

Global Power Shift and Foreign Policy Choices for Pakistan

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Abstract

The shifting global order suggests arrival of the world away from the U.S.-led liberal unipolar order. The rise of the rest, notably, the Chinese vision reflected in its Belt and Road Initiative (BRI) has defied the U.S. global hegemony. For example, China's growing wealth and power, Russia's resurgence and belligerence, Europe's pursuit for strategic autonomy, India's rise and its strategic balancing, turmoil in the Middle East and its inclination to Asia suggest a world slipping away from the U.S.-led hegemonic liberal order. The U.S., which once was a lead player, is unlikely to play its global leadership role to manage global governance alone, and even not China is yet close to replacing it. Thus, the argument is that the U.S. global hegemony is waning while the world has entered a new era of bumpier multipolarity with several interdependencies. Consequently, the balancers, not the hedgers and/ or bandwagoners will capitalize on the new world order. Pakistan's security in this context, is inextricably linked to the global and regional evolving order, which demands the contours of its foreign policy centred on a balancing act.

Keywords: *Global Power Shift, Hegemony, Liberal Order, Rules-based Order, Multipolarity, BRI, Foreign Policy.*

Introduction

The distribution of global power is constantly shifting marked by transforming geo-political and geo-economic realities, innovation of new technologies and proliferation of information and communication technologies. The U.S. appeared as a global leader in the post-World War II era by establishing the global liberal order. This means that the U.S. created

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and enforced ‘the rules of a liberal international order.’¹ The ‘liberal international order’ further means that the global system is not completely anarchic but there is a rules-based mechanism of global institutions, which govern inter-state relations.² The rules-based international order³ reflects the centrality of a world view based on Western-led liberal democratic values. Global institutions such as the United Nations (UN), the World Bank (WB), the International Monetary Fund (IMF), the World Trade Organization and, security alliances i.e., the North Atlantic Treaty Organization (NATO) and other such mechanisms⁴ became the ground for the global rules-based order. The demise of bipolarity was illustrated as a triumph of liberalism led by the U.S. hegemonic designs. The U.S. projected its power globally by encompassing economic interdependence (free trade), multilateral rules and institutions, democratic political systems, and values and norms (especially universal human rights). The U.S. liberal hegemony means that the U.S. based on its liberal values and designs projected preponderant influence or authority over others.

Nevertheless, the rise of the rest, notably, the Chinese vision reflected in its BRI has defied the U.S. global hegemony. China’s growing wealth and power, Russia’s resurgence and belligerence, Europe’s pursuit for strategic autonomy, India’s rise and its strategic balancing, turmoil in the Middle East and its inclination to Asia suggest a world slipping away from the ‘U.S.-led hegemonic liberal order.’⁵ The global power structure entering a new era of multipolarity where almost all the regional states are aligning and realigning to capitalise on the emerging world order. The global power contestation has pushed the states into technological competition and military asymmetries, lawfare, economic coercion through IMF, Financial Action Task Force (FATF), technological denials, economic slump and hybrid warfare. The geopolitical competition is

¹ Robert Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 1984), 31-54.

² Marc Trachtenberg, “The Problem of International Order and How to Think About it,” *The Monist*, vol. 89, no. 2 (2006): 207, <http://www.jstor.com/stable/27903976>

³ Michael J. Mazarr, Miranda Priebe, Andrew Radin, and Cevallos Astrid Stuth, *Understanding the Current International Order: Building a Sustainable International Order Series* (Santa, Monica Calif: Rand Corporation, 2016), 14-15.

⁴ John J. Mearsheimer, “Bound to Fail: The Rise and Fall of International Liberal Order,” *International Security*, vol. 43, no. 4 (2019): 26.

⁵ John J. Mearsheimer, *The Great Delusion: Liberal Dreams and International Realities* (Yale: Yale University Press, 2018).

compounding the challenges posed by the non-traditional security threats thereby turning major powers' attention away from climate change,⁶ health, water, energy, food security, refugee crises and non-state actors.⁷ The war in Ukraine has been a classic example of this where the disruptions caused by the conflict impacted the food and energy security of several countries already struggling with low yields due to the impacts of climate change.

Thus, the argument is that the U.S. global hegemony is waning while the world has entered a new era of bumpier multipolarity with several interdependencies. Small states have three strategic options when they are confronted by rising and declining powers i.e., balancing, bandwagoning and hedging. Bandwagoning serves smaller states by preserving their interests at the expense of great powers. In bandwagoning, aligning with a powerful coalition assists the aligned state to appease and gain some measure of security.⁸ The key role of small states which know they lack the resources and capacity to influence the international system is likely to be one of bandwagoning rather than balancing with powerful countries by the desire for gain.⁹ Hedging is a set of strategies that 'cultivate a middle position that forestalls or avoids having to choose one side at the obvious expense of another', and 'refers to any behaviour that sits in between balancing and bandwagoning'.¹⁰ Contrary to the policy of bandwagoning, balancing policy let states ally against prevailing threats. It also helps smaller states to escape avoid joining the greater powers because aligning with the strong side makes the small states vulnerable to the whims of its

⁶ Maximilian Terhalle and Joanna Depledge, "Great-power Politics, Order Transition, and Climate Governance: Insights from International Relations Theory," *Climate Policy*, vol. 13, no. 5 (2013): 572-573.
<https://doi.org/10.1080/14693062.2013.818849>

⁷ Einsiedel Von Sebastian, David M. Malone, and Bruno Stagno Ugarte, "The UN Security Council in an Age of Great Power Rivalry," *Tokyo: United Nations University Working Paper 4* (2015).

⁸ Sandya Nishanthi Gunasekara, "Bandwagoning, Balancing, and Small States: A Case of Sri Lanka," *Asian Social Science*; vol. 11, no. 28 (2015), 216.

⁹ Kenneth Waltz, *Theory of International Politics* (New York: McGraw-Hill, 1979).

¹⁰ Alexander Korolev, "Systemic Balancing and Regional Hedging: China-Russia Relations," *The Chinese Journal of International Politics*, vol. 9, issue no. 4 (Winter 2016).

partners.¹¹ Therefore, aligning with the weaker side rather than aligning with coalitions of powerful states is the better policy for small states to safeguard their interests. In a balancing world, states do not balance merely against power, but they balance against threat.¹² Thus, balancers, not the hedgers and/ or bandwagoners will capitalise on the new world order. Smaller states like Pakistan have to make calculated foreign policy choices based on a balancing act to capitalise on the emerging era of multipolarity.

Great Power Competition — Who Dominates Whom

Global Power Shift to Asia

Butter not Guns determine destiny of Asia. China not the U.S. holds the key in Asia. The Asia-Pacific region appears to be the most dynamic region of the world, thereby, becoming the fulcrum for global power projection. The U.S.'s pivot to Asia and its Indo-Pacific strategy¹³ has been motivated by three driving factors, i.e., promoting economic growth; maintaining the balance against China's growing strength; and sustaining its long-term presence there. Thus, the U.S. projects its power by pursuing a policy of selective/deep engagement¹⁴ through bilateral, trilateral and multilateral alliance systems. Regional territorial disputes between states,¹⁵ the security threats posed by nuclear North Korea, the presence of undemocratic governments, ethnic issues and drug trafficking legitimise the U.S. power projection in Asia. China's declaration of the South and East China Seas claims, unsettled key disputes between China and its neighbouring countries, China's building of artificial islands around the South China Sea, and positioning of its military batteries in the Paracel Island chain make the U.S. deeply

¹¹ Sandya Nishanthi Gunasekara, "Bandwagoning, Balancing, and Small States: A Case of Sri Lanka."

¹² T.Y. Wang and Alexander C. Tan, "Balancing, Bandwagoning or Hedging: Taiwan's Strategic Choices in the Era of a Rising China," *Political Science*, 73:1 (2021): 66-84.

¹³ William Choong, "The Return of the Indo-Pacific Strategy: An Assessment," *Australian Journal of International Affairs*, vol. 73, no. 5 (2019): 415-430.

¹⁴ Charles L. Glaser, "A Flawed Framework: Why the Liberal International Order is Misguided," *International Security*, vol. 43, no. 4 (Spring 2019): 79.

¹⁵ Francesco Mancini, "Uncertain Borders: Territorial Disputes in Asia," *SSRN* (2017).

concerned. Chinese construction of ports, i.e., Gwadar, Hambantota, Sittwe, and Chittagong, which are part of its transport corridor for trade also create discomfort for the U.S. In parallel, the security of navigation on trade lines/naval routes, and the rising geopolitical significance of choke points i.e., the Straits of Hormuz and Malacca determine the U.S. assertiveness in that region. The U.S. aims to limit China's access to the Arabian Sea, thereby obstructing the China-Pakistan Economic Corridor (CPEC), a fulcrum of China's BRI to protect all sea lines of communication (SLOCs discussed below) passing through the entire Asia-Pacific to the broader Indian Ocean Region (IOR).

Accordingly, the U.S. is fostering economic relations with the East and the Southeast Asian countries. This is followed by establishing deep bilateral security and military alliances with other states,¹⁶ adapting renewed military operational plans and stationing of military forces across the Western Pacific. The U.S. has a joint strategic positioning of the military platforms with South Korea and Japan to the North, Australia and the Philippines to the South, and Guam as the forward base.¹⁷ Thus, the U.S. feels more militarily prepared to contain the Chinese foothold in the disputed waters and its threat to Japan or Taiwan.

The U.S. has further deepened its engagement in the region through multilateral platforms i.e., the Association of Southeast Asian Nations (ASEAN), the East-Asia-Summit (EAS), the Asia-Pacific Economic Cooperation Forum (APEC),¹⁸ evolving Quadrilateral Security Dialogue (QUAD)¹⁹ and a new trilateral alliance system among Australia, the

¹⁶ Feng Liu, "The Recalibration of Chinese Assertiveness: China's Responses to the Indo-Pacific Challenge," *International Affairs*, vol. 96, no. 1 (2020): 12-13.

¹⁷ Andrew S. Erickson and Joel Wuthnow, "Barriers, Springboards and Benchmarks: China Conceptualises the Pacific Island Chains," *The China Quarterly*, no. 225 (2016): 12-13.

¹⁸ Ralf Emmers, Joseph Chinyong Liow and See Seng Tan, "The East Asia Summit and the Regional Security Architecture," *Maryland Series in Contemporary Asian Studies*, no. 3 (2010): 3.

¹⁹ Benjamin Clarke, "Pakistan and the Quadrilateral Security Dialogue: Current and Future Perceptions," *IPRI Journal*, vol. 19, no. 1 (2019): 30.

United Kingdom and the U.S. (AUKUS).²⁰ To counter China's rise, the group of G7 countries have introduced a new initiative, i.e., Build Back Better World (B3W) offering a parallel vision to China's BRI for infrastructure building and socio-economic development to low-and-middle-income countries. The U.S. seems to be using technological coercion and de-coupling against China thereby keeping the latter out of emerging technology markets including AI, 5G, semiconductor chip manufacturing etc.

China in parallel has achieved the status of the world's largest global economy thereby reducing the power differential with the U.S. China has introduced a range of global initiatives under its global dream of a 'Community of Common Destiny Future for Mankind'²¹ that demonstrate a broader infrastructure-building vision, i.e., BRI that reflects the shifting global order based on inclusive socio-economic growth and a more equitable multipolar system. Thus, China believes that the U.S. military footprints in the region are directed to obstruct the former's commercial, and economic projects²² and challenging its SLOCs as China's 90 per cent of hydrocarbons are shipped via blue seas,²³ which makes the Straits of Hormuz and Malacca pivotal for China. Further, the U.S. aims to obstruct the Chinese 'first island chain' that runs through South Korea via Japan to the Philippines and Malaysia to Indonesia. Thus, China has embraced a range of air, land and sea based contingency countermeasures to offset the U.S. aggressive regional military strategies.²⁴

²⁰ Soumyodeep Deb and Nathan Wilson, "The Coming of QUAD and the Balance of Power in the Indo-Pacific," *Journal of Indo-Pacific Affairs*, vol. 4, no. 9 (2021): 111-114.

²¹ Denghua Zhang, "The Concept of 'Community of Common Destiny' in China's Diplomacy: Meaning, Motives and Implications," *Asia & the Pacific Policy Studies*, vol. 5, no. 2, (April 16, 2018): 196-207.

²² Zhao Tong, "China's Strategic Environment and Doctrine," in Robert Einhorn and W. P. S. Sidhu, ed., *The Strategic: Linking Pakistan, India, China and the United States* (Washington D.C Brookings Institution, March 2017), 17.

²³ Rizwana Abbasi and Zafar Khan, *Nuclear Deterrence in South Asia: New Technologies and Challenges to Sustainable Peace* (London: Routledge, 2019).

²⁴ Abbasi and Khan, *Nuclear Deterrence in South Asia: New Technologies and Challenges to Sustainable Peace*.

Some scholars predict²⁵ that war over the status of Taiwan is a possibility and a risk of a conflict over one of China's maritime territorial disputes is likely because of the U.S. intervention. Others believe²⁶ that China can target the U.S. maritime platforms and military bases surrounding 500 miles of China's territory and interrupt the network-centric system that supports U.S. military might throughout East Asia. For some,²⁷ China's naval doctrine i.e., anti-access area denial (A2/AD) seeks to deny the U.S. access to the East and South China Seas.²⁸ Michael Beckley doubts China's military capabilities²⁹ to a level that can control the coast of the East Asia,³⁰ initiate a surprise attack, carry a naval blockade or engage targets inside Taiwan. Arguably, the U.S. has bolstered Taiwan's military might and maintained supremacy to obstruct China's air and naval power in the western and southern Pacific.

That said, China is a defensive and a continental power³¹ and is perceived as a non-war-waging country. For example, China has effectively managed the border disputes with all the neighbouring countries including India not by waging wars but through constructive dialogues. Given its growing economic strength and deeper integration in the East and the Southeast Asia, the likelihood of war between the U.S. and China over Taiwan or confrontation in the South China Sea seems less likely. For example, from 2010 to 2020, the ASEAN countries' combined GDP of

²⁵ Patrick Porter and Michael Mazarr, "Countering China's Adventurism over Taiwan: A Third Way," *Lowy Institute Analysis* (2021), 25.

²⁶ Abbasi and Khan, *Nuclear Deterrence in South Asia: New Technologies and Challenges to Sustainable Peace*.

²⁷ Syed Muhammad Irteza Imam and Sufian Ullah, "Anti-Access Area Denial Capabilities: Implications for Strategic Stability," *Journal of Security & Strategic Analyses*, vol. 6, no. 1 (2020): 07-32.

²⁸ Michael Beckley, "Balancing China: How the United States and its Partners can Check Chinese Naval Expansion," *War on the Rocks*, November 15, 2017, <https://warontherocks.com/2017/11/balancing-china-united-states-partners-can-check-chinese-naval-expansion/>

²⁹ Beckley, "Balancing China: How the United States and its Partners can Check Chinese Naval Expansion."

³⁰ Beckley, "Balancing China: How the United States and its Partners can Check Chinese Naval Expansion."

³¹ Carolijn Van Noort, "The Aesthetic Power of Ships in International Political Communication: Why Ships Matter in China's Communication of the Maritime Silk Road Initiative," *Global Society*, vol. 36, no. 4 (2022): 519, <https://doi.org/10.1080/13600826.2021.1942801>

US\$3 trillion added well to the global economy. In 2000, trade between the ASEAN countries and China was US\$29 billion — one-third of the region's trade with the U.S. Nevertheless, trade between the ASEAN countries and China has increased to US\$669 billion by 2021 whereas ASEAN trade with the U.S. has also grown up by US\$364 billion.³² Compared to China, the U.S. has little to offer to the ASEAN countries. Notably, the U.S. President, Joe Biden has offered investment of US\$150 million in ASEAN countries whereas President, Xi Jinping pledged an investment of US\$1.5 billion to ASEAN to recover from the covid-19 and reform their economies over the succeeding three years.³³ ASEAN countries aim to foster a regional order based on a cooperative framework, guided by a policy of accommodation, not confrontation. They adopt a balancing act thereby effectively evading geopolitical competition between China and the U.S. The Global South are the most populous countries of the world and they aspire to socio-economic growth and are deeply concerned about their climate vulnerabilities, lack of access to advanced technologies, and their necessity for better infrastructure building, health facilities and access to inclusive education. Since China's global trade has expanded to more than 140 countries³⁴ while creating deeper footprints across the African region, Latin America, the Middle East and Europe. The ASEAN countries do not lag and are inclined towards China for their socio-economic development.

China, in parallel, has established non-Western institutions to implement its global vision i.e. a better world. These institutions include Shanghai Cooperation Organization (SCO), a forum of leading economies such as Brazil, Russia, India, China, and South Africa (BRICS), the Regional Comprehensive Economic Partnership (RCEP — which embraces 30% of global GDP and is the major trading block that includes the largest economies in Asia), the Asian Infrastructure Investment Bank (AIIB — 105 members body) are the initiatives that challenge U.S.'s hegemony in Asia.

³² Kishore Mahbubani, "Asia's Third Way: How ASEAN Survives-and Thrives-amid Great-Power Competition," *Foreign Affairs*, February 28, 2023.

³³ "Biden Pledges US\$150m to ASEAN with an Eye on China," *Aljazeera*, May 13, 2022, <https://www.aljazeera.com/economy/2022/5/13/biden-pledges-150m-to-asean-with-eye-on-china>

³⁴ See Ministry of Foreign Affairs of the Peoples Republic of China, Foreign Ministry Spokesperson Wang Wenbin's Regular Press Conference on October 20, 2022, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/202210/t20221020_10788936.html

There are dozens of additional multilateral forums that promote regional cooperation between China and the rest.

Thus efforts are stirring for the establishment of alternative currency trading mechanisms to rebalance the existing financial system. The BRICS has already introduced a parallel monetary system for trade³⁵ and aspire to launch their local trading currencies thereby circumventing the U.S. dollar. This offers a renewed framework for decoupling global trade and financial systems. Arguably, the rapid collapse of the dollar is not in Chinese interest, thus, it will happen gradually meanwhile, China diversifies its foreign reserves portfolio.

More so, the instant repercussions of great power rivalries in Asia are alarming, as it carries the likelihood of an asymmetrical but robust coalition between Russia and China as both share their vision to foster a new era of multipolarity against the U.S. domination. This certainly minimises strategic opportunities for the U.S. in Asia by enhancing the broader options available to China.

India in the Emerging Order

India is balancing not hedging while legitimising the new era of multipolarity. In the process of great power competition, India is being considered a regional stabiliser and a ‘net security provider’ in the framework of the U.S. Indo-Pacific vision.³⁶ India, therefore, has been mainstreamed in the global political and financial system i.e., it currently holds the presidency (which rotates through its members) of G-20 countries and has joined BRICS, India-Israel-UAE-USA (I2U2) and SCO. Its position is elevated in the global economic institutions i.e., the IMF and FATF. Being not a member to the nuclear non-proliferation treaty (NPT), it enjoys the benefits of an NPT state while securing nuclear suppliers group (NSG) waiver and access to the global technological market. India in turn is building artificial intelligence (AI)-led technologies, hypersonic systems,

³⁵ Cynthia Roberts, ‘The BRICS in the Era of Renewed Great Power Competition,’ *Strategic Analysis*, vol. 43, no. 6(2019): 469, <https://doi.org/10.1080/09700161.2019.1672930>

³⁶ Sufian Ullah and Zeeshan Hayat, ‘India as a Net Security Provider in Indo-Pacific and Implications for the Region,’ *NUST Journal of International Peace & Stability*, vol. 4, no. 1 (2021): 30.

Ballistic Missile Defence (BMD) systems, aircraft carriers and nuclear submarines. The U.S. has signed a range of defence agreements with India that include the General Security of Military Information Agreement; the Logistics Exchange Memorandum of Agreement; the Communication Compatibility and Security Agreement; and, the Basic Exchange and Cooperation Agreement.³⁷ India is involved in joint military exercises and is a party to the QUAD alliance system and endorses the AUKUS.

Interestingly, India on the one hand is playing a hedge against China in the U.S.'s favour while on the other hand, it is pursuing a selective and deep engagement with global and regional powers thereby fostering its independent rise. India's 'Look East Policy' leads India to integrate into the East Asian region while adhering to a policy of accommodation towards China. India's diplomatic relations based on the Look West policy are deepening with the Middle East. Indo-Israel relations are expanding in the economic and military domains. India is not serious about Western calls for Russia's condemnation of the Ukraine crisis. India's neutrality on Russian incursions in Ukraine does not mean that it supports the invasion, but it aspires to create a balancing act to pursue its broader national interests. India would describe this as "pursuing its national interests." Therefore, Indo-Russian collaboration is flourishing amid a deepening Indo-U.S. strategic alliance.

India aims to position itself as a pivot of the global south to legitimise coming multipolarity. India is successfully navigating the competing strategic trends and accommodating all the players such as China, Russia and the West at a time thereby maintaining a balancing act. Today the U.S. is India's major exporter. The trade between the two states in goods and services touched US\$128 billion making the U.S. top trading partner in FY23.³⁸ The partnership between the U.S. and India in the technological domain is poised to deepen. India has on the one hand joined the Quad alliance system and on the other hand, it also becomes a member of the Shanghai Cooperation Organisation (SCO). India regularly participates in

³⁷ Joshua T. White, "After the Foundational Agreements: An Agenda for U.S.-India Defence and Security Cooperation," *Brookings Institution* (2021): 6.

³⁸ "U.S. Emerges as India's Biggest Trading Partner in FY23 at US\$128.55 Billion; China at Second Position," *Hindu*, April 16, 2023, <https://www.thehindu.com/business/Economy/us-emerges-as-indias-biggest-trading-partner-in-fy23-at-12855-billion-china-at-second-position/article66743587.ece>

trilateral meetings with China and Russia thereby keeping all communication channels open with China while maintaining the status of the largest trading partner with the latter. In 2022, trade between China and India in goods touched US\$136 billion. India in parallel is also deepening business ties, investment and trade with Taiwan. Thus India is doing an impressive job of balancing act. The Indian administration has signalled to maintain an old-style non-aligned position—thereby moving away from strategic hedging to strategic balancing while legitimising the new era of multipolarity.

Russia's Resurgence

Russia is a resurgent power that shares a vision of a new world order away from the domination of a single power. Russia has actively instrumentalised its political influence to counter the U.S. domination in the Middle East, Europe and Asia. For example, Russia is constantly maximising its outreach and is in an advantageous position to become an active extra-regional player to curtail the U.S. footprint in the Middle Eastern region while stepping in Asia. For instance, Russia along with Iran extended successful military support to the Syrian President, Bashar al-Assad vis-à-vis the U.S.-backed regional Saudi bloc in the Syrian civil war.³⁹ Though, Damascus undoubtedly remained Russia's priority in the Middle East, nevertheless, Russia is constantly maximizing its outreach in the region. Russia is establishing an industrial zone in the strategically important Said East Port and a logistical support base for its naval forces at Port Sudan. Russia seemingly is involved in the North African Wagner Group, a military contracting firm that is operating in Libya.⁴⁰ Thus, Russia is in an advantageous position to become an active extra-regional player in the Middle Eastern region.

In parallel, by dragging the U.S. into the Ukraine war, Russia has succeeded in engaging the U.S., thus challenging its global hegemony. Therefore, there seems no serious effort towards a diplomatic settlement to

³⁹ Muhammad Ahmed Qadri, Muhammad Saeed Uzzaman and Sajid Iqbal, "Syrian Imbroglio: A Complex Interaction of Local, Regional, and Extra-Regional Actors," *Research Journal of Social Sciences and Economics Review*, vol. 2, no. 2 (2021): 76-86.

⁴⁰ Anna Borshchevskaya, Raed Wajeeh, Daniel Rakov, and Li-Chen Sim, 'Russia in the Middle East: A Source of Stability or a Pot-stirrer?' *Atlantic Council*, April 21, 2021, <https://www.atlanticcouncil.org/blogs/menasource/russia-in-the-middle-east-a-source-of-stability-or-a-pot-stirrer/>

the war, which means the war is likely to prolong for years yielding serious global consequences for the world and greater losses for Ukraine. The Western-style democracies of the world, on the one hand, have displayed a deeper commitment to preserving the rules-based liberal international order while inflicting extraordinary costs on Russia by backing Ukraine. Contrarily, the global powers of the south have abstained from taking sides by adhering to the Western stance on Ukraine. For example, the emerging economies of BRICS from the global south have mutually agreed to establish a parallel infrastructure for the global economic system.⁴¹ In the above process, Russia has become unpopular in the West and growing in popularity in the East and South. Putin's vision is based on sharing a new world order away from the influence of a single power.⁴² The argument here is that the Western responses to the Russian intrusion in Ukraine have united the Western democracies on the one hand but the U.S.-led range of economic sanctions may lead to negatively affect the Western financial system. The non-Western influencers will emerge with their matching alternative undermining the substance of U.S.-led coercive mechanisms. This will lead to a global monetary decoupling thus undermining the U.S. hegemony and sustaining the new era of multipolarity.

Europe's Quest for Strategic Autonomy

The European countries are in quest of their strategic autonomy and aim to diversify their value chains. The outbreak of a high-intensity war on European soil has suggested a sharp rise in the Europeans' interest for strategic autonomy in security and defence matters. Over the last three decades, debates on security and defence in Europe have centred on crisis management, peacekeeping operations abroad, stabilisation and the fight against terrorism in places like Afghanistan, Iraq, Africa and the Balkans. Now the war in Ukraine has affected the Europeans' ambition to strengthen its autonomy in security and, defence and diversify

⁴¹ Bas Hooijmaaijers, "China, the BRICS, and the Limitations of Reshaping Global Economic Governance," *The Pacific Review*, vol. 34, no. 1 (2021): 47-48, <https://doi.org/10.1080/09512748.2019.1649298>.

⁴² Maria Papageorgiou, Mohammad Eslami, and Paulo Afonso B. Duarte, "A 'Soft' Balancing Ménage à Trois? China, Iran and Russia Strategic Triangle vis-à-vis US Hegemony," *Journal of Asian Security and International Affairs*, vol.10, no. 1 (2023): 78.

cautiously⁴³ to gain economic stability. The European countries face climate-led urgencies, the fallouts of the covid-19, the consequences of the Ukraine war that has fuelled shockwaves on supply chains, and food and energy emergencies. Thus, European countries are certainly re-evaluating their economic avenues and want to diversify their value chains. There is a consensus that Europe should now adopt an autonomous approach, taking responsibility to strengthen its defence capabilities and minimise dependencies by crafting a new model of growth and investment by the end of this decade.⁴⁴ The European states are now looking towards Asia and rising China. Both China and Europe have solid economic trade ties as the trade volume between the two hit nearly 850 billion Euros in 2022 while China was the major importer and the third-largest buyer of European goods.⁴⁵ These indicators become compelling amid the energy and economic crisis in the backdrop of ongoing Russian blackmail. The European countries aspire to momentary alignment with the U.S. on Ukraine while economic dependencies on China while becoming self-reliant in the energy sector. There is also the question of climate change, where many European leaders find a dialogue with China pivotal toward any substantial progress in bringing down CO2 emissions. Sound financial investments are required to mitigate climate change-related risks in which China plays a key role.

U.S. Fading Footprint in the Middle East

Honey not guns will determine the destiny of the Middle Eastern region. The U.S. receding influence in the Middle East is its self-inflicted damage. The U.S. has pursued liberal hegemonic designs in the Middle East i.e., a strategy of regime change to introduce Western-style democracies while

⁴³ Luis Simon, “The Ukraine War and the Future of the European Union’s Security and Defense Policy,” *Center for Strategic and International Studies*, January 30, 2023, <https://www.csis.org/analysis/ukraine-war-and-future-european-unions-security-and-defense-policy>

⁴⁴ Raluca Csernaton, “The EU’s Hegemonic Imaginaries: From European Strategic Autonomy in Defence to Technological Sovereignty,” *European security*, vol. 31, no. 3 (2022): 395-414.

⁴⁵ Josep Borrel, “My View on China and EU-China Relations,” *European Union External Action*, April 13, 2023, https://www.eeas.europa.eu/eeas/my-view-china-and-eu-china-relations_en#:~:text=As%20I%20said%2C%20China%20and,or%202.3%25%20of%20our%20GDP

becoming profoundly hostile.⁴⁶ The U.S. global ‘war on terror’ and its regime change operations have introduced failure leading to illiberalism. Libya and Syria are glaring examples of grave human rights violations, refugees’ crisis and state destruction, not construction.

China’s diplomacy and broker role has created deeper trust between China and the countries of the Middle East. Additionally, the Russia-China-Iran triangle is deepening on regional political, economic, military and security matters. Interestingly, these three states share their vision for building a new era of multipolarity and also jointly demonstrate displeasure with the U.S. liberal hegemonic designs there. The three states have enhanced their understanding to maximise their geopolitical influence stretching from Northeast Asia, and Central Asia to the Indo-Pacific Region. They aim to promote soft balancing by minimising military interference and pressure from an external power⁴⁷ in the Middle East.⁴⁸

China and Russia have sided with Iran and crafted several agreements with the latter covering certain areas i.e., energy, infrastructure building, mining and agriculture. The three partners have evaded the U.S. dollarisation in their trade to minimise the effects of a range of Western sanctions and diminish their reliance on the U.S. currency.⁴⁹ The ‘Interim Agreement for the Formation of a Free Trade Area’ between Iran and the Eurasian Economic Union (EAEU) is another case in point to revive the Iranian crippling economy. Under the BRI vision, Iran’s integration into the initiative reinforces regional connectivity and trade. The three countries also consolidate President Putin’s dream of a ‘Greater Eurasian Partnership’ and have also aligned in the technological realm, thereby strengthening collaboration via China’s 5G network system. Both Russia and Iran have expelled the U.S.-led component from their systems and have moved to

⁴⁶ Doug Stokes, “Trump, American Hegemony and the Future of the Liberal International Order,” *International Affairs*, vol. 94, no. 1 (2018): 133.

⁴⁷ Chaka Ferguson, “The Strategic Use of Soft Balancing: The Normative Dimensions of the Chinese-Russian ‘Strategic Partnership’,” *Journal of Strategic Studies*, vol. 35, no. 2 (2012): 200, <https://doi.org/10.1080/01402390.2011.583153>

⁴⁸ Nicole Grajewski, “An Illusory Entente: The Myth of a Russia-China-Iran ‘Axis’,” *Asian Affairs*, vol. 53, no. 1 (2022): 169.

⁴⁹ Daniel McDowell, “Financial Sanctions and Political Risk in the International Currency System,” *Review of International Political Economy*, vol. 28, no. 3 (2021): 648-649.

China.⁵⁰ Iran, Saudi Arabia, United Arab Emirates, Bahrain, Egypt, Algeria and Argentina aspire to join the BRICS.⁵¹ If these states join BRICS, they could circumvent the U.S. dollar while building reliance on BRICS countries. To sum up, the U.S. unipolarity is challenged while other actors are gaining a deeper footprint there creating new avenues for the regional states. Thus, soft balancing not hard power will determine the destiny of the Middle Eastern region.

Great Powers Contestation and Growing Hybrid Threats

The established power scrambles to retain power by coercing others through hybrid threats. In the backdrop of global power contestation, states are intensely prone to hybrid warfare, which targets economic, societal, political, and psychological factors to threaten states through the mix of complex tools including financial institutions, political dissent, non-states actors/proxies, media and cyberspace. Major powers are capable of harming each other and smaller rival actors by launching cyber-attacks. The U.S. has used economic coercion in the form of sanctions or embargoes to curtail the behaviour of other states. Hybrid tools are designed such as fake news, strategic leaks, funded organisations, organised protest movements, espionage, and proxies to undermine states' internal stability and regulate their behaviour thereby turning one against the other. More so, information and communication technologies are being used to disrupt other societies for desired goals.

Climate Governance and Western Budgetary Constraints

There are empty pockets, only talks and no walk to mitigate climate threats. Climate change is affecting countries in a variety of ways including desertification and draughts, flash floods, new disease vectors and low yields of various crop types. These changes can threaten the economy and lead to escalating poverty, internal migration and a host of socio-economic problems. States will become extremely water stressed

⁵⁰ Valentin Weber, "Making Sense of Technological Spheres of Influence," *Strategic Update* (April 2020): 11, <https://www.lse.ac.uk/ideas/Assets/Documents/updates/LSE-IDEAS-Technological-Spheres-of-Influence.pdf>

⁵¹ "BRICS Gets an Influx of Interest as Saudi Arabia, Iran, and More Knock on its Door," *Pakistan Observer*, May 2, 2023, <https://pakobserver.net/brics-gets-influx-of-interest-as-saudi-arabia-iran-and-more-knock-on-its-door/>

which will lead to affect crop yield thereby threatening human security. International health indices, such as life expectancy, maternal and newborn health, child stunting and malnutrition and covid-19 led diseases are threatening states' security. The West could not succeed since the financial crisis of 2008 to prove that it is willing to be able to push for an inclusive and sustainable liberal world order. More than 350 million people are in humanitarian need, and around 100 million people are currently displaced for their survival from war-torn countries.⁵² Nearly 54 countries are suffering from severe debt problems.⁵³ The UN climate adaptation fund aims to defend poor countries from the consequences of the carbon emission from rich countries but failed to meet its limits of raising US\$100 Billion a year.⁵⁴ The U.S.-led alliance system is unable to meet budgetary demands to overcome global crises. Thus the trust deficit between the West and the Rest' is widening.

To sum up the above section, the emerging global multipolar order is marked by a complex interplay of multiple players, interests, traditional and non-traditional challenges and interdependencies. There are signs of a new Cold War whereby the established power scrambles to retain its dominance in the face of an emerging power and a resurgent power. However, the dynamics of the new and a bumpier multipolarity are much more complex due to interdependencies and several middle players which wield much more influence than the hitherto developing South.

Foreign Policy Challenges and Options for Pakistan

Balancers, not the hedgers and/ or bandwagoners will capitalise on the new and complex era of multipolarity and increased interdependencies. Thus Pakistan's security is inextricably linked to the regional and global evolving orders explained in the preceding sections, which determines the contours of its foreign policy. Pakistan has to navigate the evolving

⁵² "With 100 Million People Worldwide Fleeing War, Natural Disasters, Poverty in 2022, Peace Needed Now 'More Than Ever' Secretary-General Urges in New Year's Message," *United Nations Press Release of Secretary-General SG/SM/21645*, (December 28, 2022, <https://press.un.org/en/2022/sgsm21645.doc.htm>)

⁵³ "UN Development Programme Calls for Debt Relief Now for 54 Countries," *United Nations*, October 11, 2022, <https://news.un.org/en/story/2022/10/1129427>

⁵⁴ Anna Belianska, et. al., "Climate Change and Select Financial Instruments an Overview of Opportunities and Challenges for Sub-Saharan Africa," *International Monetary Fund*, November 2022, 3.

multipolarity, cautiously assessing emerging challenges on a short and long-term basis while making tough decisions based on a balancing act thereby seeking guidance from national interests.

U.S. Indo-Pacific Strategy – Need for a Balancing Act

The Indo-Pacific strategy of the U.S. is bound to have negative implications for Pakistan given Pakistan's close alliance with China and cordial relations with the U.S. There are certain challenges that Pakistan need to identify clearly: one, the U.S. view of CPEC as a strategic partnership more than an economic integration project certainly creates pressure for Pakistan. Indeed, CPEC offers China the swift access to the Arabian Sea and the Persian Gulf. Through CPEC, China will project its power in the Indian Ocean Region, which makes the U.S. uncomfortable. Two, the designation of India as a net-security provider has bestowed India with a sense of entitlement to build military power beyond its genuine national security needs and for regional domination.⁵⁵ The U.S. is facilitating Indian access to advanced technologies which would create regional asymmetry placing Pakistan at a strategic disadvantage. Three, Pakistan is undergoing technological denial and it cannot cooperate in the nuclear domain with any country except China because of NSG restrictions and its defence deals also remain limited. Four, Indo-U.S. alignment of interests in the global institutions will result in increased the U.S. pressure on Pakistan concerning Pakistan's nuclear program, on issues such as human rights, IMF and FATF-led financial coercion and pressures on counter-terrorism. Five, the Indian history of false flag operations (staged terrorists' attacks), to malign Pakistan and justify Indian military aggression against Pakistan and the establishment of the so-called new normals⁵⁶ (Balakot style offensive military operations) cannot be ruled out. India remains Pakistan's primary adversary and the security calculus vis-à-vis India is unlikely to change soon. To counter Indian military threats, Pakistan must maintain credible minimum deterrence coupled with effective conventional and, nuclear capabilities and AI-led new technologies.

⁵⁵ Rory Medcalf, "Unselfish Giants? Understanding China and India as Security Providers," *Australian Journal of International Affairs* 66, no. 5 (2012): 557.

⁵⁶ Rizwana Abbasi and Muhammad Saeed Uzzaman, *Changing Patterns of Warfare between India and Pakistan: Navigating the Impact of New and Disruptive Technologies* (Oxford: Routledge, 2023).

Against the backdrop of the U.S.'s Indo-Pacific strategy, Pakistan needs to maintain strategic neutrality by joining countries of the global south. Pakistan should formulate a 'Look East Policy' to integrate its economy into the Southeast Asian and ASEAN countries. Pakistan needs to sign bilateral and trilateral free-trade agreements with the Asian economies. In the security domain, Pakistan should focus on expanding its maritime engagement with the littoral countries of the IOR in general and the Arabian Sea and Gulf states in particular. These could include military-to-military contacts, goodwill calls by naval vessels, joint naval exercises, training and supply of equipment. It is imperative to neutralise Indian influence and deny them space in the maritime domain through proactive maritime engagement. Pakistan's vulnerabilities that can be exploited by adversaries include the presence of non-state actors, security of CPEC i.e. direct attack on infrastructure and Chinese workers, disinformation campaigns and social unrest in sensitive areas like Gilgit-Baltistan, Balochistan. The CPEC constitutes a major opportunity for Pakistan to transform itself into an energy, trade and logistic hub and deepen regional connectivity.⁵⁷ Therefore, Pakistan needs to invite other countries to invest in Special Economic Zones and CPEC thereby turning it into a multilateral project, stretching it via Afghanistan and Iran to Central Asia and Russia. More stakeholders in the project would help evade external powers' interference and ensure its safety and resilience. Pakistan should consider joining the Russia-Iran-China emerging economic alliance system and BRICS to minimise dependence on U.S. dollarisation and IMF.

Turbulent Middle East — Bridging the Gap

The looming threat of a conflict between Iran and the U.S. constitutes a challenge for Pakistan. Instability in Iran could not only spill refugee influx in Pakistan but also result in proxy warfare with sectarian undertones, impacting Pakistan's internal stability. Pakistan needs to strengthen its socio-economic linkages with Iran and maintain good relations ensuring that Iran does not become part of any containment policy directed against Pakistan. Any distribution of oil supplies through

⁵⁷ Zahid Khan, Guo Changgang and Muhammad Afzaal, "China-Pakistan Economic Corridor at the Cross Intersection of China, Central Asia and South Asia: Opportunities for Regional Economic Growth," *The Chinese Economy*, vol. 53, no. 2 (2020): 200-215.

the Straits of Hormuz could have severe economic and strategic implications for Pakistan. Thus, Pakistan will have to walk a tightrope to keep its Middle Eastern allies and Iran in good relations.

After China's broker role between Iran and Saudi Arabia,⁵⁸ the Iran-Pakistan gas pipeline can be materialised and trade with Iran and the Middle Eastern countries can be further strengthened. The relationship with the Middle East should be based on the strength of religious, historical and cultural ties and Pakistan's diaspora living there can contribute significantly to improving ties between Pakistan and the countries of the Middle Eastern region. The challenge for Pakistan is to continue a balanced policy and create space for itself as a peace broker for dialogue between various adversaries. Pakistan must join the emerging Russia-Iran-China economic alliance system to diversify its economic growth. By joining this emerging alliance, Pakistan can safeguard its geopolitical interests and legitimise its mobility stretching from the Northeast Asia to Central Asia and the Indo-Pacific Region.

Stabilise the Afghanistan — Holding China's Hand tightly

The ongoing turmoil in Afghanistan has not only obstructed Pakistan pivoting to the energy and trade corridor but has also extremely affected stability in the border region.⁵⁹ The dangers of expected uncertainty and the likelihood of instability in the post-U.S. withdrawal is continuously on the rise. An unstable Afghanistan could lead to it becoming a fertile ground for foreign players such as India — to exacerbate the security challenge to Pakistan from Afghan soil. If the world does not legitimise the Taliban government, Pakistan needs China's support to stabilise its own backyard and minimise future security risks erupting from Afghanistan.

⁵⁸ Mohammad Alyahya, "China Brokers Diplomacy Between Iran and Saudi Arabia: Implications for the US Role in the Middle East," *Belfer Center for Science and Technology* March 23, 2023, <https://www.belfercenter.org/publication/china-brokers-diplomacy-between-iran-and-saudi-arabia-implications-us-role-middle-east>

⁵⁹ Fatima Raza, "Prospects for Pakistan-China-Iran Trilateral Cooperation," *Strategic Studies*, vol. 39, no. 3 (2019): 42-43.

Dealing with Non-Traditional and Hybrid Threats

According to the Global Climate Index Pakistan is among the top ten countries likely to be most affected by the impact of climate change.⁶⁰ Unless arrested, these vulnerabilities shall accentuate existing threats to Pakistan's political, economic and social security besides enhancing the incidents of poverty, internal migrations and other socio-economic problems. Thus, strengthening existing institutional policy frameworks, and integrating them with new innovative tools and technologies in urban mobility, decarbonisation and eco-system restoration shall remain paramount options. Pakistan's alignment of its national development agenda with the UN Sustainable Development Goals (SDGs) towards tackling the cross-cutting challenges of poverty, disease, hunger, climate change, water, food security and energy will be critical.

Pakistan remains vulnerable to economic coercion through international mechanisms such as IMF and FATF. Pakistan needs to craft a look east policy and diversify options by building linkages with the BRICS, ASEAN and Chinese-led forums in parallel to the existing dependence on IMF. ASEAN is a key model that offers Pakistan a lesson on adopting a balancing act between the U.S. and China by not siding one against the other.

Conclusion

The distribution of global power is constantly shifting. The U.S. global liberal hegemony is in crisis, since 'Rest' and China's BRI vision have defied the exploitative global liberal order. Although the West still holds global dominance, controls the global financial system, technological industry and information. Nevertheless, the 'Rise of the Rest' and China's growing footprints across Africa, Europe, the Middle East and Asia, its establishment of alternative political institutions and financial systems, BRICS countries' debut of their local currencies against dollarisation, and the Middle Eastern countries' aspirations to join

⁶⁰ Jumaina Siddiqui, "Pakistan's Climate Challenges Pose a National Security Emergency," *United States Institute of Peace* (July 7, 2022), <https://www.usip.org/publications/2022/07/pakistans-climate-challenges-pose-national-security-emergency#:~:text=For%20the%20past%2020%20years,from%2017%20extreme%20weather%20events>

BRICS will lead to weaken the Western-led political and financial influence. This will lead to a monetary decoupling and defying the U.S. hegemony while sustaining the delicate new era of liberal multipolarity.

Russia and China share a vision of a new multipolar world order while India aims to position itself as a pivot of the global south to legitimise coming multipolarity thereby maintaining a balancing act. The Ukraine crisis has suggested a sharp rise in the European interests in strategic autonomy. The U.S. withdrawal from Afghanistan has offered space to Russia and China for a deeper geopolitical footprint.

Thus, Pakistan should formulate a prudent policy based on a balancing act considering the emerging realities of a new multipolar era. The U.S. Indo-Pacific strategy demands neutrality. Pakistan needs to craft a ‘Look East Policy’ and diversify options by building linkages with the BRICS, ASEAN and Chinese-led forums in parallel to the existing dependence on IMF. ASEAN is a key model that offers Pakistan a lesson on adopting a balancing act between the U.S. and China by not siding one against the other. Pakistan needs to strengthen its socioeconomic linkages with all the Middle Eastern countries and join the emerging Russia-Iran-China economic alliance system to minimise dependence on the U.S. dollarisation and open up avenues to diversify its economic growth. In addition, Pakistan’s alignment of its national development agenda with the UN SDGs towards tackling the cross-cutting climate-driven non-traditional challenges will be critical. Thus a holistic approach to dealing with the external environment necessitates Pakistan’s efforts at all fronts based on a balancing act.