**NATO-China Cold War: the Strategic Fallout**

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During an interview with English-language state broadcaster, China Global Television Network (CGTN), Pakistan’s Prime Minister accused West of pressurising Pakistan to withdraw its cooperation from China’s ambitious Belt and Road Initiative. Prime Minister Imran Khan has stressed that it was “very unfair” of the US and Western powers to “put pressure” on ‘’countries like Pakistan’’ to choose sides and downgrade their relationship with China.

His diplomatic chatter, indeed, without putting forward a shred of formal diplomatic evidence, has just appeared when the Sino-US trade competition is stepping into a new phase, characterised by alignments, tactical moves, fluidity, sensitivity and higher responsiveness. At the NATO Summit in Brussels on June 14, 2021, leaders heading 30 allied nations decided to pursue a 360-degree approach on a wide range of topics. These included “changing geostrategic environment, collective defence, emerging technologies, and climate change and security, and other important issues.”

While concluding the summit, a 67-page communique on NATO Vision 2030 called on China. Its clause 55 stated,

“China’s stated ambitions and assertive behaviour present systemic challenges to the rules-based international order and areas relevant to Alliance security. We are concerned by those coercive policies which stand in contrast to the fundamental values enshrined in the Washington Treaty.”

Thereby in plain words, the Alliance loudly declared China’s ‘’expansionism’’ a substantial threat to the conceptual blocks defining western socio-economic framework (individual liberty, democracy, rule of law, free-market values, open access, and freedom of speech) envisioned in the founding document of the NATO Alliance—The Washington Treaty (1949).

The heads of the seven wealthiest economies pledged to offer a “values-driven, high-standard and transparent” partnership model, Build Back Better World (B3W) plan, as a substitute to replace ‘’China’s dept diplomacy’’ during the G7 summit held in the English county of Cornwall during the last month. However, German Chancellor Angela Merkel said the group was not yet at a stage to release financing for its initiative.

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Earlier in March, during a virtual summit, the heads of the states of four democracies (the US, Australia, India, and Japan) comprising the Quadrilateral Security Dialogue agreed to refurnish their terms of engagement on a higher strategic level. The alliance agreed to revamp the methodology required to clamp down the exploding Chinese influence in the Indo-pacific maritime routes.

The US and its allies interpret China’s world-clasping BRI as a soft but effective tool of its debt-driven foreign policy. Finance loans to a country to build roads, ports, dams, railways, etc. and get them constructed by Chinese companies by defeating local competitors through seeking concessions. Give employment to their people, and then, as per the not-so-fine print on the contract, take over the infrastructure built after the country fails to pay its Chinese debt.

As a case study, the western media presents the controversial Colombo Port City Economic Commission Act passed by the Siri Lankan parliament as a token of China’s economic imperialism underlying its BRI initiative. The act provides for the establishment of the Colombo Port City Special Economic Zone (SEZ), and the Colombo Port City Economic Commission (CPCEC) to control businesses operations within the Colombo Port City (CPC), which was constructed by the China Harbour Engineering Company (CHEC).

Many reputed western periodicals have published consecutive reports pitching the miserable failure of Siri Lankan treasury in debt servicing against the loan it had taken on to construct Humbatotan Port. Moreover, the default pushed Sri Lanka to hand over Hambantota port and 15,000 acres of nearby land to China on a 99-year-lease.

Umesh Moramudali at the University of Colombo, however, explains that Siri Lanka obtained five loans that amounted to $1.263 billion from 2007 to 2014 to construct the Hambantota port. A part of these loans was negotiated on interest rates as high as 6 per cent while the rest were concessionary loans. He disagrees that China grabbed Hambantota port because Sri Lanka had failed to service the debt. The port deal was a separate lease agreement that had neither accounted for the cancellation of the debt nor changed the ownership status of the port. The money obtained from the lease was pooled into the crippling foreign reserves of the country stemming from trade and budget deficits and the middle-income trap.

The Sri Lankan Prime Minister Mahinda Rajapaksa welcomes BRI investments amounting to US$ 15 billion for CPC that would create about 200,000 new jobs and livelihoods due to construction work on the Port City and about 83,000 permanent job opportunities at the CPC. Other recipient countries like Pakistan, Turkey, and Israel have also repeatedly expressed the same expectations from BRI projects. Hence, China is offering substance in the forms of liquidity, cash, projects, and capacity which are absent in any ‘tentative’ scheme proposed by the critic alliance to counter BRI.

Countries like Jamaica, Montenegro, and Uganda built their first expressways, while Belarus has installed its car industry under BRI joint venture. China-Europe rail service, as a part of land-based “Silk Road Economic Belt,” had connected 108 cities in 16 countries in Asia and Europe. Traditionally, the trade goods from Asia’s East Coast to Europe were carried through the Indian Ocean, up through the Red Sea, the Suez Canal, and then through the Mediterranean and past the Iberian Peninsula. Alternative routes were around Africa, or the even longer journey across the Pacific, through the Panama Canal, and then the Atlantic. When a train from Yiwu, China, arrived in London, UK, in January 2017, The Telegraph called it “a new chapter in the history of the centuries-old trading route,” and The Guardian claimed it to “herald the dawn of a new commercial era.”

China counters the American offensive by putting in more and more methods in its global outreach. China remained the third-largest partner for EU exports of goods (10.5 per cent) and the largest partner for EU imports of goods (22.4 per cent) in 2020. Among the EU Member States, the Netherlands was the largest importer of goods from China and Germany was the largest exporter of goods to China. BRI incorporates an estimated 2600 projects in 100 countries of Asia, Eastern Europe, Eastern Africa, and the Middle East constituting more than a third of the world`s GDP and two-thirds of the world`s population are part of this massive economic activity through six development corridors.

Above all, the most important concern for the US and its allies is the strategic fallout of the sea-based “21st Century Maritime Silk Road,” connecting China to Southeast Asia, the Middle East, Africa, and Europe via major sea lanes. BRI includes Forest City and Malaka Gateway (Malaysia) adjoining the Straits of Malacca, Hambantota Port, and Columbo Port City (Siri Lanka) on the Indian Ocean, Kyaukpyu Special Economic Zone (Myanmar) on the Bay of Bengal, Gwadar Port (Pakistan) on the Arabian Sea, Khalifa Port (Abu Dhabi) in the Persian Gulf, Doraleh Multi-Purpose Port (Ethiopia) on the Red Sea at the intersection of major international sea routes connecting Asia, Africa, and Europe, Suez Canal Economic Zone (Egypt) connecting the Mediterranean Sea to the Red Sea, Haifa Port ( Israel) on the Mediterranean, Kumport Terminal (Turkey) on the Marmara Sea, Port of Piraeus on the Aegean Sea, Greece, and Aktau Port on the Caspian Sea in Kazakhstan.

Thus, the action is enormous and the same would be the response. The world awaits another cold war, more sophisticated, dynamic, and tactical than the previous one. Struggling countries like Pakistan anticipate a huge economic transformation. But there are some massive challenges too. The goalposts defining BRI, like those as ‘improve connectivity, embracing diversity, win-win for all, if fruit ingenuity, then it would be the greatest business concept in human history. Everyone will be a winner.

On the other hand, if China simply uses the BRI to ensnare countries into dependent and unequal relationships, the coming decades are tough. Pakistan is still harvesting the disastrous outcomes of its participation in camp politics during the previous Cold War. In parallel to hosting a tremendous investment inflow under CPEC, the country also avails financial assistance programs under IMF, The World Bank, USAID, and other western financial institutions. Many educational and cultural exchange programs are also ongoing. Millions of Pakistanis are living abroad in Europe and the US sending back Millions of Dollars in remittances.

The challenge for Pakistan and similar countries is to maintain a diplomatic balance that needs a professional approach in the selection of tone, words, and sequence. Unnecessary war-drumming will accelerate the polarisation. Despite having the competition, the US and China still enjoy a magnanimous trade exchange proving that the world community is intelligent enough to keep their love and hate circumstantially relevant to their benefit.

While knowing that BRI is going to anchor the foreign policy schemas of the world in the coming decades, countries like Turkey, Israel, and Abu Dhabi are cautious to maintain an intelligent diplomatic trade-off between the US and China. Keeping in view the scale and sensitivity of this silent war between two global giants, and Pakistan’s domestic dependencies, the country needs to keep its national priorities away from the strategic implications of BRI primarily by avoiding diplomatic heroism and stating foreign policy assertions delicately.

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