" Zengerle & Pamuk (2021), right after a month when the Taliban took Kabul, blinking less cooperation between the two. On the other hand, Pakistan can never be geopolitically irrelevant to China. Remember when one of the Chinese diplomats sarcastically responded to a US delegate in a confrontation telling "Pakistan is our Israel" (Deen, 2010). China has provided unconditional and uncompromised support to Pakistan. Moreover, India has emerged as the 5th largest economy surpassing the UK (Misra, 2022). It's also an American proxy in the region to balance China. Whereas Beijing will likely keep utilizing the geo-economic lever to influence Pakistan to get a countercheck against India.

2.1.5. Foreign Policy Implications for India:

Historically, Indian Foreign Policy tendencies were based on strong moral principles. After the Independence from the Britishers in 1947, India's first Premier Jawahar Laal Nehru called off the alignment in the bloc politics and led the country's Foreign Policy for pragmatism and independence (Kissinger, 2015). The cycle of events and time has taken world politics back to the stage when India was asked to call

Russian adventures in Ukraine an 'invasion', but it remained reluctant. It is a cliché that the United States always approaches to use India against China in the region as a balancing actor. Both assume each other as an obstacle in the region in their regional and global ambitions. So, New Delhi moved harshly towards China, joining pacts and agreements such as FOIP and Quad, to contain Beijing and strengthen its defense. As a result, the parties went into severe border clashes in both 2017 and 2020 recording casualties (Tellis, 2020).

In the 18th National Congress meeting of CPC back in 2012, China decided to engage and cooperate with India but Western influence and strong public opinion against China in the country halted the further strengthening of the ties (Weidong, 2012). However, the post-Galwan era of Sino-Indian ties has been witnessing a new shape in the building of ties between regional neighbors. Earlier last year in March, Chinese Foreign Minister Wang Yi took a flight to New Delhi after Islamabad to meet Indian Foreign Minister Vijay Shankar and National Security Advisor Ajeet Doval (DW, 2022). The peers also met on the sideline of the G20 meeting this year (Roy, 2022). And more interestingly, the neighboring countries are strategically thinking with the vast lens of rapprochement and resolving issues in eastern Ladakh and LAC (NDTV, 2022).

Believing a saying of a veteran Chinese that "If you invest in India with Peaches, they will come up with Plums", China ambitiously engaged India. The Indian Scholar Kishore Mahbubani also stresses New Delhi to adopt a pragmatic approach to reaping benefits from the Chinese Geo-economic lures. They have many great opportunities from Chinese connectivity projects luring it to reach its destiny quite before the assumed time. Chinese Conception of CPEC also involves India as an ultimate part of it as the project in the long term would turn into the 'China-Pakistan-India-Iran-Afghanistan-Kazakhstan-Corridor' opening up the doors for India to the West. Moreover, such collaboration will generate peace on Indian North-Western and Eastern fronts with Pakistan and China respectively (Singh, 2022). And South Asia can become the true Himalayan hub of regional economic growth.

2.1.6. Hedging Strategy of Pakistan and India:

The post-Cold War era has come up with an instrumental phenomenon of "Hedging" directing the elements of cooperation and collaboration in the national security policy of a country. Hedging is a third option for the small powers during the contest between the great powers (Sherwood, 2016). When a small or a middle power seeks some middle ground in between the 'competition and contest' and 'balancing and band-wagoning', will opt for hedging. Moreover, the strategy also comes in the middle when a country avoids confrontation with any of the major powers. It was this phenomenon which allowed the Southeast Asian countries to seek a middle ground somewhere between Quad's FOIP and Chinese BRI. They instead to align themselves with any of the two great powers, tried to follow the approach of equidistance.

The economic battle of the rival great powers has subsequent implications for South Asia in Foreign Policy. The literature from the cold war guides us through some of the historic policies of India and Pakistan. Before the restoration of diplomatic

relations of the US with China, Pakistan was pursuing its policies to avoid conflict with its neighbor North in the region and the US. On one side, Pakistan had joined the American-led bloc signing SEATO and CENTO treaties. While on the other, Islamabad had assured Beijing that its collaboration with the anti-communist world doesn't mean to harm China. As Chinese Premier Zhou Enlai was briefed by Pakistani counterpart Muhammad Ali Bogra in 1955 about the Manila Pact its alignment is not against China (Boni, 2021). While India remained in the non-alignment Movement directed not to participate in any great power rivalry approaching a pragmatic and independent Foreign Policy.

Despite having a past in the mid of alliances, Pakistan is opting to adopt some policy shifts now. Historically, it has achieved its objectives, outsourcing the geopolitical relevance in the region starting from Afghan Jihad to War on Terror. With the shift in global trends after the resurgence of the Taliban in its backyard and American withdrawal from the region, Islamabad has lost its golden jewel of geographical relevance, particularly for the US. When it comes to geoeconomics the country couldn't build its base to flourish the ideas pitched in by Pakistan in National Security Dialogue in 2021 (NSD, 2021). Currently, the country's requirements and the thought process of the leadership recommend to go hedge, avoid confrontation, and reap as much as you can to meet the economic challenges. And to some extent, they don't feel pressure from China as it has given a full waiver to Pakistan joining into the bloc politics.

Islamabad is facing a daunting relationship with Washington, especially in the changing geopolitical realities after the US withdrawal from Afghanistan. The unanimous views circulating in Pakistan don't satisfy the relationship between the two countries when people believe the US turning Pakistan into a scapegoat for its strategic failure in Afghanistan (Ashraf, 2022). US President Joe Biden couldn't hold a phone call with Pakistan's Premier since it took office. Pakistan was wary of such a strange approach by the United States as expressed by Islamabad's National Security Advisor "If a phone call is a concession, we have options"(Desk, 2021). United States has also remained wary of the China-Pakistan relationship. In last year's interview with one of Pakistan's News Paper DAWN, secretary of State's aid Derek Chollet candidly noted those having relations with China are not 'ending it up well' (Iqbal, 2022). Ultimately, the hedging options for Pakistan are very limited, especially from the United States.

The observers claim the rapprochement between India and China in the last 3 or 4 years. India became a hub of geoeconomics in the region and beyond. For China, New Delhi considers the same view so does Pakistan, when plays among the major powers. Indian fears don't let it bring a clash with China through disturbing peace with Pakistan which can be a huge diversion in its way to geo-economics modernization. With respect to the United States, India mitigates these emerging threats from Beijing and Islamabad through strong military defense provided by the United States which has its obligation to contain China.

The gigantic growth which helped India to surpass its past colonizer (Aldrick & Goodman, 2022) and balance China in the region required New Delhi to maintain

stability and prudence in Foreign Policy. India always remained very speculative in its terms with China, especially after the severe border skirmishes of Doklam in 2017 and Galwan in 2020. New Delhi has dealt Beijing with its multipronged engagements in the region and beyond. For instance, on one side, New Delhi had joined the Quad (JAI-Japan, America, and India initially, which provided the base for Quad), while on the other Premier Modi also joined the summits of Russia-India-China (RIC) at the side-line of the G20 Osaka Summit in June 2019 (DDN, 2019). Modi's close ally and Indian Foreign Minister Jaishankar had given a prudent impetus to pursuing the third policy option of hedging which helped India to achieve its policy goals of defending its status in the US lead alliances and influencing the Chinese power in the India Ocean Region (Yoshimatsu, 2022).

As India has connected itself with China in different Institutional frameworks, it also has engaged the US to hedge against Beijing's rising popularity in the region and beyond. Since the day, Premier Modi took the oath, he visited the United States in 2014 to receive the extension in US-India Defence Cooperation agreement for ten years (Boon, 2016). In recent years, India has managed to be a part of many defenses and security-related cooperations with the US. For instance, the two have decided to launch the Defence Space Exchanges in 2022 through US Space Command and India's Defence Space Agency (Garamone, 2022a). And New Delhi has also signed many agreements earlier such as the Logistics Exchange Memorandum of Agreement (LEMOA) in 2016, and Basic Exchange and Cooperation Agreement (BECA) in 2020 with the United States (Mukhtar, 2020; Rajagopalan, 2021). Meanwhile, the US is also aiming to enhance the defense cooperation with India in its broader agenda to contain China in the region as US Defense Secretary Lloyd Austin affirmed in US National Defence Strategy 2022 (Garamone, 2022b). Such a vast network of engagements connects India with the US ensuring security against the belligerence of China such as the border skirmishes mentioned earlier.

3. Conclusion

China has been producing a variety of opportunities for its South Asian neighbors, including the trade partnership in the supply of Semi-conductor, and other electronic equipment. It's not only an option, but Beijing has become an important supplier of these products to Pakistan and India. With the significant increase in the supply of electronic products to these countries, Xi has been proposing a new world where China can compete with the United States.

Chinese economic rise has been posing challenges to American hegemony and unipolar liberal world order. This has induced contestation between US and China in global politics. Unlike, the transition of power that occurred in the first half of the 20th century when the US overtook the UK as the global hegemon, the recent predicted change in the world order can eventually cause a physical conflict between US and China. Meanwhile, the Chinese economy grew by an average of 9.44 % in 50 years after Deng Xiaoping's reforms. As a result, it has opened multiple opportunities for regional and global partners. Meanwhile, the contestation has induced significant implications for South Asia. The ideas of the emergence of bloc politics have already started roaming in

both countries. Although there was not any tilt shown by any country towards any bloc, it induced certain challenges such as American re-assessment of ties with Pakistan and failed bid on India against China. This has also reduced Pakistan's leverage to get American support in negotiations with IMF at a critical time when the country's economy is deteriorating.

Equally, the contestation between US and China has also built a complex situation for the Foreign Policy of India and Pakistan. The historical background enables us to understand the friendly relations of India and Pakistan with the United States. But the recent developments in the world order and China's rise as a global power have altered the political dynamics in South Asia. New Delhi and Islamabad have adopted what is called an approach of "strategic autonomy" where they can decide under their national interests. The research has found an active approach of Islamabad and New Delhi to hedge and manage the relations with global giants from equidistance.

Meanwhile, the question of hedging is holding strong in the future for Pakistan. With the passage of time, though it has realized itself to be involved in the other's conflict in the past when the US landed in Afghanistan to crush the threat of Al-Qaeda. But Islamabad remains anxious about the major power's lens to balance the South Asian nuclear neighbors within the geostrategic proximities. One believes in never leaving the loop in the geopolitical game in the region when its enemy can fill it (Siddiqi, 2022). Pakistan felt the same during its choice to join US and NATO to fight against militants in Afghanistan as India could become a major NATO and US ally. So as in today's reality, Pakistan's pick in any of the two major powers would let New Delhi join hands against Pakistan garnering a threat next door.

On the part of India, it has strengthened its approach of strategic hedging leaving behind the "Balancing" approach against China. This has built Chinese minds least against India considering it a threat. In the coming years, India's prudent approach of staying neutral will increase its economic engagement with China even further. This kind of mutual trust will also stable the situation at LAC, reducing the threat count. Similarly, its stature not against the United States will enhance its defense capability to balance the military strength of China and Pakistan.

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The authors declare that this submission follows the policies of AJSS as outlined in the Guide for Authors and in the Ethical Statement.

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