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POWER BALANCING AGAINST THE RISING RIVALS IN ASIA: A DYADIC-STRUCTURAL EXPLANATION

Abstract

Why do some states balance against a rising power while others prefer not to, despite facing redistribution of power alike? How does a state select partner in a balancing situation? In the context where second-tier states have little incentive to go for balancing against the United States (US) in the post-Cold War international system, this article primarily seeks to develop a dyadic structural explanation of balancing behaviour in the Asian regional subsystem. It argues that shifts in power distribution within a regional subsystem in favour of a state does not necessarily lead to power balancing on the part of other states. An intervening variable, the existence of enduring rivalries, plays a key role in this process. Rivalries create institutionalized adversarial propensities and provide stable decisional leverage to balancing. It also argues that rivalries determine alliance preferences and the magnitude of balancing. However, contemporary balancing trends in Asia lack formal alliance formation, contrary to the expectation of the main argument in this article. To explain this additional puzzle, the article develops the concept of interdependent multipolarity that characterizes the distribution of power in the post-Cold War Asia. To systematically account for the effect of rivalries on balancing, it tries to explore how the selected dyadic rivals are responding to the rising powers in Asia, and what factors are shaping their decisions.

Keywords: Enduring Rivalry, Power Balancing, Rising Power, Military Modernization, Alliance, Interdependence

1.   Introduction

Whether power balancing is an inevitable and universal response by states to counter a rising power or threat, or just an epiphenomenon of great-power politics is a matter of controversy. Balance of power theory sees balancing as an essential outcome of anarchy and the distribution of capabilities.[1] As long as anarchy characterizes the international system, growth in relative power is predicted to induce balancing by states on the weaker front. Contrary to this proposition, studies show that the US' rise as the near-hegemon in the post-Cold War period leaves second-tier states with little

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[1] See, Kenneth N. Waltz, *Theory of International Politics*, Chapter 6, Illinois: Waveland Press, 2010.

incentive to go for balancing.[2] While this anomaly exists in the international systemic level, power balancing does exist in the regional subsystems like Asia, even in the post-Cold War context. However, the act of balancing in the regional level does not fully comply with the standard expectations of balance of power theory. Only some states, particularly dyadic rivals, including India, Pakistan, China and Japan, among others, have been showing increasing propensities to balance a rising power in a differential manner. Their balancing behaviour is mostly limited to arms buildups and forming of informal security partnerships. Hence, an interesting question arises: what could be a unique factor left unaddressed by the mainstream balance of power theories that fail to explain these anomalies?

This article primarily seeks to develop a dyadic structural explanation of balancing behaviour in the Asian regional subsystem in the post-Cold War period. It is interested in the puzzle: why do some states balance against a rising power while other states prefer not to, despite facing redistribution of power alike? And how does a state select partner in a balancing situation? Building on both balance of power and balance of threat theories, the article argues that shifts in power distribution within a regional subsystem in favour of a state – military buildups or formation of an alliance – does not necessarily lead to power balancing on the part of other states. An intervening variable, the existence of enduring rivalries, plays a key role in this process. Rivalries create *institutionalized adversarial propensities* and provide *stable decisional leverage* to balancing. It is also argued that rivalries determine alliance preferences and the magnitude of balancing. However, contemporary balancing trends in Asia lack formal alliance formation, contrary to the expectation of the main argument in this article. To explain this additional puzzle, the article develops the concept of "interdependent multipolarity" that characterizes the distribution of power in the post-Cold War Asia.

The article is a qualitative work based on comparative case studies. To account for the effect of rivalries on balancing systematically, it tries to explore how the selected dyadic rivals are responding to the rising powers in Asia, and what factors are shaping their decisions. All of the selected four states, India, Pakistan, China and Japan are facing at least one rising power in their regional subsystem. They also have enduring rivalries with a particular state. Given the nature of this study that aims at exploring not only whether enduring rivalries increase the likelihood of balancing but also the causal processes involved, a comparative case study is a suitable method. It focuses mostly on relevant developments in the post-Cold War era, as this period qualifies for a major structural shift in both regional and global systems. For the empirical evidence, relevant secondary literature, including books, articles, and newspaper op-eds, are surveyed, as well as primary qualitative data are collected from strategy-papers, documents of agreements, historical records, statements by political elites, press releases from the respective government sources and so on.

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[2] T. V. Paul, "Soft Balancing in the Age of US Primacy", *International Security*, Vol. 30, No. 1, 2005, p. 47.

This study is limited to the Asian regional subsystem. More specifically, it looks into balancing behaviours of four Asian states. The Asian regional subsystem is selected because of several reasons: (i) Asia is the home of two rising powers, China and India, who are experiencing disproportionate power accumulations over the last two decades, creating a scope for substantive shifts in the existing regional balance of power; (ii) enduring rivalries, both historical and territorial, exist between a number of big states in the region; (iii) unlike most other regions, balancing behaviour by major regional powers are more evident in Asia; (iv) differential responses are also present to a considerable degree and many states do prefer bandwagoning with these rising powers. The focus is on the big states in the Asian subsystem because these states are the "principal states" in the Asian balance of power system. Following Waltz's argument that change in the structure is generated by the principal states,[3] the power distribution dynamics among these four states account for the nature of contemporary balancing in Asia. Selecting these cases also serves the analytical purpose of the article well. Among these states, there are two rising powers (source of threat), with three enduring rivalries (intervening factor), which involve all four of these states (the actor who are likely to balance). The article develops a case study analysis dividing these four states into three dyads, India-Pakistan, China-India, and China-Japan, as it is interested primarily to see how states balance against rising power in a dyadic setting.

The article is organized into seven sections. After introduction, the second section presents a critical examination of the key theoretical propositions on power balancing in order to identify gaps and shortcomings in those arguments. Mainly two principal explanations: balance of power and balance of threat theories as well as one alternative explanation offered by expected utility theorists are considered. The third section presents the primary argument of the article, systematically linking rivalry explanation with balance of power theory. By reviewing existing rivalry literature, enduring rivalry is conceptualized, and key rivalry relationships between the selected cases are discussed briefly. In addition, a mechanism identifying causal processes involved in balancing among the dyadic rivals is developed. The fourth section offers an extended argument accounting for the absence of formal alliances in the post-Cold War Asia. Both the multipolar and the interdependent characters of the regional power structure are assessed to explain this puzzle. The fifth section examines the post-Cold War balancing behaviour of four states putting them into three dyadic settings based on their primary rivalry relationships. Their internal and external balancing measures and factors influencing their balancing decisions are assessed. The sixth section compares cases to assess whether empirical evidences support testable propositions formulated in the article. The final section concludes with a brief discussion of the theoretical and policy implications of this study.

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[3] Kenneth N. Waltz, op. cit.

2.   Theoretical Framework: Explaining Power Balancing

It has become almost a conventional wisdom in the mainstream discourse of international politics that states balance against rising powers. What constitutes a balancing behaviour is a matter of concrete importance to this article, before focusing on the question why states balance. Hans J. Morgenthau identifies two possible ways of balancing: "either by diminishing the weight of the heavier scale or by increasing the weight of the lighter one."[4] The latter strategy is more affordable to states in need of defending their security and survival against the powerful, and therefore draws wider attention as balancing. The dominant idea of balancing is called *hard balancing* which involves the strengthening of relative military capability known as *internal balancing*, and the forming of countervailing alliances, termed as *external balancing*. In addition, there are several novel concepts offered by scholars in the field, considering the changing nature of balancing particularly in the context of the end of Cold War. Among these, the concept of soft balancing refers to "limited, tacit, or indirect balancing strategies largely through coalition building and diplomatic bargaining within international institutions."[5]

This article primarily considers hard balancing behaviours of the selected states. It follows a broader conceptualization of balancing. For internal balancing, instead of looking into mere defence budget, typically considered by the quantitative studies, the article considers three indicators that fall under arms buildup activities of a state: (i) aggregate defence spending particularly the part involving arms procurement; (ii) the modernization of military capability, i.e., raising new specialized battalions, advanced training facilities matching up relative capability of a rival state; and (iii) forces repositioning that enhances prospect for both strategic advantages and technical battlefield performances. For the external balancing, this article applies the definition offered by Stephen M. Walt. He defines alliance "as a formal or informal relationship of security cooperation between two or more sovereign states."[6] According to him, "this definition assumes some level of commitment and an exchange of benefits for both parties; severing the relationship or failing to honor the agreement would presumably cost something, even if it were compensated in other ways."[7] This flexible approach in defining alliances is highly relevant in explaining the evolving trend in external balancing in today's world, as it includes both formal and informal security relationships. In the post-Cold War period, security relationships have become more informal and countervailing alliances have turned into informal security partnerships, reflecting changes in the strategic atmosphere, as well as how states adjusted their balancing strategy.

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[4] Hans J. Morgenthau, *Politics Among Nations*, New York: Knopf, 1950, p. 134.

[5] T. V. Paul, op. cit., p. 58.

[6] Stephen M. Walt, *The Origins of Alliances*, Ithaca: Cornell University Press, 1990, p. 1.

[7] Ibid.

The key question that this article seeks to answer is why do some states balance a rising power while other states prefer not to, despite facing redistribution of power alike? Is there any specific structural factor that accounts for this differential response? How does a state determine what country it needs to balance against and who will be the most suitable partner in this balancing game? The explanation for balancing is mainly offered in the realist tradition, as balance of power is primarily a realist concept.

2.1   *Balance of Power Theory: The Traditional Explanation*

The foundational explanation of balancing is offered by balance of power theory. It depicts balancing as a reaction to the growth in the relative power of another state. T. V. Paul identifies four realist assumptions of traditional balance of power theory that create essential conditions for balancing: (i) the anarchic structure of international system with no central authority to offer protections to individual states; (ii) state's persistent desire to survive as independent entities; (iii) international politics being characterized by power competition due to states' relative "military and economic advantages" induced from "differential growth rates" and "technological innovations" over time; and (iv) states forming "defensive coalitions" and/or building "appropriate military wherewithal" from internal and/or external sources.[8] Kenneth Waltz is the key architect of the modern version of this theory. He states that "balance-of-power politics prevails wherever two, and only two requirements are met: that the order be anarchic and that it be populated by units wishing to survive."[9] According to Waltz's formulation, balancing exclusively depends on the distribution of capabilities.[10] The growth in relative power of a state throws others in a danger of being controlled and subjugated by the powerful. Therefore, to prevent a potential hegemon from becoming too strong to dominate all others, states balance against the rising power. Waltz also argues that secondary states would take the weaker side, provided that they are free to choose; and this is because they would feel more "appreciated and safer" on that side, if their coalition "achieves enough defensive or deterrent strength to dissuade adversaries from attacking."[11]

However, balance of power theory cannot adequately explain balancing in the post-Cold War context. The theory's sole dependence on capabilities is problematic in a sense that it does not give specific clues as to why certain states rather bandwagon with a rising power instead of balancing. It neither explains how states choose their alliance partners.[12] In the context of Asian subsystem, for example, it does not explain

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[8] T. V. Paul, op. cit.
[9] Kenneth N. Waltz, op. cit., p. 121.
[10] Stephen M. Walt, "Alliance Formation and the Balance of World Power", *International Security*, Vol. 9, No. 4, 1985, p. 8.
[11] Kenneth N. Waltz, op. cit., pp. 126-127.
[12] Stephen M. Walt, 1990, op. cit., p. 21.

why Pakistan choose to balance India but not China, despite the fact that the power of the latter is growing faster than the power of the former, and that both of them are two proximate states.

2.2   *Balance of Threat Theory: A Refined Formulation*

Balance of threat theory developed by Walt is a refined formulation of traditional balance of power theory. It argues that states do not balance against power alone, but against threats. Walt acknowledges power as an important element, but according to him it is not the only factor that determines balancing. Instead, states balance against "the most *threatening* power."[13] For instance, a state might take side with a stronger state, if it feels more threatened by another weaker state for other reasons. Walt identifies four criteria which states use to assess the level of threats posed by another state.[14] First, *aggregate power*: states with greater total resources in terms of population, industrial and military capability and technological prowess will pose greater threats to other states. Second, *geographic proximity*: states located nearby pose a greater threat as their ability to project power declines with growing distances. Third, *offensive power*: states with greater "ability to threaten the sovereignty or territorial integrity of another state at an acceptable cost" can invoke greater threats for others. And finally, *aggressive intentions*: states perceived as especially aggressive are likely to generate fear among other states.

Balance of threat theory provides a more compelling explanation of balancing. Its main contribution is the identification of factors that drive a state to assess an opponent's growing power as threat. However, it is argued here that the theory still suffers from several important limitations similar to those of balance of power theory. First, Walt does not say anything about the relative weight of each factor. For instance, the aggregate power does not add any more explanatory value than what balance of power theory posits, unless it is related to offensive intentions. There are situations where growing aggregate power of a secondary rival state would rather be considered as an opportunity, as it could counterweight a primary rival state's aggregate power. Similarly, offensive capability is difficult to be assessed. The offensive capability of a secondary rival should be at a state's advantage as it poses challenges to that of a primary rival state.

Second, Walt's emphasis on unidirectional role of some of his factors is misleading. Walt exaggerates the role of spatial factors in a sense that equates proximity with a higher level of threats. But unprecedented advancements in missile technology, submarine and aircraft career have substantially reduced the importance of distance in terms of power projection capability. In addition, it cannot explain

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[13] Stephen M. Walt, 1985, op. cit., pp. 8-9.
[14] Stephen M. Walt, 1990, op. cit., pp. 21-26.

why sometimes a proximate state with growing level of power does not threaten a neighbour despite posing a higher level of threat for a distant state.

Third, Walt does not offer any clear causal mechanisms to link his four variables to a higher level of perceived threat. It is especially lacking for the fourth variable, because the processes through which a state assesses intentions of another state are very complex and subjective. There should be a concrete structural factor that allows leaders to assess other states' malign intention in a stable manner.

Fourth, the differentiation between power and threat does not add much analytical value to the explanations of balancing as well. Waltz assumes power to be the decisive condition for threat. In a self-help state-system characterized by anarchy, growth in relative power of any states other than self involves intrinsic *threatening* elements to some degree. Emphasizing on "threat" instead of "power" rather creates some additional problems. One is that the motivation for balancing becomes a function of subjective interpretations, leaving significant scope for *manipulative* balancing. This undermines the very role of power or threat as a factor in states' balancing decisions, as it opens possibilities for balancing without any significant presence of an actual threat. Power, on the other hand, is objectively identifiable due to its material forms. Threat as an effective source of balancing would be useful only if its perception is based on certain objectively identifiable stable factors shared by both the *threatening* and the *threatened* powers.

2.3   *Expected Utility Theory: Alternative Explanation*

Expected utility theory claims to provide an alternative explanation of balancing. There are two major arguments offered by the expected utility theorists. The first argument offered by David Newman challenges the balance of power theory by claiming that a rising power has more appeal in attracting alliance partners than a non-rising power.[15] States take side with the powerful because it can provide more utilities to its partners than what the weak can offer. On a similar ground, a more sophisticated explanation is developed by Michael F. Altfeld who argues that states balance based on their rational calculations of security and welfare to be derived from the alliances.[16] Offering a formal model of how national governments make decisions in forming alliances, he concludes that 25 per cent of the dyads derive positive utility form alliances, whereas it is only two per cent for dyads with negative utility. There are several major shortcomings to utility based explanation of balancing. First, these theories fail to account for specific factors that are exclusive to a balancing situation.

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[15] For details, see, David Lalman and David Newman, "Alliance Formation and National Security", *International Interactions*, Vol. 16, No. 4, 1991, pp. 239-253.
[16] See, Michael F. Altfeld, "The Decision to Ally: A Theory and Test", *The Western Political Quarterly*, Vol. 37, No. 4, 1984, pp. 523-544.

Alliance increases relative power against the powerful and that is also a form of utility. Hence, it does not bring any substantial challenge to balance of power argument. Second, it cannot explain why many states despite having expected utility do not form alliances. For instance, 75 per cent of the dyads with positive expected utility, as found by Michael F. Altfeld, did not form alliances.[17] Third, these theories focus exclusively on external balancing and claims to refute balance of power theory based on their findings on coalitional dynamics. Internal balancing is an equally important component of balance of power, and a theory also needs to provide explanation as to why states go for targeted arms buildups.

3.   Rivalry as an Explanation of Balancing

Building on balance of power and balance of threat theories, this article argues that shifts in the distribution of power within a regional subsystem does not necessarily lead to balancing behaviour on the part of other states. An important intervening variable, existence of enduring rivalries, plays a key role in this process. Enduring rivalries help states both address the ambiguity and the subjectivity associated with the assessment of power, threat or intentions. There are three major implications of enduring rivalries as they relate to balancing decisions. First, rivalries make the perception of offensive/aggressive intentions objectively shared by both the threatening and the threatened power. Second, rivalries institutionalize fear among security establishments and political elites, entrenching adversarial propensities and providing stable decisional leverage, which ultimately lead to balancing. Third, rivalries, keeping a critical interest of the state under hostage of the hostile rising power, provide adequate justification for confrontation, and help overcome resulting costs in other possible areas of engagement (see table 1; the intervening variables are elaborated in next subsection on rivalry). A related causal process involves how rivalries influence alliance preferences (partner selection) in external balancing. Rival states are likely to form an alliance with another state with which they share a common adversary.

Table 1: Variables of Power Balancing		
Independent Variables	Intervening Variables	Outcome Variables
Rising Power/Threat - Aggregate Power - Geographic Proximity - Offensive Capabilities - Aggressive Intentions	**Enduring Rivalries** - Perception of Offensive Intentions - Institutionalization of Fear - Lowering Costs of Balancing	**Balancing** - Strengthening Military Capability - Forming Countervailing Alliances

This formulation refines the balance of power argument in a number of ways: First, it adds further explanatory power to the indicators of balance of threat theory.

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[17] Stephen M. Walt, 1990, op. cit., p. 9.

In other words, a state with enduring rivalry will always fear offensive intentions from its rival. In this ability, consideration of rivalries also attributes relative weight to Walt's four factors. In case of Pakistan's balancing against India, first three factors matter very little. Offensive intentions seem to trump the effects of other factors, because, ultimately, Pakistan's perception of malign intentions from its Indian counterpart based on their rivalry relationship determines its balancing propensities. Second, it provides a clear causal mechanism (elaborated in the next subsection) of how rising power or threat is linked to balancing decisions. Especially, it identifies causal processes through which rivalries create objective structural contexts to assess a state's aggressive intentions. Third, this reformulation goes beyond Walt's sole emphasis on the factors of external balancing and systematically links up how those factors assessed through the prism of enduring rivalries lead to internal balancing as well. Here, it applies Waltz's proposition of internal balancing to be "more reliable and precise" than external balancing in the context of multipolar distribution of power (the argument is elaborated in the section on interdependent multipolarity).[18]

3.1   *Enduring Rivalries as a Dyadic Factor of Balancing*

Dyadic rivalries have always been a key factor in conflicts and conflict escalation. The period immediate after the end of Cold War saw a budding rise in the scholarly works dealing with rivalries both as a dependent variable – how rivalries form and end, and independent variable – how rivalries shape political actions. Most studies on rivalry deal with either conceptual dimensions of rivalries, or correlation between conflicting rival dyads or the escalation of conflicts into war. However, no systematic accounts have been yet offered on whether and how rivalries influence balancing decisions. This article aims at linking rivalries as an intervening variable with the refined argument of the balance of power theory to explain the contemporary balancing behaviour in Asia.

Defining rivalries is the first important step as it sets the context through which one can assess which rivalries exert significant influence and how that influence shapes state behaviour. The concept of enduring rivalries got disproportionate attention, compared to other two forms known as "sporadic or isolated" and "proto" rivalries.[19] These two forms, being short term and inconsistent, do not affect states' behaviour in the long run, and hence are often ignored in the rivalry literature.

The conceptualization of enduring rivalry is a contested territory. A fundamental tension arises between, what William R. Thompson considers, "an empirical emphasis on satisfying a minimal number of militarized disputes within

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[18] Kenneth N. Waltz, op. cit., p. 168.
[19] Paul F. Diehl and Gary Goertz, *War and Peace in International Rivalry,* Ann Arbor: University of Michigan Press, 2001, p. 22.

some time limit" and "an interpretive emphasis on perceptions about threatening competitors who are categorized as enemies."[20] Among others, Goertz and Diehl develop a broad picture of diverse operational definitions applied in rivalry researches that are based on different militarized dispute thresholds.[21] These definitions, although have been useful for analyzing data, cannot conceptualize the underlying dynamics of rivalry that drive states to engage in recurrent disputes.[22] According to Thompson, there are some analytical problems in those definitions as well, because these "are simply being restricted to a device for distinguishing between states that engage in frequent and infrequent conflict".[23]

Thompson's perceptual perspective is important in capturing the dynamics of hostility and socio-psychological dynamics of rivalries, but the concept of enduring rivalry represents the most commonly held view in the rivalry literature, and hence is a more useful conceptual unit than his conception of "strategic rivalry." Even though the number of disputes within a given period is an important indicator, rivalries reflect political and popular psyche of the state, and their identification should refer to the process through which disputes channelize hostility to the state subjects. More broadly, enduring rivalries are defined as dyadic relationship "typically characterized by a sustained mutually contingent hostile interaction."[24] To be more precise, the article applies the definition of John A. Vasquez who refers to enduring rivalry as, "a relationship characterized by extreme competition, and usually psychological hostility, in which the issue positions of contenders are governed primarily by their attitude toward each other rather than by the stakes at hand."[25] However, issues at stake are also significant as these reinforce rivals' hostile attitudes towards each other.

In the rivalry literature, it is a near-consensus that the form of rivalry that influences state behaviour the most is the enduring rivalry.[26] Enduring rivalries are more entrenched in the society and socio-political institutions. These rivalries not only affect conflicts, but also shape balancing behaviour. Within a changed context, particularly the increased cost of war due to nuclearization of the key rivals in Asia,

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[20] William R. Thompson, "Identifying Rivals and Rivalries in World Politics", *International Studies Quarterly,* Vol. 45, No. 4, 2001, p. 58.
[21] For different definitions of rivalry, see, Gary Goertz and Paul F. Diehl, "Enduring Rivalries: Theoretical Constructs and Empirical Patterns", *International Studies Quarterly*, Vol. 37, No. 2, 1993, pp. 147-171.
[22] John A. Vasquez, "Distinguishing Rivals that Go to War from those that Do Not: A Quantitative Comparative Case Study of the Two Paths to War", *International Studies Quarterly,* Vol. 40, No. 4, 1996, p. 532.
[23] William R. Thompson, 2001, op. cit., p. 57.
[24] John A. Vasquez, *The War Puzzle Revisited,* Cambridge: Cambridge University Press, 2009, p. 79.
[25] John A. Vasquez, 1996, op. cit., p. 532.
[26] See, Paul F. Diehl and Gary Goertz, op. cit.; David Kinsella, "Rivalry, Reaction, and Weapons Proliferation: A Time-Series Analysis of Global Arms Transfers", *International Studies Quarterly*, Vol. 46, No. 2, 2002, pp. 209-230; Zeev Maoz and Ben D. Mor, "Enduring Rivalries: The Early Years", *International Political Science Review*, Vol. 17, No. 2, 1996, pp. 141-160; John A. Vasquez, 1996, op. cit.

they prefer balancing over direct conflicts to minimize perceived threats. Three important dimensions of enduring rivalries can be found: (i) rivalries induced from long-term unresolved territorial disputes; (ii) rivalries rooted in ethno-religious history; and (iii) rivalries over conflicts of major strategic interests. Among these three dimensions, rivalries over territory has more profound influence on state behaviour than other types, as it involves critical threat to territorial integrity and sovereignty. Vasquez argues that conflicts over contiguous territory are more prone to influence states' attitude towards each other. [27]

There are three enduring rivalries among the four selected states for this article. These include Sino-Indian, Indo-Pakistan and Sino-Japanese rivalries. Several key studies considered these three as major enduing rivalries in the twentieth century.[28] There have been ten militarized disputes and two wars between India and China, fourteen disputes between India and Pakistan with four interstate wars, and thirteen disputes and four wars between China and Japan.[29] These enduring rivalries, identified mainly based on the number of disputes, have deep-rooted socio-psychological hostility and conflicting claims over critical territorial stakes. Nuclear weapons development by three of the four rival countries, China, India and Pakistan brought both stabilizing effects as well as potentially dangerous implications for these enduring rivalries.

Sino-Indian rivalry is rooted in the disputed border and conflicting territories particularly over Arunachal Province. This resulted into number of disputes and wars among which three major ones are: the Sino-Indian War of 1962, the Chola incident in 1967, and the 1987 Sino-Indian skirmish. Indo-Pakistan rivalry has more complex roots. The long-standing dispute over Kashmir is the cornerstone of the rivalry, but entrenched hostility, rooted in ethno-religious history and perpetuated by 1947 partition's traumatic memory, has made the rivalry as one of the most difficult ones. So far, both nations fought four wars: war of partition in 1947-1948, 1965 war over Kashmir, 1971 war over the independence of Bangladesh and 1999 Kargil war. Sino-Japanese rivalry, one of the longest rivalries, has been over different issues, starting with Korea in 1895 and remerging in 1920s with Japanese interests in Manchuria.[30] Japanese atrocity during the WW II is the most traumatic and sensitive part of the rivalry. In the post-Cold period, their rival relationship has come to the surface again after stabilization in the last part of the Cold War, and sensitivity is growing since 2012 over the territorial disputes on Diaoyu/Senkaku Islands in the East China Sea.

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[27] John A. Vasquez, 2009, op. cit., p. 10.
[28] See, Gary Goertz and Paul F. Diehl, "The Initiation and Termination of Enduring Rivalries: The Impact of Political Shocks", *American Journal of Political Science*, Vol. 39, No. 1, 1995, pp. 30-52; Paul Huth and Bruce Russett, "General Deterrence between Enduring Rivals: Testing Three Competing Models", *American Political Science Review,* Vol. 87, No. 1, 1993, pp. 61-73; and William R. Thompson, "Principal Rivalries", *Journal of Conflict Resolution*, Vol. 39, No. 2, 1995, pp. 195-223.
[29] See, Gary Goertz and Paul F. Diehl, op. cit.
[30] William R. Thompson, 1995, op. cit., p. 198.

3.2 *Institutionalized Adversarial Propensities and Decisional Leverage to Balancing*

Enduring rivalries influence balancing decisions in a number of ways. Thompson identifies three factors that make rivalries a potent factor in interstate relations: expectations of threat, cognitive rigidities, and domestic political processes.[31] Drawing insights from his formulation, the article develops a causal mechanism that explains processes through which rivalries influence balancing behaviour. The mechanism is based on three key interrelated factors. As a consequence of these factors, states develop institutionalized adversarial propensities towards balancing, and are provided with stable decisional leverage to justify their arms buildups and countervailing alliance formation (see Figure 1).

Perception of Offensive Intentions: An enduring rivalry shapes and deepens states' perception of offensive intentions from their rivals. It results into two ensuing implications. First, rivalry maximizes security dilemma as rivals tend to label all security moves by their counterparts, whether offensive or defensive, as aggressive. Perception of offensive intention and security dilemma are also mutually reinforcing. According to Vasquez, security dilemma increases threat perception.[32] Valeriano argues that rivalry creates an action-reaction cycle where arms buildups and alliance formation of the rival state lead to further deepening of rivalries and security dilemma, and thereby, to arms buildups and countervailing alliances by another rival.[33] Second, perception of offensive intentions leads to worst-case analysis by rival states. There are both a rational and an irrational part of this process. As rivalries keep critical interests under hostage to rival's relative power, states tend to calculate maximum repercussions of the changing distribution of capabilities. This calculation is not based on "one's own value satisfaction, but in terms of what the gaining or loss of a stake will mean to one's competitor."[34] On the irrational part, social-psychological factors dominate rivalry relationships and leaders hardly act rationally in terms of viewing the actual danger associated with the moves by the rival state. Stakes "may have had comparatively minor value are now seen as having great importance because they represent a commitment to bigger stakes."[35] Therefore, exaggeration and maneuvering of the situation is usual among rivals.

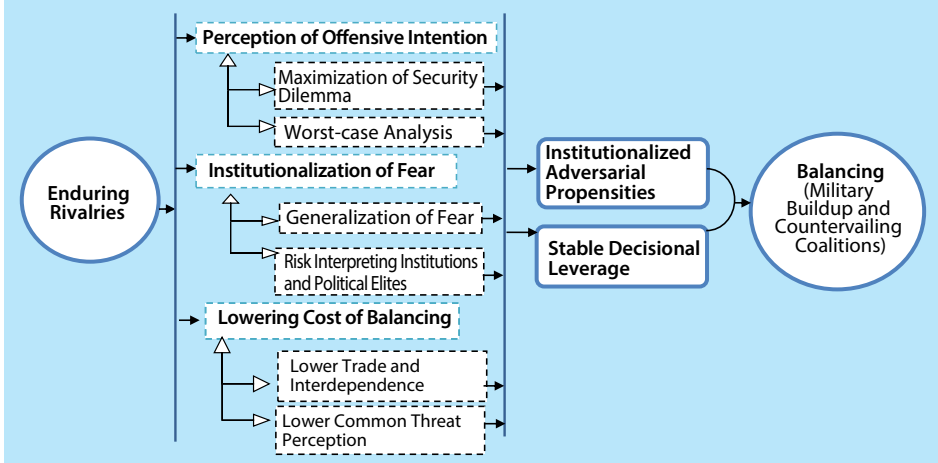[31] William R. Thompson, 2001, op. cit., p. 562.

[32] John A. Vasquez, 1996, op. cit., p. 532.

[33] See, Brandon Valeriano, *Becoming Rivals: The Process of Interstate Rivalry Development*, Routledge, 2013.

[34] John A. Vasquez, 2009, op. cit., p. 80.

[35] Ibid., p. 81.

Figure 1: Causal Processes between Rivalries and Balancing

Institutionalization of Fear: Enduring rivalries institutionalize fear into state machineries. By institutionalization, the article refers to the process through which fear of adversary is channelized to the state subjects, leaders and people, in a persistent manner. There are two forms of institutionalization associated with rivalries. First, *horizontal institutionalization*: it involves generalization of fear from one dispute to all possible areas of confrontations. Since leaders in rivalry relationship tend to "adopt a negative affect calculus" consistently, they "link more and more stakes into a single issue" and make concrete stakes to become "infused with symbolic and transcendental importance."[36] Second, *vertical institutionalization*: it involves gradual establishments (or transformations) of risk interpreting institutions and the rise of confrontation favouring political elites. In one end, rivalries projecting long-term dangers rationalize the necessity of having security institutions that can monitor and inform leaders and security planners with regular information and updates. Their involvement in tracking threats persistently transforms them over time to more of risk interpreting rather than monitoring institutions. In states with enduring rivalries, armed forces and intelligence agencies have specialized wings dealing with this responsibility, and many government or semi-government security think tanks also play a complementary role in this process. In addition, rivalries constitute anti-rival public opinion giving rise to confrontation favouring political elites that draw popularity and legitimacy from their balancing actions against rival states. Domestic elites also use their anti-rival stance to cover their failures in other areas, and divert public opinions towards their actions against the rival.

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[36] Ibid., p. 80.

Lowering Cost of Balancing: A rivalry relationship helps reduce the cost of balancing. It curbs two important corollaries of the growing interconnectedness of the post-Cold War globalized world. First, it obstructs rapid and high growth in trade and economic interdependence. Low level of trade and interdependence makes it less costly to balance a rival, as the consequences for other areas especially for economic and non-security cooperation remain low. However, high interdependence due to stabilization can be a big factor in constraining states' balancing options. Second, rivalries lower the likelihood of common threat perception. Rival states tend to disagree on their common external enemies or threats, pursuing cognitive rigidity that hinders leaders' acceptance of a common threat even if one exists. This further ensures minimal cost of balancing against the rival.

4.   Interdependent Multipolarity and the Absence of Formal Alliances

According to the article's primary argument, rivalries are likely to result in hard balancing in terms of both arms buildups as well as countervailing alliance formations. However, states while engaging in internal balancing targeting their rivals do not embark in forming formal alliances in the post-Cold War context. This is even the case for states with enduring rivalries with more active conflicts like India-Pakistan. Pakistan has not formalized its security relationship with China. Japan, except strengthening its preexisting security alliance with the US, has not gone for any newer formal alliance commitment. This observation leads to another puzzle on the balancing patterns in the contemporary Asia. Hence, it is also equally important to examine possible factors that can explain this puzzle.

Many explanations have been offered as to why states refrain from external balancing in the post-Cold War era. First, Waltz, who sees a possibility for the US to be balanced eventually, argues that the absence of hard balancing is due to the US' ability to suppress balancing, lack of resources and maneuvering room for the competing states to balance a hegemon, as well as a short term preference to bandwagoning to pursue higher rewards at lower costs.[37] Second, the liberal school, especially Mansfield and Pollins, considers that second-tier states worry about economic costs of military balancing, as they are economically interdependent with the US.[38] Third, the neoliberal institutionalist argument of Ikenberry sees the decline in external hard balancing as the function of states' ability to influence US' decisions through multilateral institutions.[39] Finally, Paul advances a "soft balancing" argument claiming

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[37] Kenneth N. Waltz, "Structural Realism after the Cold War", *International Security*, Vol. 25, No. 1, 2000, pp. 37-38.
[38] See, Edward D. Mansfield and Brian M. Pollins (eds.), *Economic Interdependence and International Conflict*, Ann Arbor: University of Michigan Press, 2003.
[39] See, G. John Ikenberry, "Liberal Hegemony and the Future of American Postwar Order", in T. V. Paul and John A. Hall (eds.), *International Order and the Future of World Politics*, Cambridge: Cambridge University Press, 1999, pp. 123-145.

that though states mostly abandoned hard balancing in the post-Cold War era due to lack of fear over their sovereignty and territorial integrity from the hegemon, they are engaged in soft balancing, by forming limited diplomatic coalitions or ententes, against unilateral practices of the US especially after the 9/11.[40]

Each of the arguments has some merits in their claims. However, these propositions are mostly relevant to the international systemic context which is characterized by the near-hegemony of the US. The article agrees that there is little incentive for states to go for hard balancing against the hegemon, and this would not change until either at least one state reaches parity with the US in terms of capabilities, or the US faces significant weakening due to its internal dynamics. In the context of regional subsystems, particularly in Asia which is characterized by rivalries between the rising powers and re-emerging assertiveness of traditional powers like Japan, states do have drive and incentive to pursue hard balancing. This has been observed as states are increasingly resorted to arms buildups targeting their rivals. On the other hand, there are several factors, both ensuing from the systemic level and as byproducts of interconnectedness of globalization, institutionalism and so on, that are tempering states' drive to balance externally by increasing both the costs of balancing and the fear of creating more enemies. These factors have the constraining effects of what the article terms as an *interdependent multipolarity*.[41]

Building on Waltz's proposition that internal balancing is "more reliable and precise" as "[s]tates are less likely to misjudge their relative strengths than they are to misjudge the strength and reliability of opposing coalitions,"[42] the article argues that in the interdependent multipolar distribution of power, states prefer internal balancing over external balancing, and remain rather within informal security relationship instead of engaging in formal alliances. The interdependent multipolarity has a dualistic character. In one dimension, the multipolar distribution of capabilities suggests a more chaotic and anarchic system with the possibility of rising tensions and conflicts. States are likely to engage in rather more complex interactions, which in turn would increase ambiguity and subjectivity in the assessment of other states' capabilities and intentions. On the other dimension, it involves growing interstate interactions and engagements in diverse sectors leading to states' interdependence with one another.

The chaotic and anarchic part drives states to prioritize internal balancing over the formation of external alliances, because states cannot rely on their allies' capability due to increased uncertainty and complexity in calculations. Waltz

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[40] T. V. Paul, op. cit., p. 47.
[41] The concept draws from the idea of complex interdependence developed by Robert Keohane and Joseph Nye. For details, see, Robert Keohane and Joseph Nye, "Power and Interdependence Revisited", *International Organization*, Vol. 41, No. 4, 1987, pp. 725-753.
[42] Kenneth N. Waltz, op. cit., p. 168.

argues that with multipolarity, uncertainty increases and calculations become more difficult.[43] And an unreliable partner does not reduce states' vulnerability to threat/power.[44] The unreliability is also caused by the increased costs of external balancing or supporting an ally in an actual threat condition, given the interdependent character of multipolarity. For instance, even if India is a lucrative option for Japan to balance China, India has a high cost of balancing China externally due to its economic interdependence and cooperation with China in other important areas. This argument does not claim that economic interdependence supersedes national security priorities, instead it tempers external behaviour and diverts emphasis to internal capability building. The increased uncertainty and complexity of the regional subsystem also makes states cautious about expanding their rivalry relationship by creating newer enemies through building formal alliances, which in effect poses a bigger threat for other states in the system.

Based on the primary and extended arguments, the article examines a number of testable propositions:

First, enduring rivalries create long-term incentives for balancing against the growth in the rival's relative power.

Second, rivalries result in institutionalized adversarial propensities and provide decisional leverage to balancing through the perception of malign intention, generalization of fear and lowering of the cost of balancing the rival power in other areas.

Third, in a rivalry relationship, states resorting to external balancing are more likely to prefer partnership with another state with which they share a common enduring rival.

Fourth, rival states engaged in balancing within a system characterized by interdependent multipolarity prioritize arms buildups over forming external formal alliances, and remain within informal security relationship in terms of external balancing.

5. Empirical Evidences from the Contemporary Cases

5.1 India-Pakistan Dyad

India and Pakistan, two rivals for lifetime, have been experiencing conflicts and tensions throughout the last seven decades. Sharing a 2,900-kilometer long

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[43] Ibid.
[44] Alastair Smith, "Alliance Formation and War", *International Studies Quarterly*, Vol. 39, No. 4, 1995, p. 416.

border, these two nuclear weapons states represent one of the most dangerous dyads in the entire world. Trapped within numerous sources of tensions, conventional wars between these two states have become severely risky and "1999 Kargil War is considered the closest the world has come to a nuclear war since the Cuban Missile Crisis."[45] The main source of threat perception by this dyad emanates from their territorial dispute over Kashmir which has become almost an impossible case to be resolved any time soon.[46] In addition to this zero-sum competition over territory, a rising India is seen as the most critical source of security threat by Pakistan. This is especially true as the superpowers' backing in the regional conflicts is no longer a possibility with the end of the Cold War, and Pakistan is left alone with only hope from an overcautious, not-so-reliable China.

Pakistan's major concern is India's fast-growing military spending and modernization in recent years. India has doubled its defence spending since 1997 with a growth rate of 6.3 per cent every year, increased further 11 per cent rise in 2015-2016 (US\$ 39.8 billion in total), and planned spending more than US\$100 billion on modernizing its force in the next decade, continuing its position as the world's largest buyer of conventional weapons.[47] For 2017-2018, its defence budget has increased by almost 6 per cent.[48] Another recent source of worry is India's changing force structure and operational concepts since mid-2000s. Known as "protective strategy", this shift enables India "to rapidly mobilize division or smaller sized formations to carry out retaliatory conventional strikes that would deter or punish Pakistan for its links to terrorist groups, while simultaneously pursuing narrow enough aims to deny Islamabad a justification to escalate the clash to the nuclear level."[49] A third key source of tension is India's naval modernization, mainly the commissioning of a new aircraft carrier in 2013 that has the ability to sweep Pakistan's navy as well as to enforce a tough naval blockade of Pakistan's largest port, Karachi.[50] In addition, India has introduced powerful nuclear-powered submarines as a genuine threat to Pakistan, due to its enhanced capability to covertly lay mines in Pakistani waters and conduct surveillance in support of a blockade.[51] These together have increased India's air superiority, anti-surface, anti-ship and anti-submarine warfare capabilities, curtailing Pakistan's power projection in its sea borders.

Pakistan's political elites and defence planners consider these drives as a credible and long-term threat to Pakistan's conventional deterrence against India. Its

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[45] Kyle Mizokami, "If India and Pakistan Went to War: 5 Weapons Pakistan Should Fear", *The National Interest*, 16 August 2014.

[46] Jordan Olmstead, "India-Pakistan Relations: A Destructive Equilibrium", *The Diplomat*, 02 November 2014.

[47] Walter C. Ladwig, "Could India's Military Really Crush Pakistan?", *The National Interest*, 02 July 2015.

[48] Laxman K. Behera, "India's Defence Budget 2017-18: An Analysis", IDSA Issue Brief, Institute of Defence and Analysis, 03 February 2017.

[49] Ibid.

[50] Kyle Mizokami, op. cit.

[51] Ibid.

security analysts, based on their threat perception through the lens of the existing enduring rivalry, are constantly interpreting India's military buildups as the ultimate source of danger. Pakistan's efforts to expand nuclear arsenal by including low-yield warheads and short-range delivery systems are also linked with India's military buildups. Michael Krepon of Stimson Center claims that "Pakistan's recent embrace of the utility of tactical nuclear weapons and broader Pakistani efforts to enhance the quality and quantity of their nuclear arsenal is a result of India's recent proactive military plans and growing conventional capabilities."[52] This view is also shared by number of researchers at the Hudson Institute, the Council on Foreign Relations, the Congressional Research Service and the Carnegie Endowment.[53]

In response, Pakistan has increased its balancing of India in the conventional fronts. Its defence budget grew from US$ 6.1 billion in 2013-14 to US$ 7 billion in 2014-15 with almost a 15 per cent increase.[54] For 2015-2016, the budget stands approximately US$ 7.7 billion with another 11 per cent increase.[55] The actual budget would be much higher if several other indirect expenses are included. Business Recorder indicated that a total of about US$ 11 billion has been allotted to the military, which is about 28.2 per cent of the country's total budget for 2015-2016.[56] For 2017-2018, it announced another 7 per cent rise in its defense budget.[57] Its force positioning also reflects growing worries in the Indo-Pak border. Pakistan is maintaining forward-deployment of 18 of its army's 22 divisions, including two armoured divisions in defensive positions in the border adjacent area.[58] Pakistan's adoption of a US$ 24 billion strategy to modernize its military (known as 'Armed Forces Development 2025' which is not yet materialized due to lack of funding) marks its drive to balance India in all possible fronts.

In the naval sector, Pakistan has also started several capability enhancement initiatives to balance India. Some key initiatives include: (i) creating a "Naval Strategic Force Command", declared by the military "as the custodian of the country's nuclear second strike capability", for strengthening credible minimum deterrence;[59] (ii) reviving its naval modernization programme through a warship construction deal with China; (iii) purchasing six new Yuan-class submarines and four frigates from China; and (iv) outfitting six Amazon-class frigates with new weapons technology particularly with surface-to-surface missiles (SSM) to deal with threats from the air and sea.[60]

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[52] Walter C. Ladwig, 2015, op. cit.

[53] Ibid.

[54] Shane Mason, "Pakistan's New Military Budget: By the Numbers", *The National Interest*, 05 July 2015.

[55] Ankit Panda, "Pakistan Ups its Defense Spending", *The Diplomat*, 09 June 2015.

[56] "Pakistan Defence Budget 2015-16: An Analysis", Security-risks Research, 19 June 2015, available at http://www.security-risks.com/security-trends-south-asia/pakistan/pakistan-defence-budget-2015-16-an-analysis-5019.html, accessed on 20 December 2017.

[57] Franz-Stefan Gady, "Pakistan Raises Defense Spending", *The Diplomat*, 05 June 2017.

[58] Walter C. Ladwig, 2015, op. cit.

[59] "Pak's Navy Inaugurates New Strategic Force Headquarters", *The Times of India*, 20 May 2012.

[60] Jack Detsch, "Debt Strangles Pakistan's Naval Ambitions", *The National Interest*, 19 February 2015.

In addition to developing its capabilities, Pakistan has strengthened its defence relations with China. "For China, Pakistan is a low cost secondary deterrent to India, and for Pakistan, China is a high value guarantor of security against India."[61] In the past, China assisted Pakistan in both of its nuclear and missile programmes. Current cooperation mostly includes supply of modern weaponry, sharing of intelligence, counter-terrorism assistance and conducting joint exercises. In the last decade, Pakistan has become the largest importer of Chinese defence equipments, got heavily involved in co-development of fighter jets, and started the process of buying high powered submarines.[62] Chinese significant investment in Pakistan's Gwadar Port and in the Karakoram Highways has helped increase the force mobilization and other tactical capacity of Pakistan. In every two years, they carry out military exercises, and have already tested their capacity to conduct operations from a joint-command centre.[63] China has also pledged its continuing support to Pakistan's sovereignty, territorial integrity and its anti-terror strategy.[64]

However, Pakistan has shown increasing uneasiness with its high dependence on China. This is because China's commitment to help Pakistan in the actual threat condition is unpredictable, given its high economic interdependence and other forms of vital interests in India. Although India's growing power is a concern for China, in the long run China has ambitions beyond India and might seek India's support in the future. Therefore, "Pakistan is seeking to build a more diverse base of partners to avoid heavy reliance on one ally."[65] The consequent effort is evident in the signing of a landmark military cooperation agreement with Russia in November 2014 for strengthening collaboration in the defence and counter-terrorism sectors.[66] Russia lifted its self-imposed arms embargo on Pakistan and agreed to start arms supply arrangements. Pakistan's leaning towards Russia is also driven by its lack of hope on the US front, especially after the relationship between the US and India has taken rather a defence and strategic shape in the last decade. Pakistan also "lost the support of successive US administrations on the Kashmir issue" and its own relationship with the US has been in a difficult condition.[67]

For Pakistan, balancing decisions are mostly made based on the advocacy of defence planners and political elites backed by the military which sees development of good relations with India as detrimental to their interests. Jordan Olmstead argues

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[61] M. Guruswamy, "Pakistan-China Relations: Higher than the Mountains and Deeper than the Oceans", *Indian Military Review*, Vol. 5, 2010, pp. 92-107.
[62] Joy Mitra, "Russia, China and Pakistan: An Emerging New Axis?", *The Diplomat*, 18 August 2015.
[63] Rosheen Kabraji, "The China-Pakistan Alliance: Rhetoric and Limitations", Asia Programme Paper, Chatham House, December 2012, available at https://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Asia/1212pp_kabraji.pdf, accessed on 14 December 2017.
[64] "China, Pakistan to deepen military cooperation", *Xinhua*, 21 April 2015.
[65] Rosheen Kabraji, op. cit.
[66] Joy Mitra, op. cit.
[67] Ibid.

that Pakistani defence establishments want to maximize the perception held by a substantial portion of the Pakistani public that India poses an existential threat to Pakistan in order to strengthen their *raison d'être*.[68] "The 'strategic culture' of the Pakistan army is essentially unremitting hostility against India. The Pakistan Army believes that it is locked into a permanent, existential, civilization battle against India."[69] India threat to Kashmir helps the Pakistani army keep the enormous amount of resources devoted to it and its disproportionate influence on Pakistan's decision-making. In addition, the Indo-Pakistan balancing game is also sensitized by the growing anti-rival perception among the general people, which in turn provides an easy ground for political elites and security establishments to undertake balancing decisions. In a report by the Pew Global Attitude Project suggests that nearly 74 per cent of Pakistanis consider India as a serious threat to their country, and among India, Taliban and al-Qaeda, a 57 per cent rate India as the greatest threat.[70]

Unlike most other dyadic rivals who have managed some ways to improve economic relations, an all time active Indo-Pakistan rivalry hampered growth in bilateral trade and investment between the two states. In 2013-2014, two-way bilateral trade reached only around US$ 2.7 billion which is significantly lower compared to the trade potential.[71] Although a substantial increase in bilateral trade is observed in 2014-15, which is US$ 6.71 billion, in 2015-16 the trade volume fell again to US$ 5.31 billion.[72] Both countries tie up trade with political and military hostility, and hence fail to achieve any major progress in the trade relations.[73]

5.2   *China-India Dyad*

Indo-Pakistan dyad is also heavily influenced by another enduring rivalry between India and China. The main source of the rivalry is the territorial dispute "along their shared 4,057 km border, most notably over Arunachal Pradesh (which China asserts is part of Tibet and therefore of China), and over the Aksai Chin region at the western end of the Tibetan Plateau."[74] They accuse each other often for their

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[68] Jordan Olmstead, op. cit.

[69] For details on Pakistani army's influence on domestic politics and people, see, C. Christine Fair, *Fighting to the End: The Pakistan Army's Way of War*, New York: Oxford University Press, 2014.

[70] "How Pakistanis and Indians View Each Other", Pew Research Center, 21 June 2011, available at http://www.pewglobal.org/2011/06/21/chapter-6-how-pakistanis-and-indians-view-each-other/, accessed on 13 December 2017.

[71] Idrees Ali, "Despite Skepticism over India-Pakistan Relations, Trade Provides Hope", *Voice of America*, 16 February 2015, available at http://www.voanews.com/content/trade-provides-hope-for-india-pakistan-relations/2646933.html, accessed on 13 December 2017.

[72] "India, Pakistan can take two-way trade to US$30 billion", *Business Today*, 31 March 2018.

[73] "No Trade with India unless Relations Improve: Pakistani Minister", *The Economic Times*, 20 August 2015.

[74] Department of Defense, "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2015", Washington DC, April 2015, available at http://www.defense.gov/pubs/2015_China_Military_Power_Report.pdf, accessed on 03 December 2017.

incursions and military buildups along the disputed territories. Incidents of conflict occurred along the Line of Actual Control (LAC) in Eastern Ladakh even during the Chinese President Xi Jinping's visit to India in September 2014.[75] Another key source is the China's incursion in Kashmir through Pakistan-ceded territory and the establishment of a highway through Kashmir by China. Under this backdrop, a rising China and its ambitious foreign policy goals have increased India's apprehension about China's future posture in the disputed areas. This has made India shift its focus from Pakistan to China.

Indian security and military officials are increasingly concerned over massive Chinese infrastructure buildups in the Tibet Autonomous Region, including rail, road, airfield, and telecommunications infrastructure.[76] In addition to upgrading its airfields by developing advanced landing grounds, "China is building conventional and strategic missile capabilities in Tibet;"[77]and deployed medium-range ballistic missiles (MRBM) along India's border.[78] Most of the national security documents have indicated a growing China threat and suggested taking capability enhancement measures. The defence minister's 2010 operational directive, highlighting the growing threat from China in a two-front war scenario, asks the Indian military to prepare for a full-spectrum war including the use of WMDs.[79] The foreign and security policy document "Nonalignment 2.0" has noted the impinging of Chinese power into India's geopolitical space, and stressed on the necessity to maintain the status quo along the LAC.[80] The Naresh Chandra Task Force on India's national security architecture has called for a greater preparation to face the rising China.[81] In the domestic politics, both ordinary Indian people and opinion makers regard China as a threat rather than a friend. A joint poll conducted by the Lowy Institute for International Policy and Australia India Institute shows that 83 per cent of 1,223 adults surveyed consider China as a security threat.[82]

In response to China's arms buildups, India is increasing its power projection capability in two major areas: mobilization and defence capability along the Indo-China border, and naval expansion. Apart from the growing budget (discussed in the beginning of this subsection), India is increasing its strength in its frontier areas of

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[75] Ibid.

[76] Arun Sahgal, "China's Military Modernization: Responses from India", in Ashley J. Tellis and Travis Tanner (eds.), *Strategic Asia 2012-13: China's Military Challenge*, Seattle: The National Bureau of Asian Research, 2012, pp. 282-283.

[77] Ibid., p. 281.

[78] According to Defense Analyst Vijai K. Nair.

[79] "The Defense Minister's 2010 Operational Directive", cited in Arun Sahgal, op. cit.

[80] Sunil Khilnani, Rajiv Kumar and Pratap Bhanu Mehta, "Nonalignment 2.0: A Foreign and Strategic Policy of India in Twenty First Century", Center for Policy Research, Working paper 13, 2012, available at http://www.cprindia.org/sites/default/files/working_papers/NonAlignment%202.0_1.pdf, accessed on 27 November 2017.

[81] Josy Joseph, "Narendra Chandra Panel Recommends Military Preparedness to Deal with Assertive China", *The Times of India*, 25 July 2012.

[82] Sanjay Kumar, "Uneasy Neighbors", *Global Times*, 31 July 2013.

Sikkim and Arunachal Pradesh. Some key initiatives include: (i) raising a mountain-strike corps comprising two light mountain divisions and an artillery division equipped with cruise missiles;[83] (ii) raising two mountain divisions and an artillery brigade for exclusive employment along the Indo-China border;[84] (iii) ongoing infrastructure projects, including 6,000 km of border roads, bridges and helipads under the Special Accelerated Road Development Program for North East as well as fourteen rail lines feeding into this network for force mobilization and tactical movements in Arunachal and Ladakh;[85] and Indian Air Force's upgradation of assets and increase of combat squadrons up to 44 by 2022.[86] India has successfully launched a number of missiles with different ranges and extended the range of ballistic missiles from 150 up to 8000 km, and has been developing a ballistic missile defence system. These initiatives would increase India's capability to neutralize China's forward deployments in the border.

In the maritime sphere, India is putting substantive investment to prepare for controlling the Indian Ocean region (IOR) and preventing China from becoming an Indian Ocean power. India's Maritime Military Strategy 2007 has called for a greater Indian role in the Ocean, establishing inextricable inter-linkage between the IOR and Indian national security.[87] Some of major naval expansion measures include: (i) strengthening of Eastern Naval Command with strategic assets including submarines, operational bases and naval air enclaves, and establishing forward observation posts in the strategically located islands along the eastern sea border;[88] (ii) building amphibious and island protection capabilities with landing platform docks (LPDs) and landing platform utilities (LCUs),[89] (iii) fortification of Andaman and Nicobar Command, inaugurated in 2001, with full-bodied joint amphibious force;[90] (iv) establishing listening posts in the Seychelles, Madagascar and Mauritius, as well as co-opting the Maldives as part of its southern naval command;[91] and envisioning for a three-carrier fleet as the cornerstone of India's future blue-water navy, raising its status only second to the US.[92] The fortification of Andaman and Nicobar Island has vital strategic importance to

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[83] "Twelfth Five-year Defense Plan (2012-17)", cited in Arun Sahgal, op. cit.

[84] "Eleventh Five-year Defense Plan (2006-11)", cited in Arun Sahgal, op. cit.

[85] "Special Accelerated Road Development Program for North East, Ministry of Development of North East Region, Government of India", available at http://mdoner.gov.in/content/sardp-ne, accessed on 13 December 2017.

[86] Arun Sahgal, op. cit., p. 295.

[87] See, Ministry of Defence, *Freedom to Use the Seas: India's Maritime Military Strategy*, Integrated Headquarters New Delhi: Ministry of Defence (Navy), 2007.

[88] Satish Kumar (ed.), *India's National Security: Annual Review*, New Delhi: Routledge, 2013.

[89] Anit Mukherjee and C. Raja Mohan (eds.), *India's Naval Strategy and Asian Security*, London: Routledge, 2015.

[90] Iskander Rehman, "China's String of Pearls and India's Enduring Tactical Advantage", *IDSA Comment*, 08 June 2010, available at http://www.idsa.in/idsacomments/ChinasStringofPearlsandIndiasEnduringTacticalAdvantage_irehman_080610, accessed on 07 December 2017.

[91] Sergei DeSilva-Ranasinghe, "Why the Indian Ocean Matters", *The Diplomat*, 02 March 2011.

[92] Walter C. Ladwig, "Delhi's Pacific Ambition: Naval Power, "Look East" and India's Emerging Influence in the Asia-Pacific", *Asian Security*, Vol. 5, No. 2, 2009, pp. 87-113.

India as it is located only 18 km from the Myanmar's Coco Islands which stations China's electronic intelligence installations.[93]

To counter China externally, India has already strengthened its strategic partnership with the US. It has signed a major nuclear deal, started joint military exercises and increased transfer of technology and defence cooperation.[94] During the last decade, it held several, unprecedented joint exercises, including advanced naval and air combat exercises that involved US submarines and aircraft carriers.[95] The partnership is targeted mostly around the Indian Ocean and the Asia-Pacific regions. Both states have agreed a Joint Strategic Vision for the Asia-Pacific and the Indian Ocean regions.[96] India's alignment with the US is also extended to include Japan in their bigger circle to balance China. "India and Japan have an institutionalized trilateral strategic dialogue partnership with the United States, initiated in 2011."[97] Indo-Japanese partnership is elaborated in the discussion on China-Japan dyad. Under its 'Act East' policy, the Modi government has been getting incrementally engaged in South China Sea issues and building military and maritime cooperation with states having territorial disputes with China, including Vietnam and Philippines. India also signed a Cooperation Framework agreement and a strategic partnership agreement with Vietnam.[98]

On the other hand, there is a significant level of economic interdependence between India and China. China is the largest trading partner of India: bilateral trade is expected to reach US$ 100 billion.[99] In 2017, bilateral trade amounted to US$ 84.44 billion.[100] In the investment sector, China pledged, during President Xi's last visit, to invest US$ 20 billion in India within five years time. Both states are also working together in the international forums, have created BRICs platform, and established the Asian Infrastructure Investment Bank and the BRICs Bank. This has made both states to be cautious in antagonizing each other in the economic and non-security areas, and hence, they are tempered to limit balancing each other mostly in the form of internal capability building.

[93] "Coco Islands", Federation of American Scientist, 26 November 1997, available at http://fas.org/irp/world/china/facilities/coco.htm, accessed on 13 December 2017.

[94] Adeel Mukhtar, "Indo-US Strategic Partnership & Its Implications on Regional Security", *Foreign Policy News*, 29 April 2015.

[95] Evan S. Medeiros, "Strategic Hedging and the Future of Asia-Pacific Stability", *The Washington Quarterly*, Vol. 29, No. 1, 2005, pp. 145-167.

[96] "Joint Statement on the First U.S.-India Strategic and Commercial Dialogue", Office of the Spokesperson Washington, DC, 22 September 2015, available at http://www.state.gov/r/pa/prs/ps/2015/09/247192.htm, accessed on 21 December 2017.

[97] Harsh V. Pant, "Asia's New Geopolitics Takes Shape around India, Japan, and Australia", *The Diplomat*, 28 July 2015.

[98] David Scott, "India's Incremental Balancing in the South China Sea", e-International Relations, 26 July 2015, available at http://www.e-ir.info/2015/07/26/indias-incremental-balancing-in-the-south-china-sea/, accessed on 02 December 2017.

[99] Timsy Jaipuria, "Sino-Indian Trade Likely to Reach $100 Billion by 2015, Says Deloitte", *The Financial Express*, 20 August 2011.

[100] "India-China bilateral trade hits historic high of $84.44 billion in 2017", *Times of India*, 07 March 2018.

5.3   *China-Japan Dyad*

China and Japan, another two enduring rivals, have experienced ups and downs in their rivalry relationship throughout the twentieth century. In the last decades of Cold War, the demilitarized Japan under the US-Japan defence alliance, together with Sino-US rapprochement, brought stability in their bilateral relations. However, the unprecedented growth in China's power in the post-Cold War era and its assertive postures particularly in the East and Southeast Asian theaters have revitalized their rivalry relationship. Starting since 2000, tensions have heightened with conflicts over the Senkaku/Diaoyu island chain after Japan's purchase of three islands.[101] China has increased its presence in the islands and Japan has declared Air Defence Identification Zone (ADIZ) in the adjacent area. Japan's Taiwan policy, which touches the core national interest of China, has also been sensitized and become a major source of tension. Both Japan and China are concerned with their capabilities to fight conventional wars in the shadow of nuclear weapons, either on Taiwan or on the disputed Island chains, and their vulnerability to each other. Relative advantages in capabilities during a period of heightened rivalry would be critical for protecting their key national interests, including China's ability to control Taiwan, as well as Japan's ability to preserve its claims on the East China Sea islands and to aid the US in defence of Taiwan, among others.

Military planners in Japan are preoccupied with China's increasing capability to project power, especially in the maritime front, including longer-range aircraft, rapid increase in submarine operations and different forms of asymmetric capabilities.[102] China has strengthened its nuclear weapon and intercontinental ballistic missiles capabilities and has been maintaining a double-digit growth in its defence budget in the last two decades. It has undertaken faster military modernization which has spread worries to the surrounding island nations including Japan. The defence budget for 2015 was US$ 141.45 billion with more than 10 per cent increase from the previous year.[103] Besides, this budget does not include "weapons imports, research and development, and money spent on the PLA's strategic forces" and the real defence expenditure can be as much as 40-55 per cent more.[104] For 2017-2018, China has announced a defense budget of US$ 174.5 billion.[105] Aggressive land reclamation and base building by China in the South China Sea are going to host new naval facilities, missile sites, and surveillance posts.[106] It has completed the construction of a major naval base on the southernmost

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[101] Robert A. Manning and James Przystup, "Asian Stability Hangs in the Balance of Japan-China Relations", *East Asia Forum Quarterly*, Vol. 7, No. 3, 2015, pp. 8-10.

[102] "Sino-Japan Rivalry", *Issues and Insights: Pacific Forum CSIS Project Report*, Vol. 7, No. 2, 2007, available at http://csis.org/files/media/csis/pubs/issuesinsights_v07n02.pdf, accessed on 27 November 2017.

[103] Franz-Stefan Gady, "Confirmed: China's Defense Budget Will Rise 10.1% in 2015", *The Diplomat*, 05 March 2015.

[104] Ibid.

[105] Rajeswari Pillai Rajagopalan, "China's 2018 Military Budget: New Numbers, Old Worries", *The Diplomat*, 07 March 2018.

[106] David Brunnstrom and David Alexander, "U.S. Commander Backs Challenging China over Disputed

tip of Hainan Island which would base nuclear-powered ballistic-missile submarines and aircraft carriers.[107] To ensure its first credible sea-based nuclear capability, China is producing a new class of nuclear-powered ballistic missile submarines.[108] Japanese planners are significantly concerned about the long-term strategic challenge posed by China, since Japan lies within China's inner maritime defence perimeter, the so-called first island chain.[109]

The concern is reflected in Japan's national security papers and defence plans. Japan's 2004 Defence Planning Guidelines noted China's ongoing modernization for the first time and called for attention of Japanese defence authority.[110] National Defence Program Guidelines 2010, drawing attention to Chinese capability for extended-range power projection including in the maritime domain, advocated for strengthening cooperation with the US and increasing ballistic missile defence.[111] The document urged for the development of a Dynamic Defence Force by abrogating the concept of Basic Defence Force. The 2013 National Defence Guidelines described its security environment to be 'ever more severe', with China's incursions into Japan's air defence almost tripling and called for strengthening its defence system.[112] The document also noted the number of sea and air space violations by China and declared four broad aims of Japan's defence capability: (i) to ensure security of the sea and airspace surrounding Japan, (ii) to respond to an attack on remote islands, (iii) to respond to any ballistic missile attacks, and (iv) to prevent and respond to outer space and cyber space attacks.

With Japan's perception of offensive intention due to the revival of enduring rivalry, there have been three major shifts in Japanese defence postures in the last few years: (i) push for lifting of the traditional restrictions on collective self-defence; (ii) revising the pacifist constitution; and (iii) strengthening the alliance with the US and teaming up with several other states to counter China.[113] Waltz, analyzing how the changing distribution of power in Asia is ensuing a chaotic development, identifies several major changes in the Japanese thinking. He mentioned Japanese officials' indication that the unreliability of protection under the US extended deterrence might

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Islands", *Reuters*, 17 September 2015.

[107] Office of the Secretary of Defense, op. cit., pp. 21-24.

[108] Ibid.

[109] "Sino-Japan Rivalry", op. cit.

[110] "National Defense Program Guidelines", Japan's Ministry of Defense, 10 December 2004, available at http://www.mod.go.jp/e/d_act/d_policy/pdf/national_guidelines.pdf, accessed on 30 November 2017.

[111] "National Defense Program Guidelines", Japan's Ministry of Defense, 17 December 2010, available at http://www.mod.go.jp/e/d_act/d_policy/pdf/guidelinesFY2011.pdf, accessed on 30 November 2017.

[112] "National Defense Program Guidelines", Japan's Ministry of Defense, 17 December 2013, available at http://www.mod.go.jp/j/approach/agenda/guideline/2014/pdf/20131217_e2.pdf, accessed on 30 November 2017.

[113] Chen Xiangyang, "A New Balance of Power in Asia: Japan and U.S.; China and Russia; India and ASEAN", *The Huffington Post*, 07 November 2014, available at https://www.huffingtonpost.com/chen-xiangyang/new-asia-balance-of-power_b_6116198.html, accessed on 15 October 2017.

lead Japan towards equipping itself with a nuclear force.[114] Now Japan has both political and technological preparations to go nuclear.

The heightened rivalry with China has pushed Japan to abandon its lower military profile and start greater arms buildup initiatives. Japan's military budget was US$ 42.8 billion for 2016-2017.[115] This budget is claimed to be the record high since the end of Second World War (WW II). For 2017-2018, the budget has increased further, amounting to US$ 48 billion.[116] The demand for increased budget is targeted to build Japan's power projection capability over the island territories. Japan plans to expand military bases in two islands nearby the disputed territories, build a military radar station 94 miles south of the islands, and acquire Global Hawk drones and surveillance helicopters to defend far-flung islands.[117] Japan's military drives are also propelled by the Chinese surveillance vessels' intrusion into Japanese territorial waters for dozens of times.[118]

In addition, Japan has been displaying greater assertiveness in the maritime sphere including in the Indian Ocean. It has started to modernize its naval defence force (NDF).[119] Recent Japanese naval expansion has started in 2001 with the NDF's participation in the US-led war on terror missions in the Indian Ocean.[120] NDF has also been conducting counter-piracy operations in the Gulf of Aden since 2009, and has established a *de facto* base in Djibouti in 2010 to support its activities in the Indian Ocean region.

On the external balancing front, Japan has tightened its security alliance with the US. Almost every national security paper has called for renewed and stronger security arrangements with the US, including undertaking joint military exercises, and securing US assistance in modernization and cooperation in intelligence and surveillance areas. The US has reciprocated owing to its convergence of interest in curtailing China's future dominance in the Asia-Pacific. Addressing Japan's increasing security concerns, the US President Obama declared in April 2014 that article 5 of the US-Japan alliance would extend to the Senkaku/Diaoyu islands. However, there is a growing concern among Japanese defence planners about the reliability of the US security guarantee in the face of the latter's complicated relationship with China, marked by both competition and economic interdependence.[121]

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[114] Kenneth N. Waltz, 2001, op. cit., p. 32.

[115] Justin McCurry, "Japan plans largest ever defence budget to counter China's reach", *The Guardian*, 31 August 2015.

[116] Crystal Pryor and Tom Le, "Looking Beyond 1 Percent: Japan's Security Expenditures," *The Diplomat*, 03 April 2018.

[117] Ibid.

[118] Ibid.

[119] For details on Japan's maritime capabilities, see, Richard J. Samuels, "New Fighting Power! Japan's Growing Maritime Capabilities and East Asian Security", *International Security*, Vol. 32, No. 3, 2007/08, pp. 84-112.

[120] For details on Japan's Indian Ocean involvement, see, Toshi Yoshihara and James R. Holmes, "Don't Expect Much from Japan in the Indian Ocean", *Journal of Military and Strategic Studies*, Vol. 13, No. 2, 2011, pp. 1-17.

[121] "National Defense Program Guidelines, 2013", op. cit.

To diversify Japanese external means to counteract a growing China threat, Japan has expanded its security partnership to include India. India and Japan signed the Joint Declaration on Security Cooperation in 2008 that called for inter-military exchanges and bilateral and multinational military exercises.[122] Some other notable initiatives include: formulation of an action plan to promote security cooperation in the maritime spheres in 2009; reinforcement of the Strategic Global Partnership, mutual commitment during the Indian Ex-Prime Minister Manmohan Singh's visit for increased frequency of bilateral exercises, among others.[123] In search of additional allies in the region, Japan has also undertaken strategic partnership dialogue and signed memorandum on defence cooperation and exchange with Vietnam. However, these partnerships are mostly in the form of informal security relationship. Japanese defence plans, though stressed on further strengthening defence cooperation with India and Vietnam, do not indicate the likelihood of building formal security alliance with any of these states.

China, on the other side, has been also showing assertive attitude against Japan. China's concern about Japan is mostly centered towards US-Japan alliance. Chinese defence and security planners' interpretation of US-Japanese alliance has changed since the rivalry was revitalized. Appreciated as a 'useful constraint on Japan's remilitarization' during the 1990s, China now considers the alliance as a threat and compromise to its security interests.[124] Chinese defence community interprets the alliance as the containment of China in the post-Cold War changing context. It also believes that the alliance is giving Japan confidence to assert against Chinese national interests in both South China and East China Seas. "Over the past 10 years, each alliance-strengthening initiative has been met with expressions of concern from Beijing."[125]

China's threat perception from Japan, rooted both in the intense animosity from the past rivalry as well as in future-oriented competition in the Asia-Pacific, is evident in recent years. Chinese military planners consider Japan's effort to strengthen its capacity, especially in the naval sector, as intended to operate beyond its immediate vicinity and to exceed its defence needs.[126] China fears that Japan's pursuit to strengthen its missile defence would significantly curtail its ability to deter the latter. Indo-Japan security partnership has become a new source of worry for China. The more powerful China has been highly sensitive about Japan's expression of concern over Taiwan issue as well. In response to Japanese assertiveness, China has strengthened its naval and missile

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[122] Ibid.
[123] Rajaram Panda, "Towards a New Asian Security Architecture?: India and Japan", *IPCS Issue Brief 223*, June 2013.
[124] To get a detail perspective on the changing Chinese view of US-Japanese Alliance, see, Wu Xinbo, "The End of the Silver Lining: A Chinese View of the U.S.-Japanese Alliance", *The Washington Quarterly*, Vol. 29, No. 1, 2005-2006, pp. 119-30.
[125] "Sino-Japan Rivalry", op. cit.
[126] Ronald O'Rourke, "China Naval Modernization: Implications for U.S. Navy Capabilities—Background and Issues for Congress", Congressional Research Service Report, 23 November 2015, available at https://www.fas.org/sgp/crs/row/RL33153.pdf, accessed on 10 December 2017.

capabilities and undertaken other forms of modernization to ensure its relative military advantage over Japan.

Domestic political factors induced from rivalry are playing a crucial role in pushing the balancing drive. For instance, Japan's high level delegations' visit to China between 2001 and 2006 were suspended in the face of strong opposition from diverse domestic fronts.[127] Anti-rival popular opinion, which is a consequence of long-term rivalry relationship, has been also significantly visible in both China and Japan. With Japanese growing assertiveness to counter China, anti-Japanese propaganda and popular emotion are reviving in China in recent years. Rooted in Japanese atrocity in WW II, China has seen a rise in anti-Japanese protests in the last decade, anti-Japanese riot in 2005 being a prime example.[128] Chinese people hold the strongest anti-Japanese sentiment in the world, with 90 per cent viewing Japan's influence negatively.[129] Similarly in Japan, there is a sharp increase in anti-China sentiment since 2002. Japanese people's fear of China has increased manifold after the anti-Japanese riot in China in 2005: only 7 per cent of them holding a positive view of China in 2014 compared to 55 per cent in 2002.[130]

The balancing behaviour of both Japan and China, particularly the forming of defence alliances which are costly with little reliability in the post-Cold War era, is tempered by their growing economic interdependence. Their trade relationship, contrary to the general perception, is the third-largest in the world.[131] China has become the largest trading partner of Japan, accounting for one-fifth of its trade, and China's second-largest trading partner and largest investor is Japan.[132] This massive economic partnership has resulted from the normalization of their relationship since 1970s. However, the revival of the rivalry relationship has also affected their economic relations. Since 2012, bilateral trade has been on the fall.[133] Japanese direct investment into China has slowed down nearly 50 per cent in 2014 and another 16 per cent in 2015.[134]

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[127] Shiro Armstrong, "Economics Still Trumps Politics between Japan and China", *Kokusai Mondai (International Affairs)*, Vol. 634, September 2014.

[128] Matthew Forney, "Why China Loves to Hate Japan", *Time*, 10 December 2005.

[129] "BBC World Service Poll", 03 June 2014, available at http://downloads.bbc.co.uk/mediacentre/country-rating-poll.pdf, accessed on 21 December 2017.

[130] "Opinion of China", Global Indicators Database, Pew Research Center, available at http://www.pewglobal.org/database/indicator/24/group/7/, accessed on 21 December 2017.

[131] Peter Drysdale, "The geo-economic potential of the China-Japan relationship", *East Asia Forum*, 28 September 2015.

[132] Ibid.

[133] Allison Jackson, "Island Dispute Disrupts Sino-Japanese Trade", *The Financialist*, 30 January 2013.

[134] Wayne M. Morrison, "China's Economic Rise: History, Trends, Challenges, and Implications for the United States", Congressional Research Service Report, 21 October 2015, available at https://www.fas.org/sgp/crs/row/RL33534.pdf, accessed on 12 December 2017.

6. Enduring Rivalries and Power Balancing in Asia: Comparing the Cases

Balancing rising powers by the rival states in Asia has been widely evident in the post-Cold War era. All four states have been balancing their rivals at least by undertaking targeted military modernization and capability building moves. Observations based on the cases show that rivalry plays an intermediary role in mediating threat perceptions and channelizing potential danger to the state subjects including leaders and security establishments. Rivalry also determines the magnitude of balancing by linking the growth in relative rival power to the intensity of a state's hostility towards its rival state.

India's balancing of China suggests that the growing power is a necessary condition for balancing. When a state faces rivalries in more than one front, it balances against the rival with more aggregate power and more rapidly growing offensive capabilities. However, it is interesting to note that the balancing one rival also serves the balancing purpose against another rival, here Pakistan for India. This is because balancing increases power projection against all rivals. In addition, both rivals of India are ally to each other and hence, India's balancing against China has significant impact in reducing the imbalance caused by the China-Pakistan security partnership.

The options for Pakistan are much simpler compared to those of India, as the former faces only one rival with growing power. Therefore, Indo-Pakistan rivalry has become more of a worry for Pakistan. The defence planners in Pakistan translate the military modernization and other forms of growing power of India as automatically aggressive towards Pakistan, even if those moves could be mere defensive against China's growing strength. On the other hand, Pakistan does not consider China as a threat even though the latter's power has been growing faster compared to that of India and both are in an equally proximate location. Instead, Pakistan considers its ally China's aggregate and offensive capabilities as an opportunity to counterweight their common rival India. This suggests that aggregate power and offensive capability do not always lead to balancing. It is the perceived aggressive intention that becomes more important, and rivalries invariably fuel that perception.

Recent balancing trends of Japan also support the rivalry argument. Japan, a long-term rival of China with an atrocious past and a number of conflicts in the twentieth century, experienced a stabilizing relationship with China in the last decades of Cold War. This was due to their rivalry becoming more dormant, while remaining an enduring one, with a moderate sensitivity to the distribution of capabilities. The renewal of the rivalry in the last decade, particularly on issues of disputed territories, has increased the sensitivity of the rivalry to the growing power of China. As a response, Japan has boosted its defence budget, started constructing military bases nearby the disputed island territories, and strengthened its security alliance with the US.

The budding security cooperation between India and Japan also backs the rivalry argument of balancing. China being their common rival, there is a convergence of perception of offensive intentions by both states. The signing of a security pact in 2008 and increasing collaboration in maritime security areas signal their growing partnership for counteracting China's progressively more threatening power in Asia. Both India's preference to Japan and vice versa is a testimony to the claim that rivalries play a key role in shaping alliance preferences. On the Japanese side, a growing India is not considered as a threat due to lack of perceived threats in the absence of rivalry relationship. Traditional balance of power theory cannot explain why Japan does not consider India as a threat and Pakistan as an ally. Pakistan, an ally to Japan's long-term rival China, is a much less preferred option for Japan, despite the fact that a growing India might pose a greater threat to Japan compared to what Pakistan could in the long run.

India's "Act East policy" and its growing relationship with Vietnam and Philippines are also linked with rivalry calculations. India has preferred these states as they share common enemy. Both Vietnam and Philippines have disputed island territories with China. China's assertiveness and unilateral posture in South China Sea is raising concern among these states and India has taken their side by establishing informal security relationship with them in order to balance China's dominance in the region.

China, on the other hand, is apprehensive of its two enduring rivals, India and Japan. It faces a growing Indian power in one side and the revitalization of military interests of Japan on the other. The imperative to balance both India and Japan, in addition to counteracting US rebalancing in the Asia-Pacific region, drives the state to increase its defence spending, further develop submarine and missile capabilities, as well as vigorously pursue naval expansion. China's effort to increase cooperation with states in the Indian Ocean littoral can also be seen as its balancing efforts. In the case of other states, for instance Pakistan, China is rather helping modernization and acquisition of weaponry. It helped Pakistan acquire nuclear weapons and it is the largest arms supplier to Pakistan.

These cases reveal a clear pattern that states are strengthening their force capacity targeting their rivals, especially in the areas where they are likely to be affected the most. India is strengthening its ground and air surveillance as well as combat capacities in Tibetan border and other disputed areas with China, as well as in the Indian Ocean region where it fears Chinese dominance in the near future. Japan has started to establish bases in territories nearby the disputed island chain in the East China Seas. Japan is also prioritizing its naval and missile capacities because of their critical potential role against China.

All these rival states resorting to balancing are experiencing increased security dilemma compared to non-rival states. Any defensive moves by a respective rival are being perceived to be aggressive, and hence are to be balanced. This is also the case as

rivals have been preparing for worst-case scenarios. India's naval expansion is targeted against potential Chinese military ascendency in the Indian Ocean, although China has not yet shown any visible sign to establish military facilities in that region. Even China's connectivity initiatives are perceived to be a military venture by the Indian security establishments.

Domestic political factors also reveal that anti-rival public opinion is a significant factor in the rise of confrontation favouring political elites who gain legitimacy and popularity by resorting to balancing against a primary rival state. For example, the legitimacy of Pakistan's army backed political executive, to a greater extent, is linked to its anti-India stance and its balancing of India in different fronts. In addition, the Modi government of India has reoriented its foreign policy towards China, unlike the previous Congress government which was leaning towards greater cooperation with China in regional and some security areas. Japan's Abe government is also drawing wider acclaim by reviving a military vision of the nation to counterweight China's potential domination. Security establishments and think tanks are playing a growing role in reinforcing this popular psyche by constantly interpreting risks and advocating for military modernization and arms buildups in order to face any rival threats.

Rivalries reduce the cost of balancing is found most profoundly in the case of India-Pakistan. The rivalry relationship over the last more than half a century obstructed the growth of trade and economic interdependence between these two neighbours. Common threat perception is also largely absent. These made it easier for Pakistan to undertake any balancing efforts against India without facing significant costs in other areas. However, while common threat perception is also absent in case of Japan, India and China, but they have a good degree of economic interdependence, and that explains why they act more rationally in taking balancing decisions compared to Pakistan. Rivalries did not prevent interdependence to grow for these cases mostly because in the last decades of Cold War, these three states experienced a relative stability in their bilateral relations and rivalry became less sensitive to the distribution of capabilities. However, a rapid growth in China and India's power in the post Cold War era has revitalized rivalry relationships and these states are showing renewed propensities to balance their respective rival's rising capabilities again.

The extended argument is also supported by the observations from the cases. Though the selected states in Asia have significant drive and incentive to balance against a rival rising power, they have not formalized their security relationship with their respective allies. The cases suggest that this absence of formal alliances is due to both the multipolar distribution of capabilities, and to a varying degree, the interdependent character of the multipolarity in Asia. For Pakistan, interdependence matters little. The real issue is the lack of reliable partner. Though China has been an all weather friend to Pakistan since long, past history as well as China's over-cautious approach has made Pakistan skeptical of whether China would serve any better purpose than that

of maintaining an informal security relationship. Pakistan does not have any other alternative options in the region; and the US, leaning more towards India as a potential ally against China, is not an option for Pakistan anymore. India's prioritization of internal balancing, instead of forming security alliances, testifies that it relies more on its own capabilities than on the capabilities of its allies. It also results from its lack of confidence on the US or Japan as credible and reliable partner in an actual war condition. The increased uncertainty and complexity in assessing interests and intentions of other states (i.e., India's defence planners' confusion whether the US or Japan would consider India as an actual long-term security partner or a short-term convenient encounter to China) are hindering strong commitment towards military alliance formation.

Japan, unlike other rival states, has strengthened its preexisting alliance commitment with the US. While this might suggest that interdependent multipolarity argument stands invalid in the Japanese case, Japan has not formed any newer formal alliances. For instance, Japan has not engaged in a formal alliance with India even though they share a formidable common enemy, China. The preexisting alliance could be a factor in moderating the effect of interdependent multipolarity on the costs of formal alliance formation by dint of having a *en suite* justification as well as by minimizing Japan's concern over the uncertainly and unreliability of US alliance commitment. For China, the situation is more complicated. In addition to the difficulty of finding a reliable partner, China, being the most powerful state in the region, is more confident about its own capability in tackling rivals. It has, therefore, preferred to further expand its own military capabilities.

The external balancing situation is also confounded by a growing interdependence among the key geopolitical players, a second character of the new multipolarity in Asia. China becomes the largest trading partner of India and economic interdependence between Japan and China is also growing rapidly. India and China are working together in international forums and have collaborated in non-security areas under regional and sub-regional platforms like BRICs. These factors also involve critical national interests and thereby make states more careful in their balancing decisions. This does not suggest that national security considerations are secondary to interdependence. Instead, it shows that interdependence tempers behaviours that might cost significant interests in other areas. Adjusting to this context, states have diverted their attention from forming external defence alliance to national capability building.

The alternative explanation does not hold in the cases studied in this article. One might claim that Pakistan's alliance with China is a form of utility maximizing drive, but the case analysis suggests that the drive is not to reap benefits from the latter, instead is rooted in the former's threat perception from India. In other cases, India and Japan have shown increasingly stronger drive to counter China in today's balancing game in Asia, defying the expectations of expected utility explanation which would see that these

states are tempted to take side with China, given the potential utility that China could offer.

7.   Conclusion

Asian subsystem characterized by multiple rising powers and enduring rivalries has seen stable balancing propensities among the dyadic rivals in the last two decades since the end of Cold War. These rival states, perceiving offensive intentions from an opponent's increased defence and security moves, have been incrementally resorting to increased military spending and modernization, matching the opponent's relative power projection capabilities. The role of domestic defence planners and political elites has been crucial in sensitizing popular opinion and shaping these states' balancing decisions against the respective rival. They have also adjusted their external balancing strategy due to the interdependent nature of evolving multipolarity in Asia today. Instead of engaging into formal defence alliances, they prefer informal security partnerships as a form of convenient counterweight against a potential rival threat. The uncertainty and unpredictability of states' intentions and actions caused by the complex interactions among multiple rising powers in one end, and the constraining effects of the growing interdependence on the other, made it difficult for the rivals to find reliable partners in pursuing concrete external balancing. Rivalries as a stable source of balancing drive and the tempering of external balancing by the newer form of multipolarity are the two significant patterns in the regional balance of power system in Asia.

The rivalry explanation built on balance of power and balance of threat theories provides a more robust explanation of power balancing in the post-Cold War world. This preliminary research adds several important contributions to both balance of power and rivalry literatures. While rivalries are explained to have significant impact on the states' foreign policy decisions in general, little research has been done so far to situate rivalries as a key variable in the process of power distribution and redistribution. The understanding of dyadic structural conditions that lead to balancing helps identify causal processes involved in balancing decisions in the contemporary world. It is also an important step in addressing existing anomalies to the balance of power and balance of threat explanations, particularly by identifying how dyadic structural conditions can drive balancing behaviour in a context where states have little incentive to balance. In the rivalry literature, it extends the scope of research on the effects of dyadic rivalry on balance of power which has not been adequately addressed before. Future research can include more dyadic cases and apply the argument to other regional subsystems. Empirical studies can be undertaken on the interdependent multipolarity argument developed in this article as well.

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