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South China Sea Disputes and the Us-China Competition in the Asia-Pacific Region

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Keywords : *US; China; South China Sea; Asia Pacific; Geopolitics; Maritime, Conflict Zone etc.*

Abstract

The purpose of this study is to discuss the central elements of the US-China rivalry in the South China Sea. This research highlights the main causes of US-China conflicts in the Asia-Pacific Region (APR). This research describes Chinese strategy and policy in dealing with the US factor in the South China Sea disputes. Moreover, the study focuses on the importance of the South China Sea in the context of maritime connectivity to explore the region for trade and commerce. Apart from this philosophy, the whole Pacific region connects the countries of Southeast Asia, East Asia, South Asia and Oceania which are of enormous importance for the economic growth of emerging countries. The US and China are the two main maritime policy players who want to take advantage of each other in the Asia Pacific region. Thus, this article relies on the research question, is the South China Sea a principal flash point for US-China rivalry in the Asia Pacific region? What does core interest contradict between the US and China in the Asia Pacific region? Why and how has the SCS become a hot spot between the US and China? The study is based on the descriptive approach that deals with the research problems and answers to questions. An empirical analysis applies to investigate the principal causes of tensions between the US and China in the SCS and possible circumstances in this region. Also, the study relies on the qualitative method to describe the primary and secondary sources concerning core disputes in the SCS.

Introduction

The South China Sea is considered part of the Pacific Ocean. The Obama administration launched the “Asia Pivot” policy and the SCS conflicts increased after 2010. This policy is strategically explained as a “rebalancing” Asia Pacific region. The US Secretary of State Hillary Clinton stated that this policy is based on friendship and cooperation with various Asian countries to tackle the tense situation in SCS. It tries to isolate and contain China in the SCS. In July 2010, at the regional forum of the Association of Southeast Asian Nations (ASEAN) held in the capital city of Vietnam. This forum was also attended by Secretary Hillary Clinton highlighted that the US, the role of the US is remaining “neutral” on the disputed issues over territorial claims. Further, she stressed “interest in freedom of navigation, open access to Asia’s maritime commons, and respect for international law in the South China Sea.”¹

Since the 1990s, problems have become complicated between China and Vietnam concerning the exploitation of oil and gas reserves from the sea as well as fishing. The SCS region is claimed by Vietnam and China and its contiguous areas have been claimed by the Philippines, Brunei, Indonesia and Malaysia. The global energy demand has increased and regions’ countries have been seeming to exploit the sea’s hydrocarbon. The territorial claim has been surpassed by the conflict in the region between many stakeholders. Since 2010, in terms of naval presence which has been a concern with a broader strategic approach. The naval strategy of the United States and China has contradicted each other in the SCS region for many years. The US has shown enormous interest in this region and strengthened its security cooperation with the ASEAN member states which are claimants in the SCS and involved in the disputes.

The US agreed to naval support for its partners from this region, for example, Vietnam, the Philippines, and Taiwan. These countries receive assistance from the US in the areas of maritime awareness and surveillance capabilities in the SCS. Thus, the US has been strengthening its position in the Asia Pacific region with the cooperation of various countries.²The US presence in the Asia Pacific region is welcomed by some of the ASEAN member states. These member states understand that the US can contain the growing power of China. Many ASEAN countries and other countries from this region have been

¹James ChiehHsiung, *South China Sea Disputes and the US-China Contest, The: International Law and Geopolitics*, Vol. 43. World Scientific, 2018.

²Leszek Buszynski, *The South China Sea: Oil, Maritime Claims, and U.S.–China Strategic Rivalry*, “The Washington Quarterly” 2012, Vol. 35, no.2, pp. 139–156.

increasingly dependent upon China and they don't want potential conflict between the US and China.³

The research is based on qualitative analysis to seek out key findings and answers to questions. An empirical approach to investigate the rationale of the study of the US and China's positions in the Asia-Pacific region. Further, this research highlights the core concept of the SCS region and the US confrontation with China. This research uses primary and secondary resources to investigate principal core ideas and outputs. Data is collected from various officials' government websites, think tanks, online journals and published materials from secondary sources.

The US's engagement in the Asia-Pacific region is containing the influence of China. Its prime objective is ensuring continuous commercial and military cooperation from the countries of the Pacific. Due to the Taiwan crisis, the Clinton administration's decision has failed to make a "strategic partner" with China. Once again, the Taiwan issue is in the international debate about China's new military threat to Taiwan. The Bush administration began to perceive China as a "strategic competitor." During the tenure of Donald J. Trump, US-China relations faced tense situations.

Literature Review

The SCS is strategically important in the context of geoeconomics, security and maritime viewpoints. In recent years, the entire maritime business sea routes have had enormous significance for trade and commerce. In this context, there is a rivalry between China and the US to gain mileage over each other in the Asia Pacific region. In the current international system, the Asia-Pacific region has huge economic importance and the competition among the great powers to gain dominance to overtake other nations, this region could support accelerating economic cooperation and development. John J Mearsheimer argued that great powers must gain hegemony among other powers to achieve future survival.⁴ In the US, the common understanding is that the traditional policy of China has collapsed. In 2018, National Defence Strategy (NDS) and Nuclear Posture Review (NPR), and the Trump administration released a strategic document and has shown that China is the number one threat to US national security, ahead of Russia and other countries in the world.⁵ This

³Michael Yahuda, *China's new assertiveness in the South China Sea*, "Journal of Contemporary China" 2013, Vol. 22, no. 81, pp. 446-459.

⁴John J Mearsheimer, *The Tragedy of Great Power Politics*. W.W. Norton, New York, NY 2001.

⁵XiLuo, *Competition between great powers and a looming strategic arms race in the Asia-Pacific*, "China International Strategy Review" 2021, vol. 3, no. 1, pp. 123-136.

document has suggested that the security of the US is the principle that should be focused on in the fight against terrorism after the 9/11 attack in 2001 and how to compete with the great powers in the Asia Pacific region due to the rise of China in the world.⁶

Ayesha Zafar (2022) talks about the US policymaker who feels the need to fill the power vacuum in the Asia Pacific region. Because China is continually growing and increasing its influence throughout the region. Therefore, in 2011, the Obama administration decided on its “pivot to the Asia-Pacific” policy. This strategic move of the US turns into the military occupation of Iraq and Afghanistan. The US presence in several Asian countries has brought the Asia-Pacific region a deeper strategic immersion. Thus, the US’s engagement in this region brought the disputed SCS into the ambit of stratagem. Later, during the tenure of Trump's Presidency adopted a new policy for this region as the Free and Open Indo-Pacific strategy.⁷

At the global level, the power vacuum created by the United States has allowed China to fill the leadership vacuum through its strategic global leadership policy. China's vision for achieving peaceful rise through its grand strategy between 1990 and 2013. In 2013, China has launched its flagship economic cooperation across the world under the Xi Jinping Presidency.⁸ Since 2013, China presents its own development model as an alternative to the neoliberal system in the world. Xi Jinping has been curious about the structural development of economic cooperation at the international level. He referred to the functioning of an efficacious economy under government control and market forces. In addition, Xi Jinping coined the new silk road projects as the Belt and Road Initiatives (BRI) a major infrastructural development framework that connects intercontinental economic cooperation and provides several opportunities to developing countries.

Andrew Scobell (2020) discusses the “Great Power Confrontation”, from 2008 to date, China is considered much stronger relative to the US after the recession. Thus, Washington took notice and began to see Beijing as a far more formidable emerging power in the global world order. Both the US and the PRC are all too aware of each other's perceived threats. Both countries tried to defend their national interest in world politics. In the SCS, the US and the

⁶Jim Garamone, *National defense strategy: A good fit for our times, Mattis Says*. Department of Defense News: <https://www.defense.gov/News/Article/Article/1419671/national-defense-strategy-a-good-fit-for-our-times-mattis-says/> [accessed 09.08.2022].

⁷Ayesha Zafar, *US–China Tit-for-Tat Politics in the Asia-Pacific: Beyond Thucydides Trap to Multipolarity and Complex Interdependence*: <https://www.airuniversity.af.edu/JIPA/Display/Article/2935030/uschina-tit-for-tat-politics-in-the-asia-pacific-beyond-thucydides-trap-to-mult/> [accessed 10.08.2022].

⁸Bonnie S. Glaser and Evan S. Medeiros, *The Changing Ecology of Foreign Policy-Making in China: The Ascension and Demise of the Theory of “Peaceful Rise”*, “The China Quarterly” 2007, No. 190, pp. 291–310.

PRC have a confrontation that contradicts the interests of both countries. This confrontation turned into a state of heightened conflict after the "Global Financial Crisis". "China was recently in the news for unilaterally changing things on the ground in the South China Sea. In the middle of the global coronavirus pandemic, it is busy increasing its presence in the SCS. It approved the establishment of two districts to administer disputed Paracel and the Spratly Islands in the South China Sea."⁹

Theoretical Background

Since many decades, the South China Sea has been debated among the great powers. Along the same lines, China and the US have conflicting interests in this region. The deterioration of the China-US partnership in the South China Sea has rooted the power shift and addressed it in the realist transition theory.¹⁰ According to Graham Allison, "transitioning from an order dominated by one great power that is then challenged by another substantial power, is fraught with peril and destined to cause increased risk of clashes and even war".¹¹ The concept of 'structural contradictions' is closely associated with the US-China rivalry in the South China Sea. China seems to shrink power differences with the US in the Asia-Pacific region. According to Tsinghua University Professor Yan Xuetong, "US-China strategic competition is inevitable due to the structural contradictions between the hegemon and the rising power." China's growing international power has narrowed the gap in competition with the United States in the new world order.¹²

The development over the past three centuries has brought enormous changes in the balance of power theory, Stephen Walt proposed "privileges balancing against power as opposed to threats".¹³ The distribution of power is based on irregularity, which is not automatically equal to threats, because "the level of threat is also affected by geographic proximity, offensive capacities, and perceived intentions".¹⁴ John Mearsheimer writes in his book "The Tragedy of Great Power Politics" about the theory of offensive realism, which challenges

⁹Andrew Scobell, *Constructing a U.S.-China Rivalry in the Indo-Pacific and Beyond*, "Journal of Contemporary China" 2020, Vol. 30, no. 127, pp. 1-16.

¹⁰ David Shambaugh, *Power shift: China and Asia's new dynamics*, University of California Press 2005; M. Taylor Fravel, *Power shifts and escalation: Explaining China's use of forces in territorial disputes*, "International Security" 2007, Vol. 32, no. 3, pp. 44-83.

¹¹Graham Allison, *Destined for war: Can America and China escape Thucydides' trap?* Boston: Houghton Mifflin Harcourt 2017.

¹²Minghao Zhao, *Is a New Cold War Inevitable? Chinese Perspectives on US-China Strategic Competition*, "The Chinese Journal of International Politics" 2019, Vol. 12, no.3, pp. 371-394.

¹³Sebastian Rosato and John Schuessler, *A Realist Foreign Policy for the United States*, "Perspectives on Politics" 2011, Vol. 9, no. 4, pp. 803-819; Kenneth Waltz, *Theory of International Politics* (MA: Addison-Wesley Pub. Co., 1979), pp. 107-114.

¹⁴Stephen M. Walt, *The Origins of Alliances* (Ithaca: Cornell University Press, 1987), p. 5.

defensive realism. Many states use the tools of defensive realism to achieve maximum security power to ensure their survival in global politics. The offensive realism is directly associated with states' accelerating to gain power for hegemony. Offensive realism is not about grabbing more security to survive in the anarchic system. The defensive realism proclaims a more optimistic vision than the offensive realism in the international system.¹⁵

The offensive realism emphasises great powers' rivalry in the international system. The constant feature of the global world order is the ultimate goal of the great powers to make their hegemonic position through its great power rivalry among nations.¹⁶The pessimistic vision of the international system refers to offensive realism. In the current world order, the parameter of hegemony is endless through great power competition. The rivalry among the great powers forced them permanently to adopt the offensive policy. Moreover, the major powers pioneering their policy aimed at strengthening their expansionist military strategy in the global geopolitical competition. Which is significant to ensure their survival.¹⁷Ronald L. Tammen et al. analyse the transit of power theory explains in depth that there is likely to be a conflict between rising power over dominance, especially when creating a new world order. Further, the power transition theory examines the functioning of power at the regional levels which are based on hierarchies.¹⁸

South China Sea and Disputes

The relationship between the United States and China has been deteriorating over China's territorial claims in the SCS. China's expansionist policy and assertive actions in the SCS create challenges for Vietnam and the Philippines as well. The US also increasing its posture and military deployment in the SCS. The US openly opposing the Chinese actions in disputed water of the SCS. The ASEAN member states have been opposing the Chinese expansionist activities in these territorial disputed areas. Since 2013, China's SCS policy actively has been involved in creating artificial islands in disputed waters. In the 2016

¹⁵John J Mearsheimer, *The Tragedy of Great Power Politics*. W.W. Norton, New York, NY 2001; Danah AliAlenezi, *US Rebalance Strategy to Asia and US-China Rivalry in South China Sea from the Perspective of the Offensive Realism*, "Review of Economics and Political Science" 2020, (ahead-of-print).
<https://doi.org/10.1108/REPS-10-2019-0132>.

¹⁶John J Mearsheimer, *The Tragedy of Great Power Politics*. W.W. Norton, New York, NY 2001, p. 29.

¹⁷Namrata Goswami, *Power shifts in east Asia: balance of power vs. Liberal institutionalism*, "Perceptions" 2013, Vol. 18 No. 1, p. 7.

¹⁸Ronald L. Tammen et al., *Power Transitions: Strategies for the 21st Century* (New York: Chatham House Publishers, 2000) pp. 6-8 and 182-193.

Arbitral, China is considering this arbitral ruling to be invalid and still advocacy for “so-called historic rights” in the SCS.¹⁹

Under the Trump administration, the US has been engaging across the SCS with the increasing number of Freedom of Navigation of Exercises (FONOPs). Since 2017, the US Navy has increased the number of exercises in these regions of the SCS. The US Navy has engaged with its partners to conduct seven joint exercises in 2020 and eight in 2019 in the SCS region. Since July 2020, the US military has engaged in the SCS with its two aircraft carriers. The question of sovereignty in the SCS region remains unanswerable over disputed areas of water. The United States and China do not support sovereignty issues in the SCS to consider other stakeholders to explore the region. The US State Department in a thorough report, on the 13th of July 2020, the US position in the SCS region is declaring its title to adopt the expansive. While China claims the SCS in these disputed waters as aligning and illegal completely according to the decision of the International Court of Justice in The Hague.²⁰

The former US Secretary of State Mike Pompeo has stated “China's pursuit of offshore resources in parts of the South China Sea is completely unlawful”. He criticised Beijing's "campaign of bullying to control" natural resources in the disputed water of the SCS and unlawfully wants to occupy potentially energy-rich resources of these territorial. The US has an observation on China's artificial islands for the use of its military in this region. Which has been building the Chinese military base for many years. While China claims that this region is known as the “nine-dash line” and supports its position to build the island and patrols, and expand its military presence in the SCS. Beijing is justifying its intentions are peaceful and based on cooperation as well. The US Secretary of State Mike Pompeo denounced China's claims on the disputed Spratly Islands in the South China Sea, stating China had "no legal grounds to unilaterally impose its will on the region". "People's Republic of China (PRC) action to harass other states' fishing or hydrocarbon development in these waters - or to carry out such activities unilaterally - is unlawful," he said. "The world will not allow Beijing to treat the South China Sea as its maritime empire."²¹

¹⁹Premesha Saha, *US-China tensions and its impact on the South China Sea dispute*: <https://www.orfonline.org/expert-speak/us-china-tensions-impact-south-china-sea-dispute/> [accessed 10.09.2022].

²⁰Global Conflict Tracker, *Territorial Disputes in the South China Sea*: <https://www.cfr.org/global-conflict-tracker/conflict/territorial-disputes-south-china-sea> [accessed 11.09.2022].

²¹BBC, *South China Sea dispute: China's pursuit of resources 'unlawful', says US*: <https://www.bbc.com/news/world-us-canada-53397673> [accessed 11.09.2022].

The former U. S. Secretary of State, Rex Tillerson stated “The US would deepen cooperation with India in the face of a growing Chinese peril in Asia”. According to Tillerson’s address at the Center for Strategic and International Studies, “China is a non-democratic society and the US should recognise India as a potential partner in a strategic economic and political relationship that could never happen with China.”²²Tillerson said that China has acted sometimes outside of international norms and accepted approaches to the rule of law. This is why SCS-related disputes have spread in the region due to the unconsciousness of world powers. According to Tillerson, “We will not shrink from China’s challenges to the rules-based order and where China subverts the sovereignty of neighbouring countries and disadvantages the US and friends”.²³

Figure 1:The SCS has in recent years become a flashpoint for conflicts between China and the US.



Source: <https://www.bbc.com/news/world-us-canada-53397673>.

²²Victor Teixeira, *The United States' China Containment Strategy and the South China Sea Dispute*, “Central European Journal of International and Security Studies” 2019, Vol.13, no.3, pp. 166-193.

²³Centre for Strategic & International Studies, *Defining Our Relationship with India for the next century*, CSIS: <https://www.csis.org/events/defining-our-relationship-india-next-century-address-us-secretary-state-rex-tillerson/> [accessed 12.09.2022].

The US has claimed that China's militarisation of this region is a critical point and it is creating obstacles for "freedom of navigation" missions. The US has long been critical of what it says is China's militarisation of the region and routinely angers Beijing with "freedom of navigation" missions. "China has previously accused the US Navy of provocation and interference in regional affairs." In the SCS, the naval, air, missile and electromagnetic spectrums field are dominated by China. Thus, The US policy is to employ deeply association and cooperation with like-minded countries to tame Chinese assertion in this region.²⁴

The US-China Competition in the Pacific

US-China geopolitical and geostrategic competition is escalating in the Pacific. Both sides have intensified the broader competition among all stakeholders in this region and are committing more resources to fight for their effectiveness. In February 2022, the US government launched its flagship policy toward the Asia Pacific region "Indo-Pacific Strategy". It is focusing on policy priorities with this new concept for this region. This vision document states and is based on 'Free and Open Indo-Pacific' which had announced by former US President Donald J. Trump in 2017. This new US strategy testifies to the various concerns of China. The US policy maker understands that the Indo-Pacific region is facing mounting challenges, particularly from PRC. Meanwhile, in 2021, Chinese engagement in the Pacific region is continuously growing. China's President Xi Jinping ordered financial support to Papua New Guinea, Fiji, Tonga and Solomon Islands.²⁵

China's assertiveness in the SCS is intensifying conflicts even with small powers. Thus, China's policy is dilute the US power and influence in the water. On the other hand, with the growing importance of Pacific in the terms of trade and economic activities through the sea line, the US policy is Indo-Pacific centric to initiate stronger cooperation with India, Australia, and Japan. These countries launched the Quad strategy to restrict China's growing influence in the Indo-Pacific.²⁶ The current world order scenario could be understood through the mathematical analysis of emerging and established power. According to the power metrics approach of Sulek, articulated three types of power:

²⁴Sebastian Strangio, *Gregory Poling on the Deep History of US Involvement in the South China Sea*: <https://thediplomat.com/2022/06/gregory-poling-on-the-deep-history-of-us-involvement-in-the-south-china-sea/> [accessed 12.09.2022].

²⁵Anu Denghua Zhang, *US-China rivalry intensifies in the Pacific*: <https://www.eastasiaforum.org/2022/04/16/us-china-rivalry-intensifies-in-the-pacific/> [accessed 12.09.2022].

²⁶M Matheswaran, *US-China Strategic Competition in the Asia-Pacific*: <https://trendsresearch.org/insight/us-china-strategic-competition-in-the-asia-pacific/> [accessed 12.09.2022].

economic power, military power and geopolitical power when approximating the distribution of power.²⁷ Over several decades, the approach to the transition of power has become established. Economic activities and trade are the central approaches to the new global system. In the Asia Pacific region, the US and China are two big economies across the world and both trying to stronger gear up in the entire region of Pacific and Indian Ocean.

Washington has won support from various countries in the Asia-Pacific region in comparison to China's engagement. These countries are motivated to join forces with the US on the issue of containing opponents in the Asia-Pacific region, not because of liberal democratic values but because they are worried about China's economic and military power. As well as, unresolved territorial disputes and China's assertiveness in promoting its narrative and interests in the APR. For example, India, Australia and Japan have shown strong unity in economic and trade cooperation with the US and also shown pragmatism in economic partnership with China.²⁸

The US formed the Indo-Pacific Trade Pact (IPTP) involving 12 countries in this region and the QUAD countries also joined this initiative. The US leads this organization which represents 40 percent of the world's GDP and aims to accelerate their economies in the context of inflation. Thus, the US policy is working to strengthen the economy and security in this region with the cooperation of regions countries.²⁹ The Asia-Pacific region has many middle powers, some of which also cooperate with the US and China. The Lowy Institute's 2019 Asia Power Index has divided 25 countries into four main groups by measuring the overall powers of these countries from the Asia-Pacific region. The Institute provides the rank for the US and China as 'super power', India and Japan accounted for 'major power'. There are many countries included as 'middle power' as Indonesia, Thailand, Malaysia, Singapore, Australia, Vietnam, New Zealand, Philippines, Pakistan and North Korea. The last fourth category calculates as minor powers.³⁰

China needs support from other countries to strengthen its policy and position in the Asia-Pacific region. China needs support from global institutions, such as the United Nations (UN) as well to help to minimise the conflicts between regional powers. It seems to get

²⁷ Ibidem.

²⁸Yana Leksyutina, *The Potential Impact of the US-Chinese Conflict in Asia*: <https://valdaiclub.com/a/highlights/the-potential-impact-of-the-us-chinese-conflict-in/> [accessed 13.09.2022].

²⁹Haris Bilal Malik, *US-China Strategic Competition in the Indo-Pacific*: <https://casstt.com/post/us-china-strategic-competition-in-the-indo-pacific/647> [accessed 13.09.2022].

³⁰Yuan Sha, *China's Dilemma toward Middle Powers in the Asia-Pacific Region*, China Institute of International Studies, 2020.

support from the European countries, East Asian and North American countries by the US to strengthen its position. China is also building a network of developing countries to take sides in global disputes. China's trade with Pacific countries has grown to USD 5.3 billion in 2021.³¹

Economic and Trade Interests

Asia shares about 37% of the world's GDP and six countries are from Asia, which are the top ten trading partners of the United States in Asia: 1stChina, 4thJapan, 6thVietnam, 7thIndia and 9thTaiwan. The US policymaker eyes China's connection at the regional level as a global economic power and influences aggressively growing. Since 2013, China's Belt and Road Initiative (BRI) connects the continental level to reach many countries in Asia, Europe, Africa, Latin America and the Caribbean. The Chinese policy is an effort "to develop an expanded, interdependent market for China, grow China's economic and political power, and create the right conditions for China to build a high technology economy."³² As of April 2022, over 131 countries have signed MoUs with China's physical infrastructure projects across the world. In Africa, "China already provides more financing for information and communications technology than all multilateral agencies and leading democracies combined do across the continent."

On 1st of January 2022, the world's largest trading bloc by economic size was established as the new Asia-Pacific Free Trade Agreement.³³ The free trade agreement includes "The Regional Comprehensive Economic Partnership (RCEP)" 15 Pacific and East Asian countries with different economic sizes and a share of 30 per cent of global GDP.³⁴ Asia Pacific Economic Cooperation (APEC) comprised of 21 "member economies," the APEC forum operates on the basis of non-binding commitments. APEC economies include the US, Australia, Brunei, Canada, Chile, China, Hong Kong, China, Indonesia, Japan, Korea,

³¹Ben Westcott, *Why US-China Competition Is Heating Up in the Pacific*:

<https://www.bloomberg.com/news/articles/2022-08-15/why-us-china-competition-is-heating-up-in-the-pacific-quicktake?leadSource=verify%20wall> [accessed 14.09.2022].

³²The Policy Circle, *Foreign Policy: Asia Pacific*: <https://www.thepolicycircle.org/brief/u-s-foreign-policy-asia-pacific-region/> [accessed 13.08.2022].

³³UNCTAD, *A new centre of gravity: The regional comprehensive economic partnership and its trade effects*: <https://unctad.org/webflyer/new-centre-gravity-regional-comprehensive-economic-partnership-and-its-trade-effects> [accessed 13.09.2022].

³⁴UNCTAD, *Asia-Pacific partnership creates new 'centre of gravity' for global trade*:

<https://unctad.org/news/asia-pacific-partnership-creates-new-centre-gravity-global-trade> [accessed 14.09.2022].

Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Chinese Taipei, Thailand, and Vietnam.³⁵

The US extensively focus on trade and initiatives at APEC, with the aim to advance free and fair trade in the Asia-Pacific region. The United States' goal is to create jobs, trade priorities, and remove barriers to trade and investment. The US is promoting cooperation in the Asia-Pacific region in the areas of digital trade to support innovation and the growth, establishment of transparency, promote services competitiveness, protection and enforcement of intellectual property, good regulatory practices, internal rule-making, cooperation in chemical sectors, and facilitating the implementation of the WTO Agreement on Trade Facilitation across all APEC economies.

Table 1: RCEP member exports due to tariff concessions(in billions of US dollars)

| | Overall Effects (billion US\$) | Trade Diversion (billion US\$) | Trade Creation (billion US\$) | As percentage of exports to RCEP |
|----------------------------------|--------------------------------|--------------------------------|-------------------------------|----------------------------------|
| RCEP Members | 41.8 | 25.2 | 16.6 | 1.8 |
| Japan | 20.2 | 15.7 | 4.5 | 5.5 |
| China | 11.2 | 6.9 | 4.3 | 1.8 |
| Republic of Korea | 6.7 | 4.4 | 2.3 | 2.0 |
| Australia | 4.1 | 2.8 | 1.3 | 1.9 |
| New Zealand | 1.1 | 0.8 | 0.3 | 4.5 |
| Malaysia | 0.2 | -0.3 | 0.6 | 0.1 |
| Singapore | 0.2 | -0.3 | 0.5 | 0.2 |
| Lao People's Democratic Republic | 0.1 | 0.0 | 0.1 | 2.7 |
| Myanmar | 0.1 | 0.0 | 0.1 | 1.2 |
| Brunei Darussalam | 0.0 | 0.0 | 0.0 | 0.6 |
| Thailand | 0.0 | -1.1 | 1.1 | 0.0 |
| Philippines | -0.1 | -0.2 | 0.2 | -0.1 |
| Cambodia | -0.3 | -0.4 | 0.0 | -3.9 |
| Indonesia | -0.3 | -0.8 | 0.4 | -0.3 |
| Viet Nam | -1.5 | -2.3 | 0.8 | -1.2 |

Source: <https://unctad.org/news/asia-pacific-partnership-creates-new-centre-gravity-global-trade>

³⁵Office of the United States Trade Representative, *Asia-Pacific Economic Cooperation*: <https://ustr.gov/countries-regions/japan-korea-apec/apec> [accessed 13.09.2022].

Conclusion

This research brings the US and China's Strengths and weaknesses in the Asia-Pacific region. China is strengthening its position and avoiding the global norms and the US policy is cooperating with ASEAN member states to diminish the Chinese assertiveness in the SCS. In the Asia-Pacific region, neither China nor the US is clearly 'winning' the geoeconomics and geopolitical competition as a whole. China is getting support from Russia and Pakistan in the region of a new concept of the "Indo-Pacific". While the US has successfully made cooperation with like-minded nations and has deep influence in India, Japan, Australia, the Philippines, Malaysia, Indonesia, and Singapore. The study concludes changing geopolitical dynamics in the Asia-Pacific region are growing with huge importance among the global powers. The US extensively included many countries in their fold to deeper economic achievement and counter to China's Maritime Silk Road Initiative (MSRI). The Asia-Pacific region is the centre of gravity for the power struggle between the US and China. China's emergence as a major competitor to the US in the region has worried the US administration about China's intentions in global politics.

China's economic and diplomatic channel has advantages in the SCS in comparison to other stakeholders. The US policy is more multifaceted and the 'pivot' Asia strategy is significantly raised the US position in Southeast Asia. China is challenging other powers through its presence and influence in the Asia-Pacific region. It also concludes that the US and China's competition in the SCS would reduce tensions and conflicts also reflected in the South Asia rivals. The US is continuously expanding its influence in the Asia-Pacific region in various dimensions and forms. US's 'Indo-Pacific Strategy' is aimed at partner countries to counter China. The QUAD and AUKUS framework are an established and well-calculated sign to contain China's policy in the Pacific region. The US is focusing on deeper engagement with major regional countries instead of having any form of confrontation with Beijing.

The SCS region remains an unresolved issue between the US and China. Both countries' interest contradicts the region and the Taiwan issue is ongoing which is creating a tense environment between the US and China. By and large, China seems to dominate in the SCS and the US is strongly condensing China's position against Taiwan. The US's engagement has been increasing in the Asia-Pacific region rather than China's BRI expansion toward the region. China is spreading its flagship BRI projects in Southeast Asia and the US is increasing cooperation with India, Japan, Australia and Vietnam.

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