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Editors: Sławomir Dębski • Patrycja Sasnal • Rafał Tarnogórski

Sebastian Płóciennik • Justyna Szczudlik • Daniel Szeligowski • Jolanta Szymańska
Marcin Terlikowski • Karol Wasilewski • Szymon Zaręba • Tomasz Żornaczuk

Indo-Pacific as the Main Arena of the U.S.-China Rivalry

Patryk Kugiel

The Trump administration recognises the “Indo-Pacific” region—which in official terminology has replaced “Asia-Pacific”—as the most important area for maintaining U.S. global dominance by confronting China. The anti-China approach in the American strategy is not shared by other countries that also are developing Indo-Pacific policy because they are concerned about the negative effects of the U.S.-China rivalry. The Americans will put pressure on their NATO and EU allies to more strongly support the achievement of U.S. goals in the region. However, the EU approach is closer to that of the Asian countries in seeking cooperation and strengthening the stability of a cooperative and rules-based regional order.

The vision of a “free and open Indo-Pacific” was presented by U.S. President Donald Trump in Vietnam in November 2017. This term replaced “Asia-Pacific” in the National Security Strategy (NSS) of December 2017 and the National Defense Strategy (NDS) of January 2018. In May 2018, the U.S. Pacific Command was renamed the Indo-Pacific Command, and a year later, the Department of Defense (DoD) published its “Indo-Pacific Strategy Report”, extensively describing the approach of the entire administration. Japan (August 2016), Australia (July 2017), India (June 2018), ASEAN (June 2019), and France (May 2019) have also presented their policies towards the region.

These countries set the boundaries of the region somewhat differently, reflecting their unique location and political interests. The U.S. defines the region as stretching “from the west coast of the United States to the western shores of India”. According to India, it covers the entire Indian Ocean and the western Pacific Ocean. For ASEAN, it combines both the Asia-Pacific region and the Indian Ocean. Japan emphasizes that the Indo-Pacific is an area connecting two continents—Asia and Africa—and two oceans—Pacific and Indian. Australia and France have a similar understanding of a vast region. The main difference between “Indo-Pacific” and “Asia-Pacific” lies in the appreciation of the strategic importance of the Indian Ocean and the central location of India in the region as an important power. Greater emphasis is placed on the seas rather than the landmass.

Assumptions, Goals and Tools. The U.S. adoption of the Indo-Pacific concept is in response to the growing activity of China in the region, especially since it started in 2013 to implement its “21st Century Maritime Silk Road” concept, the sea portion of its signature Belt and Road Initiative (BRI). While the U.S. is continuing the Obama administration’s “Pivot to Asia”, it is now more confrontational. While the previous administration’s policy was “engaging” China, now the clear goal is to “contain” it. The December 2017 NSS defines the Indo-Pacific as a region where “a geopolitical competition between free and repressive visions of world order” is taking place and where China, described as a revisionist power, “seeks to displace the United States”. According to the DoD document, the region is “the single most consequential region for America’s future” and a “priority theater”.

The U.S. strategy is based on the “pursuit of Preparedness, Partnerships, and Promoting a Networked Region”. In the political and military dimensions, the U.S. more frequently conducts freedom of navigation operations (FONOP) in the vicinity of Chinese installations in the South China Sea than the previous administration. At the same time, the U.S. wants to shift the burden of ensuring security to its regional partners and offers easier access to American-made weapons. In addition to existing alliances, it also has created new cooperation formats. The most important example of this policy was the renewal in 2017 (after a 10-year break) of the Quadrilateral security dialogue (the so-called Quad) with Japan, India and Australia. The increasing scope of military exercises and consultations, as well as raising the profile of meetings to the level of foreign ministers in September 2019, indicates the growing importance of this mechanism.

In the economic dimension, the U.S. has increased economic aid in the region, transferring \$4.5 billion in the last three years. The “BUILD Act” adopted in October 2018 is expected to play a key role, promising \$60 billion to support infrastructure investments in developing countries. The Americans, at the same time, loudly criticise the Chinese BRI, which in their opinion promotes projects that are of poor quality and financially unsustainable. U.S. administration officials have repeatedly warned countries in the region against becoming dependent on China and falling into a debt trap.

U.S. Partners on Indo-Pacific. Countries in the region have embraced the Indo-Pacific concept as the confirmation of American engagement and an opportunity to strengthen defence cooperation. Although they share the U.S. concerns over China’s growing activity, they do not support the anti-China tone of the American strategy. Having strong economic relations with China, including often benefiting from Chinese investments, these countries do not want to be forced to choose between the two powers.

They also favour building a regional rules-based order, but unlike the U.S., the partners want it to be not only “open and free” but also “inclusive”, i.e., not excluding China. ASEAN, in particular, emphasizes that the region should be an area of “region of dialogue and cooperation instead of rivalry”. The U.S. regional partners are unanimous that ASEAN must play a central role in the new security architecture. They also want cooperation in the region to focus more on economic issues, mainly the development of connectivity and economic development; therefore, the largest economies are increasing support for smaller countries to strengthen their resilience to Chinese influence. For example, Australia has been implementing its “Pacific Step-up” initiative since 2016 to support small island states in the region while Japan, together with India, announced the “Asia-Africa Growth Corridor” initiative in 2017 to invest in improving connectivity between these continents.

China’s Reaction. The country perceives the term “Indo-Pacific” and the concept as a tool of American policy to contain China’s rising power. Regional cooperation on security issues such as through the Quad raises particular concern. Despite the American pressure, China continues to militarise islands in the South China Sea and increase involvement with its closest partners, such as Pakistan and Cambodia. It is also looking for opportunities to create new naval bases in the Indian and Pacific oceans.

At the same time, China has modified its BRI project, such as limiting the scale of investments, to alleviate international criticism. In its confrontation with the U.S., it refers to cultural arguments, pointing to solidarity among Asian countries (as seen by the Conference on Dialogue of Asian Civilisations in Beijing in May 2019) in opposition to extra-regional powers. Thanks to the negotiation in November 2019 and the planned signing at the beginning of 2020 of the Regional Comprehensive Economic Partnership (RCEP) with 14 countries of the region, China will further strengthen economic links to countries in the region.

Conclusions. China’s increasing activity in the Indian and Pacific oceans prompted the U.S. to adopt a new strategy for the Indo-Pacific. Strengthening U.S. cooperation with major regional powers is intended to halt further increases in China’s influence. The success of the American strategy will depend on whether the U.S. will be able to prepare, together with its partners, a more attractive economic offer than China for the countries in the region and provide favourable conditions for their development. However, U.S. actions such as its withdrawal from the Trans-Pacific Partnership or sending a low-ranking delegation to the last ASEAN and East Asian Summits (EAS) in Thailand in November 2019 do not bolster the American strategy.

With the recognition of China as the most important rival of the U.S., the Indo-Pacific “megaregion” is replacing the Euro-Atlantic area as the key to the international position and security of the U.S. As a result, it expects stronger support from NATO in the region. The American administration may also intensify pressure on the EU to limit technological and economic cooperation with China.

The adoption of the Indo-Pacific concept in the foreign policy of most countries of the region may also require the EU to update its own strategy towards this area. The Union’s position, expressed for example in the “Global Strategy of 2016” and assuming the promotion of “cooperative regional orders”, is closer to the approach of the Asian countries than to the confrontational attitude of the U.S. There, the EU can play an important and stabilising role by supporting the centrality of ASEAN and using its economic and diplomatic potential to enrich alternatives to China’s offer.