

Opinion – China's 'New Cold War' Posturing

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In his keynote address at the Boao Forum for Asia Annual Conference 2022, President Xi Jinping of China proposed a Global Security Initiative citing security as a sine qua non for development. While the details of the GSI are not available as of now, it indicates the Chinese desire to cobble up a new military alliance at a time when the world is already grappling with a global pandemic, the rise of authoritarianism in multiple countries and an ongoing invasion of Ukraine threatening the 70 year-old security framework of Europe. If this idea attains shape, the coming decades would certainly be turbulent for the Indo-Pacific region and beyond.

There has been a growing American interest in the Indo-Pacific region that is manifested in the form of the Quad grouping, the AUKUS military alliance and the frequent American outreach to ASEAN. The longtime concept of Asia-Pacific has been quickly expanded to include the Indian Ocean region in the last few years and this new Indo-Pacific is now mainstreamed with the western nations like Germany, the UK, the US, France etc. even releasing their Indo-Pacific strategy. But this interest is not based on the whims or fancies of the regime in power. This geography covering waters between the shores of Eastern Africa to Hawaii deals with almost 60% of the global trade and GDP, 2/3rd of global economic growth and is home of almost half of the world's population (Indo-Pacific Strategy of the United States, 2022, p. 5).

The region has witnessed rising Chinese expansion and assertiveness in recent times which is considered by the US as a challenge to its position. PLA Air Force incursions in Taiwan's airspace have become a new normal. China is rapidly building artificial islands in the South China Sea to advance its nine dash line claim. Increasing militarization of these islands acts as a threat to the small South-East Asian states that raise objections against this Chinese exercise. In the Indian Ocean Region, China has already built a military station in Djibouti. There are also claims that China operates a SIGNIT facility in the Coco Islands of Myanmar. Chinese submarines and warships are regularly seen in the Indian Ocean region and their docking at Sri Lankan ports has always been controversial.

China has successfully deployed a mix of economic and military components to lure and coerce several countries into agreeing to its terms and interests. From small island states to large countries, everyone is facing the brunt of it. The Belt and Road Initiative launched by Xi in 2013 was hailed by China as the new age silk route while in reality, it has drowned small countries under unsustainable debt on unviable infrastructure projects. A case in point is Sri Lanka which had to lease its strategic Hambantota port built at a cost of \$1.5bn to Chinese entities in return for its debt obligation to China. Similarly, talks are on with Equatorial Guinea (on the western coast of Africa) to provide space for a Chinese military base as the tiny tropical country owes almost half of its public debt to China. The latest security pact with Solomon Islands even allows Chinese police on the streets of the southern Pacific island country if Chinese interests are threatened in return for the debt and economic aid extended by China to the Solomon Islands. It may put China on a collision course with Australia that considers the south pacific region as one under its sphere of influence.

Pakistan is another beneficiary of the BRI. The iron brother relationship between Pakistan and China is sought to be strengthened by the \$60 bn China Pakistan Economic Corridor which seeks to connect Kashgar, Xinjiang with Gwadar, Pakistan and is touted to be the harbinger of prosperity for the people of Pakistan. What it really brought are concerns on the debt sustainability of this mammoth project, attacks on Chinese workers in Pakistan and even arm-twisting of Pakistan by Chinese power sector entities. In April this year, several media outlets reported that the Chinese firms have threatened to shut operations if outstanding dues of \$1.6 bn are not paid on time. This is when

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the Pakistani rupee is tanking, the foreign reserves of Pakistan have slid to \$16 bn and it stares at a debt servicing obligation of \$13-13.5 bn this fiscal year.

Nepal and the Maldives are witnesses to the destabilizing effect of Chinese involvement in their democratic setup. If debt-trap diplomacy is deployed by China for economically weaker countries, wolf warrior, cyber warfare and hostage diplomacy are for the economically powerful countries. China had held Canadian and Australian journalists hostage when Canada and Australia decried the human rights abuses of Uyghurs, condemned Chinese repressive actions in Hong Kong, called for a detailed investigation into the origin of Covid and participated in the Huawei ban. It has also used trade as a weapon to subvert Australia by inflicting economic pain though it failed to yield desired results and instead, strengthened Australia's resolve to decouple itself from China. The trade war between China and the US dominated much of the second half of Trump presidency and there seems to be no change in the current Biden administration, as indicated by the heated exchanges between Washington and Beijing.

The pushback against China has started. Unlike Equatorial Guinea, the western African nation of Sierra Leone has scrapped the Chinese aided Mammah International Airport upon a change in regime in 2018 terming the project sham and economically unviable. Tanzanian President John Magufuli has cancelled the flagship \$10 bn Bagomayo port project citing the project conditions to be exploitative and awkward. He publicly disclosed the Chinese conditions which included a 99 year unquestioned lease and an injunction on Tanzania from building any other port from Tanga to Mtwara south. The Sri Lankan economic crisis has sent alarm bells ringing among many countries who have taken debt from China. Nepal is also staring at an economic crisis. Countries like Bangladesh and Myanmar are now more prudent and diligent in their dealings with China. The Galwan valley incident has helped India shed its hesitance in dealing with China. Despite repeated requests by China, India has refused to divorce border tensions from their bilateral relationship and seeks a restoration of status quo ante in Ladakh as a precursor for any normalization of economic and bilateral relations between India and China. The developed world is reacting even more vigorously. The Blue Dot Network forwarded by Australia, Japan and the US, Global Gateway by the EU, Eurasian Initiative by South Korea, Asia-Africa Growth Corridor by India and Japan, and the Build Back Better World by G7 are some of the counters to the BRI though none of them are as generous in funding as the BRI is.

The posturing by China under Xi makes it clear that the Chinese story is no more about its 'peaceful rise'. Exhorting countries to reject the cold war mentality, abide by the UN Charter and refrain from indulging in bloc politics, Xi ironically invited the same countries to become part of another military bloc floated by him. China has shown scant regard for the UN rules by constructing and militarising islands in the South China Sea. It has claimed the entire South China Sea as its own and refuses to abide by the international tribunal rulings against its claims. China looks set for a new multi-faceted, autocratic and prolonged Cold War as it expands its footprint across the Indo Pacific using a mix of trade, finance, military and political strategies.

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