

THE RISE OF GLOBAL STRATEGIES: FREE AND OPEN INDO-PACIFIC CONCEPT

Editors:

Csaba Moldicz
Gabriella Kovács



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Oriental Business
and Innovation Center
Budapest Business School



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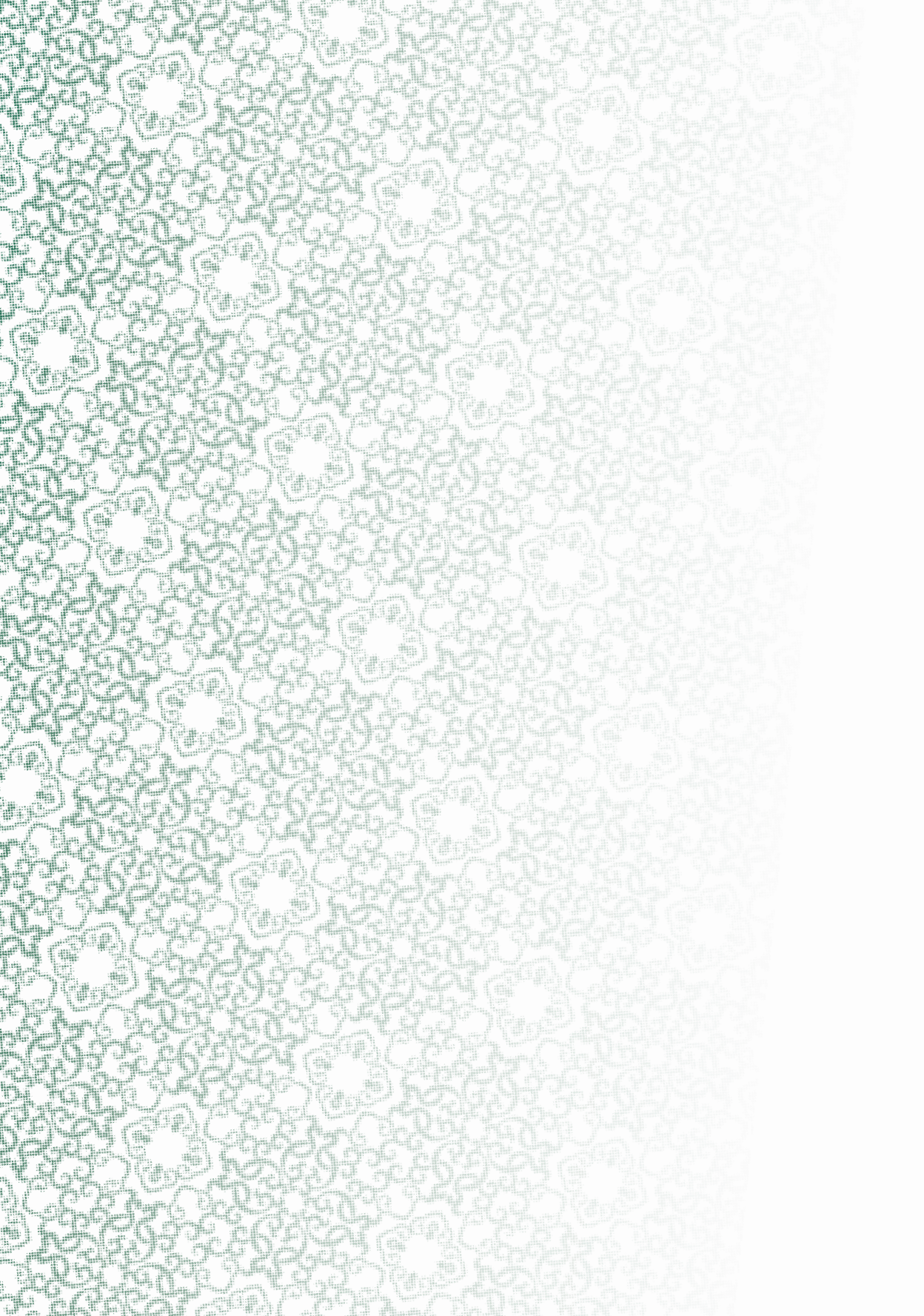
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Foreword

The edited volume is part of the OBIC Book Series, in which ten books have been published so far. This edited work covers a variety of topics, from economic development strategies to concentrated works focusing on a single country. This book is about perceptions of the “Free and Open Indo-Pacific” concept, which has been regularly featured as the American response to the Chinese Belt and Road Initiative.

The Trump administration unveiled its “Free and Open Indo-Pacific” (FOIP) concept in November 2017. The idea was originally floated by Japanese Prime Minister Shinzo Abe in 2006, who advocated for the “confluence” of the two oceans to form an “arc of freedom and prosperity”. The concept was not well received at the time, but in 2017 US President Donald Trump reiterated the strategy and gave his support, arguing that the region enjoyed growing importance for American direct investment. In addition to its economic importance, it is clear that the strategy is not a value-neutral or descriptive term but a political one, often interpreted in Beijing as a containment strategy. Recently, France and Germany have also released their versions of the Indo-Pacific concept, expressing geopolitical concerns about China’s growing power in the region and the world.

The volume contains ten chapters on various aspects of the “Free and Open Indo-Pacific” concept, and the authors of the book come from six countries and ensure that the book offers a comprehensive view of the subject, while special emphasis was put on the strategies of India, Indonesia, Japan, the Philippines, and greater China.

We are very grateful for the support of the Magyar Nemzeti Bank (Central Bank of Hungary, MNB) and the Budapest Business School, without whose generosity and commitment to collaboration, this volume would not have been possible.

Editors of the book:
Csaba Moldicz, PhD
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India's Indo-Pacific Gambit: An Awkward Power Striving for Status

Emilian Kavalski

1. Introduction

The year 2020 might go down in history as a good year for Indian foreign policy. And this is despite the global Covid-19 pandemic and its toll on the country, not to mention the ongoing military standoff along the border with China, and the growing religious, ethnic, and economic tensions. The European Union (EU) not only appears to have taken a harder line on New Delhi's erstwhile rival Beijing, but Brussels' views might be moving closer to those of India with the development of a new Indo-Pacific strategy (Ishikawa, 2020). This shift in Brussels' foreign policy outlook comes despite the lack of progress on the EU–India Free Trade Agreement. In particular, the German foreign minister, Heiko Maas asserted that “the geopolitics of the post-Covid-19 world will be played out in the maritime continuum of the Indian and Pacific oceans” (Bhaskar, 2020). Maas' statement was virtually reiterating the conclusion drawn by the Australian government a few months earlier, in June 2020, that “many of the future challenges are likely to occur in, and emanate from, the maritime domain of the Indo-Pacific” (Baruah, 2020).

The flavor of such unprecedented accolades seems to have been made only sweeter for New Delhi by the signing of the Basic Exchange and Cooperation Agreement on Geospatial Cooperation (BECA) between India and the US on October 27, 2020 (The Hindu, 2020). Washington tends to offer BECA agreements only to its closest and most loyal allies. The agreement allows partner countries exclusive access to US satellite data that can then be used in the navigation and conduct of military operations. At the signing, the US Secretary of State, Mike Pompeo, made it abundantly clear that BECA was part of Washington's containment of China. As he ascertained, “the United States will stand with the people of India as they confront threats to their freedom and sovereignty”. Pompeo went on to assert that China is “no friend to democracy, the rule of law, transparency, nor to freedom of navigation, the foundation of a free and open and prosperous Indo-Pacific” (Deutsche Welle, 2020).

Such privileged treatment of India is not coincidental. Already in 2017, in the first US National Security Strategy developed under President Trump, India received a special mention because of its crucial position in what Washington was beginning to call the Free and Open Indo-Pacific (FOIP). Many commentators interpreted the FOIP initiative as a replacement of the Obama administration's "Pivot to Asia" strategy. This marked the first formal enshrinement of the Indo-Pacific region as a "unified strategic theatre" in a US security strategy document (Pant – Rej, 2018). Editorials across the country were praising the US for singling India out as a "leading global power" crucial to the achievement of American objectives in "the Indo-Pacific" (George, 2017). Such acknowledgement was quickly flaunted as a vindication of India's muscular foreign policy in the wake of the May 1998 nuclear tests which intended to demonstrate the country's "rightful place in the world" as "a great power capable of inflicting unacceptable military and diplomatic costs [on its adversaries]" (Lak, 2008, p. 248; Kavalski, 2008a). In fact, the bonhomie between New Delhi and Washington has come to reflect a growing affinity for the shared language of "hard power" capabilities, which—in the case of India, at least—has fostered a perception among many policymakers and commentators that the country *is* "becoming Asia's America" (Lak, 2008, p. 277).

Thus, it is often overlooked that India's post-1998 geopolitical stance reflects a conscious attempt to overcome the country's traditional middle power ranking by projecting a much more assertive foreign policy. In other words, the aim was not merely to demonstrate the heft of India's nuclear capabilities but to reiterate the country's self-image as a great power capable to project its interests beyond the confines of India's immediate neighborhood. In this respect, the chapter suggests that the articulation of an Indo-Pacific region is intricately connected to the awkward nature of Indian power in global life. In fact, it could be argued that the case of India evidences the fraught nature of the ranking of nations in contemporary international affairs. Some scholars have indeed gone as far as labelling the whole analytical category a "myth" (Chapnick, 1999; McCulloch – Kavalski, 2005). The issue of conceptual clarity gets even fuzzier when discussing the ranking of the so-called emerging or rising powers, whose role, agency, and impact are subject to a different kind of contestation (Payne, 2008; Kavalski, 2021c). To complicate matters further, many of the recognized and newly emerging claimants to the middle power status are additionally considered as the dominant actors in their respective regions. Such a complex context does not help with the development of a coherent definition of the category of middle power. India adds another wrinkle to such lack of conceptual clarity: while most countries have tended to accept their designations as middle powers (even if they were not necessarily content with it), India rejects it outright.

Instead, Indian foreign policy elites and pundits have long insisted that owing to its unique status of a “civilizational state”, their country is and should be treated as a great power. This sense of strategic importance is backstopped by a strong self-perception of national and cultural greatness reinforced by growing nuclear capabilities (Chakrabarti, 2017). Foreign policy making has thus morphed into a powerful ideology for the consolidation of a conflict-ridden domestic political stage through the projection of strategic fantasies and dreams into the past. To that effect the first section of this chapter details the content, context, and contestations of India’s middle power status and points to two significant re-articulations of the criteria for ranking countries in order to validate India’s position as a great power (and not a middle power): (i) the first one is the promulgation of an “Indo-Pacific” locale as the domain of India’s great power projection; and (ii) the second one is the redefinition of the concept of great power to fit India’s current characteristics. Such framing helps outline the hybrid nature of India—an awkward middle power with great power aspirations—as a partial agent in contemporary international affairs.

2. India—An Asian Middle Power or an Indo-Pacific Great Power?

At the beginning of April 2020, as the world was coming to terms with the nascent Covid-19 pandemic, India unleashed a massive relief program to counter the outreach of China’s new “Health Silk Road” into its neighborhood. As one of the main producers of generic drugs, India began donating plane-loads of medical supplies to countries in its strategic environs—such as Afghanistan, Bangladesh, Bhutan, Nepal, Myanmar, and the Indo-Pacific littoral space (Maldives, Mauritius, Madagascar, Sri Lanka, Comoros and Seychelles) (AsiaNews, 2020; Kavalski, 2021b). This diplomatic push came despite (and probably in spite of) the plight of close to 200 million migrant laborers who lost their jobs (and accommodation) as a result of India’s stringent lockdown measures and who had to embark on foot on long and perilous journeys to their homes (Biswas, 2020). The contrast between the uncomfortable picture presented by the precarity of those working in India’s informal economy and the country’s diplomatic outreach to assert its influence illustrates the awkwardness of India’s power status position on the global stage.

On the one hand, the overwhelming majority of observers tend to acknowledge the country’s middle power status. As early as the 1970s, commentators were asserting with confidence that India is a “rising middle power” (Mellor, 1979, pp. 231-242; Kavalski, 2017b). Historically speaking, such proclamations reflect India’s commitment to non-alignment during the Cold War, which immediately put it in an

intermediary position and meant that New Delhi could be regarded “neither as a corner, nor as a pole by itself” (Murthy, 1986, p. 391; Kavalski, 2020). Yet, by assuming a leadership position in the so-called Third World, India was able to champion a distinct mode of internationalism pivoted on coalition-building and multilateralism. In the wake of the Cold War, and especially in the context of a perceived shift to the East in global politics, the country’s middle power status has become even more readily observable (Nayar, 1999, pp. 303-328; Kavalski, 2014). As some have noted, while “India [has] the capacity to resist most, if not all demands placed upon it by the other states, including the recognized major powers”, it still lacks capacity to “make other important states comply with Indian demands, nor can India obtain all that it desires in the international arena” (Perkovich, 2003; Kavalski, 2016a).

It is important to note that as one of the most prominent non-Western middle powers, India has strategically maintained counter-hegemonic rhetoric as part of a foreign policy agenda aimed both at reforming the neoliberal world order and ensuring a more just and fair distribution of economic resources and opportunities (Jordaan, 2003; Kavalski, 2003). While never fully satisfied with the established hierarchy of power relations, India has never championed a radical revision of the existing international system and has therefore been labelled as a “quasi-*status quo* middle power” (Paul, 2003, p. 139; Kavalski, 2016b). Such experience has also established India among the pre-eminent “bridging powers” in the world—an in-between category, which reflects its limited global influence, yet attests both the country’s “independence” and “indispensability” as a “good global citizen” operating as “the essential connective tissue that a fragmenting world requires” (Khilnani, 2005; Kavalski, 2007c). In this respect, the ranking of the country as a middle power has been fairly well-established and is treated largely as a given in the literature.

On the other hand, there appears to be some confusion about the country’s rank because of India’s position in its home region—South Asia. Traditionally, India has been recognized as the big brother of South Asia—not only because of its size, location, and material preponderance, but also because of Indian military interventions in East Pakistan (which led to the establishment of Bangladesh) and Sri Lanka. In this respect, India has long been recognized as “a factor in the domestic politics of most of its neighbours” (Khilnani et al., 2012, p. 16; Kavalski, 2010b). Commentators are therefore quick to point out that the country is either “a South Asian superpower” (Munro, 1989) or “a major regional power” (Basrur, 2011, p. 182). At the same time, and despite its hegemonic role in the region, the South Asian context has been described as a veritable constraint on the country’s aspirations. In particular, the protracted confrontation with Pakistan has encumbered India’s foreign policy imagination and continues

to act as an impediment on the country's strategic outreach (Kavalski, 2006). The point here is twofold: (i) being the dominant power in a region characterized by conflict has dented India's international reputation; (ii) the security concerns borne out of the persistence of conflict in the region ties down vital tactical and decision-making resources that India could otherwise deploy to pursue its national interests beyond South Asia (Prys, 2012, p. 143).

Yet, in the context of the rise of Asia to global prominence—largely backstopped by the economic performance of China and India during the 1990s and the first decade of the 2010s—many commentators have started to assert that India is no longer merely a regional hegemon, but also a continental great power and perhaps even a global one. As the preeminent Indian strategic thinker, C. Raja Mohan (2006) proclaimed, “after disappointing itself for decades, India is now on the verge of becoming a great power”. A central feature of this narrative has been the criticism of the alleged “softness” of the Nehruvian foreign policy, which “twisted India's strategic culture into all kinds of absurdities” and ultimately led to the “enfeebling of a once fierce nation” (Sreeram Chaulia quoted in Kavalski, 2012a, p. 136). The contention is that “a country with non-violent values has little chance to enter the great power system” (Nayar – Paul, 2003, p. 105). In particular, the 1998 detonations of “the Hindu nuclear bomb” promulgated the conviction that the “strategic capacity to first inflict harm and then negotiate restraint” has allowed India to transcend the geopolitical strait-jacket imposed on the country by its middle power status (Kapur, 2006, p. 3; Kavalski, 2007b). In this setting, New Delhi's involvement in the BRICS (Brazil–Russia–China–India–South Africa) grouping and active lobbying for a United Nations (UN) Security Council seat have been taken—both domestically and internationally—as yet another indication of India's emergence as a “new global power” (Tellis, 2005, pp. 5-52).

The strategic conflation between India's leadership position in South Asia and its global great power ambition reflects the country's longstanding displeasure with its marginalization in international affairs. The middle power ranking of the country has been taken as confirmation of an “international order confining India to an inferior position” (Vinay Rai quoted in Kavalski, 2015b). At the same time, India's great power aspirations suggest that the country “has something unique to offer to the rest of the world” (Singh, 2006, pp. 48-49; Kavalski, 2005). The conviction in India's exceptionalism can be traced back to the first post-independence prime minister, Jawaharlal Nehru. He openly asserted that the “indelible imprints”, which Indian civilizations have left on the history of the world, confer on the country “the rank that ignorance has refused her for a long time and to hold her place among the great nations” (Nehru, 2004, pp. 222-223; Kavalski, 2009). Perhaps surprisingly, given his anti-Nehruvian

stance, the current prime minister, Narendra Modi echoed similar sentiments when he stated that owing to “our culture, traditions, and history India has to play the role of a leading power in the world rather than just a balancing force” (quoted in Kavalski, 2017c). In this respect, the country’s middle power ranking has never sat comfortably with the self-perception of India as a “great civilizational state” whose influence emanates from India’s unique history and culture.

It is in this context that Prime Minister Modi has begun to promote “Buddhist diplomacy” not merely as the foreign policy mantra of his government, but also as a framework through which to leverage India’s civilizational capital vis-à-vis other major powers. Culture and history thereby have become repositories for socio-political consensus backstopping the foreign policy conviction of “India’s emergence as a great power that is fully autonomous, influential, and respected by the world” (Ogden, 2014, p. 4; Kavalski, 2018a). Such a stance has led to two significant reformulations of the context and criteria for ranking the global standing of countries in order to validate the position that India is a great power and not a middle power: (i) the promulgation of an “Indo-Pacific” area as the domain of India’s great power projection; and (ii) the redefinition of the concept of great power to fit India’s current characteristics. The following paragraphs detail these in brief.

3. India’s Indo-Pacific Region

Traditionally, regions have been defined as clusters of proximate states, constitutive of geographic or geostrategic “mental images” (Acharya, 2007) “politically made” (Katzenstein, 2005), “geopsychologically arranged” (Pempel, 2005), or “spoken into existence” (Neumann, 1999). Framed by the threats and opportunities provided by the confluence of the Indian and Pacific littoral space, this narrative—from its very inception—aimed to ascertain the extension of India’s influence beyond the constraints of its South Asian home region. In fact, the articulation of an Indo-Pacific space has been a relative newcomer in India’s strategic entrepreneurship. Initially, New Delhi seemed to prioritize its involvement in the BRICS and IBSA (India–Brazil–South Africa) groupings as well as lobbied actively for a UN Security Council seat (Tellis, 2016). Such international grandstanding however has not been done for the promotion of alternative global governance mechanisms. Far from it, New Delhi has used these forums to overcome the structural constraints of an “international order confining India to an inferior position” (Kavalski, 2015a, p. 432).

For instance, India's interest in the BRICS was primarily transactional—firstly, by deploying the forum domestically as evidence that the country is treated as China's peer and, secondly, using it as a venue to promote its view of Pakistan to an international audience (Pant – Sharma, 2019). The fact that Russia and China were part of BRICS was what initially attracted India and made it shift its interest away from IBSA. In fact, New Delhi was a keen supporter of a RIC (Russia–India–China) forum, but this never really took off (Rajagopalan, 2019). Subsequently, it was India's annoyance with both Moscow's and Beijing's disregard that led New Delhi to revive its interests in the IBSA and effectively use it as a splinter organization of the BRICS (Bhatia, 2019; Zolkos – Kavalski, 2007). Yet, a number of Indian commentators have recently urged the government to dismantle all such forums because they fail to safeguard not only India's "own interests but also [those] of the wider global order" (Pant, 2020). New Delhi's Indo-Pacific foray emerges on the background of this experience.

In this setting, India has invested significant strategic capital in the construction of an "Indo-Pacific" geopolitical zone where it plays a leading role (alongside Japan, Australia, and the United States). The Indo-Pacific region has thereby become a geopolitical shorthand for the country's "extended neighbourhood"—an aspirational strategic discourse flaunting the positioning of India "as an essential cornerstone of global affairs" (Nehru, 2013; Horesh – Kavalski, 2014). The explicit strategic ambition underpinning such foreign policy move is that "through the Indo-Pacific construct, India envisages a greater role for itself in the wider region" (Ministry of External Affairs, 2019). Observers of Indian strategic discourse have traced the origins of the geopolitical narrative on the Indo-Pacific to a 2006 article penned by the foreign policy analyst Gurpreet Khurana (Scott, 2012; Kavalski, 2012b). The actual geopolitical footprint of this rhetoric has tended to be rather fluid and fuzzy. For instance, during the 2018 Shangri-La Dialogue, Prime Minister Modi defined the Indo-Pacific region as stretching "from the shores of Africa to that of the Americas" (Ministry of External Affairs, 2018).

The conceptual fuzziness notwithstanding, what seems to have remained constant ever since the promulgation of the Indo-Pacific idea have been (i) the pursuit of India's national interest beyond South Asia as the centerpiece of the country's global engagement and (ii) the attendant desire to contain China's outreach in what New Delhi perceives as its own strategic space for expansion (Kavalski, 2018b). The explicit geopolitical framing of the Indo-Pacific has thereby provided India with a platform for the development of a balancing strategy towards China while building partnerships with like-minded countries. It seems that Japan was among the first to respond to India's call for an Indo-Pacific geostrategic locale. Already in 2007, during his first

visit to India, Japanese Prime Minister Shinzo Abe spoke of the “confluence of the two seas”—that is, the Indian and the Pacific Oceans—as playing a crucial role in building connectivity that foster the establishment of a “broader Asia”. According to Prime Minister Abe (2007), “our two countries have the ability and the responsibility” to ensure the “stability, freedom, and prosperity” of this region.

Nearly a decade later, in 2017, this Indo–Japanese partnership would lead to the development of the Asia–Africa Growth Corridor (AAGC) (The Times of India, 2017). While the stated intention of AAGC was to provide “high-quality, reliable, sustainable, and resilient infrastructures” that will enhance “the growth and interconnectedness between and within Asia and Africa”, both New Delhi and Tokyo were quite explicit that one of the central aims of the AAGC was “to counter [China’s] Belt and Road Initiative (BRI)” (Dasgupta, 2017) by promoting a “liberal and value-based order” (Ministry of External Affairs, 2015). At the same time as the AAGC’s *Vision 2025* indicated, its key objective is to ensure “peace, security and development of the Indo-Pacific region” (Ministry of External Affairs, 2015). Consequently, as more countries have been willing to partner with India to uphold this aim, New Delhi’s Indo-Pacific framework has facilitated the—simultaneously discursive, institutional, and strategic—foundation to push back against any actual or perceived attempts by Beijing to change existing norms and frameworks of international interactions.

In this respect, the projection and maintenance of such strategic foothold in India’s extended neighborhood has been closely associated with the cultivation of India’s “Look East” policy—the country’s first (and, arguably, the most successful attempt to date for) forward foreign policy outreach towards Southeast Asia. In fact, some commentators have gone as far as describing the concept of the Indo-Pacific as a “Look East 3.0” (Chandran, 2013; Kavalski, 2007a). The narrative of the Indo-Pacific has also been crucial to the rebranding of the Look East into the Act East policy by Prime Minister Modi in order to elucidate the strategic geometry of new partnerships pivoted on India (Tellis, 2016; Kavalski, 2017a). In particular, the upgrade to relations with Australia, Japan, Indonesia, New Zealand, and Taiwan intends to demonstrate that “without India there is no Indo-Pacific—be it a region or century” (Gupta, 2011; Kavalski, 2010a). Some have even noted that the democratic credentials of India’s Indo-Pacific partners suggest that this framework of relations might be the harbinger of an “Asian NATO” (Ollapally, 2011, p. 215; Kavalski, 2008b). In fact, the so-called Quad alliance between India, Australia, Japan, and the US seem to offer meaningful confirmation of this trend (Chellaney, 2020; Kavalski 2021a). In other words, the label of the Indo-Pacific has been promoted by India not merely as a rebranding exercise, but also as part of its strategic discourse that it has emerged as a great power in world politics.

4. India's Framework of Great Power

The second innovation in the understanding and ranking of countries has involved a re-definition of great power to make it more applicable to India's circumstances. Conventional classifications look at metrics such as military expenditure, the size of populations and economy etc. According to these metrics, India easily qualifies either as a great power or as an emerging great power. At a whopping US\$71 billion, the country has the third highest military expenditure in the world following that of the US and China and well above Russia (SIPRI, n.d.). Also, with a population of over 1.3 billion people, more than 50 percent of whom are under 25 years old, India is projected to become the most populous country in the world by 2024 (United Nations, n.d.). And if these data were not impressive enough, the country's economy has maintained an average growth rate at 6.5 percent per year since 1990 achieving a GDP (PPP) of close to US\$11 billion in 2019, which makes it the world's third largest economy (again following the US and China) and well above established major economies such as Japan and Germany (Ogden, 2019). In the context of these figures, it is not surprising that India ranks on fourth place in the Asia Power Index (Lowy Institute, n.d.).

Yet, it is the very same data that reveals the awkwardness of India's claim to global power status. For instance, in terms of military expenditure, one of the main achievements has been the acquisition of India's first (and so far, only) operation aircraft carrier *INS Vikramaditya* in 2009. Still, as a recent report indicated, the Indian Navy not only lacks the forward-projection (i.e. "blue water") capabilities, but also, by the time these are developed, *INS Vikramaditya* will be obsolete (Philip, 2020; Zolkos – Kavalski, 2008). In this setting many Indian commentators have promulgated the paradoxical opinion that "real 'blue-water' status is a matter of geopolitical outlook, rather than hard facts" (Singh, 2015). Yet, the lack of blue-water capacity severely undercuts both India's Indo-Pacific credentials and much vaunted nuclear program (as its second strike capabilities are closely tied to the availability of naval resources such as submarines and aircraft carriers). While the country tested its first nuclear device in 1974, the nuclear program was ramped up only after the 1998 Pokhran-II nuclear tests. Currently, India possesses 150 nuclear warheads, which puts it behind Pakistan's 160 and China's 320 nuclear weapons (Gurung, 2020). At the same time, India "possesses fewer attack helicopters, transporters, tankers, and AEW aircraft than any one of the permanent five members of the UN Security Council, and in many cases fewer than other Indo-Pacific powers like Australia, Japan, South Korea and Taiwan" (Joshi, 2015, p. 120; Zolkos – Kavalski, 2016).

In terms of its human capital, despite the impressive population size, nearly 30 percent of Indians are illiterate, with the illiteracy figure for girls and women at nearly 40 percent (Government of India, 2011). Such data are compounded by the realization that close to 25 percent of India's population are living in poverty and that since the end of the Cold War India has developed as one of the most unequal societies in the world (WID.world, n.d.). Likewise, in terms of the economic indicators, India's GDP per capita of US\$1,706 puts it below countries such as Lao (US\$2,339) and Nigeria (US\$3,570) and far behind its continental rival China (US\$7,993).

In this setting, most Indian analysts have propagated an idiosyncratic framing of India's great power—one, which pivots on the unresolved tension between two strategic visions: on the one hand, its willingness to play an active role on the global stage; and, on the other, its preoccupation with the defense of its territorial integrity (Mohan, 2004, p. 208). Thus, while the logic of the former perspective advocates an assertive foreign policy stance, the latter is more apprehensive about New Delhi's international agency, owing to the perceived diversion of attention (and resources) from the protection of India's volatile borders and domestic social order. In his perceptive review of the literature on great power in India, Manjeet S. Pardesi (2015) uncovers a novel definition of the term. Such Indian account of great power asserts that in order to qualify as one, a country does not require "'global' capabilities", but that it must be able to "transcend its home region to affect the geopolitics of at least one other world region" (Ibid.; see also Kavalski, 2011a).

According to this account, it is logical that this region should be adjacent to the home region of the country pursuing a great power status. While this claim might have some empirical validity, it is not necessarily self-evident. The point however is that great power is not a "systemic position", but one that reflects "the individual circumstances of different regions" (Lake – Morgan, 1997, p. 7; Kavalski, 2011b). In this respect, many Indian observers have expressed their frustration that "India cannot wait until the rest of the world comes to *its way of seeing things* or at least acknowledges India's right to *do things its own way*". The clear implication is that "in a *more perfect world*, New Delhi's importance would be self-evident because in such a world each great power would act responsibly to keep order and promote justice in *its part of the world*" (Singh, 2006, pp. 50-52, emphasis added; Kavalski – Cho, 2015). In other words, the strategic combination of such aspirational status "would enable India to influence international rule-making in its favour and prevent infringements on its right to make sovereign decisions in its national interest" (Lal, 2006, p. 103; Kavalski, 2014).

Drawing on similar strategic sentiments, Pardesi (2015, p. 12) goes on to uncover three formal criteria for the classification of states as great powers: (i) the state must have either a security or an economic interest in a region outside of its home region; (ii) the state must have the material capabilities to backstop such aspirations; and (iii) the state should be recognized as a great power in the region outside of its home region both by the other great powers and the other relevant actors in that region. Deploying these criteria, Pardesi outlines that India's strategic footprint extends both over South Asia and Southeast Asia—the twin axles of the Indo-Pacific littoral space. Thus, since New Delhi has projected its national interests beyond its home region validates the claim that “India has already emerged as a great power”—and, therefore, should no longer be treated as a middle power (Ibid., p. 23; Kavalski, 2010c).

In this sense, New Delhi's aspirations for “greatness” in the Indo-Pacific reflect the refusal to acknowledge the “hard facts” of the country's inadequacies. Yet, the lack of consensus on what such great power status might entail and how it can be achieved has spilled into divisive “history wars” about the nature of Indianness. Gradually, the discussion of the country's great power has morphed into a project for the homogenization and “nationalization” of the country's international identity along very narrow and exclusionary religious and ethnic lines. Hence, the response to the question about what India's great power is has become associated with the subscription to a particular (increasingly, Hindu) vision of what India is and how it should develop.

5. Conclusion

It seems that the Indo-Pacific label has been deployed by India to validate its great power aspirations. Such operationalization of strategic region-building acknowledges that the positioning of any international actor emerges as a *power in context*—it is not entirely an intrinsic property of an actor but depends on the kind of interactions it has in specific (temporal and spatial) contexts. This condition is one of the key sources of the awkwardness of India's great power (Kavalski, 2019). It reflects simultaneously (i) the contested nature of India's standing—jostling between an aspiring great power, a regional South Asian hegemon, and a begrudging middle power; and (ii) the neglect of Indian aspirations (and self-perception) of great civilizational status. As such, the case of India confirms the assumption articulated in the introduction to this volume that it is the complex interactions between contestation and neglect that frames the awkward status of power on the world stage.

Thus, the status of power is not necessarily only about affecting the perceptions of other actors (which offers a rather limited scope of action), but mostly about framing the responses of those other actors. Yet, Indian policymakers have so far failed to develop the social dimensions of their country's power. In other words, the discourse and practices of power are not about the relative capabilities of actors (as scripted by the narratives of "the struggle for power"), but about the kind of relationships they engender in their interactions (in the context of a "nascent struggle for recognition") (Kavalski, 2016b). In this respect, the patterns of international anarchy seem to be animated by the very status insecurity of international actors. Such insecurity reveals the uncertainty associated with the "constitutive vulnerability" of states in global life—the "unpredictable responses and reactions of others to their power" (Markell, 2003, p. 36). In other words, recognition becomes the permissive context for an actor's exercise of power.

India has so far failed to develop meaningful means to gain such recognition for its power aspirations. Such recognition tends to be granted when the power-wielding actors deliver deliberate and credible commitments to the intended target (Pan – Kavalski, 2018). Owing to India's idiosyncratic understanding of power and its historical and normative framing, the country's power remains awkwardly placed on the world stage. In this respect, the case of India indicates that the recognition of an actor as a great power rests on the ability to show contextual consideration for the effects of its actions on others. Thus, anarchy is not just "what states make of it", but what reactions they engender in their struggle for recognition. India seems still quite far from reckoning that the recognition (and legitimacy) of great power is embedded in the practices through which it projects its social purpose in global life. In this regard, the example of the awkwardness of India's great power calls for further exploration into the ways in which such recognition is granted. Therefore, as the many analyses included in this collection demonstrate, rather than an exception, awkward powerdom might be the defining feature of contemporary global life. As such, it is the meaningful attention to the awkwardness of power that will likely frame the debate on the meaning and practices of world politics.

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Balancing between Powers: The Indonesian Aspects of the Indo-Pacific

Zoltán Páldi

1. Introduction

In 1967, Indonesia, along with Malaysia, the Philippines, Singapore, and Thailand established the Association of Southeast Asian Nations (ASEAN) with the aim to counterbalance the growing pressure caused by the rivalry for influence between the Soviet Union and the United States of America (US). Half a century later, history tends to repeat itself, two great powers, China and the US compete, and influence over the Indo-Pacific region has become one of the most crucial points on the agenda, which once again greatly affects Southeast Asia and Indonesia.

Strategically located in the heart of the Indo-Pacific and an important actor within ASEAN (and beyond), Indonesia is an important regional centerpiece in this competition between the two great powers. Realizing this, both China and the US attempt to win over Indonesia to their own cause. Indonesia, on the other hand, as a long-time advocate of non-alignment, is trying to keep balance and to avoid falling too much under the sway of any of the great powers, whilst still upholding close ties with both of them, especially in regard to fields such as economic, security and infrastructure development cooperation.

Analyzing official documents, press statements and the most recent development of events related (such as high-level visits), and drawing upon previous research conducted in the field, this article attempts to shed some light on how successful Indonesia is in keeping this balance—or, from another angle, how successful China and the US are in extending their influence over Indonesia. The section following the introduction describes Indonesia's place in the world economy, including its role within ASEAN and in the broader region, followed by the outlining of the main cornerstones of Indonesia's policy formulation concerning the Indo-Pacific. The subsequent section, portraying Indonesia's place in the US strategy of a Free and Open Indo-Pacific and the country's attitude towards China, depicts Indonesia's position within the China–US rivalry, and also attempts to illustrate the growing intensity of this competition through the lens of recent high-level visits. The last section concludes the paper and places its findings into a wider context.

2. Indonesia's Growing Significance in the Region and Beyond

With a population of over 270 million, Indonesia is the largest country in Southeast Asia and the fourth most populous in the world. But it is definitely not only its size that makes Indonesia stand out, as this tropical archipelago is also one of the most remarkable emerging economies. Between 2000 and 2019, it managed to uphold an annual economic growth above 5 percent on average (World Bank, 2020, p. 39). With its gross domestic product (GDP) reaching a staggering US\$1.1 trillion, Indonesia ranked as the world's 16th largest economy in 2019, and may even leap as far as the fourth place by 2050 (PricewaterhouseCoopers, 2017). Indonesia's economic prosperity is also signaled by a growing middle class that between 2002 and 2016 expanded from 14 million to circa 52 million people, with an average increase of 10 percent per annum (World Bank, 2019, p. 8).

Following a steady growth, by 2019, Indonesia's gross national income (GNI) per capita reached US\$4050, and as a result, in July 2020, the World Bank upgraded its status from the "lower-middle income" to the "upper-middle income" category (Serajuddin – Hamadeh, 2020). This was an important milestone on the path towards the government's goal of making Indonesia a high-income country by 2045, the 100th anniversary of the proclamation of its independence. However, as Finance Minister Sri Mulyani Indrawati pointed out at an online seminar in November 2020, achieving this will require further serious development, especially in the infrastructure and human resource quality domains (Ministry of Finance, Republic of Indonesia, 2020).

The idea of Indonesia being on the way to become the next Asian economic powerhouse may already be enough to draw attention. In addition, its central role within the Association of Southeast Asian Nations makes it even more notable. ASEAN as a regional organization sits right in the middle of the Indo-Pacific. Even though ever since its inception, the grouping has been working strictly based on consensus, many regard Indonesia as its natural and de facto leader. Besides the fact that the organization's permanent seat is in Jakarta, the above statement can be underpinned by a number of other things as well. Making up more than 40 percent of ASEAN's total population and land area, Indonesia is by far the region's largest country and biggest economy (and the only G20 member in the bloc), also possessing the largest military force as well as abundant natural resources. And while always adhering to ASEAN's golden rule of non-interference in each other's internal affairs, Indonesia has been remarkably successful in constructively engaging with its fellow member states, even in tense situations. At the 2012 ASEAN Foreign Ministers' Meeting, for instance, when Cambodia, as chair, was reluctant to give the green light on issuing

a joint communique on the South China Sea, Indonesia took the initiative and commenced intense consultations, despite being a non-claimant in the territorial dispute and hence only affected to a relatively small extent. The talks resulted in the “ASEAN’s Six-Point Principles on the South China Sea”, a statement that proved to be acceptable for all member states, including Cambodia, a close ally to China (Putra, 2015, p. 192). This attitude contributed greatly to solidifying ASEAN’s unity and resulted in Indonesia earning a respected place within the Southeast Asian community.

This being said, recent events have shown that Indonesia does not shy away from acting assertively either. In the last minute before the 22nd ASEAN–European Union (EU) Ministerial Meeting in January 2019, for instance, Indonesia (along with Malaysia) vetoed the elevation of ASEAN–EU ties to a strategic partnership as a form of protest against the EU’s RED II directive, arguing that it is discriminative against one of their most important export commodities, palm oil.¹ The formal upgrade of relations between the two regional blocs could not take place until almost two years later, when the parties finally agreed on launching a joint working group on vegetable oils with the participation of the EU and relevant member states (Páldi, 2020, p. 100). While some might question the righteousness of channeling a mainly bilateral dispute into a multilateral platform, it nonetheless demonstrates Indonesia’s proactive and dominant position within ASEAN and its ability to use the organization effectively to pursue its own interests.

Finally, there is Indonesia’s strategic geographical location. Besides sitting in the very middle of the Indo-Pacific region, Indonesia also abuts the Strait of Malacca that connects the Indian and Pacific Oceans. More importantly, the Strait of Malacca is one of the busiest marine trade routes on the planet, where approximately 25 percent of the world’s sea commerce passes by (Evers – Gerke, 2006).

3. From the Archipelagic Concept to the ASEAN Outlook on the Indo-Pacific

“*Wawasan nusantara*”, a Bahasa Indonesia² term roughly translated as “archipelagic concept”, is deeply entrenched in the Indonesian national psyche. The medieval empires of Srivijaya, Singhasari and Majapahit were influential maritime powers, controlling sea trade in Southeast Asia from their respective seats in Java and

¹ Indonesia is the world’s largest palm oil producer, followed by Malaysia in the second place. The two countries’ production accounts for over 80 percent of the world’s total.

² Bahasa Indonesia is the official language of the Republic of Indonesia.

Sumatra. The 1928 Youth Pledge ("*Sumpah Pemuda*"), years before the proclamation of Indonesia's independence, refers to the motherland as "*tanah-air*", literally meaning "land-water", an expression since then widely and officially used in Bahasa Indonesia.

Today, Indonesia is the world's biggest archipelagic country. Covering an extraordinarily expansive territory, it stretches out for more than five thousand kilometers from east to west, and 1800 kilometers from north to south, comprising of more than seventeen thousand islands. Its land area (including inland waters) is approximately 1.9 million square kilometers. Complemented with the immediately surrounding oceans and seas, Indonesia's generally recognized territory is roughly 5 million square kilometers, however, the total area claimed by the government, with the 200 nautical mile exclusive economic zone (EEZ), is circa 7.9 million square kilometers (Frederick – Worden, 2011, pp. 98-99). In light of this, it is no wonder that "*wawasan nusantara*" has made it to the inclusion into the national school curriculum and has also become the fundamental cornerstone of Indonesian geopolitics.

As opposed to the rather inward-looking, domestic focused "*wawasan nusantara*", in 2013, at a conference hosted by the Center for Strategic and International Studies in Washington, DC, then Foreign Minister Marty Natalegawa expressed Indonesia's desire to become a more prominent and proactive actor in the wider region. In his keynote speech entitled "An Indonesian Perspective on the Indo-Pacific", Natalegawa proposed an idea of an Indo-Pacific Treaty of Friendship and Cooperation (IPTFC), modeled after ASEAN's 1976 Treaty of Amity and Cooperation, that could serve as common ground for confidence building, peaceful dispute solving and the promotion of the overall concept of security in the region (Center for Strategic and International Studies, 2013). However, despite being endorsed by Natalegawa as well as then President Susilo Bambang Yudhoyono, the idea of IPTFC never really took off.

A year later, when Indonesia's current president, Joko Widodo (Jokowi) ran for his first term in 2014, one of his campaign promises was realizing a free and active foreign policy³ and strengthening the national identity as a maritime country (General Elections Commission of Indonesia, 2014). On November 13, the same year, at the 9th East Asia Summit in Nay Pyi Taw, Myanmar, Jokowi gave his first speech abroad as president, outlining his vision of Indonesia as a Global Maritime Fulcrum (GMF), a power at the meeting point of two oceans that takes part in shaping the future of the "Pacific and Indian Ocean Region". As he explained, the successful realization

³ The main guiding principles of the newly independent Indonesia's foreign policy as "free and active" were set in 1948 by Mohammad Hatta, then vice president and prime minister.

of this requires the rebuilding of Indonesia's maritime culture, the management of maritime resources and maritime economy, the prioritization of maritime infrastructure and connectivity development, and the stepping up of maritime diplomacy and maritime security (Cabinet Secretariat of the Republic of Indonesia, 2014). In 2017, an overhauled and extended version of the above points was enshrined in a presidential decree on the Indonesian Ocean Policy ("*Kebijakan Kelautan Indonesia*"). The policy states that the notion of Global Maritime Fulcrum and the role of Indonesia is to become "(...) a sovereign, advanced, independent, strong maritime nation that is able to provide positive contribution for peace and security of the region as well as to the world in accordance with its national interest" (Coordinating Ministry for Maritime Affairs, Republic of Indonesia, 2017). Remarkably, as Agastia (2020, p. 299) observes, the Indonesian Ocean Policy was the first attempt to develop a comprehensive maritime orientation in Indonesia's foreign policy. It is also worth pointing out that the Global Maritime Fulcrum is a multifaceted vision that includes political, security and economic aspects, and also requires the widening of Indonesia's primary foreign policy focus from ASEAN to the Indo-Pacific.

This is reflected in Foreign Minister Retno Marsudi's 2018 regular year-opening annual press statement as well, in which she outlined that "Indonesia wants the ecosystem of peace, stability, and prosperity to be established not only in ASEAN, but also in (...) the Indo-Pacific" and to this end, will initiate the development of an Indo-Pacific cooperation umbrella concentrating on a number of strategic fields, mainly security, maritime, trade and investment, strongly emphasizing the importance of ASEAN's participation and centrality in the formulation of this concept (Marsudi, 2018). Initially, it was not easy for Indonesia to convince the fellow ASEAN member states to jump on the bandwagon due to differing levels of enthusiasm regarding the topic (Anwar, 2020, p. 126). However, at the 32nd ASEAN Summit held in April 2018 in Singapore, the leaders at least agreed to continue the discussion about the Indo-Pacific concept (ASEAN Secretariat, 2018). Subsequently, by mid-2018, Indonesia compiled its Indo-Pacific Cooperation Concept and offered it to the ASEAN member states for consideration. Indonesia heavily promoted the concept not only within ASEAN, but also within other ASEAN-led dialogue mechanisms such as the East Asia Summit as well as on other platforms, including the High-Level Dialogue on Indo-Pacific Cooperation, a dedicated event held in March 2019 in Jakarta (Anwar, 2020, p. 126). Following over a year of intense lobbying, the Indonesia-initiated policy concept was eventually endorsed at the 34th ASEAN Summit in Bangkok, on June 23, 2019, and as a result, the ASEAN Outlook on the Indo-Pacific (AOIP) was adopted (ASEAN Secretariat, 2019a).

The AOIP highlights four key elements: namely ASEAN's central and strategic role; cooperation instead of rivalry; development and prosperity for all; and the significance of the maritime domain in the regional architecture (ASEAN Secretariat, 2019b). The first element underlines one of ASEAN's main guiding principles, the "ASEAN Centrality", meaning that the organization must remain at the core of regional institutions. This is definitely advantageous for Indonesia, considering its *de facto* leading role within ASEAN, freshly reconfirmed with the success of the acceptance of AOIP within the bloc. "Prosperity for all" and the emphasis of cooperation over rivalry implies inclusivity and openness. This enables ASEAN member states, Indonesia included, to engage with other stakeholders with bigger confidence, utilizing the political platform provided by the AOIP. Lastly, the element regarding "the importance of the maritime domain" also matches well with Indonesia's GMF aspirations. The AOIP also highlights four main areas of cooperation, namely the maritime and economic domains, connectivity (infrastructure), and the realization of Sustainable Development Goals. All in all, one may conclude that the unfolding of the Indonesia-initiated AOIP, besides being generally acceptable for all other member states, is still very much in line with Indonesia's strategic interests.

The AOIP also aims at upholding regional peace and security, and remarkably, this is expressed without mentioning any specific security threat or country by name (Anwar, 2020, p. 128). There are only very subtle hints in the text, such as the expression "patterns of behaviour based on a zero-sum game" that can be understood as a reference to the escalating great power rivalry in the region, as well as a phrase that goes as "unresolved maritime disputes that have the potential for open conflict" which may vaguely refer to the South China Sea dispute in which half of ASEAN's ten member states are involved.

Given that it offers inclusiveness and that its goal is to complement existing frameworks and mechanisms rather than replacing them or competing with them, the AOIP received a generally welcoming reception. Chinese State Councilor and Foreign Minister Wang Yi argued that many of the ideas enshrined in the AOIP are consistent with that of China (Ministry of Foreign Affairs of the People's Republic of China, 2019). Similarly, US Secretary of State Mike Pompeo praised naturally converging joint interest (U.S. Mission to ASEAN, 2019). Australia, India, and Japan, the other three countries besides the US in the Quadrilateral Security Dialogue (Quad) also expressed their support (Yasmin, 2019). In light of this, one may argue that the AOIP, despite being vague in certain parts, proved to be a successful initiative to help the Southeast Asian bloc "find its own voice" and offset great power politics (Anwar, 2020, p. 127), hence granting member states a bigger leeway to simultaneously engage with

both China and the US (as well as other players) to accelerate the achievement of their goals, in Indonesia's case, for example, much needed infrastructure development.

4. Indonesia's Ties with China and the US from the Perspective of the Indo-Pacific

According to the 2020 Asia Power Index issued by the Lowy Institute (n.d.), the US is still the most influential player in the region. Although its "power gap" is waning, and China already tops the list in terms of economic capability, future resources, economic relationships and diplomatic influence, the US still ranks first in military capability, resilience, defense networks and cultural influence.

Shortly after gaining its independence⁴, Indonesia established diplomatic ties with both the US and China, in 1949 and 1950, respectively. While the US–Indonesia ties have largely been undisturbed throughout their history of seven decades, Indonesia's relations with China experienced a number of sharp shifts, ties even got suspended in 1967 and only normalized again in 1990. This being said, in the last two decades, Indonesia nurtures a strong relationship with both China and the US. China and Indonesia signed a strategic partnership declaration in 2005, strengthened to a "comprehensive" level in 2013, whereas with the US, Indonesia officially entered into a comprehensive partnership in 2010 and sealed a strategic partnership agreement in 2015. This also shows that Indonesia attempts to keep a "dynamic equilibrium" and tries to maintain its non-aligned status instead of choosing sides, in line with its core foreign policy principle of being "free and active" (Hamilton-Hart – McRae, 2015, p. 18). However, with the Indo-Pacific becoming an important front in the escalating great power rivalry for influence, the durability of this balance also becomes questionable.

China is currently the largest trading partner of Indonesia. In 2018, Indonesia's bilateral trade in goods with China totaled US\$72.6 billion, whereas with the US it reached 28.6 billion, making it Indonesia's third biggest export destination and fifth biggest import partner (WITS, 2021). In terms of foreign direct investment (FDI), China ranked second (preceded only by Singapore) with US\$4.74 billion in 2019. In comparison, the US\$989 million worth of US investment realized in Indonesia in the same year was only enough for the 8th place (Indonesia Investment Coordinating Board, 2020).

⁴ Indonesia declared its independence in 1945, however, the United Nations and the wider international community only recognized it in 1949.

Speaking of investment, in order for Indonesia to achieve its ambitious strategic goals, or simply just to catch up with its regional peers in terms of infrastructural development, an astronomical amount of funding is required. In the Global Competitiveness Report, Indonesia ranked 52nd in terms of infrastructure in 2017-2018, and in 2019, it slid back to the 72nd position (World Economic Forum, 2019). A 2018 World Bank report says Indonesia has a whopping US\$1.5 trillion infrastructure deficit (World Bank, 2018). The majority of funding to help cover this gap obviously has to come from outside sources.

4.1. Indonesia's Attitude towards China

Realizing Indonesia's dire need for infrastructural development, it was not a coincidence that in October 2013, Chinese President Xi Jinping chose Jakarta to unveil the 21st Century Maritime Silk Road component⁵ of the One Belt One Road (since then rebranded as the Belt and Road Initiative or BRI) in a speech in front of the Indonesian Parliament (Richardson, 2020, p. 66). Indonesia embraced the initiative. In a 2015 joint statement, Jokowi and Xi Jinping highlighted that the Maritime Silk Road and Indonesia's GMF vision are "highly complementary to each other", and pledged to deepen cooperation in a multitude of areas in infrastructure and industry (Embassy of the People's Republic of China to the Republic of Indonesia, 2015). Commenced in 2016, the construction of the Jakarta-Bandung high-speed railway became the BRI's flagship project in Indonesia. Furthermore, Indonesia designated four economic corridors (namely North Sumatra, North Kalimantan, North Sulawesi, and Bali) for BRI, and in 2019 offered 28 projects with a total investment value of US\$91 billion to Chinese investors (Indonesia Investment Coordinating Board, 2019).

In order to counterbalance China's involvement in infrastructure development, Indonesia uses a hedging strategy. This includes offering strategic projects to other countries, such as Japan in case of the construction of the Patimban Port in West Java and the Jakarta-Surabaya medium-speed railway, or to India to build a port in Sabang, Indonesia's westernmost Aceh Province (Anwar, 2020, p. 121). Also, to disperse fears over becoming overly dependent on China by being lured into a debt trap or forced into unilaterally favorable conditions, the Indonesian government emphasized that it had set strict rules for BRI projects. These "rules of thumb" include the obligation to use environmentally friendly technologies, to conduct technology transfer and to create high added value, and, last but not least, to limit the use of Chinese

⁵ The other component, the Silk Road Economic Belt was introduced a month earlier in Kazakhstan.

foreign workers (Richardson, 2020, p. 68). Since there are millions of unemployed in Indonesia, the alleged “influx” of Chinese workers is a sensitive issue, amplified by long prevalent racial and political narratives on ethnic Chinese-Indonesians (Shambaugh, 2020, pp. 231-232).

The public’s fears over growing Chinese influence are also rooted in its status as Indonesia’s “big neighbor”. The geological proximity of the two countries is a double-edged sword; on the one hand, it is advantageous for trade ties, on the other hand, an increasingly assertive China next door to Indonesia can be seen as a threat in itself. Indonesia’s exclusive economic zone around the Natuna Islands in Riau Province overlaps with China’s nine-dash line, which resulted in some tensions over recent years. As a result, Indonesia beefed up its military presence in the Natuna area and sent a diplomatic note to the United Nations on May 26, 2020 to protest against China’s behavior. In response, China offered to settle their overlapping claims with Indonesia via negotiation, which the latter refused arguing that the 1982 United Nations Convention on the Law of the Sea (UNCLOS) clearly justifies Indonesia’s stance and there is nothing to negotiate.

However, China’s position as number one trade partner and infrastructure provider (for which Indonesia has approximately US\$17.75 billion of outstanding debt towards China) limits Indonesia’s tools to oppose its assertive neighbor (Rakhmat, 2020). Besides, Indonesia’s navy is still a long way from becoming the world-class power envisaged in the GMF and cannot individually ward off a potential external threat as big as China. As such, Indonesia conducts active defense cooperation with other allies such as Australia, India, Japan, and the US (Scott, 2019).

4.2. Indonesia’s Place in the US Vision of a Free and Open Indo-Pacific

Indonesia has long enjoyed a strong security partnership with the United States that covers a wide area from border security to maritime domain awareness (US Department of State, 2021). To further diversify and strengthen the bilateral ties, in 2015, under the framework of the Obama administration’s “Pivot to Asia”, the US and Indonesia became strategic partners. Barack Obama, who spent a part of his childhood in Jakarta, made efforts during his tenure to put more focus on Southeast Asia in general. However, the succeeding Trump administration diverted from this trajectory. As far as Indonesia is concerned, Trump never visited Jakarta during his tenure, nor did Jokowi pay a visit to the White House. Besides, Donald Trump, himself not being a great supporter of multilateralism, did not attribute much significance to

nurturing ties with ASEAN either. After the previous US Ambassador to ASEAN finished her assignment in Jakarta in 2017, Trump never appointed a new head of mission. Considering that Indonesia strongly leans on ASEAN Centrality in its foreign policy, this move was definitely not in its favor. The same could be said regarding the 2018 announcement from the United States Trade Representative to review Indonesia's eligibility for trade benefits in the Generalized System of Preferences (GSP) over "suspicious" trade deficit⁶ in the US–Indonesia relations to the latter's favor. Even though Indonesia's bilateral total trade with China is considerably larger, the US is still one of its top three export markets, reaching US\$18.4 billion in 2018 (as opposed to US\$27.1 billion worth of exports to China) (WITS, 2021). Hence withdrawing the preferential treatment granted under the GSP would obviously cause a serious loss to Indonesia.

The so-called US Strategic Framework for the Indo-Pacific, a strategy paper approved in February 2018 and declassified in January 2021, shows that the Trump administration's approach to the region was primarily security-focused. According to the document, the top US interests in the Indo-Pacific encompassed defending the homeland, maintaining primacy and preserving military, diplomatic and economic access to the region, while the main focus was on "preventing China from establishing new, illiberal spheres of influence". In the ten-page framework, Indonesia is only mentioned once, in a rather general context, alongside Malaysia, Singapore, and Vietnam. However, the document at least takes note of ASEAN Centrality, stating that it is a "core component of the free and open Indo-Pacific strategy" (US Naval Institute, 2021).

At the end of 2018, the US Congress passed the Asia Reassurance Initiative Act (ARIA) whose aim was to show the United States' commitment in the region, and promote its security and economic interests, along with its values. In line with this, the act states that the US "should deepen diplomatic, economic, and security cooperation, especially in the areas of maritime security and counterterrorism, with Indonesia", and, similar to the Strategic Framework, with Malaysia, Singapore, and Vietnam (US Congress, 2018).

The strategy document on the Free and Open Indo-Pacific, issued by the Department of State in November 2019, if somewhat late, eventually offers a more comprehensive vision. Though it still contains a strong anti-China sentiment, and the security element is still emphasized, economic, development and infrastructure cooperation

⁶ In 2018, the United States' trade deficit with Indonesia reached US\$8.2 billion (Indonesia's export to the US was US\$18.4 billion against US\$10.2 billion of import from the US).

also receive some spotlight. The paper highlights the US International Development Finance Corporation (DFC), which was created by the 2018 Better Utilization of Investments Leading to Development (BUILD) Act in 2018, practically as an alternative to BRI, with a budget of US\$60 billion, doubling the US government's previous development financing capacity (US Department of State, 2019, pp. 15-16). Indonesia quickly came into the picture: in January 2020 in Jakarta, during a meeting with President Jokowi, DFC's CEO, Adam S. Boehler expressed the institution's openness to invest into infrastructure development in the country (Ministry of State Secretariat of the Republic of Indonesia, 2020). The Free and Open Indo-Pacific document also stresses DFC's leading role in the Blue Dot Network, a joint initiative launched by the US together with Australia and Japan as a means to certify high-quality infrastructure and promote the principles of quality infrastructure investment (US Department of State, 2019, p. 16). This initiative may also be understood as another tool through which projects with Quad involvement could be distinguished from those of the BRI.

Based on the documents mentioned above, one may conclude that in formalizing its Indo-Pacific strategy, the Trump administration was mainly preoccupied with China, which also came with a side effect of paying less attention to truly and effectively nurturing bilateral ties with other countries in the region. With regard to the US–Indonesia relations, this implies that although the Trump administration listed Indonesia amongst its important allies in the area, its administration did not necessarily attribute the archipelago the special attention it may deserve based on its regional role as a middle power and de facto ASEAN leader—apart from the domain of security cooperation, perhaps.

4.3. The Current State of Play through the Lens of High-level Visits

In late 2019, not long after the acceptance of the AOIP, Indonesia took the initiative to organize the first-ever Indo-Pacific Infrastructure and Connectivity Forum. In line with the principles laid down in the AOIP, the event's idea was to invite all interested stakeholders, both from the region and outside the region, providing "a good platform to encourage concrete cooperation and synergy in various infrastructure and connectivity programs in the Indo Pacific Region" (Ministry of Foreign Affairs of the Republic of Indonesia, 2019). Or in other words, to intensify competition and hence maximize (or at least increase) the benefits of its previously described hedging strategy. The forum, whose preparations started in late 2019, was supposed to be held in Jakarta in mid-2020, however, similar to many other events that year, it had to be called off due to the escalating Covid-19 pandemic. Still, the intention to organize such a forum

indicates Indonesia's ambition to follow its own path and stabilize its role as regional leader and middle power. Besides, Indonesia had been growing increasingly worried about the possible negative outcome of the escalating rivalry over the region, as reflected in Foreign Minister Retno Marsudi's interview with Reuters in which she called on China and the US, exclaiming: "We don't want to get trapped by this rivalry" (Allard – Widiyanto, 2020).

In the context of Indonesia, the increasing intensity of the great power rivalry for the influence over the country can also be illustrated via the dynamics of high-level interactions between Indonesia and China, and the US, respectively. In the last half of 2020 and at the beginning of 2021, a relatively high number of important diplomatic visits took place in these relations, even with the widespread movement restrictions⁷ in place due to the ongoing pandemic.

In August 2020, Foreign Minister Retno Marsudi, accompanied by Erick Thohir, the minister responsible for Indonesian state-owned enterprises traveled to China, making Marsudi the first foreign minister to pay an official visit to the country since the start of the Covid-19 outbreak. Marsudi and Thohir met State Councilor and Foreign Minister Wang Yi to discuss BRI projects and collaboration in Covid-19 vaccine research and production. The sensitive topic of the South China Sea was not touched upon (Nursalikah, 2020). During the meeting, an agreement was also signed between China's Sinovac Biotech Ltd. and Indonesian state-owned pharmaceutical company PT Bio Farma on the procurement and production of Sinovac vaccine, whose clinical trials had been already ongoing in Indonesia (Septiari, 2020).

Chinese Defense Minister Wei Fenghe met Prabowo Subianto, his Indonesian counterpart on September 8 in Jakarta. The Indonesian defense ministry's official statement only mentions that the parties discussed Covid-19 mitigation strategies, cooperation in the field of the defense industry and training, and "recent Asia-Pacific issues". It also adds that the two ministers were later joined by Luhut Binsar Pandjaitan, Indonesia's Coordinating Minister for Maritime and Investment Affairs (Ministry of Defense of the Republic of Indonesia, 2020). It is also important to point out that Wei's Indonesian visit took place a mere day before the ASEAN Foreign Ministers' Meeting kicked off, during which video conferences with dialogue partners were also conducted, including the foreign ministers of China and the US.

⁷ Ban or restrictions on foreign arrivals introduced almost everywhere as the Covid-19 pandemic escalated usually do not apply for high-level visits. Still, as a rule of thumb, out of caution, only visits of higher significance are actually realized physically.

The next month, Minister Prabowo flew to the US on the invitation of Defense Secretary Mike T. Esper, to discuss cooperation in the field of defense modernization and maritime security (US Department of Defense, 2020). What made this visit become news headlines, however, was the fact that in order to realize it, the US had to revoke Prabowo's longstanding entry ban: the former special forces commander turned politician was blacklisted from entering the United States due to human rights violations committed back in 1998.

On October 29, Secretary of State Mike Pompeo flew to Jakarta to give a speech at an event hosted by the Ansor Youth Movement and Nahdlatul Ulama, one of the largest Islamic organizations, and an immensely influential institution in Indonesia, considering that the archipelago is home to the world's largest Muslim community⁸. In his speech Pompeo slammed the "atheist Chinese Communist Party" for the persecution of the Uyghur Muslims in Xinjiang (US Embassy Jakarta, 2020). The Secretary of State also paid a courtesy visit to President Jokowi and conducted a meeting with Foreign Minister Retno Marsudi. Though many criticized that the timing of Pompeo's trip, less than a week before the US presidential elections, made the visit weightless, still, it bore at least one important result for Indonesia. The day after the visit, the United States Trade Representative announced that it had closed Indonesia's GSP eligibility review, which had been ongoing for two and a half years, with no withdrawal of trade benefits for Indonesian goods (Office of the United States Trade Representative, 2020).

A senior member of Jokowi's cabinet, Coordinating Minister for Maritime and Investment Affairs Luhut Binsar Pandjaitan visited both China and the US during the months of October and November. Luhut, a seasoned politician and former military general, is also the Indonesian president's close aide and special envoy, and the key official responsible for BRI projects and major investment deals. On October 9, he met with Wang Yi in Yunnan, China to discuss vaccine cooperation, the speeding up of BRI projects, and possibilities to further strengthen the synergies between China's BRI and Indonesia's GMF (Embassy of the Republic of Indonesia in Beijing, 2020). A month later, Luhut visited Washington, DC, where he was received at the highest levels. On November 17, the coordinating minister spent six hours in the White House, meeting President Trump in the Oval Office and subsequently holding talks with Vice President Mike Pence and National Security Advisor Robert O'Brien (Coordinating Ministry for Maritime and Investment Affairs, Republic of Indonesia, 2020). As Luhut jokingly put it, he brought back a number of "souvenirs for Indonesia" from his US trip. Probably the most notable of these was a memorandum of understanding with the Export-Import

⁸ Of the population of Indonesia, about 87 percent or an estimated 230 million people follow Islam.

Bank of the United States about trade and infrastructure financing to the value of US\$750 million, and a letter of intent signed by DFC's CEO, Adam S. Boehler regarding a US\$2 billion investment into Indonesia's planned sovereign wealth fund.

On January 12-13, 2021, Wang Yi paid a two-day visit to Indonesia. Similar to Mike Pompeo in October 2020, he was received by President Jokowi, and also held talks with Foreign Minister Retno Marsudi who underscored Indonesia's commitment to UNCLOS and the AOIP, just as she did during her meeting with Pompeo (Ministry of Foreign Affairs of the Republic of Indonesia, 2021). Besides, Luhut Binsar Pandjaitan also welcomed the Chinese minister in the picturesque Lake Toba area in his native North Sumatra. Luhut, referring to Wang Yi as his "close friend", discussed investment opportunities with his Chinese counterpart in a wide array of fields ranging from healthcare to electric vehicles, including the possibility of extending the Jakarta-Bandung high-speed railway as far as Surabaya, Indonesia's second largest city. A pioneering "Two Countries Twin Park" agreement was also signed with the aim to strengthen collaboration between certain industrial parks in China and Indonesia (Coordinating Ministry for Maritime and Investment Affairs, Republic of Indonesia, 2021).

However, the biggest gain for China came from vaccine diplomacy. On the same day when Wang Yi commenced his official visit, 15 million doses from Sinovac's vaccine bulk supply also arrived in Indonesia, an important step towards making the country a regional vaccine production hub. What is more, the Chinese politician's courtesy call with President Joko Widodo on January 13 also coincided with the president's inoculation which received huge media exposure to demonstrate that it is *halal*⁹ and reliable. Besides, Jokowi was the first major world leader to be inoculated with the Sinovac vaccine, which can also be seen as a testimony of Indonesia's trust towards China (Hung, 2021). This will probably help a great deal to relieve and offset the tensions that sour the China–Indonesia ties in other domains.

5. Conclusion and Outlook

Nestled in the very heart of the Indo-Pacific, Indonesia's strategic position is not to be underestimated. The archipelago is Southeast Asia's most populous nation and biggest economy. Besides, it also has a key role within ASEAN, an important centerpiece of regional politics. This article argued that given its bright economic prospects,

⁹ Appropriate for Muslims.

Indonesia's significance as an emerging economic powerhouse and de facto regional leader will probably increase further. On the flip side, its underdeveloped infrastructure still hampers the country's ambitions to become a real key regional stakeholder and, later on, a Global Maritime Fulcrum. The article also investigated Indonesia's approach towards China and the US, from both the perspective of bilateral ties and a regional point of view. Due to limitations of length, however, other stakeholders in the Indo-Pacific arena, such as India and Japan, were only marginally touched upon.

Indonesia currently enjoys strong and multifaceted bilateral relations with both China and the US. However, as the ongoing rivalry between the two great powers escalates, Southeast Asia has become one of the key areas in the US–China competition for primacy, putting Indonesia, like many other countries in the region, under increasing pressure to choose sides. The adoption of the Indonesia-initiated ASEAN Outlook on the Indo-Pacific proved to be a useful tool in the struggle to offset this pressure and restore ASEAN Centrality to the region.

In a bid to narrow its infrastructure gap, Indonesia embraced the Belt and Road Initiative with enthusiasm, and thanks to the country's size and strategic importance in China's Maritime Silk Road master plan, it managed to set relatively strict rules for the BRI projects, hence decreasing the chances of falling under dependency on China. Moreover, as part of its hedging strategy, Indonesia engaged in infrastructure development cooperation with other countries as well in order to counterbalance China's involvement. On the other hand, Indonesia needs to strive to keep the equilibrium even in another field: to keep an increasingly assertive China at bay on the South China Sea, the archipelago has to maintain strong security cooperation with the US and other "like-minded" countries, most notably the members of the Quad grouping.

For a long time, the Trump administration did not attribute special attention to Indonesia or to the US–ASEAN ties, hence providing an edge for China to extend its influence. During the last couple of months of Trump's tenure, the US attempted to make up for this by increasing commitment towards Indonesia, particularly in investment pledges and trade benefits. Still, China managed to keep its advantage in early 2021, mainly thanks to successful vaccine diplomacy, in a time when the US was preoccupied with domestic affairs.

At the time of writing, freshly inaugurated US President Joe Biden's exact Indo-Pacific strategy remains to be seen. However, the appointment of Obama's former "Pivot to Asia" mastermind, Kurt Campbell as the National Security Council's Indo-Pacific coordinator indicates that the region will probably be attributed more attention in

the Biden administration. Considering that there is a bipartisan consensus in the US that taking a strong position on China is required, it is highly likely that the US–China rivalry is here to stay, with the Indo-Pacific remaining a front of ever-growing importance. This presents opportunities as well as challenges for Indonesia, having to maneuver increasingly turbulent waters to upkeep its “free and active” foreign policy principles.

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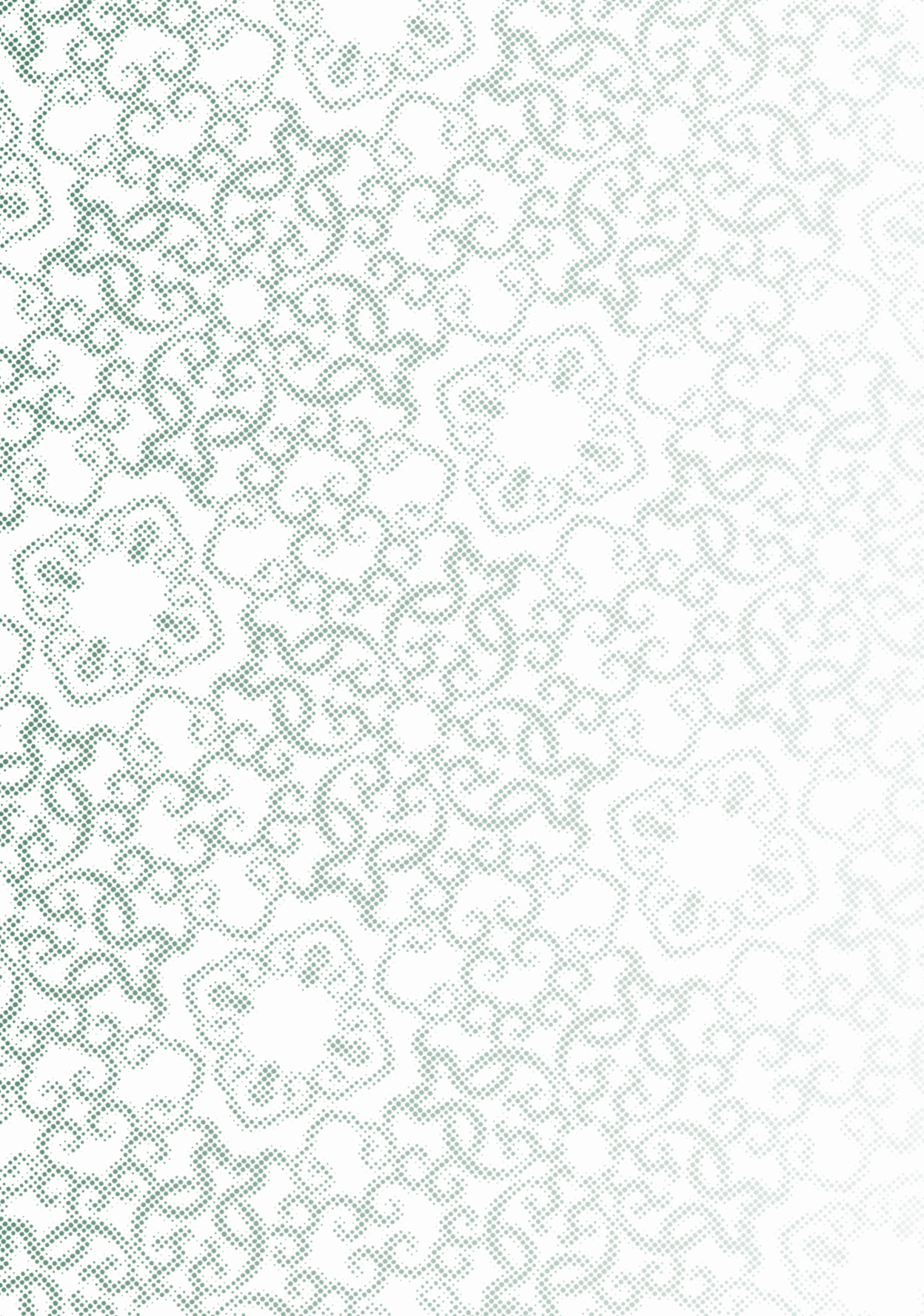
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An Old Alliance Revisited: The Changing Attitudes of Japan and the US to the FOIP Concept

Teodóra Wiesenmayer

1. Introduction

The millennium brought about fundamental changes in the Asia-Pacific region that resulted in a series of competitive measures and new alliances at both regional and global levels. It started with the reorientation of the United States (US) towards East Asia, which can be considered as an effort to rebalance the power relations in the region. Beyond the huge investment opportunities, the Obama administration's "Pivot to Asia" strategy served diplomatic and military purposes, too. On the other hand, China took much bolder steps to shift the balance of power by launching the "Belt and Road Initiative". In turn, the Trump administration applied a more confrontational approach than its predecessor, trying to contain its greatest rival's growth on all grounds.

But the policy of the Asia-Pacific region, which is being referred to as the Indo-Pacific, is not solely determined by the rivalry of the two superpowers. Although the Indo-Pacific is often treated as a single region, its diversity should be taken into account. It includes developed as well as developing economies, democratic and authoritarian governments, countries with different topographic conditions and natural resources, not to mention their intricate web of alliances. Moreover, the countries in the Indo-Pacific region have different attitudes towards China, and they can consider its emergence either as an opportunity or a threat.

In this context Japan's position is a very delicate one. It cannot afford to take such explicit measures against China as the United States due to its economic dependence on China, and the geographic proximity of the latter. While the US strategy was often referred to as a containment policy against China, Japan rather focused on strengthening its alliances in the region and beyond, and on taking a "proactive pacifist" approach instead of a confrontational one. The last decade gave rise to a tremendous change in Japan's defense policy, which has enabled the country to assume an increasing role in the shaping of the region's geopolitics.

The paper aims to present the genesis of the “Free and Open Indo-Pacific” (FOIP) as a concept, and to discuss the differences between its American and Japanese interpretations. It seeks to evaluate the FOIP principles and their effect on US–Japan relations, and to project the possible future strategy within a new context, including changes in the American and Japanese governments.

2. From a Vision to an Ambiguous Policy

2.1. The Japanese Interpretation: Security and Prosperity

The notion of the Free and Open Indo-Pacific has experienced many interpretations since its conception. Its origin can be traced back to former Japanese Prime Minister Shinzo Abe’s speech at the Parliament of the Republic of India in 2007. In his speech entitled “Confluence of the Two Seas” Abe expressed his intent to form a “Strategic Global Partnership” between Japan and India, and extended his view of this “broader Asia” to the United States of America and Australia. At this stage of the partnership the will to cooperate was based on common values and strategic interests. Apart from the possibility to enable the free flow of people, goods, capital, and knowledge, Abe did not fail to emphasize the importance of security issues, namely, the security of sea lanes. Although he used such general terms as the pursuit of freedom and prosperity, Abe repeatedly alluded to the two countries, i.e. India and Japan, as democracies in need of cooperation¹, which might have also implied the threat that non-democratic countries such as China or North Korea were posing on the region.

Abe’s concept was expanded after he had returned to power in 2012. The original, mainly value-based vision shifted its focus from the strengthening of economic ties with other regions to security issues. In 2016, at the Opening Session of the Sixth Tokyo International Conference on African Development the former Japanese Prime Minister Abe once again drew attention to the high number of democratic population living in Asia, adding that democracy, the rule of law, and market economy were pre-requisites of economic growth. He mentioned the need for cooperation with Africa in order to secure the peaceful maritime environment governed by the rule of law.

¹ In his speech, Abe (2007) addresses India as the “largest democracy in the world”, then continues his speech by saying that he speaks “on behalf of the citizens of another democracy that is equally representing Asia”. Further mentions of “democracy” include: “we share fundamental values such as freedom, democracy, and the respect for basic human rights as well as strategic interests”; “I feel that it is imperative that the democratic nations located at opposite edges of these seas deepen the friendship among their citizens at every possible level”.

The key terms in Abe's speeches are security and prosperity. These two go hand in hand because maintaining the rule of law at sea is indispensable for the country's trade, thus Japan's economic growth also depends on the security of its sea lanes. Solís (2020) remarks that Japan "depends too much on China for its prosperity, and too much on the United States for its security", which means that it has to maintain stable relations with both superpowers. As far as economy is concerned, China and the US are Japan's top trading partners; however, there is a big difference regarding the proportion of exports and imports. According to data provided by the World Bank, there are no significant differences in numbers referring to exports to China and the US.² On the other hand, the value of imports from China is double compared to the imports from the US.³ Moreover, it seems that Japan increasingly depends on Chinese imports, as the latest numbers of Japan's imports reveal. There is a declining tendency in Japan's imports due to the falling domestic demand during the Covid-19 pandemic. Therefore, in this context, it is even more remarkable that while in 2020 the imports to Japan fell by 11.6 percent, purchases from China increased by 1.8 percent. The imports from the US were affected considerably, as reflected by the 21.9 percent decline in 2020 (Trading Economics, 2021).

All in all, Japan has strong economic ties with its main supplier, China, on which it depends to a great extent regarding its prosperity. On the other hand, it is still its alliance with the US that determines the country's security. Although the alliance established between Japan and the US after World War II is unbroken, Japan is gradually strengthening its military capabilities, which also presumes a decreasing dependence on the United States. Still, Japan needs to rely on its allies to be able to respond to regional as well as global challenges.

2.2. The American Approach

The term "Free and Open Indo-Pacific" was coined by the Trump administration. It can be viewed as the continuation of Abe's vision on the grounds of being a coalition of regional democracies, including the United States. In 2017 the Quadrilateral Security Dialogue revived, and although meetings among the members—Japan, India,

² In 2017, the value of exports to China was around US\$132 billion and US\$154 billion to the United States, and in 2018 the numbers were even closer to each other, US\$144 billion and US\$140 billion, respectively (Trading Economics, 2021).

³ In 2017, the value of imports from China was US\$164 billion and US\$84 billion from the United States. The former number further increased in 2018 to US\$173 billion, while with the US it dropped to US\$83 billion (Trading Economics, 2021).

Australia, and the United States—continue to be held at various levels, there are obvious differences concerning its specific purposes. Like its predecessor, which is sometimes referred to as Quad 1.0, Quad 2.0 is viewed by China as an attempt at containment. The results of a CSIS research reveal that even if “the ties among the Quad nations and the threat narrative they share are tighter than ever”, this informal political grouping is highly dependent on the prevailing government (Buchan – Rimland, 2020). Although in September 2020 Shinzo Abe resigned (followed by Yoshihide Suga as the president of the Liberal Democratic Party and prime minister), major changes did not take place in the Japanese government, which maintains its legitimate mandate until the 2021 elections. On the other hand, in the United States the 2020 elections brought forth a victory for the Democratic Party, and Joe Biden was inaugurated as president in January 2021. Nevertheless, in order to be able to project the future of the FOIP strategy, it is essential to detect its ambiguities, and to evaluate its achievements and its effect on the relations between the US and the Indo-Pacific region during the Trump administration.

Donald Trump’s FOIP notion varies in different ways from his predecessor’s Rebalance to Asia policy. Barack Obama, while being aware of the threat China posed to Asian nations, sought higher levels of cooperation with China, including climate change or other security issues. Similarly, the Trans-Pacific Partnership (TPP) had a positive purpose, namely, drawing both democratic and non-democratic Asian nations into a more democratic, free-market system. On the other hand, as Swaine (2018) observes, Trump’s FOIP concept does not possess any of the China-related, positive features that are inherent in the Obama administration’s strategy. He argues that the aim of Trump’s China policy is solely to counter Beijing instead of applying a more cooperative approach that might contain some elements of competition and deterrence, if needed. Moreover, Trump withdrew the US from the TPP agreement, which deprived his country of the opportunity to set rules in accordance with 21st-century trade, and to discuss those issues related to China’s policies and practices that were not regulated by the World Trade Organization (Schneider-Petsinger, 2019). By analyzing the relevant parts of the National Security Strategy and the National Defense Strategy of the United States, Swaine (2018) concludes that the former document “presents FOIP as a vehicle for countering a ‘repressive vision of world order’ associated in Asia primarily with China (and elsewhere with Russia) with an opposing ‘free’ vision of world order involving democratic allies and partners, especially the Quad”. As far as the latter is concerned, its summary “inexplicably depicts FOIP as both an all-inclusive vision for regional prosperity and security, and as a networked security architecture of allies and partners directed at China” (Ibid.).

Although one can mostly agree with Swaine's observations in connection with the harmful effects of Trump's confrontational policy that only leads to provoking China, his views that consider FOIP as a self-destructive concept that needs to be replaced with more constructive alternatives are not shared. It is believed that it does not have to be replaced, only transformed in order to better suit the attributes and characteristics of the Indo-Pacific region. The Trump administration's approach focused on rivalry, on keeping America's leading position in the global world order, and yet, the aggressive measures against China proved to be ineffective. The subtler Japanese approach seems to be more viable in this case, and it takes into consideration the diversity of the region, the various interests and the interdependence of the affected countries.

3. The Japan–US Alliance

The Japan–US alliance has a long history that dates back to the end of World War II. Due to Article 9 of the Japanese Constitution, which renounces war as a sovereign right of the nation, Japan relies on the US' military for its security. This coalition fitted into the US' East Asia policy framework, since it belonged to the network of bilateral alliances between the US and its Pacific allies, which is also referred to as the "Hub and Spokes" architecture. The treaties between the "Hub" (the US) and its "Spokes" (Japan, South Korea, the Philippines, Taiwan, and Australia) reflect asymmetric alliances where states with weaker military capabilities are offered military protection (as well as economic access) by the US. Thus, the latter can spread its influence in the region. This system still exists despite the numerous new multilateral security mechanisms.

Nevertheless, Japan is the oldest and strongest ally of the US in the region. In 1951, the military alliance between the two countries was established by the Treaty of Mutual Cooperation and Security between Japan and the United States of America, which was amended in 1960 (Ministry of Foreign Affairs of Japan, 1960). The treaty expresses the parties' "common concern in the maintenance of international peace and security in the Far East". It assumes that if any armed attack against either of the parties takes place in territories under the administration of Japan, they would act against the common danger in accordance with constitutional provisions and processes. According to the treaty, the US is also granted the use of facilities and areas in Japan by its land, air and naval forces in order to maintain peace and security in the Far East.

The treaty gained particular attention during the Obama administration, when the president assured Japan—along with other Asian allies—of his country's commitment to the treaty. Strengthening ties with these countries was part of Obama's "rebalance" strategy; however, regarding territorial disputes, the former American president did not offer similar assurances to any other countries except Japan. In 2014, at the joint press conference with President Obama and Prime Minister Abe of Japan, the American president confirmed that the "treaty commitment to Japan's security is absolute, and Article 5 covers all territories under Japan's administration, including the Senkaku Islands" (The White House, 2014). This statement, along with the two countries' intent to safeguard the peace and stability of the East China Sea was reaffirmed in the Joint Statement of 2017 issued by President Trump and Prime Minister Abe (Ministry of Foreign Affairs of Japan, 2017). The document includes the two leaders' commitment regarding the maintenance of international order based upon the rule of law, which requires a stronger US presence in the region and Japan's greater roles and responsibilities in the alliance. The document does not mention China explicitly; however, it states that the allies "call on *countries concerned* to avoid actions that would escalate tensions in the South China Sea, including the militarization of outposts, and to act in accordance with international laws" (Ibid., emphasis added). On the other hand, North Korea is named, and it is urged to abandon its nuclear and ballistic missile programs. The Joint Statement also underlines the necessity of a trilateral cooperation among the United States, Japan, and the Republic of Korea.

The importance of a strong Japan-US alliance is highlighted in Japan's National Security Strategy (Ministry of Foreign Affairs of Japan, 2016). The alliance, which is referred to as "the cornerstone of Japan's security", aims at securing peace, stability, and prosperity at various levels. Beyond its national security objectives, Japan intends to improve the security situation and the stability of the Asia-Pacific region and "the broader international community". Although the 60-year-old alliance with the US is based on common values and strategic interests, the shifting balance of power that led to the US' decreasing role on a global scale projects the relative weakening of its strength. Even if Japan keeps on relying primarily on the US for its security and defense, it is justifiable to strengthen its own defense capabilities and its alliance with countries within and outside the Indo-Pacific region. Nonetheless, the National Security Strategy fully relies on the alliance with the US.

4. Japan's National Security Strategy

4.1. "Proactive Pacifism"

The amendment of Article 9 of Japan's so-called Pacifist Constitution has been a controversial issue. The initiative of amending the article that renounces war (but does not prohibit the country from maintaining its defense capabilities) was taken by Prime Minister Shinzo Abe, who expressed his concern over "the increasingly tense situation surrounding North Korea" in his Policy Speech delivered in the Diet in 2017. Claiming that the security environment of Japan is "the most severe in post-war history", Abe emphasized the need to further strengthen the alliance with the US, to deepen cooperation with China and the Republic of Korea and, moreover, to fortify the country's defense capacity in order to defend the lives of Japanese people.

The amendment of Article 9 would have served to specify the role and the limits of Japan's Self-Defense Forces (SDF), and thus enhance the country's military strength in the region. In fact, the deployment of SDF had been allowed since as early as 2003 under the Iraq Special Measures Law, and from 2014 Japan may exercise collective self-defense but only in certain cases. Although Abe's constitutional reform was not supported, in the National Security Strategy (NSS, adopted in 2013) the Ministry of Foreign Affairs of Japan expresses the need "to contribute more proactively to peace" (Prime Minister of Japan and His Cabinet, 2013, p. 19). Therefore, it adopts the policy of "Proactive Contribution to Peace" based on international cooperation. In the section entitled "Strengthening and Expanding Japan's Capabilities and Roles", the document written in 2013 explicitly claims that "Japan's defense force is the final guarantee of its national security which deters direct threats from reaching Japan and defeats any threat that reaches it" (p. 15). Thus, with the aim of ensuring peace and stability, "Japan will efficiently develop a highly effective and joint defense force, adapting to the change in strategic environment" (Ibid.). Besides, the NSS refers to Japan's leadership in maintaining and developing "Open and Stable Seas" to guarantee the safety of maritime transport, and to advance cooperation with other countries in this field.

The issue of the security of sea lanes appeared as early as 2007, in Abe's "Confluence of the Two Seas" speech. Security aspects, more specifically, maintaining the rule of law at sea, gained even greater importance during the forthcoming years. Atanassova-Cornelis (2014) argues that the reason behind Tokyo's move towards security activism "includes the 'severe' security environment that Japan faces and the Abe administration's belief that the international community expects the country to become an active contributor to international peace" (p. 3). The NSS highlights

the importance of "Open and Stable Seas", which "constitute the basis for peace and prosperity of the international community as a whole" (Prime Minister of Japan and His Cabinet, 2013, p. 8). The document mentions the increasing risk of incidents at sea, which is the consequence of competition or conflicts of interests between or among states over natural resources and unresolved sovereignty issues such as the South China Sea disputes.

4.2. Concerns over China and North Korea

The section of the NSS discussing "China's Rapid Rise and Intensified Activities in Various Areas" considers China's activities in the seas and airspace around Japan and its intrusion into its territories as "attempts to change the status quo by coercion" (Prime Minister of Japan and His Cabinet, 2013, p. 12); moreover, the document expresses concern over China's "lack of transparency in its military affairs and security policy" (p. 13). Although the NSS acknowledges the importance of stable relations between Japan and China to maintain peace and stability in the region, it claims that Japan will not refrain from urging "improvement in transparency" in China's military and security policies while asking China "to exercise self-restraint", nor from responding "firmly but in a calm manner without escalating the situation" (Ibid., p. 25).

Atanassova-Cornelis (2014, p. 4) observes that while Abe's policy emphasizes Japan's "soft" power regarding global-level issues, the focus shifts to "hard" power when it comes to dealing with regional challenges. In fact, the main points of the strategy focus on the international community and global issues, and the threats are specified within the sections that elaborate on cooperation with Japan's partners. Even if the presence of the US in the strategy is predominant, Japan intends to intensify relations with countries that share the same universal values and strategic interests: the Republic of Korea (ROK), Australia, ASEAN nations, and India. Out of these the ROK has the utmost geopolitical importance, mainly in addressing North Korean nuclear and missile issues. The trilateral cooperation among Japan, the US and the ROK, which reappears in 2017 in the Joint Statement issued by Prime Minister Abe and President Trump, is considered as a key framework for creating peace and stability in East Asia.

Japan's NSS takes into consideration the region's diversity from all points of view. It calls for a sufficiently institutionalized regional cooperation framework; however, the countries of the region hold different security views, and have diverse political, economic, and social systems. The large concentration of the military power on

the Korean Peninsula, namely, the confronting military forces of North Korea and the ROK, as well as China's huge military capabilities compel Japan to enhance its own military forces and shift its strategy towards "hard" power concerning regional issues.

4.3. Defense Spending

Despite its reliance on US military forces, Japan, by placing special emphasis on its own efforts to protect its territorial integrity, assumes a proactive approach, which is a radical change from the foreign policy of the previous decades. For the purpose of strengthening the military capabilities, which would enable the country to counter potential threats from China and North Korea, the defense expenditure has been increased. Japan's defense budget has been growing steadily in the last few years, and the nominal numbers of military spending reflect a rising tendency.

In December 2020, Prime Minister Yoshihide Suga's government approved a record budget of nearly US\$52 billion for 2021, which is the ninth consecutive rise in Japan's military spending and is interpreted as the continuation of "the controversial military expansion pursued by his predecessor" (Kelly, 2020). The previous year's spending amounted to US\$48.5 billion compared to the much lower sums of earlier years, for instance US\$42 billion for fiscal year 2016, or nearly US\$45 billion for 2017, according to data revealed by GlobalSecurity.org (n.d.). On the other hand, the SIPRI Military Expenditure database (n.d.) provides data in constant (2018) USD, therefore, these figures do not show such big differences, they fluctuate between US\$45.5 and US\$46.8 billion in the period from 2010 to 2018. If we consider the ratio of Japan's military spending to GDP, the highest percentage (0.99 percent) between 2009 and 2019 was reached in 2011, and the lowest in 2017 and 2019 (0.93 percent) (World Bank, n.d.).

These proportions reveal that Japan's defense expenditure has never reached 1 percent of the country's GDP⁴; however, in 2017 Prime Minister Abe announced to the Diet that he had no intention of limiting it to 1 percent due to security reasons in the Asia-Pacific. Pryor and Le (2018) point out that the rising tendency of expenditure is not impressive in comparison with China, which "has outspent Japan at an increasing rate since 2005". Moreover, the total budget in itself does not reveal Japan's defense priorities. Regional rivals, such as China, the Republic of Korea, and Russia "are able to do more with less", while Japan "gets much less for what it spends" (Ibid.). According

⁴ In 1976, Prime Minister Miki Takeo limited the defense expenditure to 1 percent of Japan's GDP.

to the defense budget of 2020, the Japanese SDF intend to improve capabilities in new fields, too, beyond the conventional capabilities (ground, maritime, and air). The Ministry of Defense prioritizes the acquisition and strengthening of capabilities in space, cyber and electromagnetic domains. The budget proposal for the year 2021, approved by the cabinet but still to be accepted by the Diet, contains another record budget for defense. Even if the sums are higher than ever, from the US' point of view, Japan's defense spending is still considered to be insufficient within the framework of the two countries' bilateral alliance.

5. Towards a "Secure and Prosperous" Indo-Pacific

5.1. The Heritage of the Trump Administration

While the measures that the Trump administration took against China were definite and consistent, their outcome is rather ambivalent. Therefore, it is not only China that threatens the balance of the region, the US has also done its share. Campbell and Doshi (2021) argue that by pressing Japan and South Korea to renegotiate the terms of cost-sharing regarding US bases and troops, moreover, by threatening them with the withdrawal of troops unless the result is agreeable to the US, Trump undermined the alliances the region needs for its stability. They add that Trump took a rather passive role in the regional multilateral processes and economic negotiations, giving the opportunity for China to change the rules that affect the region's balance and legitimacy (Ibid.). The Indo-Pacific, which has to cope with China's economic and military rise, needs alliances in order to keep balance. Although a broad coalition is required for this purpose, Campbell and Doshi suggest that the US should focus on individual issues and forge different coalitions, focusing separately on democracy, military deterrence, infrastructure investment, human rights etc.

The Trump administration's Indo-Pacific strategy differs from its predecessors' approach in many ways. The Indo-Pacific Strategy Report of the US Department of Defense, which was issued in 2019, focuses on the threat posed by China, North Korea, and Russia. In the National Security Strategy of 2017, which encompasses a wider spectrum, three main sets of challengers are named: "the revisionist powers of China and Russia, the rogue states of Iran and North Korea, and transnational threat organizations, particularly jihadist terrorist groups" (The White House, 2017, p. 25). The concept of a "free and open Indo-Pacific", which appears only once in this earlier, more general strategy, is elaborated in the Indo-Pacific Strategy Report as follows:

Our vision for a *free* Indo-Pacific is one in which all nations, regardless of size, are able to exercise their sovereignty free from coercion by other countries. At the national-level, this means good governance and the assurance that citizens can enjoy their fundamental rights and liberties. Our vision for an *open* Indo-Pacific is one that promotes sustainable growth and connectivity in the region. This means all nations enjoy access to international waters, airways, and cyber and space domains, and are able to pursue peaceful resolution of territorial and maritime disputes. On an economic level, this means fair and reciprocal trade, open investment environments, and transparent agreements between nations (The Department of Defense, 2019, p. 4, emphasis original).

The document emphasizes the linkage between economy, governance, and security by stating that “economic security *is* national security” (Ibid., emphasis original). On the other hand, Bisley (2019) draws attention to the strategy’s disconnect from economic policy. He notes that the FOIP lacks an economic dimension, and the Trump administration’s approach to trade in the region contradicts the idea of a “free and open” regional order. These statements are well supported by the fact that Trump withdrew the US from the Trans-Pacific Partnership, and imposed tariffs not only on China, but also on Japan and other countries in the region. Bisley refers to Trump’s FOIP concept as “a gambit that frames geopolitical competition with China”, adding that the US needs to develop “an economic approach to the region that links its objectives with its policy means”, otherwise the goal of a free and open region would be very difficult to achieve (Ibid.).

5.2. The Indo-Pacific in Biden’s Foreign Policy

During the first days of his presidency, Joe Biden agreed with Japanese Prime Minister Yoshihide Suga to strengthen the bilateral alliance between the two countries against China’s economic and military expansion. The two parties reconfirmed that the US–Japan security treaty applies to the Senkaku Islands, too. In addition, Biden’s Secretary of State, Antony Blinken affirmed Biden’s commitment to strengthening alliances with Japan and South Korea and the importance of trilateral cooperation.⁵

After the 2020 elections, Joe Biden has already signaled the likely replacement of the FOIP strategy. The phrase “secure and prosperous Indo-Pacific”, which the president-elect started to use in place of a “free and open Indo-Pacific”, created

⁵ The US has often acted as a mediator between Japan and South Korea amid their tense relations.

uncertainty, and the new version has been interpreted in many ways. Kawashima (2020) observes that the “new” phrase was used by former Secretary of State, Mike Pompeo when he met the foreign ministers of the other Quad states (Japan, India, and Australia) in October 2020. Therefore, it might suggest continuity, and not distancing from the Trump administration’s FOIP policy. However, it may also refer to the opposite, i.e. “a conciliatory approach toward China instead of strengthening the Indo-Pacific framework as a counterweight” (Ibid.).

The main direction of the Biden administration’s foreign policy is defined in the new president’s speech delivered in the White House, in February 2021. One of the central messages of the speech is America’s return to its old, democratic values: “defending freedom, championing opportunity, upholding universal rights, respecting the rule of law, and treating every person with dignity” (Biden, 2021). Biden also underlines the importance of diplomacy in the country’s foreign policy, and the necessity to repair the alliances and engage with the world. Among the closest allies Biden mentions Japan, South Korea, and Australia, and expresses his intent to reform the way of cooperation with those democratic countries that were neglected in the past few years. The United Kingdom, Germany, and France represent the strongest European allies of the US, countries that were alienated as a result of Trump’s trade policies.⁶

In the speech, China appears as America’s most serious competitor and the US is ready to confront its rival’s “economic abuses”, “aggressive, coercive action”, and “attack on human rights, intellectual property, and global governance” (Ibid.). A few days after his speech on America’s place in the world, the American president talked to his Chinese counterpart, Xi Jinping. One of the main issues that Biden raised during the conversation was the intent of preserving a *free and open* Indo-Pacific. He also considered the protection of “the American people’s security, prosperity, health, and way of life” as a priority. At the same time, Biden expressed his concerns about several issues, including “Beijing’s coercive and unfair economic practices”, and “increasingly assertive actions in the region” (The White House, 2021). Despite the above-mentioned concerns, the US needs to cooperate with China regarding global issues, such as countering the Covid-19 pandemic, climate change, and the prevention of weapons proliferation. Kawashima (2020) observes that the priority of climate change issues requires China’s contribution, and moreover, Biden’s primary interest in rebuilding relations

⁶ The Democrats strongly disapproved of Trump’s attitude towards Europe and suggested aligning with the European Union (EU) to pressure Beijing on trade. The US would suffer great losses if trade relations deteriorated with the EU, taking into consideration that in 2018 the US exported three times more goods and services to Europe than to China.

with developed European countries will turn the new administration's attention from the Indo-Pacific, which would allow China to take the initiative in the region.

There is much debate going on about the implications of using either “free and open” or “secure and prosperous” when referring to the Indo-Pacific region. In fact, Japan's prime minister, Yoshihide Suga was criticized for taking a softer approach towards China than his predecessor, and this criticism was partly based on his adopting the latter phrase, i.e. “secure and prosperous”, as an adjustment to the expression used by the Biden administration. According to foreign policy experts, led by Yuichi Hosoya, the new phrase renders the whole vision meaningless, and this shift implies that “Japan abandoned its commitment to the international order, undergirded by democracy and freedom, in favor of China's vision of a ‘secure and prosperous’ region that prioritizes development and stability” (Tsutsui – Crabtree, 2021). Realizing the impact of this shift, the Suga administration (which would prefer to retain Trump's Indo-Pacific concept) started to use the original phrase, which was also readopted by Biden, as reflected in his conversation with Xi Jinping mentioned above.

There is a general preference for attaching certain concepts to leaders. It is believed that in this case too much emphasis has been laid on terminology considering the fact that there is some confusion around its origins. The phrase is attributed to Japanese Prime Minister Abe, since he used it in his speech at the Opening Session of the Sixth Tokyo International Conference on African Development: “What will give stability and prosperity to the world is none other than the enormous liveliness brought forth through the union of two *free and open* oceans and two continents” (Abe, 2016, emphasis added). The concept is also attached to Trump since he adopted FOIP language explicitly at the APEC CEO Summit in Vietnam: “I've had the honor of sharing our vision for a *free and open Indo-Pacific*—a place where sovereign and independent nations, with diverse cultures and many different dreams, can all prosper side-by-side, and thrive in freedom and in peace in fact” (Trump, 2017, emphasis added). There are more and more new interpretations of the FOIP concept and the values it represents. One finds that the essence of the vision behind the words has not changed, even if various attributes come to the fore in its communication. As mentioned in the section discussing the Japanese interpretation, “security” and “prosperity” are the key words of Abe's early speeches. In this respect, Biden's new phrasing can be viewed as a return to the conception of the idea. This does not exclude the other meanings attached to this notion; it only shifts the emphasis towards another direction, more specifically to economy (by focusing on “prosperity”) instead of good governance (implied by the word “free”). Still, what really matters in this case is the strength of Japan's alliances and America's China policy, which determines the extent of US interference into regional matters.

6. Conclusion

The aim of the paper was to examine the Free and Open Indo-Pacific concept and strategy within the framework of Japan–US relations. It followed its development from the earliest stage, when it was only a vision, until it became a strategy that defined US foreign policy in the Indo-Pacific region during the Trump administration. Seemingly there are many differences among the interpretations of this concept which revolve around the countries' attitude to China. While the American interpretation is considered as a containment policy against China, the Japanese approach is more cautious. Japan depends on both superpowers: on China for its prosperity, and on the US for its security. In its relations with China, Japan tries to avoid confrontation. On the other hand, it tries to assume a proactive role within the framework of its military alliance with the United States. For this reason, Japan started to gradually boost its defense spending. Even so, Japan still needs to rely heavily on its allies, and particularly on the US. However, Japan also needs to take into consideration the decreasing role of the US on a global scale (though the latter still spends four times more on defense than China, which is the second country in the ranking), and further strengthen its alliances in the region. Still, the new US administration's role in the multilateral processes and economic negotiations, both neglected by Trump, will be crucial to the peace, stability, and prosperity of Japan.

The differences in the interpretation of FOIP derive from the shifts in emphasis. The vision or the strategy was the subject of many speeches delivered in different contexts by presidents, prime ministers, and other dignitaries. Sometimes it prioritized the cooperation among like-minded nations yearning for security, freedom, and prosperity. At other times, the focus was shifted from common values to strategic interests, to counter Beijing's economic and military rise. There were times when it underlined the importance of all nations' ability to exercise their sovereignty, while in some cases the economic interests came to the foreground. Although it seems that these principles can be isolated, in truth they are interdependent, supporting each other. Nevertheless, it is always the present governance, the countries' interests, and the system of alliances that define the priorities within this complex, multifaceted notion.

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The Philippines versus the “Free and Open Indo-Pacific” (FOIP) Concept – The Changing Dynamics of the US–Philippines Relationship in the Duterte-Trump Era

Péter Klemensits

1. Introduction

During Donald Trump’s presidency, the United States (US) announced the Free and Open Indo-Pacific (FOIP) concept in November 2017, in which the countries of Southeast Asia also assumed an important role. However, the states in the region did not receive the US strategic concept with unanimous enthusiasm, as they were still trying to function as the axis between China and the US and were not willing to commit to either side in economic and political terms. In view of the evolution of relations between the US, led by the Trump administration, and the Association of Southeast Asian Nations (ASEAN) states, the case of the Philippines deserves to be examined separately in several respects. The United States and the Philippines have a special relationship with each other, which is based on their common history, commitment to liberty and democracy, extensive social-cultural interaction as well as security, military, and economic cooperation. One of the most impressive elements still in force is the Mutual Defense Treaty of 1951, upon which the long-term strategic partnership and alliance of the two countries was founded.

Among others, this special relationship is due to the fact that the Philippines became a colony of the US in the early 20th century and can thank its independence in 1946 to Washington. As the United States of America did not wish to give up its former military and economic positions, the close and slightly one-sided relationship between the two countries remained even during the Cold War. However, no basic change occurred in the strategic relations at the turn of the 21st century: Manila still deemed the US as a key partner, while the US still considered the archipelagic country as one of its main regional allies. However, the announcement of the “independent” foreign policy by President Rodrigo Duterte in 2016 can be seen as a caesura. After Donald Trump took office and the FOIP was announced, it was proven that although the bilateral relations should be recalibrated, there was no reason to fear the dissolution of the US–Filipino alliance for strategic reasons. In other words, Manila continued to be interested in supporting US strategy, although it sought to soften its anti-China edge.

After presenting the key points of the FOIP concept, the study aims to briefly review the Southeast Asian countries' response to it and analyze the importance of US–Philippine relations and their transformation under Rodrigo Duterte's presidency. This will include a presentation of all the challenges to the alliance that emerged during the Obama administration, and the factors that enabled relations to be settled in the Trump era, highlighting the current role of the Philippines in the FOIP.

2. The Free and Open Indo-Pacific Concept

2.1. The US Strategy

The term Indo-Pacific Ocean was originally used by Karl Haushofer and popularized in modern times by Gurpreet Khurana in 2011, when he argued that the Indian and Pacific Oceans constituted a single integral unit, and thus could not be separated from each other (Khurana, 2019). The concept soon became popular in Japanese and Australian political circles, and in 2015, Japanese Prime Minister Shinzo Abe talked about the “free and open Indo-Pacific Ocean”—a clear response to the Chinese Belt and Road Initiative (BRI) (Rossiter, 2018). In American foreign policy circles, Robert D. Kaplan is associated with the popularization of the term, which had already been used by Hillary Clinton in 2011 (Kaplan, 2015). However, it was only after Donald Trump's election that it became a strategic concept in 2017.¹ In November 2017, Trump's participation in the Asia-Pacific Economic Cooperation (APEC) annual summit attracted much interest, where the US president first announced details of his Asia policy in a presentation to APEC business leaders. Having acknowledged the development of Southeast Asian countries in his “Indo-Pacific dream”, which was clearly an alternative to Xi Jinping's plans, Trump envisioned the peaceful and free development of the “sovereign and independent countries”, and, contrary to Chinese aspirations, the US also offered regional states a bilateral partnership to maintain the “free and open Indo-Pacific” region. Turning to trade relations, and in particular to the harms suffered by the US, Trump expressed a harsher opinion than previously. In his view, the advantageous terms offered by the US had been abused by certain countries, which led to an increase in the US trade deficit, and the former US administrations had done nothing about this. Referring to China, he also spoke out against state economic planning and the fact that state-owned enterprises had been gaining ground. Trump stated that the US would continue to seek fair and equal partnership in its bilateral relations. Breaking away from decades of US political practice, he rejected

¹ For more information on the background of the US' major strategy see: Brands (2019).

multilateral agreements and advised individual countries to pursue their own self-interest. The rules were to be followed by all partners in future, otherwise they can count on penalties.

The importance of protecting intellectual property was also highlighted, chiefly because certain states had gained undue advantages in this area as well (Trump, 2017). With regard to security in the region, Trump's economy-centered foreign policy strategy also became clear when he linked economic security with national security, and then he called for the upholding of individual countries' rights and the principles of free navigation and overflight.² The US National Security Strategy, issued in December 2017, already contained the essential elements of the concept, namely that the "free and repressive visions" competing with each other in the Pacific region and Chinese assertiveness were amongst the main threats, while the allies were also playing an important role (The White House, 2017). However, the exact geographical definition of the Indo-Pacific region did not materialize, leaving open the possibility of a broad interpretation, but it also suited US leaders to try to involve India in the anti-Chinese cooperation.

Unlike the Obama administration, which, despite its restrictive intentions, could even imagine China as a responsible stakeholder, the Trump administration had already treated Beijing as an open competitor, which could not be integrated into the liberal world order, and toward which a balancing strategy needed to be pursued, aimed at placing the opponent at a disadvantage and resulting in the US winning the race for hegemony (De Castro, 2018). Accordingly, the National Defense Strategy, issued by the Pentagon in January 2018, considered the long-term strategic competition of the revisionist powers as the main challenge that poses a threat to US security (US Department of Defense, 2018).

In November 2018, at the APEC Summit, Vice President Mike Pence repeated in his speech President Trump's concept of the Indo-Pacific, originally introduced at the APEC Summit of 2017. The concept of an "extended region" illustrates the desire of the US administration to create an ever-wider coalition around China, counteracting its drastic rise. The vice president also confirmed the "America First" policy, which was a message to the states in the region that the US would continue to regard its own interests as critical and would be much less willing to sacrifice for the common

² According to some analysts, Trump's vision of sovereign and independent countries in fact favors China, as Chinese leadership can continue to build its dominance in the region as a committed promoter of globalization, while the US openly rejects multilateralism.

good. Similar to Beijing, Pence also pointed out that the US, as an economic superpower, offered an excellent opportunity to other states (e.g. the United States' total investment in the Indo-Pacific region exceeds the combined value of investments by China, Japan, and South Korea). He criticized China and the BRI for their infrastructure investments being opaque and of poor quality, as well as for the fact that they force smaller states into debt traps, undermining their sovereignty. Pence warned that the US would continue to guarantee the security of the Indo-Pacific region, in cooperation with its democratic allies. This was a demonstration of the US' willingness to compensate for China's strengthening, maintaining the right to free use of the seas and airspace, especially in the South China Sea, over which China has been increasingly demanding control in recent years (The White House, 2018).

The Indo-Pacific Strategy Report, issued by the Department of Defense in June 2019, focuses on preparedness, partnership and a networked region. It aimed at the readiness of allies (Japan, South Korea, Australia), the development of new defense partnerships (Vietnam, Indonesia, Malaysia) and the creation of a cooperation network through American bilateral relations. However, it lacks a new multilateral framework, and is instead based on the ASEAN Regional Forum (US Department of Defense, 2019). In November 2019, the Department of State summarized the past two years' development of the strategy in a publication entitled *"Free and Open Indo-Pacific: Advancing a Shared Future"*. As in the previous document, this also sought to demonstrate the increased commitment of the United States to the region, highlighting the need to preserve a free and open region and the importance of economic relations with allies and other partner states (US Department of State, 2019). In 2020, following the Covid-19 pandemic, American foreign policy became even more hostile to Beijing than previously, and the FOIP strategy thus became increasingly anti-China in nature. It also tried to line up the allied countries for its own purposes.

The US tried to enforce its will in practice, as far as possible. In political terms, the revival of the Quadrilateral Security Dialogue with the participation of India, Australia, Japan, and South Korea alongside the US, is a significant achievement, although only part of the economic support offered by the US has been realized so far.³ Of course, the promises also apply to longer-term obligations, the effectiveness of which can be judged in the future only. Beyond Southeast Asia, in November 2018, Western countries made much more concrete pledges in their race for influence in the Pacific than

³ According to US Secretary of State Mike Pompeo, the US provided US\$4.5 billion in assistance to states in the region from the time the Trump administration took office until November 2019 (US Department of State, 2019).

China. The United States, Australia, Japan, and New Zealand undertook to finance investments in developing Papua New Guinea's electrical network at a cost of US\$1.7 billion, which would result in an increase in the population's access to electricity from the current 13 percent to 70 percent by 2030. It came as a surprise that the US joined Australia's plans to jointly develop the Lumbrum naval base on the island of Manus, in which China had previously also shown an interest. In the case of Vanuatu, Australia is also in favor of strengthening the police force, while the introduction of the Pacific-Australia Card is intended to facilitate the entry of politicians in Australia. Australia has also come up with a number of scholarships for schools and ecclesiastical organizations in the Pacific. However, the most significant event was the Australian announcement that it had created an infrastructure bank with a capital of US\$2 billion, which offers construction loans specifically to Pacific states (Scott – Reynolds, 2018). All of this demonstrates that the US and its allies are trying to limit China's regional influence as far as their power allows them, but it should not be forgotten that they are able to offer considerably less economic aid than China, which will increase their opponent's chances in the longer term.

2.2. Response by Southeast Asian Countries

The Indo-Pacific Strategy announced by the US has not led to a unanimous reaction from ASEAN countries. The Trump administration's "America First" policy and rejection of multilateral frameworks were initially received with suspicion even by the US' major Asian partners, while Washington's promises were not enough to compensate China's economic influence (Reuters, 2018).⁴ As regards the Indo-Pacific Ocean, even its geographical meaning was not clear to Southeast Asians at the beginning, who were largely unable to identify with a region that stretches from the east coast of Africa to the western Pacific basin, but is not defined more precisely.

In June 2019, the ASEAN finally issued the ASEAN Outlook on the Indo-Pacific (AOIP) document, which revealed important details of the organization's ideas and goals. The four main elements of the AOIP are the integration of the Asia-Pacific and Indian Ocean regions; the promotion of dialogue and cooperation instead of rivalry; the promotion of the development and prosperity of all stakeholders; and the importance of the maritime region in the regional architecture. In line with other international

⁴ In August 2018, under the new strategic direction, US Secretary of State Mike Pompeo announced that the US would support the Indo-Pacific maritime security cooperation with nearly US\$300 million (Reuters, 2018).

organizations, the document called for maritime cooperation, promotion of connectivity and sustainable economic development (Parameswaran, 2019). It is also observed that ASEAN countries are interested in promoting the regionalism represented by them, rather than containing China, and that they reject the possibility of a military confrontation with China due to their economic interests and asymmetric power relations.⁵ However, the document was preceded by a major debate, highlighting the division of the organization in this regard. Old ASEAN members and US allies are more willing to follow the US strategy⁶, whereas countries that are formally not related to the US prefer to choose China (Liu – An, 2020). In addition to the geographical environment, alliance policy and internal relations have undoubtedly had an influence on the behavior of governments, too. The 35th ASEAN Summit confirmed the content of the previous document and openly expressed its support for the central role of the ASEAN, and confirmed non-interference in internal affairs, respect for sovereignty, and the importance of the “ASEAN way”.

As a powerful political and economic player, Singapore argued primarily for strengthening the economic relations between the ASEAN and the US. (It should be noted that in 2019, the US was the largest foreign investor in the ASEAN with 15.2 percent of total investment (ASEANstats, 2020)). Thailand, which held the organization’s 2019 presidency, favored linking the BRI and Indo-Pacific strategy, which would benefit all ASEAN members. Indonesia, on the other hand, concluded that the US no longer wished to play a counterweight to China and was withdrawing from the region. Malaysia, similar to the Philippines, considered that the US concept would unduly interfere with the South China Sea affairs, thus making it more difficult to resolve the conflict. When the US attacked the BRI directly at the beginning of 2019, mainly through talking of a debt trap, politicians in Myanmar defended the Chinese initiative. Similar statements were also heard from the Malay and Cambodian governments later (Liu – An, 2020).

Taking into account the US economic and security pledges, the vulnerability of economies to the US and the systemic pressure within the multilateral framework, Vietnam, Thailand, and Singapore can be considered the main supporters of the US concept. The concept is a useful cooperation option to the latter three countries as well as Indonesia and Malaysia, but the strategic concept holds both risks and opportunities for Cambodia in addition to the Philippines (Ibid.).

⁵ There is a difference here between countries with claims in the South China Sea and others.

⁶ However, there are also discrepancies between those following a restrictive foreign policy strategy.

After the Trump administration stepped up its rhetoric vis-à-vis China after the Covid-19 in 2020—while the controversial points of the Indo-Pacific Strategy were clarified either—, Southeast Asia continues to attempt to exploit the mutual opportunities offered by the BRI and the FOIP; and at the same time, it is trying to opt out of the US–Chinese conflict⁷ and function as an axis in the grip of the two major powers.

Maintaining the central role of the organization and mediating between the two parties remains a priority for the ASEAN. The peaceful settlement of conflicts through the philosophy of the “ASEAN way” has now become more important than before. The growing US–Chinese competition is a major challenge to the ASEAN, where, bearing in mind long-term interests and analyzing geopolitical developments, the organization needs to act with considerable wisdom in addressing the relations with the major powers in a multipolar world. Fortunately, historical examples can be a good basis for this (Mahbubani – Sng, 2017). Former prime minister of Singapore, Lee Kuan Yew is of the opinion that, since Asian countries alone are unable to oppose China, they still need US security and economic power to maintain geopolitical balance. However, the rise of China cannot be prevented, and sooner or later the US must be ready to share its leading role, while the countries of Southeast Asia must also accept China’s dominant economic position; otherwise, they risk being driven away from a market that increasingly influences the future of the world economy.

It should be stressed that Southeast Asia does not want to choose between China and America, as this would not serve its interests in any way (Mahbubani, 2020a). China’s rise remains a matter of concern, especially among its neighbors, as “[n]o one feels comfortable sharing a small room with an elephant, no matter how benign” (Ibid.). For this reason, most would like to see a lasting US presence balancing the influence of China. Nevertheless, they would like to see a competent and careful US presence, not one that forces them to choose between the two systems—as if America’s ethos of “with us or against us” were the only options. In Southeast Asia, thanks to the long-lasting US presence, many continue to see the US favorably, which their diplomats can still exploit (Mahbubani, 2020b).

⁷ Experience has shown that the US–Chinese trade war has had both positive and negative effects on the region.

3. The Evolution of Relations between the United States and the Philippines after Duterte's Assumption of Office

3.1. The Importance of the Partnership and the Background

At the beginning of the 20th century, the Philippines was still under American colonial rule, and only won its autonomy in 1946. However, thanks to the Mutual Defense Treaty of 1951 and the Military Base Agreement of 1947, the US continued to be responsible for protecting the country, maintaining a number of military bases in the area. Besides Thailand, the Philippines was the only Southeast Asian member of the Southeast Asia Treaty Organization (SEATO), strongly committed to the fight against communism. As a founding member of the ASEAN, the island nation also played a key role in regional integration, although until the end of the Cold War it was characterized by a dependence on the US in political, military, and economic terms (Klemensits, 2017, pp. 88-89).

Since the Philippine Congress did not contribute to the extension of the US military presence in 1992, the US withdrew its troops. However, this had little impact on political and economic relations. The pursuit of a sovereign Philippine foreign policy was hampered by the rise of China from the outset, which manifested itself through Beijing's expansion in the South China Sea, which made it possible to strengthen US–Philippine military cooperation in the first half of the 2000s in parallel with the expansion of the war on terrorism.⁸ Between 2001 and 2010, under Gloria Macapagal-Arroyo's presidency, Manila maintained a good relationship with both the US and China, which had significant economic benefits. However, as a result of geopolitical tensions, after 2010, during the presidency of Benigno Aquino, the country welcomed the announcement of the American "rebalance" concept, in exchange for the military and political support, and therefore it became one of the most important pillars of the concept. The Obama administration openly supported the Philippines in its South China Sea dispute, and in 2011, it declared that the two countries were historical allies and "strategic partners". In April 2014, with signing the Enhanced Defense Cooperation Agreement, the partnership deepened further, allowing the return of the US forces on a rotational base (Articles I–II, XII) (Republic of the Philippines, 2014).

⁸ In 2003, the Bush administration referred to the country as one of their main allies outside NATO (De Castro, 2009, pp. 71-74).

Aquino declared the protection of the interests in the South China Sea to be of strategic importance, and to this end he was also willing to risk conflict with China⁹, believing that the deterioration of the economic relations with Beijing could be offset by enhanced cooperation with ASEAN countries, the US, Japan, and South Korea. Aquino, in his foreign policy, committed himself more to the side of the US than previously, and he supported the efforts aiming to encircle China as well (Loewen, 2018, pp. 169–170).

3.2. Duterte's "Independent" Foreign Policy and the Challenges Facing the Alliance during Barack Obama's Presidency

Rodrigo Duterte, who took office in June 2016, stressed from the beginning the need to follow an "independent foreign policy", the main principles of which are sovereignty, sovereign equality, non-interference, and the peaceful settlement of disputes. In his inauguration speech, Duterte underlined the primacy of domestic politics against foreign policy, and basically committed himself to the minimalization of dependence on the great powers, the involvement of new partners and the reorientation of external relations to a degree that benefits all Filipino citizens (Arugay, 2018). Despite his populist style, it is undeniable that, at the beginning of the 21st century, a change in the international environment (i.e. in the world order) made the incoming president shift to a more radical foreign policy. His rational policy was significantly influenced by his perception of international relations from the outset. In essence, the main elements of his policy are reducing dependence on the United States and developing cooperation with China and non-traditional partners, such as Russia and India, by finding a middle course in the interests of the nation (Alunan, 2017). In line with global geopolitical developments, some are already talking about the emergence of a "Duterte doctrine", which is about: creating a more favorable image in the eyes of China; changing the country's strategy influenced by the US; mobilizing the strength in the relations between the state and the society to strengthen the Chinese impact; and restructuring the country's Western-styled institutions in line with Chinese expectations and incentives (Magcamit, 2019).

The perception of Duterte's foreign policy is overshadowed by his harsh, ill-considered statements which have led to a negative reaction in the international community.

⁹ As an apparent sign of this, in 2013, the Philippines brought China before the Permanent Court of Arbitration in The Hague in the matter of the South China Sea. More on the background of the lawsuit (in Hungarian): Eszterhai – Klemensits (2017).

His populist rhetoric and raw manner had already made him infamous as a mayor, and his domestic popularity has been due to his outspoken style. Despite his promise, he did not change his behavior after his presidential inauguration, and his insulting statements against the US president were only one of many examples. The distinct style of the politician without foreign policy experience has not facilitated his integration into the international environment and has even led to a deterioration in relations with some countries. However, in some cases, Duterte's rhetoric reminds us of a deliberately pre-composed show aimed at attracting and diverting attention, concealing the president's real aims.

Shortly after his inauguration, in July 2016, the president accused the United States and Great Britain of driving the spread of terrorism in the Middle East with their armed intervention (Flores, 2016). In August, he made a homophobic statement about the US ambassador to Manila, with whom he had already been in conflict during his election campaign. In the second half of 2016, US government officials criticized Duterte's anti-drug operations, calling them "extrajudicial killings" and demanding that the Philippine government respected human rights and stopped "violent anti-drug operations" (Song, 2019). Since the Obama administration did not only not support the president's fight against drugs, but also sharply criticized him in the international community, Duterte, expressing his frustration over this, used unseemly words in an interview¹⁰, originally speaking of the reporter, but his remarks were later referenced to the US president thanks to the media's interpretation (Parameswaran, 2016).

The relationship of the two heads of state did not settle in the face-to-face meetings either, but the conflict between them resurfaced again at the ASEAN Summit in September. As a result of Duterte's earlier statements, the Americans cancelled the planned bilateral meeting of the two heads of state, and the conflicts at the East Asia Summit sharpened again. The Filipino leader, who had previously missed the ASEAN-US Summit meetings citing a headache, put aside his written speech and began to talk about the different perceptions of human rights, showing photographs of the murders of Filipino Muslims by US soldiers at the beginning of the 20th century (Mogato, 2016). At the same time, he struck a peaceful tone in relation to the South China Sea conflict and abstained from harsh criticism of China. However, he intended to win ASEAN countries' support and enlist them for his anti-drugs campaign, which had attracted much publicity.

¹⁰ Duterte originally used the Filipino term "*putang ina*", which was translated into English as "son of a whore". In the Tagalog language, however, the term is not a serious insult; in fact, it is widely used in the popular language, and in some areas, it is also used to greet friends (Miller, 2018).

Later on, Duterte continued his anti-American statements, arguing again for an “independent” foreign policy, calling on the American army to leave Mindanao, indicating at the same time that he did not intend to terminate the existing defense agreements (Poling, 2016). He explained that, since Washington had lectured him about human rights, he needed new allies, such as China and Russia, especially because America was not even willing to sell the appropriate military technology to him. (In October 2016, the United States refused to sell 23,000 small arms to the Philippines, although the Filipino police urgently needed weapons to fight drug traffickers and terrorists.) He also promised to end the joint US–Philippine patrols on the South China Sea along with the annual joint Philippine–US Balikatan military exercises.¹¹

During his visit to Beijing on October 20, Duterte spoke of a separation from the US, which he later explained that he was not thinking of terminating diplomatic, defense, and economic relations, but merely of an independent foreign policy change, the essence of which was that “he does not wish to be part of the concept of ‘Rebalancing’ announced by the Obama government, and continue hostilities with China, as it is far from being profitable for his country, and instead he wants to focus on mutual cooperation with the US and others” (Klemensits, 2019, p. 239). Similar to the previous president, Gloria Macapagal Arroyo, Duterte also tries to establish good relations with both rival major powers, but unlike his predecessor—at least in communication—he is the first to take actual steps towards distancing his country from the US (De Castro, 2009). Duterte would not like to give up the US investments either, but as these have not been able to meet even the infrastructural needs, it is clear that there is a need to look for new partners (Billington, 2016).¹²

However, besides real political considerations, Duterte’s anti-American sentiments, which also have a long history, must not be ignored. His ancestors felt sore about the American occupation, and he vividly remembers the violent actions against Moros. During his academic years, Duterte maintained a close relationship with José María Sison, the founder of the Communist Party of the Philippines, who had a great impact on him, and thus he still considers himself to have a left-wing mindset. In addition, under his mayorship, he had a number of negative experiences with the Americans that also increased his antipathy towards them. He also saw that, despite its rhetoric,

¹¹ In the latter case, he did not think it seriously either, as it turned out. On the proposal of the Department of National Defense, the joint military exercises were held, but the amphibian landing exercises, and the sea combat preparedness and training cooperation were suspended.

¹² Duterte is also aware that the US is currently the third largest trading partner of the Philippines after Japan and China, and the second investor and the main development aid provider.

the US proved to be an unreliable ally, which only follows its own interests and did not care for the Filipinos, lecturing its “ally” in a condescending way.¹³

However, the evolution of relations with Washington did not have such serious consequences, as one would expect based on the history of these events. As for the Philippines, it has not considered terminating any of the agreements, and no steps have been taken to end the decade-long alliance.

3.3. Donald Trump’s Assumption of Office, Response to the FOIP Concept and the New Dynamics of Relations

The Philippine political leadership eagerly awaited Donald Trump’s presidency, as after his inauguration on January 20, 2017, the new US president spectacularly broke with the objectives and values represented by the Democratic government in his new foreign policy. It quickly became clear that the issue of human rights was not a priority to Trump during his negotiations with the Philippine political leadership. Trump did not deny supporting the anti-drug campaign of the Filipino president, let alone his other internal and foreign political measures. During their telephone conversation at the end of April 2017, the US president openly congratulated Duterte on the effectiveness of the anti-drug campaign and invited him to visit Washington (Phillips, 2017). It was an indicative sign that the US president already confirmed at that time his planned participation in the East Asia Summit in Manila in November. Since the Trump Cabinet—similar to Obama—soon realized the strategic importance of Philippine–US relations, they did their best to mitigate the tensions and restore the harmonious cooperation.

However, Trump’s Asia policy took shape slowly and underwent a number of changes in the meantime. There was no doubt that the president considered the solution of the US domestic political problems to be the main objective and that his foreign policy was fully subjected to this goal, but considering what strategy he was trying to follow vis-à-vis the great powers (China, India, Japan) and how this would affect the partnership with Manila, he could only rely on guesswork for a long time.

¹³ According to Duterte, the lack of strength in the US is also manifested by the fact that it was unable to prevent Chinese island constructions in the South China Sea and could not help the Philippines to enforce territorial claims.

One of the decisive elements of Trump's Asia tour in November 2017 was his meeting with the Filipino president and the opportunity to reform bilateral relations. Following the APEC Summit organized in Vietnam, President Trump arrived in the Philippines on November 12, where his first official meeting with his Filipino counterpart took place.

The two heads of state had already reached an agreement on a number of critical issues (e.g. the anti-drugs campaign) during their phone conversations, and their informal meeting at the APEC Summit clearly predicted a good relationship between them. Sources are contradictory on how much the two presidents talked about human rights during their negotiations in Manila; however, it is obvious that both Trump and Duterte blamed the Obama administration for the deterioration of the relationship. The final outcome of the negotiations suggests that the relationship of the two countries was restored, and the basis of the compromise was that Duterte must stop his outbursts against the US, and in return, Trump would not insist on the issue of human rights either. The good relationship of the two presidents had much weight; nevertheless, the close political ties between the two countries that could be observed prior to Duterte is not likely to be restored in the near future (Petty, 2017). Trump is fully aware of the strategic importance of the Philippines, which is proved by the fact that he qualified the island country as the "most prime piece of real estate" in military terms and said that he primarily negotiated with Duterte about the status of bilateral trade (Viray, 2017). The US president has clearly recognized that the Philippines is the only possible location for the US' outpost military presence in Southeast Asia, and that he needed President Duterte in addressing the complex security challenges in the region (e.g. North Korea).

Obviously, the two presidents represented a more pragmatic foreign political approach, focusing on the acquisition of economic benefits, the enforcement of the interests of their given countries, combined with the regional security political objectives (Vicedo, 2017). The new US National Security Strategy released in December confirmed Trump's commitment to tighter bilateral relations, while at the same time, it stood up for respecting the principles of free navigation and overflight—as opposed to China. This document also pledged to protect the sovereignty of certain Southeast Asian countries against the increasing growth of the Chinese influence (The White House, 2017).

During Duterte's presidency, the Philippines aims to build as close economic cooperation with China as possible, while in terms of security, the country also relies on Russia and intends to use Japan as a form of counterbalance against both countries. Nevertheless, the US–Philippine relation is still of essential importance in security

political respect, since the US assumes a guarantee on the defense of the country (Vicedo, 2017, p. 4).

In economic terms, America's importance has decreased in the past period. In recent years, US investment and trade with the Philippines have fallen behind China and Japan. In 2017, the US and the Philippines' trade volume amounted to around US\$29.6 billion, much lower than the Philippines' trade with China and Japan. In 2018, the US investment in the Philippines amounted to only US\$160 million, which was behind Singapore, China (including Hong Kong), and Japan (Song, 2019). Therefore, the Duterte administration needs China, Japan, and other countries to provide economic support, attract more foreign investment, increase exports, and create the necessary infrastructure.

Defense cooperation, which continues to be smooth, is an important aspect of the partnership between the two countries, as evidenced by military drills, arms transfers and counter-terrorism cooperation. The Philippine National Security Policy of 2017-2022, issued in March 2017, does not call into question the stabilizing role of the US in the region, while it considers the South China Sea conflict to be the main security threat to the sovereignty of the country, and also deems it necessary to continue the modernization of the armed forces, in which the country must use the help of the US as its only ally (National Security Council, 2017). During the 2017 Philippine-US Bilateral Strategic Dialogue, both countries affirmed their commitment to "uphold freedom of navigation and overflight" in the South China Sea as well. Some exercises were cancelled, but new ones were launched, and joint patrols in the Sulu Sea began in July 2017.¹⁴ Despite its rhetoric, there is no doubt about the commitment of the Filipino army to America, so bilateral military relations have been influenced by politics only marginally. In the 2000s, the US special forces arriving in the Philippines kept on supporting the Filipino security forces, just as the Joint US Military Assistance Group, which continues to deliver military equipment and weapons, as we have seen during the crisis in Marawi. Meanwhile, the Philippines brought its military cooperation with the United States to a new level when, at the invitation of the United States in June 2018, the Philippine government changed its status as a long-term "observer" and sent for the first time warships, military aircraft and 700 soldiers to participate in the "Pacific Rim" military drill conducted by the United States. Soon, the country gained access to modern military technology: in 2019, the Philippines received four OV-10B multipurpose reconnaissance and assault aircraft (Rappler, 2018).

¹⁴ Alongside PHIBLEX (Philippine Amphibious Landing Exercise) and the Balikatan, the Stormy Wind and Kamandag military drills, which began in the autumn of 2017, focused primarily on enhancing anti-terrorist preparedness.

At the end of 2018, the return of the Balangiga bells, which had been looted by US forces in the early 20th century, resulted in positive consequences both in political and military terms, since the Filipino government accepted the US offer, including in the area of military procurement, under which the parties agreed on the purchase of 16 Black Hawk assault helicopters. The symbolic significance of the Balangiga bells is beyond doubt, and many analysts believe that this was the “highlight” of 2018 in the relations between the United States and the Philippines. As regards US military aid to the Philippines, in the financial year 2018, the US provided only US\$7.25 million less compared to the previous financial year, and 2.15 million less than that received by officially non-allied Indonesia. It increased to US\$37.25 million in 2019, but still far less than in the financial years 2016 and 2017 (Song, 2019).

The National Defense Strategy, issued by the Pentagon in 2018, highlighted the necessity to strengthen alliances and partnerships in the Indo-Pacific region, and this is particularly true for the Philippines (US Department of Defense, 2018). At the same time, the Duterte government initiated the revision of the Mutual Defense Treaty of 1951 at the end of the year and expected the US to take a clear stand primarily on the claims related to the South China Sea islands. During his visit to Manila in March 2019, US Secretary of State Mike Pompeo finally publicly confirmed the Treaty of 1951 and guaranteed to protect the Filipino interests (Panda, 2019).¹⁵ This is the first time the United States made it clear that the scope of the Treaty is also extended to the South China Sea.¹⁶ Of course, the re-evaluation or, if appropriate, the amendment of the agreement, which was the basis of the association, was not removed from the agenda, but could not be achieved in light of domestic and strategic risks during the mandate of President Trump.

Duterte, however, also tried to dispel China’s fears about the close defense cooperation with the Americans, so in February 2020, he informed Washington that he planned to terminate the Visiting Forces Agreement of 1998 (Aspinwall, 2020).¹⁷

¹⁵ Since the Mutual Defense Agreement of 1951 does not provide for an automatic response from the US in the event of an attack on the country, only consultation, the Filipino politicians doubted US military assistance if war broke out. The continued laconic nature of official US communications further increased uncertainty as they failed to resolve the ambivalent situation described above.

¹⁶ During his visit, Pompeo also asked his Filipino partners not to use the Huawei 5G network for security reasons. In fact, the Philippines already signed a contract with Huawei for 5G in 2017, so at the beginning of 2019, the Chinese company completed testing of the 5G network. As the Huawei 5G network is faster and cheaper than Western companies’ networks, it is not surprising that Manila has chosen the Chinese competitor.

¹⁷ After the US Congress foresaw sanctions against Filipino citizens who had been involved in the imprisonment of Senator Leila de Lima at the end of 2019, the Philippines banned US politicians involved in the proceedings from the country. In response, the US also withdrew the visa of the former

Nevertheless, no specific measures have been taken in this respect—in the meantime, the US agreed to sell six AH64-E Apache assault helicopters—and in June, Duterte finally announced that he would suspend the termination of the agreement, so the foundations of the alliance remained essentially intact. In the summer, the head of state declared that he would no longer wish to participate in the South China Sea military exercises, but in the end, the Filipino forces were not absent from the multinational “Pacific Rim” drill. In his speech before the General Assembly of the United Nations on September 22, the president, however, strongly supported the judgement of 2016 of The Hague’s Permanent Court of Arbitration, which means that the strengthening of the American-friendly line is once again observed in his foreign policy, and this could adversely affect relations with China (Rappler, 2020)¹⁸. However, in December 2020, Duterte again raised the question of terminating the Visiting Forces Agreement, this time linking the stay of US troops in the country to the delivery of the coronavirus vaccine, which again projects a complication of bilateral relations at the end of Trump’s term of office (Salaverria, 2020). In fact, the Philippines, of course, continues to maintain a delicate balance between China and the US, and mostly domestic political reasons lie in the background of choosing sides on the surface (He, 2014).

4. Conclusion

In 2017, the US FOIP concept intended to give an important role to US allies in Southeast Asia in containing China. While ASEAN countries are trying to preserve their fruitful partnership with Washington, China is becoming increasingly important to them in economic terms, which also limits their security relations with the US. Among the countries in the region, the Philippines have a special relation with the US, which, however, had to be reformed after 2016, following the election of President Duterte. Under Obama’s presidency, the two countries seemed to have moved away from each other, but in fact the agreements that laid down the foundations of the alliance were still in force. Trump’s election, followed by the announcement of the FOIP concept, which is a key part of the president’s Asia policy, created the opportunity to recalibrate the partnership, which was needed by the leadership of both countries for strategic reasons. In addition to the good relations between the two heads of state,

Filipino Chief of Police, Senator Ronald Dela Rosa. (The president’s confidant had previously compromised himself in the anti-drugs war, too.) Duterte’s step can be seen in part as a continuation of these events.

¹⁸ It is remarkable that on September 7, the president awarded the outgoing US Ambassador, Sung Kim with the Sikatuna order, while he also pardoned US marine Scott Pemberton, who had been convicted of murder.

political, security, and economic cooperation have also been strengthened, so we can state that the Philippines has reacted positively to the new US strategic concept in view of its geopolitical interests, while also committing itself to close cooperation with China for its geoeconomic objectives. The US–Philippine alliance continues to be stable, while challenges remain, which have only been resolved temporarily. The most important question is whether the Trump-Duterte compromise, which is proving to be operational in the short term, will be maintained under Joe Biden's presidency, or the return of a Democratic administration will result in a recurrence of tensions, thereby making the consequences uncertain, and essentially serving China's geopolitical interests.

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China's Response to the Free and Open Indo-Pacific Concept: The Significance of the Regional Comprehensive Economic Partnership and Its Implications for the US–China Rivalry

Norbert Miklós

1. Introduction

The Free and Open Indo-Pacific (FOIP) concept, embraced by the United States (US) since 2017, focuses on some of the most important parts of the globe. The concept creates a single strategic system between the Western Pacific and the Indian Ocean, as the extension of the Asia-Pacific security concept. This doctrine can also be interpreted as an initiative to mitigate the challenge that China poses to the already existing Western liberal order since the Asian giant represents the greatest long-term strategic threat to the existing US-led security concepts on the entire globe. According to the majority of Western analysts, the FOIP is an attempt to unify and integrate the already widely accepted liberal principles in one rhetorical concept. Within this framework, the United States is also pursuing the renewal of the Quadrilateral Security Dialogue (Quad), a security arrangement between the US, India, Japan, and Australia.

However, there are several problems with the American approach. The main obstacle is that, according to the Chinese leadership, the FOIP concept is merely a containment policy, a so-called plan to oppress China, which ultimately leads to Beijing's gradually more vehement pushback. The Asian giant's grand economy and its influence make it the most important trading partner for Australia and India, while the highly intertwined US–China ties have only started to disassemble, and Japan's trade deficit towards China increased to about 3.8 trillion yen in recent years. This means that the countering of Chinese interests and the economic decoupling can prove harder than initially imagined for the Quad members.

Aside from the Belt and Road Initiative (BRI), there are several ways for China to oppose its American counterpart's strategies. The aim of this article is to examine the Quad and the FOIP initiatives and their strategic implications on China, after which the Chinese strategy will be explored in more detail.

In the first chapter, the Quadrilateral Security Dialogue and its renewal will be discussed, with its implications on the Asian giant. The second chapter focuses on the Free and Open Indo-Pacific concept and the American strategy in the region, while also taking into account the interests of Australia, India, and Japan, the most important allies for the US to counter Chinese power in the Indo-Pacific. The third chapter concentrates on the Chinese response to the American strategies since the Obama administration's Pivot and Rebalance, while bearing in mind the evolution of Beijing's strategy. The main focus of the analysis is the Chinese response to the American strategies ranging from Beijing's Belt and Road Initiative through the Chinese Free Trade Agreement strategy to the newly signed Regional Comprehensive Economic Partnership, since these strategies have significantly improved China's global posture in recent years. Based on the highly confrontational nature of the US–China bilateral relationship during Trump's presidency, the newly elected Biden administration's response to China could be the most important element of international politics that sets the tone for the next decades, which is why the answer from the Chinese leadership to the new American strategy is a cornerstone of the future of international relations, and thus should be examined in greater detail.

2. The Quadrilateral Security Dialogue

At the end of 2017, almost a decade after the Quadrilateral Security Dialogue has been disbanded, the four nations of Australia, India, Japan, and the US have once again started talks about engaging each other on a higher strategic level via the quadrilateral dialogue. The main concept of the Quad is based upon the cooperation of the four most powerful democracies in the Indo-Pacific region in order to better handle their mutual geopolitical concerns. The reason behind the rebirth of the dialogue is mainly the rise of the "revanchist China" that wants to "disrupt the status quo" in order to increase its footprint in the region and on the world, as Sreemoy Talukdar put it (Smith et al., 2018).

2.1. Quad 1.0

The main idea of the grouping was based upon Japanese Prime Minister Shinzo Abe's articulation of his comprehensive vision for the region, creating the Indo-Pacific concept, as a "confluence of the two seas", with the ideological component of the creation of an "arc of freedom and prosperity", which runs through Eurasia, promoting freedom and the rule of law. In 2006, a meeting between the Indian Prime Minister Manmohan Singh and his Japanese counterpart, Shinzo Abe, took place that created

the geographic cornerstones of the later established cooperation, based on an Indian–Japanese joint statement, proposing a dialogue with other “like-minded countries in the Asia-Pacific region”, one that is built upon shared interests (Ministry of External Affairs, Government of India, 2006), which were being put under pressure by a rising China at the time (Smith et al., 2018). This premise was later used not only as the basis of the Quad but of the Indo-Pacific strategy as well.

Seeing the positive engagement between Japan and India, the US signaled its interest in building a multilateral dialogue. After a consultation between Dick Cheney—the US vice president at the time—and then Australian Prime Minister John Howard, February 2007 had been set as the launch date of the cooperation, which was finalized in April that year. In the end, the first Quad meeting was held in May 2007 at the sidelines of the ASEAN Regional Forum meeting in Manila, where the meeting of the four nations was merely considered as an “informal grouping”. At the end of September, the first and only Quad military exercise took place, the extended US–India Malabar exercise, which included Australia, India, Japan, the US, and Singapore as an addition to the four Quad nations (Buchan – Rimland, 2020).

As China has voiced its concerns about the Quad, many outsider countries, such as the Republic of Korea, were hesitant to join the security dialogue because of their growing economic relationship with China. The harsh rhetoric from the Chinese side was based on the possibility of the Quad turning into an Asian NATO, which eventually led to the participating nations distancing the main premise of the security dialogue from being one that is based upon security concerns posed by China (Parameswaran, 2019). As Prime Minister Abe’s resignation came about in 2007, and the election of the Australian Rudd government took place the same year, the dialogue started to fall apart. The final nail in the coffin of the first Quad was the announcement of Australia in January 2008, which stated that the strategic outlook proposed by the previous government was not aligned with the one created by the Rudd government, thus Australia would not seek to participate in the Quad dialogue any further. This was a clear signal for China that Australia would rather choose to open their doors for a closer bilateral cooperation between the two nations instead of joining the US-led security concept. India’s non-alignment strategy and its growing trade volume with China also put pressure on the South Asian nation to pull back from the security grouping. In the end, not even a year after its establishment, it seemed rather clear that the Quad was not a coherent strategic dialogue, mainly because of the different perceptions of the four participating nations, and their relationship with China, which ultimately led to the abandonment of the quadrilateral security concept for the time being (Buchan – Rimland, 2020).

2.2. Quad 2.0

Almost a decade later, the Trump administration started the engagement of the Indo-Pacific via the Quadrilateral Security Dialogue once again. During the Obama administration, the emergence of China and the further destabilization of the region led the above-mentioned four participants towards the rediscovering of their common interests until 2017, when the Quad was officially reformed with exact dates set for the next rounds of meetings. This regrouping has given the foundation for the American Free and Open Indo-Pacific concept, which promotes a rules-based system and the security of the region as a whole, just as Prime Minister Abe envisioned a decade ago.

A so-called China containment strategy has indeed started to unfold from the first half of the 2010s. Starting with previous US President Barack Obama's Pivot and Rebalance strategy, and with the reform of the Quad, some experts even see the grouping as a foundation of a future Asian NATO, just as China has previously feared (Smith et al., 2018). Neither statement was entirely implausible, but some crucial elements were still missing from such an ambitious cooperation as the four countries restarted their dialogue.

On the other hand, while the quadrilateral cooperation has been halted in recent years, the participating nations were not idly waiting on China's rise either. The common goals and interest of these nations led to further steps of cooperation, meaning bilateral and even trilateral treaties and agreements. This kind of multiple-level engagement between the Quad participants helped to create trust among the leaderships and militaries of the four democracies, thus set the foundation for political interaction on a deeper level. However, the slow convergence of the four nations barred the Quad from quick institutionalization. This was one reason for the falling apart of the first security dialogue, while another important aspect was Beijing's rhetoric, which stated that the Quad was no more than a containment network against China (Buchan – Rimland, 2020).

Another reason behind the rebirth of the Quad could be the increasing assertiveness of the Chinese state and its more forceful military engagements, namely the South China Sea debate, and the gradually tenser border conflicts with India. The perspective of the US and Japan remained quite clear throughout the time of the halted Quad meetings, which was based on the perceived China threat, especially by Japan, with its heated debate over the Senkaku/Diaoyu Islands with China. Australian–Chinese relations also saw a sharp decrease after several cases of bribery had been discovered by Chinese individuals connected to the Chinese Communist Party to increase

their economic and political interests in Australia (Ibid.). All these aspects of the so-called Chinese coercive behavior helped the four Quad members to realize that once again their shared interests could be aligned within a joint grouping.

When Shinzo Abe was reelected in 2012, he called for a “democratic security diamond” to be established (Hines, 2020). Based on this, in 2017, the quadrilateral format was reestablished as later that year in November representatives of the four nations met again in Manila. The main topic of discussion revolved around supporting the Free and Open Indo-Pacific concept, whilst promoting a rules-based system in the Indo-Pacific region. Two years after its relaunch, November 2019 signaled the resumption of senior official-level meetings—instead of the previous mid-level discussions of strategic interests—, which gave the Quad a new lease on life with its new bimonthly ministerial-level meeting format (Buchan – Rimland, 2020).

Given China’s initial response after the Quad was first formed, the reestablishment of the security dialogue has once again led Beijing to believe that a containment strategy is being drawn up against them. This puts China in a place, where it must act against the perceived intimidating containment strategy of the Quad 2.0 nations instead of moving ahead with only harsher rhetoric. So far, a detectable change in the stance of the communist leadership has been visible in the last couple of years, when first they labeled the Quad as “sea foam”, and then recently called it a security threat again (Hughes, 2020). The beginning of the institutionalization of the US-led security dialogue thus creates a basis for more solid political cooperation between the four democracies—even though the Quad is still considered as an “informal dialogue”—that puts China under pressure in the Indo-Pacific region. The Trump administration’s newly adapted rhetoric targeted an increasingly assertive China, and the way has been cleared for a more concrete set of plans to be drawn up for enhancing the security partnerships with the other Quad members. The new Quad 2.0 even opened the door to broader cooperation by proposing to include other nations as well in order to create a pillar of stability in the Indo-Pacific. All these steps laid the foundation for the nowadays used Free and Open Indo-Pacific concept, which Donald Trump and the US have championed in the last couple of years as a way to increase pressure on Beijing, among other means. With the 2020 election won by President Joe Biden, the Quad is likely to stay relevant in the Asia-Pacific region since growing competitiveness between China and the US should indeed make the new Biden administration appreciate the previously reestablished asymmetrical advantage of the group over China in the region (Panda, 2020), which could also be used as a foundation for a more serious cooperation in the future.

3. On the Road to the Free and Open Indo-Pacific Concept

3.1. Abandoning the Pivot and Rebalance

Former US President Barack Obama's Pivot and Rebalance (or "Pivot to East Asia") strategy (Ford, 2017) led American foreign policy and security arrangements to refocus the US towards the increased Chinese presence and assertiveness in the East Asian region. Since Donald Trump took office, he expressed his denouncement of the Obama government's strategy and the embodiment of such plans, specifically meaning the Trans-Pacific Partnership (TPP), but carried on with its focus toward East Asia. Based on this, some analysts think that the Free and Open Indo-Pacific concept, even though still in its early days of conceptualization, is not more than a continuation of the Obama administration's Pivot strategy (Chen, 2018). The harsh criticism of the whole Obama era by Trump means that previous policies had to be boycotted too, while in reality the main reason behind both presidents' East Asia strategy is the fact that neither of them wanted China to become an even more prominent factor in regional and global issues as to be able to seriously compete with the US and its interests. In 2015, President Obama said, "[w]e can't let countries like China write the rules of the global economy" (The White House, 2015), and Donald Trump essentially advocated the same principle when during the run-up to his election he campaigned with his anti-China sentiment (Holland et al., 2016).

It seems, based on the similarities between the two strategies, that when President Trump took office, his administration learned quite a lot from the Obama era's Pivot strategy. The end goal is the same for both concepts, which was no less than creating a "principled security network" in Asia (Panda, 2018), only the means of conduct changed. While the Obama administration championed the multilateral approach for international policies and practices, meaning the outstanding role of the US in the TPP under his presidency for example, Trump preferred to conduct his policies bilaterally, thus giving more leverage for his nation in a one-on-one discussion with other countries. To a certain extent, the strongman approach seemed to work. On other occasions though, along the lines of massive disagreements with other states, missile strikes, trade sanctions or even trade wars have erupted. Based on these facts, the complete judgement of the Trump presidency's foreign and economic policies can only be deemed triumphant once the agreements are signed, are being implemented, and concrete results are visible.

Since May 2017, the Trump administration has considerably increased the presence of the US Navy in the South China Sea. Freedom of navigation exercises in the disputed

waters in the region have become much more frequent than during the Obama administration period. The motive behind the increased American presence is rooted in the fact that in the 2017 National Security Strategy document the US recognized China as a revisionist state and a strategic adversary (Ibid.), which ultimately meant that a more assertive American China policy and East Asia strategy could be expected in the coming years.

3.2. Understanding the Free and Open Indo-Pacific Concept

All these changes have led to the integration of the Free and Open Indo-Pacific concept into the US' East Asia strategy. The foundation of FOIP mostly rested on the members of the Quadrilateral Security Dialogue, like-minded democracies in the Indo-Pacific—or in the case of the US, a country with significant interests in Asia. The foundation of the vision of America's Asia strategy in the 21st century is one that is based on the post-World War II status quo that aims to preserve the rules-based order and liberal norms throughout the region, while emphasizing freedom of navigation and overflight alongside the security of sea lanes (Panda, 2018). The coordination of the main actors in the Quad cooperation, namely Australia, India, Japan, and the US, plays a pivotal role in American strategy, but the more inclusive Free and Open Indo-Pacific concept seeks to include other nations as well, presenting the initiative to be an open community of nations based on their shared values (and in some cases, interests).

But what does a Free and Open Indo-Pacific concept actually mean? In its wake, the strategy was a rather vague term describing a concept similar to the continuation of the Obama administration's Asia strategy, with unclear ways for its realization. Some experts argued that the Indo-Pacific actually means a "mental map of some of the most strategically important parts of the globe" (Valencia, 2018). In that sense, FOIP most certainly aims to deepen and "accelerat[e] economic and security connections between the Western Pacific and the Indian Ocean (...) [by] creating a single strategic system" (Ibid.). No matter from which perspective FOIP is looked at, it seems rather clear that this concept is one that is underpinned by Western values and principles, which ultimately creates the foundation of the current regional order (Mehta, 2019).

Other analysts see the initiative as a policy derived from the "China threat" perceived by the US, as a response to the possibility of the undermining of Western-dominated international order by Beijing. The hopes of the Trump administration, according to these foundations, is the defending of rules and laws, and the possible implementation of sanctions if China becomes too assertive (Admiral Davidson, 2019).

The core principles of the concept, however, according to the US National Security Adviser H. R. McMaster, are freedom of navigation, the rule of law, freedom from coercion, respect of sovereignty, private enterprise and open markets, and the freedom and independence of all nations (Valencia, 2018). Based on this, FOIP attempts to integrate all these principles in a single concept.

On these premises, the rebirth of the Quadrilateral Security Dialogue might not come as a surprise, as it is a framework with history that aims to keep the Indo-Pacific region safe with its four cornerstone nations, Australia, India, Japan, and the US. Of course, as with the operation of the reestablished Quad 2.0, there are certain problems with the FOIP concept as well, and in both cases, that problem would be China's resistance and its (mainly economic) leverage over the participating nations. The other key element in the Free and Open Indo-Pacific concept, besides the defense cooperation, is economic integration in the region (Swaine, 2018). Based on this, the initial aim of FOIP can be summed up as an effort to achieve "a free and open Indo-Pacific... where sovereign and independent nations (...) can all prosper side-by-side, and thrive in freedom and in peace", while enhancing economic cooperation and integration led by the US and its democratic allies (Ford, 2020).

In essence, the FOIP concept creates a viable alternative to the Belt and Road Initiative launched by China almost a decade ago, which aims to connect the Eurasian continents via land and maritime routes, thus creating the new Silk Road and the new Maritime Silk Road. Basically, the whole initiative and all of its megaprojects are funded by the Chinese state. Based on these premises, another goal of the Free and Open Indo-Pacific concept is to become a viable counterweight against the BRI projects, one that extends the US partnership network and helps to reserve the American positions in the region all at once (Sichuan – Colombage, 2019).

As the restart of the Quad meetings had begun, the FOIP concept evolved along the lines of the quadrilateral cooperation. This led to the US government's Department of State to publish a 32-page document titled *"A Free and Open Indo-Pacific: Advancing a Shared Vision"* on November 4, 2019. The document contained implications of further advancing the FOIP strategy into becoming the cornerstone of the American Asia policy. The report began with Mike Pompeo's message that highlighted that the "vision, shared with billions of people in more than 35 countries and economies, is based on values that have underpinned peace and prosperity in the Indo-Pacific for generations. Free, fair, and reciprocal trade, open investment environments, good governance, and freedom of the seas are goals shared by all who wish to prosper in a free and open future" (US Department of State, 2019). The main takeaways from

the document included the reassurance that the US remains “deeply engaged in the Indo-Pacific region” and is “committed to its prosperity”, the aim of preservation of the “free and open regional order”, the continued centrality of ASEAN in regional matters, and the US\$4.5 billion provided by the Trump administration in foreign assistance, which together are to achieve a “prosperous and dynamic future for the region”. According to the document, the US hopes to achieve its strategic goals via advancing the mentioned shared vision based on Western ideas, engaging partners and regional institutions in order to achieve a deeper-level of cooperation on a variety of topics—ranging from energy to digital economy—, enhancing economic prosperity through free, fair, and reciprocal trade, the improvement of market access and the necessary infrastructure. All this comes hand in hand with the championing of the previously mentioned idea of good governance, at which section the document highlights that “Beijing is intolerant of dissent, aggressively controls media and civil society, and brutally suppresses ethnic and religious minorities. Such practices, which Beijing exports to other countries through its political and economic influence, undermine the conditions that have promoted stability and prosperity in the Indo-Pacific for decades”, to which the US hopes to provide a viable alternative, while also ensuring peace and security in the whole of the Indo-Pacific region (Ibid.).

All in all, as Japan and the US had sought to find a policy measure serious enough to contend with the rise of China, the recent evolution of concerns by Australia and India helped these four democracies realize their common goals once again. But of course, as China has become the most important trading partner for both Australia and India in the last decades (Valencia, 2018), and with Japan’s trade deficit towards China expanding in recent years (Nikkei Asia, 2019), the influence of China over the Quad member states is certainly an important factor that could hold back the democratic coalition and the implementation of the FOIP concept, not to mention the attempted decoupling from China by the US. As a result, the Free and Open Indo-Pacific is certainly not a well-established construct, rather a work in progress (Valencia, 2018), one that depends on the Chinese answers given to the initiative almost as much as it does on the cooperation of the four democracies. Based on the aforementioned facts, the Chinese “containment” rhetoric is not entirely implausible, since if the Free and Open Indo-Pacific concept is going to be implemented according to plan, China’s strategic posture will most certainly be besmirched in the foreseeable future, especially if the FOIP strategy sees a continued and steady advancement.

4. China's Response to the US' Strategies in the Indo-Pacific Region

Based on the previous chapter, it is clear that Beijing's fear of the American containment strategy is not entirely unfounded. But as China's strategic posture has kept on increasing in the region and globally, the Communist Party has gained access to more resources to counter the US strategies in East Asia. In order to gain a comprehensive understanding of China's response to FOIP, one must first understand the underlying thoughts of the Chinese leadership, which is possible by examining Beijing's answers given to previous US strategies. The reason for this is that, even though China had tried to counter the new strategies launched by the US, the Chinese leadership will not change its already established long-term plans because of a more assertive US foreign policy. However, it will certainly adapt and try to counter it.

4.1. The Response to the Pivot and Rebalance

The first response was needed to be given to the Pivot and Rebalance, launched by the Obama administration in 2012, to which Beijing initiated the Chinese Free Trade Agreement (FTA) strategy. The aim of the FTA strategy was to "put forward more of a Chinese voice and pour more Chinese elements into the creation of international rules," as Xi Jinping put it during a study session of the Chinese Communist Party's Central Committee in December 2014 (Tiezzi, 2018). When the Trump administration took office, it withdrew from the Trans-Pacific Partnership—an essential component for carrying out Obama's Pivot—in order to make way for the Free and Open Indo-Pacific concept. Disregarding the US' abandonment of the Trans-Pacific Partnership in 2017, the Chinese FTA strategy carried on, and with more nations signing agreements worldwide, China has gained access to a greater global reach.

The second most important response by China to the Pivot was the launch of the Belt and Road Initiative. While of course the grandiose project did not come about only as a response to the American strategy, the significance of BRI for Chinese plans cannot be highlighted enough, as it is the flagship program of Chinese foreign policy during the Xi Jinping era. It is also important to highlight the domestic political and economic motivations of BRI, as one of the main goals of constructing the new Silk Road and new Maritime Silk Road is to ensure China's access to the Middle Eastern oil, which the Asian giant is so dependent on, while another is the gaining of political influence along the routes of the Chinese project, ranging from Central Asia to the African continent.

With the increasing number of FTA partners, and the planned BRI projects across the globe, China was set to emerge as a key global player in the (near) future—at least in theory. In practice, it could take decades to complete the new Silk Road routes and the new Maritime Silk Road ports, which would ultimately give China a chance to reshape the global supply chains and trade routes. With this head start though, it seemed that Beijing managed to find a way out of the formidable containment strategy created by the Obama administration. Based on the initial outlines, BRI in its most ambitious form would lead to the creation of a free trade zone along the entire Belt and Road (Ibid.), which would benefit the Chinese economy and political influence not only by increasing trade relations along the BRI routes but would boost the nation's global posture and strategic capabilities too.

In addition to the FTA strategy and BRI, China has become more assertive in the South China Sea as well. Starting from 2013, China began its artificial island-building campaign in the Spratly and Paracel Islands' region, creating 3200 acres of new land (Asia Maritime Transparency Initiative, 2020). All this vast extension of Chinese presence was based on the so-called "nine-dash line", which claimed that the South China Sea region, almost in its entirety—disregarding the coastal parts of other countries' shores—, belonged to China. The island building also paired with the increase of military capabilities in the Spratlys and Paracels, by which means China has managed to establish a new footing in the heart of the region.

With the TPP still in place, China's exclusion from the wide net of the Trans-Pacific free trade agreements have certainly caused some uneasy feelings for Beijing. Even though, the BRI and Beijing's FTA strategy helped China counter the TPP, there was still a component missing from the equation, which was institutionalized monetary sustainability.

The Chinese leadership has proposed the Asian Infrastructure Investment Bank (AIIB) in 2013. The goal of this multilateral development bank was to enhance and improve economic and social outcomes in Asia (AIIB, n.d.). The initiative was launched in 2014 and entered into force in December 2015 after the ratification by 10 member states. The Asian Infrastructure Investment Bank was finally opened for business in January 2016.

However, there was another reason why the AIIB was established which, according to Chinese reasoning, was the poor treatment by the US-dominated World Bank and International Monetary Fund (IMF). Of course, the fact that the only veto power in both institutions was the right of the US only made China a minor participant, even

though it boasted the world's second largest GDP figures. The blocking of efforts to give China greater voice in the IMF and the proposed TPP, which deliberately excluded China from negotiations, made Beijing realize that there was no possibility of gaining an expanded role in the World Bank and the IMF, therefore, it established a rival bank. China had the confidence in its economic power and trade relationships, and with its gradually increasing role in global trade and the BRI launched, Beijing could have felt that the AIIB will be a secure development bank that finally gives China the opportunities it has been denied by the US, while also creating its own global economic community, which is led by China itself.

4.2. The Initial Response to FOIP

Not even a week after Donald Trump took office, he announced that the US would not participate in the TPP in the future (Baker, 2017). With this move, the Trans-Pacific Partnership fell apart, at least in its original form. The still participating nations, however, created the new framework for the new Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which did not include the US in further negotiations but would still create the third largest free trade area in the world by GDP (Torrey, 2018). The Trump administration needed another strategy, one that could be tied to the name of the president, which led to the adoption of the Free and Open Indo-Pacific concept and the rebirth of the Quadrilateral Security Dialogue.

With BRI on its way, the AIIB established and the new CPTPP without the US, China had been in a comfortable position for the time being, right after Donald Trump took office. But with the emergence of the Quad 2.0 and the new FOIP concept, Beijing needed a response to the new president's new Asia strategy. However, the initial reaction of the Chinese academics and strategic thinkers to FOIP is also worth noting in order to gain a more comprehensive understanding about the answers given by the Chinese leadership as the US strategy proceeded.

Most Chinese scholars believed the Free and Open Indo-Pacific concept to be a containment strategy, but they were not convinced that it would stick. In its initial days, FOIP was viewed as a concept that needed to be properly constructed, and that the rebirth of the Quad had just been the first step in the process. In its wake, FOIP was also seen in China simply as a continuation of the Obama administration's Pivot and Rebalance strategy. The majority of Chinese thinkers believed that the US deemed the FOIP strategy necessary because of the need to reshape the Asian geopolitical regional order. As the Asia-Pacific had started to become the new geostrategic center

of the world with the increasing US–China opposition, it was no surprise that many started noticing the shift of the regional balance of power and the geostrategic situation. For this reason, at the time of the launch of the FOIP concept, Chinese scholars believed that the American strategy is a mere attempt to regulate the rise of China within the framework of the international structure, dominated by the United States. Other Chinese scholars saw the FOIP concept as a possible competitor to the BRI framework. With the inherent economic and security implications of the new US strategy, it would also be able to disrupt the BRI's framework in a way that the US could benefit from, but that kind of competition would certainly cause serious harm to Sino–US relations, they argued. All in all, as the new US strategy began, most Chinese scholars recommended the adoption of a “wait and see” approach until more evidence arises (Chen, 2018). In the next years, however, the geopolitical rivalry in the Indo-Pacific has continued to sharpen.

As the situation got tenser, more and more American experts analyzed the implications of FOIP in the Indo-Pacific region, and China was not idle either. That is shown by the speech given by Admiral Philip Davidson—the Commander for the US at the Indo-Pacific—at Harvard Kennedy School in September 2019. The admiral's speech focused on the Chinese Indo-Pacific strategy, which, according to Commander Philip Davidson, is something that transcends all elements of national power, and resides in the gray zone, blending together multiple instruments of national power, while generating increasingly unique challenges for the US and its allies. The admiral stated that the build-up of the People's Liberation Army Navy and Air Force presents noteworthy challenges to regional security by threatening the interests of the US and its allies. He also emphasized the fact that the “String of Pearls”¹ network, currently being established by China, with the new BRI infrastructure development programs, means that China plans to use the BRI projects to support its strategic interests and establish military access overseas. As a conclusion, Admiral Philip Davidson reiterated his growing concerns by highlighting the fact that the US is “in full-blown strategic competition with China” (Admiral Davidson, 2019).

Even though this more outspoken rhetoric has started to take hold in the US strategic thinking in recent years, some analysts still saw Beijing as a cooperative force, with whom dialogue can be still established. Based on this, the recommendations from these experts usually concluded in the argument that China will be way less keen to compromise if the US defines it as an adversary. The reason for this way of

¹ The “String of Pearls” network is a maritime system of connections between the ports along the lines of the new Maritime Silk Road within the BRI framework.

thinking was based on the fact that if the US strengthens its strategic posture by forcing Beijing into compliance, the American strategy might achieve the exact opposite of what it set out to do since this constant pressure put on China by the US will mean that the Chinese leadership will most likely adopt a zero-sum policy, which could lead to a new Cold War on top of the existing trade dispute (Swaine, 2018). In the meantime, the clash of rhetoric carried on as the Chinese propaganda continued its crusade against FOIP. Global Times, a Chinese state-owned news outlet, issued an article about the *"Hegemonic nature of US Indo-Pacific Strategy [being] exposed"* (Feng, 2020).

As the US continued to advance its Indo-Pacific strategy quietly but steadily, Beijing kept a close watch on the proceedings. The concept's ambiguity and the geographical scope of the initiative led the Chinese Ministry of Foreign Affairs (MFA) to remain watchful towards FOIP. The first official response from Beijing arrived in 2017 by Geng Shuang, an MFA spokesperson, as he welcomed the initiative to contribute to the stability and prosperity of the Asia-Pacific but highlighted the fact that "politicized and exclusionary [principles] should be avoided" (Amane, 2020). From this perspective, the official Chinese stance on FOIP is that China has no intention of rejecting the concept, but best be cautious toward it. Wang Yi, the Chinese foreign minister on the other hand, gave a bold comment about how his "wait and see" approach works, when he was asked about his opinion on the Quad and the FOIP concepts in 2018: "They are like the sea foam in the Pacific or Indian Ocean. They may get some attention, but soon will dissipate" (Xinhuanet, 2018). In 2019, however, he stated that the region should "focus on cooperation and consensus, without engaging in geographic confrontation and games", while also "focusing on openness without forming factions" (Amane, 2020).

All in all, Beijing's stance on the Free and Open Indo-Pacific concept can be summed up as cautious pessimism as some experts put it (Ibid.). The potential risk of containment by the US and its allies can be seen as a reaction to BRI's global reach and China's growing influence around the world. On other occasions, it was visible that Beijing perceives the FOIP strategy as an example of Washington's power politics and its intention to disturb the regional dynamics. However, many Chinese analysts still think that the US would find it difficult to advance its strategy because of its implications for bringing regional instability in the future. According to these experts, this instability would be enough to ultimately lead nations in the region to become hesitant to follow the US' strategy. Other Chinese analysts believe that the FOIP concept is destined to fail since it would be rather hard to achieve collective gains for the US and its allies because their individual interests seem more important to them (Hu – Meng, 2020). Finally, the most recent trip of Chinese Foreign Minister Wang Yi to the ASEAN nations disparaged the FOIP as an Asian NATO and its implications for Chinese

containment (Kawashima, 2020). In one sentence, the more the Free and Open Indo-Pacific concept advances, the harder the Chinese stance against it seems to be.

4.3. Creating the World's Largest Trading Bloc: The RCEP

When the Pivot and Rebalance strategy was introduced by Washington, Beijing answered with its Free Trade Agreement strategy and certain aspects included in the Belt and Road Initiative's framework. Half a decade later, the Trump administration announced the adoption of the Free and Open Indo-Pacific concept, and at the beginning, Beijing seemed to answer in a more constructive, non-confrontational and peaceful manner (Hu – Meng, 2020). The extended Chinese influence cannot be denied neither in the Indo-Pacific region nor globally, which has been achieved mostly via the Chinese Free Trade Agreement strategy and the extension of Chinese economic and political ties along the lines of the Belt and Road Initiative. And amidst the chaos of the Covid-19 pandemic and the US election, discussion about the Regional Comprehensive Economic Partnership proceeded. After almost a decade since the launch of the talks, the signature of the RCEP was announced on November 15, 2020, which could be viewed as the most important answer from China to the Indo-Pacific strategy and the so-called containment by the US. Of course, the RCEP would need to be ratified by at least six ASEAN and three non-ASEAN countries before it would enter into force, still, the sole achievement of signing the main agreement is quite significant (Wong, 2020).

The Regional Comprehensive Economic Partnership is essentially a free trade agreement between all 10 of the ASEAN nations, the ASEAN+3 countries (China, Japan, and South Korea) with Australia and New Zealand, which follows the structure of the Chinese Free Trade Agreement strategy. These 15 countries account for almost one third of the world's population and GDP (BBC News, 2020). With these figures, the RCEP is the biggest trade bloc that has ever been created, unifying almost all of the Asia-Pacific in a single free trade agreement, including four of the five largest economies in Asia (Zhou, 2020). According to certain analysts, the overwhelming success of the RCEP negotiations was caused by the US abandoning the TPP (Reichert, 2017), which ultimately left enough time and space for China to create its own free trade zone in the region.

RCEP is expected to eliminate 90 percent of tariffs on imports between its signatories in the next 20-year period (Wong, 2020). It also aims to establish common rules for e-commerce, trade, and intellectual property rights. However, the most important aspect—besides the eliminated percentage of import and export fees—is the

unification of the rules of origin, which is a fundamental step towards facilitating new international supply chains while reducing export costs for the whole of the trade bloc. As some Asian experts see it, besides the implications of RCEP to help stimulate post-Covid-19 growth, it could also help pull the economic center of gravity back towards Asia (Gunia, 2020). This would ultimately leave the US behind in economic and political affairs, not just in the region but globally too, since the agreement could have serious implications for China in the near- and long-term future. Even though the unprotected human and labor rights in addition to the sustainability issues under the agreement caused international backlash (Ranald, 2020), so far it seems that the agreement will proceed, creating the most decisive Chinese response to the Free and Open Indo-Pacific strategy.

Another important factor to consider regarding RCEP from the Chinese perspective would be the prospect of minimizing the harm that the trade war between the US and China has done to both economies. With the likelihood of establishing new supply chains, another important national security interest for Beijing, Chinese products could gain access to new markets, which would stimulate the nation's exports, may lead to better tariffs worldwide and could even find a way to bypass anti-dumping measures around the world—which is one of the reasons why India pulled out of the negotiations in 2019 (Raghavan, 2020). Of course, it would take a lot of time for the unification process of the rules of origin to take place, nevertheless, the leaders of other nations are eagerly watching the RCEP signature and ratification process unfold, hoping to give an early response if such problems would arise, and to capitalize on the new opportunities presented by the agreement.

For the time being though, RCEP has been signed by all member states, and the ratification process is on its way. Only time will tell how the new Biden government will respond to the increasing Chinese influence and the Beijing-led free trade bloc, which is to be the largest in the world. One thing is certain though, the Chinese leadership is proceeding with its foreign and economic policy in a manner that seems well thought-out and properly implemented. As the RCEP was announced, Chinese Premier Li Keqiang declared it “a victory of multilateralism and free trade” (Wong, 2020), while Singaporean Prime Minister Lee Hsien Long pronounced it as “a major step forward for our region”, which would support free trade and economic independence (Lee, 2020).

The opposite spectrum constitutes of mainly Western voices. Even though, the ASEAN's “middle-power diplomacy” triumphed, many experts still see the RCEP as no more than a “paper tiger”, which claim is based on a comprehensive study that found

that the new agreement would add only 0.08 percent to China's GDP in 2030 without India joining the pact (Bird, 2019). The cherry on top is that even Malcolm Turnbull—the former Australian prime minister—said that it was a “really low ambition trade deal” (McDonald, 2020). However, if the Chinese ambitions proceed as planned, the RCEP has the possibility to turn into the greatest trade deal of all time, something that Donald Trump would have certainly approved of.

5. Conclusion

China has been targeted by the US foreign policy on many fronts during the last two decades. From the US and its allies' Quad grouping through the Pivot and Rebalance strategy of the Obama administration to the harsher rhetoric and trade war with Trump's America, the Asian giant has become the single most important challenger for American-led world order. Based on these factors, the different reactions and ways of treatment by the US achieved different responses by the Chinese leadership during the 21st century.

Since the more antagonistic China image has been present in Washington, Beijing needed to adapt to the changing situations by creating its own strategies to better handle the US and the world. This is what happened when the Quad first emerged, and when the Pivot and Rebalance was launched by the Obama administration. Consequently, this is what has been happening since 2017, since the more hostile nature of US–China bilateral relations surfaced under Trump, so as the trade war began and the Quad 2.0 emerged alongside with the new Free and Open Indo-Pacific concept, China needed to give answers to a new set of problems.

By these means, the new challenge that FOIP poses seems to be one based on an outright strategic competition with China by the US. The new American Asia strategy is one founded on the challenge of the Chinese economic, political, and strategic interests. The economic aspect is embodied mainly by the challenge of Xi Jinping's Belt and Road Initiative and China's economic presence in the region. The political confrontation comes from the rising tensions between the two nations, and their relationships with the regional powers, which could lead to a harsh Cold War if not managed correctly. The strategic interests of both nations are mainly based on national and regional security in the shape of maritime and aerial capabilities, with special focus on the South China Sea and the conflicts taking place there.

In conclusion, for China to respond to the FOIP concept in a manner that benefits Beijing not only in the short-term but in the long-term too, the Chinese leadership must continue its march forward along the lines of its economic and political expansion with BRI and its Free Trade Agreement strategy, which the Regional Comprehensive Economic Partnership is a part of. However, China must put more effort into being more transparent with its practices to avoid Western criticism of forcing other nations into a “debt trap” and that the whole initiative is based upon gaining political capital by handing out high sums of money to nations worldwide. The Chinese leadership must show the Western nations that the BRI’s objective is in fact genuinely economic, and that the subsequent creation of new supply chains and infrastructure is only going to benefit the nations taking part because they are not, in fact, the expansion of overseas military capabilities. In this sense, China must continue to be open for cooperation but should do more than just claiming it is. One example of this action taking is the signing of the RCEP, which, if comes into force, will ultimately give Beijing more strategic flexibility in the Indo-Pacific region and worldwide because of the partnership’s wide net of participating nations and their more serious economic cooperation, which could lead to a more serious political cooperation in the future. However, based on the last couple of years during the Trump presidency, the grip of the US is only going to continue to tighten in the course of time, especially since so far it seems that Joe Biden will be just as hard on China than his predecessor, if not harder (Miklós, 2021, pp. 14–15).

In any case, one can expect an even more dramatic US–China rivalry in the years to come. Only time will tell how the parties will deal with each other, and just until when the competition can be kept at the level of a strategic competition and trade war. The American rhetoric is certainly becoming harder on China with every new president, but Beijing seems to be ready for the new challenges, which RCEP certainly showcases. The increasing pressure by the US and the gradually more assertive China will most likely need to manage their differences via level-headed political discourse. One can only hope for the decrease of tension during the coming years, but a single misstep could cost more than just good diplomatic relations. Based on these factors, if differences can be managed by both countries’ leaderships by responding carefully to the emerging challenges, there is a possibility for finding a solution to the growing opposition between the two superpowers, and the prospect of a new major power war can be evaded.

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A Study of the EU's Economic Presence in the Indo-Pacific Region from the Aspect of the EU–Vietnam Free Trade Agreement

Li-Jiuan Chen-Rabich

1. Introduction

Since its establishment and with an ever-increasing number of members, the Association of Southeast Asian Nations (ASEAN) has gradually become the political and economic focus in the Asia-Pacific area. Since the 1970s, the European Union (EU) has increasingly emphasized the interaction and cooperation between trading partners in the Asia-Pacific region. Although the EU failed to accomplish the inter-regional free trade agreement with the ASEAN, it changed its strategy and shifted to conclude free trade agreements with ASEAN's individual members such as Singapore, Vietnam, Thailand, Malaysia, Indonesia etc. The EU–Singapore Free Trade Agreement (EUSFTA) has successfully become the first free trade agreement in the ASEAN, which is a model for future agreements with ASEAN's individual members. Subsequently, the EU–Vietnam Free Trade Agreement (EUVFTA) was concluded in 2016. The EU has successfully shifted and stabilized its economic presence in the Asia-Pacific area after China's Belt and Road Initiative and the conclusion of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Regional Comprehensive Economic Partnership (RCEP).

This paper first covers the historical development of the EU's Asia strategy. The EU shifted its international economic integration into Asia due to facing pressure as a result of participation of both China and the United States (US) in the Asia-Pacific region. Consequently, the EU recognized the significance of the ASEAN for the comprehensive strategy in the area. Instead of the interregional free trade agreement with the ASEAN, the EU changed its strategy and started trade negotiations with ASEAN's individual members. The EU has the exclusive competence of the common commercial policy. Hence, the free trade agreement has been accepted as the most important instrument for economic integration into the ASEAN. After Singapore, the EU concluded a free trade agreement with Vietnam. Finally, taking EUVFTA as a concrete example for the EU's economic presence in the ASEAN, the ASEAN has become the heart of the EU's strategic partnership in the Indo-Pacific region.

2. The Development of the EU's Asia Strategy

Some member states of the EU had a colonial past with Asian countries but placed emphasis on trade relations and economic interests in Southeast Asia. Facing the challenges of global governance, namely the proliferation of weapons of mass destruction, international terrorism, and climate change, it was necessary for the EU to change its strategic approach in Asia (Wacker, 2015, p. 167). Asia is increasingly important for global economic development. Since the 1970s, not only has the EU increasingly paid attention to development in the Asia-Pacific area, but also maintained good interaction and cooperation with Asian countries in the historical colonial context. The Asian economy is booming in the 21st century. There is no direct geographic connection between Europe and Asia. Traditionally, European countries have great economic and trade interests in the Asia-Pacific region. In contrast, both the US and China are Pacific Rim countries. The US and China have not only economic interests but also geopolitical and strategic concerns. They have recently strengthened their presence in the Indo-Pacific region instead of the Asia-Pacific area (Iuppa, 2020, p. 3), therefore, more cooperation with Asia has appeared on the EU's political agenda (Treisman, 2012, p. 62). The EU has gradually changed its Asia strategy and actively participated in Asian affairs (European Commission, 2015b, p. 9).

2.1. The Asia Strategy in the 1990s

Following European integration in the 1950s, regionalization has become a trend in the international community. Interregionalism has also gradually become a new phenomenon. After the accession of the United Kingdom to the EU in 1973, the EU and ASEAN have established informal relations through the Special Coordinating Committee of the ASEAN for an institutionalized dialogue. After the formal Joint Cooperation Announcement in 1977, international comprehensive dialogues between the EU and ASEAN have been developed. Regular meetings have been held on the ministerial level. The bilateral relationship through regular political dialogue was a new milestone. The EU and ASEAN held the first meeting of the Foreign Ministers in November 1978 in Brussels, which has been held every 18 months since then. As a consequence, the bilateral dialogue has been extended step by step (Lim, 2012, p. 47).

ASEAN has emerged as a hub in Asia-Pacific area. Japan, China, and India already have a certain market position in Southeast Asia. The EU has also recognized the dynamic economic development in the region and become a global actor in the international community.

With the trend of economic liberalization and globalization in the middle of the 1980s, the new regionalism promoted international fora and the birth of regional institutions to respond to this trend, such as the Asia–Europe Meeting. A stony interregional cooperation between the EU and ASEAN is reflected in the group-to-group dialogue, regular meetings for information exchange, and cooperation relating to special affairs like trade and investment, environmental protection, and combating against crime (Rüland, 2001, pp. 4-5).

With this trend, the EU and ASEAN became concerned with the regional integration through greater bilateral cooperation. The European Commission proposed the first Asia strategy in 1994 and emphasized that the rise of Asia has rapidly changed the balance of the global economic powers (Commission of the European Communities, 1994). The EU has strengthened participation in Asian economic development in order to keep a leading role in the global economy. As a result, the EU puts weight on the significance of the rise of Asia and global economic balance. The ASEAN is one of the most dynamic markets with a population of over 600 million in the world. It is an attractive market for the EU. The Asia strategy has been integrated into the EU's regional policy and security-balanced framework. It aimed to strengthen the EU's participation in the Asian economy, promote economic and democratic development through international cooperation, abolish poverty and contribute to sustainable development. The EU's economic presence in Asia was the first priority in the 1990s.

The European Commission proposed another document, *"Towards a New Asia Strategy"*, and regarded the ASEAN as its core. As a result, the EU and ASEAN have developed stable trade relations. The EU is the third largest trade partner of ASEAN, while ASEAN is the fifth largest trade partner of the EU. Meanwhile, the EU is the greatest provider of foreign direct investment in the ASEAN (EEAS, 2014). Not only goods trade but also trade in services have rapidly increased. This has contributed to transforming the industrial structure of ASEAN towards a manufacturing supplier (European Commission, 1998, p. 25). The Joint Cooperation Committee published a new strategy document titled *"EU–ASEAN Work Programme"* as guidance for future cooperation between the EU and ASEAN (Rüland, 2001, p. 21).

The Asia–Europe Meeting (ASEM) was established between the EU and ASEAN Plus Three (ASEAN, China, Japan, and South Korea) in 1996. ASEM built a new regional forum and held the first summit meeting in Bangkok. It has created a lot of cooperation plans between the EU and ASEAN to work together on global issues and strengthen ASEAN's own regional integration (European Commission, 1998, p. 18). ASEM has also become a new backbone for the EU in Southeast Asia. It developed a

new alliance between the EU and Asia and established a new power balance among the EU, the US, and China in Southeast Asia (Rüland, 2001, p. 23). The decision of ASEM is informal and has no binding effect, but it is a consensus-oriented forum and constantly facilitates bilateral cooperation, understanding and mutual confidence between the EU and Asia. As a consequence, ASEM is an important exchange platform for regional peace and stability in Southeast Asia (Gippner et al., 2016, p. 10).

Besides China, Japan, South Korea and India, ASEAN has become one of the important strategic partners in achieving the EU's bilateral cooperation in Asia. The EU has also contributed to regional stability in Southeast Asia. On the one hand, the EU has promoted prosperity and security in the ASEAN through sharing the European experience of regional integration; on the other, it has played a role as a global actor and encouraged ASEAN to face and solve new challenges (Allison, 2015, p. 1).

2.2. The New Asia Strategy in the 2000s

The EU acknowledged the significance of the regional security policy of Asia. Asia has become a focus in global political and economic relations. Hence, the EU upgraded its Asia strategy and proposed the "Europe and Asia: A Strategic Framework for Enhanced Partnerships" to establish a comprehensive partnership between the EU and ASEAN (Commission of the European Communities, 2001). It was the "New Asia Strategy of the EU". The New Asia Strategy was not confined to economic affairs but built a close and comprehensive partnership with ASEAN. ASEAN was considered as a key economic and political partner for the EU in Asia.

Subsequently, in 2003, the European Commission published "*A New Partnership with South East Asia*", whose main goal in the EU–ASEAN Trade Initiative (TREATI) was to establish a framework of bilateral dialogue and regulatory cooperation (Commission of the European Communities, 2003). TREATI contributed to planning regulatory commitments and deepening bilateral cooperation. The priority was a close connection with ASEAN and to promote ASEAN's economic integration under the framework of TREATI, including sanitary and phytosanitary (SPS) standards for agricultural and fishing products, standards for industrial goods, and technical barriers for trade, forest and wooden goods. A Joint Cooperation Committee was established to achieve these goals and facilitate various kinds of cooperation.

The negotiation of the Doha Development Round progressed slowly and resulted in a stagnant multilateral trade mechanism under the World Trade Organization (WTO)

framework. To respond to this situation, the European Commission proposed the new strategy for trade and a communication on “global Europe” in 2006 to deal with the insufficiently resolved issues such as investment, public procurement, competition, and intellectual property rights within the multilateral negotiation of the WTO (Commission of the European Communities, 2006a, 2006b). These issues involve the EU’s bilateral trade agreements with trade partners. As a consequence, a so-called “new generation” free trade agreement has been developed and gradually become a new trend in the EU’s common trade policy.

“A new partnership with South East Asia” in 2003 aimed to support regional stability and fight against terrorism, promote human rights, democracy and good governance, include issues of judicial and home affairs, encourage regional trade and investment, constantly assist the development in the less prosperous countries, and strengthen dialogues and cooperation for social topics. The close partnership between the EU and ASEAN has been smoothly deepened and widened not only on the ministerial level but also in the business field (EU Delegation, Jakarta, 2013). In other words, the bilateral close cooperation includes political and security cooperation, extension of trade and economic relations, and fundamental global affairs such as energy and environmental protection.

The Bandar Seri Begawan Plan of Action was introduced in 2013 after the EU–ASEAN Meeting of Ministers of Foreign Affairs, which focused on the political security, economy and trade, and regional cooperation for the social-cultural affairs (ASEAN, 2012). The EU has actively participated in the ASEAN Regional Forum for promoting peace, security, and stability in Southeast Asia (EU Delegation, Jakarta, 2013). The European Commission emphasized the core position of ASEAN in the Asia-Pacific area. On the one hand, the interaction with ASEAN appeared more strategically important, and therefore the EU has contributed to establishing more stable regional security order in this region (ASEAN, 2012). On the other hand, the EU acknowledged that ASEAN had not been in nature a supranational organization. The most notable features have emerged as ASEAN’s consensus-based decision making and its informal institutional framework. The decision and policies have been negotiated among the members’ governments prior to their announcement through the ASEAN institutional framework (Treisman, 2012, p. 62). ASEAN’s members have various historical, cultural, and social backgrounds and different industrial structures. In addition to strengthening interregional exchange and cooperation, the EU has changed its strategy and increased interaction with individual members of ASEAN. As a consequence, the EU has begun negotiations of the free trade agreement with ASEAN members in order to break the deadlock of the interregional free trade agreement between the EU and

ASEAN (Kausikan, 2015). The successful conclusion of both the EU–Singapore Free Trade Agreement (EUSFTA) in 2013, and the EU–Vietnam Free Trade Agreement (EUVFTA) in 2016, are good examples and play a role as a steppingstone for the future development of the interregional relations between the EU and ASEAN.

More and more challenges from the pressure of China's initiative of "One Belt One Road", which was planned by infrastructure investments via Central Asia towards Central Europe, have caused the EU's attention on reinforcing cooperation among member states, international partners, and multilateral financial institutions to support its own infrastructure plan. This plan aimed to enhance mutual interests and promoted the economic development and integration in Asia. Besides trade and economic issues, the EU is increasingly concerned about the negative impacts of climate change, in particular the issues of forestry governance and peat land management, in order to mitigate air pollution in Southeast Asia (Gippner et al., 2016, p. 9). The EU's core interests in Southeast Asia were not confined to trade and economy but also concerned with other topics such as labor rights, environmental protection, and sustainable development. However, because the foreign and security policies are competences of member states, and the EU has the exclusive competence of the common trade policy, it has gradually become an important instrument for implementing the comprehensive goal.

The EU reviewed relations with ASEAN to react to the tremendous change in Southeast Asia. The EU and ASEAN announced a Joint Communication in May 2015 (European Commission, 2015b). The EU recognized that ASEAN's key efforts were to build a more stable regional security order in the wider Asia-Pacific area. Hence, the EU contributed to a partnership with ASEAN to achieve this above-mentioned strategic goal. Meanwhile, the ASEAN has been encouraged to take the EU's integration model as a reference for further establishing its own institutional framework. In addition, the EU affirmed ASEAN's role as more and more important for regional stability in the Asia-Pacific area. Trade, investment, and climate change are three topics of the EU's core interests in Southeast Asia. The EU and ASEAN have worked together towards a comprehensive cooperative partnership.

2.3. The EU's "Asia Connecting Strategy"

Facing the challenges of China's initiative of "One Belt One Road" and the new trade protectionism from the former American President Trump's emphasis on the "America First" policy have led to the EU's implementation of the Investment Plan

for Europe. Also known as the “Juncker Plan”, it was proposed by former President of the European Commission Jean-Claude Juncker in November 2014. It aimed at unlocking public and private investments in the real economy of at least €315 billion over a three-year fiscal period (January 2015 – December 2017). The Juncker Plan responded to the economic recession due to the global financial crisis in 2008 to help the European economy recover. That was one reason why the EU introduced a stronger strategy to react to the soft power of China’s “One Belt One Road” (The Business Times, 2018). The EU announced the Global Strategy for European foreign and security policy in 2016, but Asia was not the first priority in the cooperative regional order under this scheme.¹

The European Commission proposed “*Connecting Europe and Asia – Building blocks for an EU Strategy*” on September 19, 2018, to establish a connecting strategic framework between the EU and Asia and improve mutual connection of transport, digital networks, and energy. The concrete contents of the EU’s connectivity model are sustainable connectivity, comprehensive connectivity for the transport, energy network, and digital single market, and international rules-based connectivity for building level playing fields for business (European Commission, 2018a, pp. 2-3).

To sum up, the EU’s “Asia Connecting Strategy” shows the significance of the strategic position of Asia. Although this plan of the EU is regarded as a declarative document and has no concrete measures, the EU has realized Asia’s important strategic position and the EU’s presence is increasingly decisive for its participation in Asian affairs. ASEAN plays a core role in the new “Asia Connecting Strategy”. Furthermore, the EU and ASEAN reached a new milestone in their longstanding relationship by becoming strategic partners in December 2020 (EEAS Press Team, 2020).

2.4. Emerging Indo-Pacific Strategy

The Indo-Pacific region is nowadays the most important transportation hub in the world. The growing economic interdependence between the EU and Asia has urged European countries to attach importance to the Indo-Pacific strategy and regional stability (Iuppa, 2020, pp. 5-8). The term “Indo-Pacific” has gradually replaced the traditional “Asia-Pacific” expression. In response to Japan’s Free and Open Indo-Pacific Strategy in 2017 and the US’ Strategic Framework for the Indo-Pacific in 2018, France,

¹ See more: European External Action Service (n.d.): EU Global Strategy. [online] available: <http://europa.eu/globalstrategy/en>

Germany, and the Netherlands have already published an Indo-Pacific strategy, but they are divergent due to different interests in the Indo-Pacific region. They called for the EU to release an Indo-Pacific strategy. In contrast to Japan and the US, the EU has no direct geographical connection with Asia (Heiduk – Sulejmanović, 2021, p. 17). As a result, traditionally Asian countries are not strategic partners, and Asia is not the EU's first strategic priority. France was the first member state of the EU to respond with the Indo-Pacific strategy in 2019 (Ibid., p. 24).

France and Germany always play leading roles in developing policy areas in the EU. Because the competence of foreign policy belongs to member states, the EU can merely coordinate a common foreign policy among the member states. The foreign and security policy are not supranational but intergovernmental issues. ASEAN has become the EU's third largest trading partner after the US and China (Iuppa, 2020, p. 8). National interests are crucial in the field of foreign and security policy. Historically, the Indo-Pacific region has existed for France's geographical, economic, and strategic interests. France has a territory in both the Indian Ocean and the Pacific Ocean, thus, has the largest exclusive economic zone in the world that lies in the Indo-Pacific region. There are 1.6 million French citizens. France also has a significant military presence with around 8,000 troops stationed in the Indo-Pacific area. France has regarded this region as a geographical space with geopolitical security and trade benefits (Heiduk – Sulejmanović, 2021, p. 24).

In comparison to France, Germany has no geopolitical relationship in the Indo-Pacific region; it has always considered itself as a trading state (Ibid., p. 18). The stability in the Indo-Pacific area is vital for both Germany's and the EU's trade interests. As a result, Germany attaches great importance to the development of trade relations between the EU and ASEAN (Ibid., p. 21). The EU can only coordinate the foreign and security policy among member states. However, the EU has exclusive competence over the common trade policy. Both France and Germany have supported trade relations between the EU and ASEAN. France and Germany jointly promoted the global "Alliance for Multilateralism". The result is especially demonstrated in the inter-regional cooperation between the EU and ASEAN, namely the conclusion of the EU–ASEAN Strategic Partnership Agreement in December 2020 (Ibid., p. 25).

ASEAN is now a strategic partner of the EU. ASEAN has been the linchpin of a regional security framework and remains at the heart of regional security in Asia (Pejsova, 2018, p. 4). The EU is an active and significant actor through the vast network of trade agreements and comprehensive partnership pacts in the Indo-Pacific region.

2.5. Summary

With the reconstruction of the global supply chain, the stagnant multilateral mechanism under the WTO framework since the Doha Round, the pressure of the trade war between the US and China, and the rapid rise of emerging market countries in Asia cannot be ignored. Especially the economic and military presence of China through the Maritime Silk Road has affected the balance of power in the Indo-Pacific region (Iuppa, 2020, p. 8). These new emerging countries have become more important dialogue partners in the international community. The EU has always considered ASEAN as a strategic partner in Asia. ASEAN is in a crucial position in the EU's Asia strategy. The bilateral relations between the EU and ASEAN have been closely and rapidly developed through the ASEM and the ASEAN Regional Forum (Pelkmans, 1997, p. 49). The EU is aware of the importance of its presence in ASEAN in order to find a new balance of power, enhance its bargaining power in the global economy, and actively participate in the economic and political development of the Asia-Pacific area. Because the EU has the exclusive competence of the common trade policy, the EU can certainly contribute to economic diplomacy in Asia (European Commission, 2017). As a consequence, ASEAN always plays a key role in the EU's Asia strategy, and later in the Indo-Pacific strategy.

3. Free Trade Agreement as New Instrument of Integrating into the Asia-Pacific Area

To respond to the economic recession due to the global financial crisis, the European Commission published "*Trade for all*" showing a new trend of trade policy in October 2015 (European Commission, 2015c, pp. 31-32). It made clear that the EU took the free trade agreement as an instrument for promoting the actual economic effects on consumers, laborers, and small businesses. The EU has also constantly opened markets to promote global issues such as the protection of human rights and sustainable development, security with high quality, environmental protection, and public services. On the whole, common trade policy plays an important economic role in global development. As a global actor, the EU has to take more responsibility for global prosperity and security.

The EU has consistently advocated multilateral free trade, but the trade negotiations within the WTO progressed slowly, especially under the former Trump administration. Hence, the bilateral free trade agreement has commonly been complementary under the WTO framework. The free trade agreement has not only become a new trend in

the international community but also a more important instrument for achieving the free trade objective. The EU has increasingly used the bilateral free trade agreement as an instrument for achieving its common trade policy (Woolcock, 2007, pp. 2-4).

The EU has not used a model free trade agreement for the trade negotiations with partners but has an exclusive competence over the common trade policy, with one voice to deal with its trade partners. As a result, market access, rules of trade and investment, trade facilitation, transparency of government procurement, rules of investment and competition are included in the bilateral free trade agreements. This has resulted in a new type of free trade agreement, called the "new generation" free trade agreement. The new generation free trade agreement has different structures and contents due to the various trade partners. The European Commission proposed *"Global Europe: Competing in the world: A contribution to the EU's growth and job strategy"* in 2006 (Commission of the European Communities, 2006b, p. 11) and pointed out the significance of the new generation free trade agreement as an important instrument for achieving the goal of trade liberalization in the future.

The issues related to investment, government procurement, competition rules, and intellectual property rights have been incorporated in the new generation free trade agreement (Commission of the European Communities, 2006b, p. 14). The new generation free trade agreement plays an important role for the EU's multilateralism of trade. Thus, the EU has used the bilateralism of the new generation free trade agreement as a steppingstone for WTO negotiation and global economic governance (Zelazna, 2012, p. 100).

With the coming into effect of the Lisbon Treaty in 2009, the EU enjoys a legal personality according to the EU Treaty, i.e. the EU is subject to international law and can conclude international agreements with other third countries (Heinemann, 2016, p. 190). The Lisbon Treaty widened the scope of the common commercial policy including intellectual property rights and foreign direct investment. The European Commission proposed a new document to explain the importance of trade (European Commission, 2016, p. 6). Free trade is the driver of economic growth and contributes to exploring new markets. The implementation of a free trade and investment policy can achieve the objective of economic growth and job creation. The common trade policy includes not only trade in goods but also trade in services, protection for intellectual property rights, competition rules, labor standard rules, and environmental protection etc. Therefore, the free trade agreement contributes to facilitating sustainable development, better governance, and respect for human rights.

The EU has an exclusive competence over common trade policy. It can enforce common trade policy through the bilateral free trade agreement. The objectives of the free trade agreement are to explore new markets for goods and services, enhance investment protection, lower costs, facilitate the procedure and compatibility of the technical and sanitary standards, strengthen legal certainty through the clear rules for intellectual property rights, competition and government procurement, and support sustainable development through cooperation, transparency, and dialogue relating to social and environmental issues (European Commission, 2016, p. 7).

To sum up, the new generation free trade agreement emphasizes the regulatory cooperation with trade partners, trade in services, energy security, and sustainable development. It has become a kind of deep and comprehensive free trade agreement (Commission of the European Communities, 2006b, pp. 11-12). Besides the traditional scope of the WTO, the new generation free trade agreement contains regulatory cooperation, investment protection, competition, intellectual property rights, government procurement, sustainable development, free and fair trade, environmental protection, and labor rights. As a consequence, the new generation free trade agreement is a comprehensive package. In particular, it includes a chapter on trade and sustainable development (Cremona, 2017, p. 17). The EU has combined trade and sustainable development. Thus, trade is a tool for attaining goals in sustainable development.

Due to the inefficiency of the multilateral trade negotiation under the WTO since the Doha Round, bilateral free trade agreements have increasingly become new instruments for establishing trade norms, especially in the practice of the EU (Woolcock, 2007, p. 2). Under stimulation of China's "One Belt One Road" initiative and conclusion of multilateral trade agreements in the Asia-Pacific area, such as CPTPP and RCEP, the EU actively tried to increase its presence through bilateral free trade agreements in Asia. The EU and ASEAN began negotiations on a region-to-region trade and investment agreement in 2007. The negotiation was suspended in 2009 due to the diverse trade practices of ASEAN's individual members. Hence, the EU changed its strategy and tried to negotiate free trade agreements with ASEAN's individual members such as Singapore (2010), Malaysia (2010), Vietnam (2012), Thailand (2013), and Indonesia (2016) (Grumiller et al., 2018, p. 6). The EU and Singapore successfully concluded the negotiation on December 16, 2014. The EU-Singapore Free Trade Agreement (EUSFTA) is the first bilateral free trade agreement in ASEAN. The EU successfully broke the deadlock in negotiation with ASEAN. The EUSFTA is regarded as a model agreement for subsequent negotiations in ASEAN.

4. Example: EU–Vietnam Free Trade Agreement (EUVFTA)

Vietnam is currently member of ASEAN, WTO, the Asia-Pacific Economic Cooperation (APEC), the United Nations (UN), and the Organisation internationale de la Francophonie etc. Vietnam is one of the fastest growing economic units in Southeast Asia.

4.1. Historical Background of the Relation between the EU and Vietnam

After the Vietnam War in 1973 and the reunification in 1975, Vietnam became a communist state (Preston, 2018, p. 108). Vietnam has undertaken a series of innovation reforms (Doi Moi reforms) after the collapse of the Soviet Union in 1989. Its economic structure has gradually been transformed into a socialist market economy. The domestic economy has been liberalized and its trade relations have developed on a market-oriented basis. Vietnam has step by step entered into an era of export orientation. More and more foreign direct investments have been attracted into Vietnam. State-owned enterprises still play an important role in economic and industrial development in the country, and therefore economic reform has been constantly undertaken in order to integrate into the global economy. To sum up, Vietnam has successfully transformed its economic structure and increased its industrial production. The fruits of reform are reflected in its export efforts. The GDP of Vietnam has on average increased by 6 percent between 2010 and 2015, in particular there is a constant attraction of foreign direct investment and rapid economic development (Grumiller et al., 2018, p. 3).

The bilateral trade relations between the EU and Vietnam have rapidly developed due to the colonial relations with France. France recognized North Vietnam in 1973 and concluded formal diplomatic relations (Bühler, 2001, p. 76). The French government has actively promoted the bilateral cooperation since the 1990s. Under this historical setting, the bilateral trade relations have been promoted and rapidly developed. Currently, Vietnam is the EU's tenth largest importer of goods. The EU and Vietnam established formal diplomatic relations in 1996. The EU granted Vietnam privileged customs under the generalized privileges system, and it has supported Vietnam with its Early Harvest Agreement and Development Aid Package for entering the WTO (Grumiller et al., 2018, p. 38).

The EU and Vietnam have recently established a modern and mature partnership. They concluded a Partnership and Cooperation Agreement contributing to international legal obligations, rule of law, human rights, democracy, and sustainable

development. Both parties regularly hold meetings concerning human rights' issues. The bilateral cooperation has implemented commitments of an international convention of human rights and contributed to strengthening trade, environment, science and technology, good governance, tourism, culture, immigration, combating against corruption and organizational crime, energy efficiency, and cooperation in developing renewable energy. The EU has exported its values through this bilateral Partnership and Cooperation Agreement. Vietnam was encouraged to adopt EU values. It aimed to transform Vietnam into a modern and democratic state.

After Singapore, Vietnam has become the second largest trade partner of the EU in ASEAN since 2017. The EU has also become Vietnam's second largest export market. With the Partnership and Cooperation Agreement, the EU and Vietnam concluded the Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement in October 2018, in order to fight together against illegal logging, strengthen sustainable and legal forestry management, improve governance, and facilitate the legal trade of wooden goods. Both parties have committed to contributing to a modern, broad, and mutually profitable partnership (European Commission, 2018b, p. 4). Thus, Vietnam has emerged as a new economic state in Asia.

4.2. EU–Vietnam Free Trade Agreement (EUVFTA)

Article 2 (1) of the Treaty on European Union (TEU) provides that the EU's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the UN Charter and international law. According to Article 207 (1) of the Treaty on the Functioning of the European Union (TFEU), the common trade policy shall comply with principles and objectives of EU's external actions. All these provisions are currently the guidance for concluding free trade agreements between the EU and third countries. The EU and Vietnam concluded negotiations of the bilateral free trade agreement in December 2015, which is the first such agreement with a developing country and the second with an individual member of ASEAN after Singapore. The EU–Vietnam Free Trade Agreement (EUVFTA) also plays a role as a steppingstone for the interregional comprehensive free trade agreement between the EU and ASEAN (European Commission, 2015a).

The EUVFTA covers the national treatment of goods and market access, trade remedies, customs and trade facilitation, technical trade barriers, SPS measures, non-tariff trade barriers and investment of renewable energy, liberalization of investment, services trade and e-commerce, public procurement, state-owned enterprises and monopoly, intellectual property rights, trade and sustainable development, transparency, dispute settlement, cooperation and capacity building, institutions, general and final provisions. The EUVFTA aims to reduce total customs, abolish non-tariff trade barriers, liberalize services trade and investment, protect intellectual property rights, facilitate trade as well as access to the public procurement market and sustainable development. The EUVFTA has satisfied the standards of the new generation free trade agreements (Grumiller et al., 2018, p. 1). It has an epoch-making significance. It has placed emphasis on protecting fundamental labor rights as well as on environment and common trade policy. Furthermore, the EUVFTA has contributed to the economic presence of the EU in ASEAN.

5. Conclusion

The rise of and dynamic economic development in Asia have stimulated the approach of the EU's Asia strategy since the 1970s. The EU has predominantly great interest in economic interactions with Asian countries. It has recognized the importance of strengthening its economic presence in the region. The comprehensive free trade agreement is a new instrument for achieving the EU's common trade policy and encourages its trade partners to carry out trade-related sustainable development.

The EU considers ASEAN as a strategic ally in Asia. After the failure of the negotiations with ASEAN, the EU started negotiating free trade agreements with ASEAN's individual members. After Singapore, the EU concluded a comprehensive free trade agreement with Vietnam in 2016, which is also the EU's first free trade agreement with a developing country. The EU is the third largest foreign investor in Vietnam. Vietnam provides a great number of employees with relatively low wages. Thus, it is very attractive and competitive for labor-intensive industry.

The EUVFTA has played an important role for Vietnam's integration into the global economy. It has promoted value chain integration for Vietnam. The EU's investment is increasingly attracted into Vietnam. Vietnam has developed a new manufacturing center in ASEAN. It has become the EU's second trade partner in the region. The EU's economic presence has been enhanced by the EUVFTA in ASEAN.

Both the EU and Vietnam have regarded the EUVFTA as offering benefits and opportunities, especially bearing in mind the contributions of the EUVFTA to strengthening Vietnam's integration into the EU's global value chains after the Covid-19 pandemic (Bich, 2020). With the EUVFTA, Vietnam's local companies can reach international standards, improve management process, encourage lean administration, reduce costs, foster trade capability and connectivity, set up clusters of business to produce complete sets of components, and develop opportunities in new markets. On the other hand, Vietnam is also a beneficiary of the US–China trade war. Many large tech companies have relocated from China to Vietnam in order to reduce production costs. US tariffs made Chinese-made products more expensive for Americans (VOA News, 2020). As a result of the EUVFTA, the US–China trade war, and the Covid-19 pandemic, Vietnam has attracted more and more foreign investments away from China.

The EU has steadily presented itself through the EUVFTA in the Asia-Pacific area, especially in ASEAN. Vietnam was a chair of ASEAN in 2020. ASEAN represents a common market and unified production base, an open area of travel and work, and a caring and sharing community. In particular, ASEAN has become the core of the Indo-Pacific region after the escalating conflicts among the US, China, and India. On the whole, the EU has entered ASEAN through free trade agreements. It is, at the moment, rational for the EU to maintain close trade relations with ASEAN and lasting support for regional integration in the Indo-Pacific region. After all, the EU has exclusive competence over the common trade policy, not a common foreign policy. In the long run, under the impetus of France, Germany, and the Netherlands, the EU can coordinate all member states' interests to outline a new Indo-Pacific strategy.

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Taiwan's Dilemma: FOIP and BRI as Competing Paradigms

Dean Karalekas

1. Introduction

Whether intentional or not, the “Free and Open Indo-Pacific” concept (FOIP) unveiled in November 2017 by the administration of United States (US) President Donald J. Trump is a paradigm that serves as a counterpoint to the Belt and Road Initiative (BRI) being used by the People’s Republic of China (PRC) to extend its sphere of influence, both economically and politically. Given Taiwan’s unique international position and the nature of Taipei’s relationship with Beijing, there is very little choice to be made: the PRC claims Taiwan as a province, and therefore refuses to negotiate with the Republic of China (ROC) government on a state-to-state basis. As a result, Taiwan is conspicuously absent from the list of countries—at last count numbering 140—that are taking part in the BRI scheme in one capacity or another.

There have been a great many excellent analyses of the economic aspects of the BRI vs. FOIP dilemma, but this paper seeks instead to look beyond those aspects, and to examine the wider contest for civilizational dominance that these two visions represent. It details how the BRI is inextricably intertwined with the highly touted “Chinese Dream”, and how that vision taps into a particularly virulent form of nationalism. It also examines how the FOIP concept is being leveraged by Washington as a conceptual counterforce to the BRI, and how Taiwan is forced into a position in which it must choose between the competing narratives and influences of China and America.

2. More than Trade

Formerly known as the One Belt, One Road project, China’s Belt and Road Initiative was unveiled by Chinese Paramount Leader Xi Jinping in 2013. By 2021, according to official Chinese government figures, the number of countries that have signed Memoranda of Understanding (MOU) related to BRI reached a staggering 140. One of the most ambitious projects ever launched, the BRI is aimed at constructing an expansive web of global economic, political, and cultural networks with China at its

hub. The vision consists of two interconnected and complimentary channels: the Silk Road Economic Belt and the 21st Century Maritime Silk Road. The Economic Belt will consist of a networked system of road and railway links, power grids, and petroleum pipelines connecting China with Central Asia, the Middle East, and as far as Europe. Likewise, the new Maritime Silk Road will emulate its historical namesake and link China with Europe through a system of ports, reclaimed islands, and various other forms of maritime infrastructure throughout the South China Sea, the South Pacific, and the Indian Ocean. The project is so central to the PRC's plans for economic development and foreign relations that it was incorporated into the PRC Constitution in 2017 (Pardo, 2018; The State Council, 2015).

The sheer magnitude of the undertaking puts the lie to claims that the BRI is merely an economic undertaking. Analysts and commentators perceive the BRI as the mechanism by which the Chinese Communist Party (CCP) seeks to ultimately replace US hegemony with PRC hegemony. Using a Western perspective to explain it, the project's aim appears to be to erect a transnational, interregional division of labor along the lines described by Immanuel Wallerstein's world-systems theory, in which the globe may be divided into core countries, semi-periphery countries, and periphery countries. Highly skilled labor and capital-intensive production are performed in the core countries, whereas the periphery and semi-periphery countries are relegated to providing raw materials and performing low skilled labor, thereby reinforcing the economic dominance of the core countries over those in the periphery. There have also been criticisms that in order to achieve this aim, Beijing leverages its largesse in funding infrastructure projects in exchange for concessions to aid in the CCP's strategic positioning both globally and, in the case of its String of Pearls strategy to encircle India, regionally. Examples include the People's Liberation Army (PLA) Support Base in Djibouti, the Port of Hambantota in Sri Lanka, and Beijing's expanding influence in Pakistan (Barfield, 1998; Lechner, 2001; Beeson, 2018; Kim, 2019; Zhou – Esteban, 2018).

Speaking at the Asia-Pacific Economic Cooperation (APEC) Chief Executive Officers Summit in November 2017, Trump announced that his country would be adopting a whole-of-government approach aimed at advancing the vision of a Free and Open Indo-Pacific to steer regional relations along the three pillars of economy, governance, and security. This includes deeper economic engagement in the Indo-Pacific region, new strategic investment initiatives, and a renewed commitment from Washington that it would no longer turn a blind eye to events transpiring in Asia. The FOIP paradigm is not native to America: Washington borrowed the scheme from the administration of Japanese Prime Minister Shinzo Abe, who in 2016 unfurled

the concept as the most important and overarching organizing principle that would thenceforth guide foreign policy in Tokyo (Calabrese, 2020; Palit – Sano, 2018; Lee, 2018; Kolmaš – Kolmašová, 2019; Rossiter, 2018; Hosoya, 2019).

In January 2021, in the waning days of the Trump administration, a document classified “secret” and “not for foreign nationals” that outlined the formalization of that administration’s Indo-Pacific strategy was made public in an unprecedented declassification. The document illustrates that the framers of the FOIP policy saw it as a top national security challenge to “maintain US strategic primacy in the Indo-Pacific region and promote a liberal economic order while preventing China from establishing new, illiberal spheres of influence” (National Security Council, 2018). Their goal was to “devise and implement a defence strategy capable of, but not limited to: (1) denying China sustained air and sea dominance inside the ‘first island chain’ in a conflict; (2) defending the first island chain nations, including Taiwan; and (3) dominating all domains outside the first island chain,” the report states (*Ibid.*).

The FOIP policy openly acknowledges that China is expected to take increasingly bold measures to force unification with Taiwan, as part of Beijing’s overall goal to “dissolve US alliances and partnerships in the region,” before proceeding to “exploit vacuums and opportunities created by these diminished bonds”. Moreover, the document identifies Taiwan as a key component in US efforts to curb China’s excesses. Already, Washington has taken important steps forward in this effort, which will at least accord ROC officials some small measure of dignity. In sum: the vision for the region as encapsulated by FOIP is, in Pompeo’s words, a place “where the global commons are accessible to all, disputes are resolved peacefully, and an economically ‘open’ region that includes fair and reciprocal trade, open investment environments, transparent agreement between nations, and improved connectivity”. Clearly, this places FOIP in contraposition to the BRI, and so the contest for influence had begun (*Ibid.*; Sigit, 2020; Saha, 2020).

The BRI and the FOIP are therefore far more than mere policy initiatives: each represents a worldview; an attempt by each side to achieve praxis of its guiding philosophy, ideology, and view of history, and to make that ideology the dominant one. The FOIP’s objectives are to bolster the rules-based nature of the liberal international order as well as to preserve the practice of freedom of navigation as a principle of customary international law, so that no single power can unilaterally interfere with the free passage of ships flying the flag of another sovereign state. In essence then, the FOIP policy has been adopted specifically in an effort to constrain Beijing’s more egregious behavior concomitant with China’s rise and to preserve the present conception of

the international order from the challenges posed to it by the BRI. It is important, therefore, to examine the nature of that threat, as well as the sociological and political forces that have led to the rise of that threat, in order to better understand the need for the FOIP (Hanada, 2019).

3. Chinese Perspective on History

The two superpowers perceive the advance of history in radically different ways. Chinese historiography sees history as revolution: it is cyclical, in a constant state of revolving from periods during which China is strong and periods in which it is weak. This dynastic cycle consists of iterations in which a powerful state or family inherits the Mandate of Heaven and assumes the throne of the Middle Kingdom, ruling justly and wisely through a period of growth and prosperity for a period that constitutes approximately half of the cycle. With time, corruption takes root, and the elites become distanced from the peasants, leading to uprisings in the provinces, crackdowns, higher taxes, and eventual dynastic weakness. This weakness opens the door for an overthrow by a powerful state or family to inherit the Mandate of Heaven by wresting control of the empire—with the support of the put-upon population—from the previous dynasty, starting the cycle over again (Yang, 1954).

Chinese leaders—indeed, all the people of China—are acutely aware of this history and these trends, and thus have a historiography that differs markedly from the Western linear conception. The messaging employed by the CCP offers an indication of where they see themselves in this cycle. Reference is often made to the “century of humiliation” and similar rhetoric, which boosts Chinese nationalism and positions the current government at the rising edge of the dynastic cycle, poised to provide the people of China with prosperity, international clout, and a return to prominence as the power center of Asia, to which all other countries pay tribute (Metcalf, 2020).

4. History According to the West

Westerners generally see history as a linear progression from barbarianism to civilization, marked by a continual advance of knowledge that builds upon the works of prior generations to constantly and unceasingly grow and achieve new heights of enlightenment, scientific and technical achievement, and expansion of the franchise of individual freedom. This is merely the predominant paradigm, which is not to say that there are no Western variants of a cyclical view of history. The Strauss–Howe (1992)

generational theory, sometimes called the Fourth Turning, is an intriguing cyclical historiography aimed at describing the recurring Western—specifically American—generational cycle. It is intricately detailed, but broadly follows the pattern described by the old saying: “Hard times create strong men. Strong men create good times. Good times create weak men. Weak men create hard times”. It is worth pointing out just to illustrate that the West’s linear paradigm of history is not the only one, merely the one that predominates there. There have been historical hiccups, to be sure: the Dark Ages, for example. But by and large, cultures with a Judeo-Christian foundation tend to employ a historiography that is linear-progressive (Herman, 2010; Woodward, 1988).

Since at least the end of World War II, Washington has operated internationally under a belief in this view of history, coupled with its concomitant brand of democratic capitalism representing the culmination of 800 years of Anglo-American legal inheritance that has succeeded in expanding the franchise of individual freedoms and constraints on the power of monarchs and governments, beginning with the Magna Carta in 1215 and arguably reaching an apex with the inking of the US Constitution in 1787. As such, America has a manifest destiny-like duty to spread this belief—and the political-economic system predicated on it—to the nations of the Earth, thereby bringing freedom (in the form of liberal democracy) and prosperity (in the form of capitalism) to the greatest number of people possible. From the Marshall Plan and the effort to rebuild Japan after World War II to the Paris Club that predicates aid on the establishment of free-market economic policies, there has been a broad systemic (and arguably, moral) component that has been integral to virtually all Western development efforts. This may have started for more strategic purposes: the Cold War was very much a conflict of ideologies. But the eventual dissolution of the Soviet Union only served to bolster the case for those who believe in the superiority of the Western ideology, and to remove all doubts as to its universal applicability across cultures (Nedzel – Capaldi, 2019; Josselin, 2009; Leffler, 2007).

5. Sea Change in China

Conversely, China seems to have found an answer—one that long eluded the Soviets—to the question of how to beat the West: join them. At least in the economic realm. Eschewing the usual Communist preference for a command economy, Beijing allowed an (albeit tightly controlled and heavily state-invested) variant of free-market economy to develop. The unleashing of state capitalism in China, which began with Deng Xiaoping in the late 1970s, lifted half a billion people out of poverty, spurred

an average annual growth rate of 10 percent, and increased the average per capita annual income 23-fold within a span of just three decades. It was this trajectory that encouraged corporations and governments in the West to hitch their wagons to the Chinese star just as the era of globalization was gaining traction: not only would they improve the lives of their own citizens via the provision of cheap products, but they would make enormous profits in doing so. Best of all, their consciences would be clear because, as they were promised by international relations and development theorists, this interaction would be contributing to the social emancipation of the Chinese people. Only this highly anticipated social liberalization did not occur. With the ascension of Xi Jinping to the concurrent posts of General Secretary of the Chinese Communist Party and Chairman of the Central Military Commission in 2012, a new revanchist era of leadership began in Beijing not seen since the days of the personality cult of Mao Zedong. Indeed, in 2018, Xi removed the term limits that formerly constrained his office, effectively declaring himself paramount leader for life (McGregor, 2012; Coase – Wang, 2016; De Mesquita – Downs, 2005).

Almost immediately upon his rise to power, Xi began promoting his vision of the great rejuvenation of the Chinese nation, which he dubbed “the Chinese Dream”. More than a mere slogan, the Chinese Dream became the regime’s new “mission statement” and a “political manifesto” for the future of the Party and the country, according to the head of the Propaganda Department of the Central Committee, Liu Qibao (Peters, 2017).

The importance of the Chinese dream as a guiding national narrative cannot be overstated. Zheng Wang (2014) makes a convincing argument for the applicability of Johan Galtung’s Chosenness-Myths-Trauma (CMT) complex in an effort to assess the civilizational narrative underpinning the Chinese sense of self and to explain its efforts toward national rejuvenation. According to Galtung (2001), a national identity can be constructed around one or more key historical events. These historical events are carefully selected and generally fall into a pattern defined by the categories of Chosenness, Myths, and Trauma. With Chosenness, a people see themselves as having been chosen by a supernatural force: God, or the unknowable tides of history. With Myths, a nation’s formative story is mythologized; or seen another way, its founding myths are historicized and are worked into the fabric of the national identity. Trauma is the cement bonding the past to the future: our people have suffered so much in the past, goes the argument, that there must be some deeper meaning for it, and our ascendance to greatness and power in the future is the ultimate objective that will justify that suffering. The complex is also known as the collective megalomania syndrome (Wang, 2014; Galtung, 2001; Van der Dennen, 2000).

The chosen narrative has immense power to create a shared sense of nationhood, and to perpetuate it down through the generations via transmission from parent to child in the form of stories; from teacher to student in the form of education; and from government to governed in the form of popular media and propaganda. It matters little that this narrative is very seldom factually based, as it nevertheless contributes to the creation, according to Benedict Anderson (2006), of an “imagined community” that helps a nation gel together. Anderson’s paradigm on nationalism illuminates how a population imagines—and in imagining, creates—a community for itself, regardless of the pre-existing historical or cultural factors mitigating against such a union. The nation, Anderson writes, “is imagined as a community, because, regardless of the actual inequality and exploitation that may prevail in each, the nation is always conceived as a deep, horizontal comradeship” (Ibid., p. 6). In other words, even though a member of a community may never meet most of the other members of his nationality, they nevertheless share an identity by virtue of their common membership in it (Ibid.; Galtung, 2001).

Applied to China, and given its cyclical view of the inevitability of repeating historical periods, Galtung’s CMT complex can therefore help explain how Xi’s Chinese Dream has rallied the nationalistic feelings of his countrymen and bolstered a level of civilizational confidence that has long ago been lost in Europe, and is even now slipping in America. Wang (2014) explains that the CMT mechanism, in a Chinese context, refers to the belief that political sovereignty over the lands of the Earth is invested in the Emperor by universal metaphysical principles of order, as per the aforementioned Mandate of Heaven: international hegemonic authority is centered on the Middle Kingdom, from whence it flows benevolently out to the provinces, and thence to the tributary states, and finally to the terra incognita and the lands of the barbarians. This Sinocentric *Tianxia* (“all-under-heaven”) system is as necessary to the court’s legitimacy as it is a deep-seated component of the Chinese collective unconscious in the construction of nationalism. Moreover, it forms the backbone of a leading international relations theory prevalent in the PRC today—New *Tianxia*-ism—that is influencing policy circles in Beijing, coloring how they view China’s place in the regional community and the world. Advocates of this theory tout it as an inherently superior basis on which to restructure the international order (Ibid.; Chu, 2020).

For those analysts who employ a culturalist perspective, the popularity of New *Tianxia*-ism in the halls of power and academia in Beijing should come as no surprise. As a result of the dynastic-cycle view of history with its alternating periods of totalitarian order and war-fueled turmoil, Chinese leaders fear chaos, and are thus predisposed to enforce strong, central order. Disorder leads to conflict, poverty, and death;

it is to be vehemently avoided. A harmonious and prosperous society, therefore, must be the highest aspiration of any governance structure (Dorn, 2006).

6. New *Tianxia*-ism

This phobia holds true domestically: the CCP ruling class eschews universal Western concepts such as human rights and democracy because free association, freedom of choice, individualism, and voluntary association exercised by every citizen would be inherently chaotic. It is also true on the global scale, with the international order currently operating in such a way that it is left at the mercy of the currents and eddies of the international anarchy that characterizes the Westphalian system (Karalekas, 2018b; Chu, 2020).

New *Tianxia*-ism offers an alternative to this chaos, as it essentially seeks to recreate the regional order in place when the Chinese tributary system defined Asia-Pacific relations. In short, the tributary system was a realization of the Confucian world order, in which the nominally autonomous and independent states surrounding Imperial China would officially acknowledge the superiority of the Empire and offer tribute in exchange for peace and the opportunity to trade. The emperor had the authority to crown the kings of these peripheral lands (or otherwise authorize a leader's investiture by conferring an official seal or formal robes of office). Provided the appropriate amount of kowtowing had been performed by the tributary envoy, the Middle Kingdom would refrain from using its great military and economic might to annex or otherwise harass the neighboring nations (Chu, 2020; Stuart-Fox, 2003, pp. 26-36).

This system of regional governance was so successful at cementing Chinese centrality and stature within the region that attempts were made to expand its influence beyond the Asia-Pacific region, most famously via the seafaring expedition headed by Admiral Zheng He in the early 15th century, during the Ming dynasty. The story of Zheng He stands as an excellent example of the process of creating an "imagined community" as described by Anderson (2006): the stories told of the famous seaman paint him as an intrepid adventurer, cunning diplomat, and skilled mariner who stood as a symbol of the greatness and benevolence of China. His vessels—almost double the size of any ship built up to that time and carrying hundreds of sailors—could more accurately be described as black ships; a fleet of enormous troop carriers that were designed to intimidate local populations, and that succeeded in extracting tributes from over 30 new nations. This heavily armed armada is well known to have used its

firepower to suppress piracy, defeating pirate Chen Zuyi at the Battle of Palembang in 1407, but its troops also engaged in a land war against the Sinhalese Kotte Kingdom in what is today Sri Lanka to depose King Alakeshvara by military force and replace him with King Parakramabahu VI, an ally of the Chinese Emperor. This latter case illustrates how the vessels were used against any of China's neighbors who disrespected the Ming Emperor or otherwise failed to follow the tributary state system, all in an effort to effect a form of maritime proto-colonialism in an aggressive attempt to achieve a pax Ming in the region (French, 2017; Chia – Church, 2012; Wade, 2005).

For all its tendencies toward centralized control, the Chinese tributary system did keep the peace in successive dynasties, becoming formalized in the early years of the Ming era. It is little wonder then that a system that would put control over regional trade and security in the hands of Beijing should become so popular in a world marked by increasing chaos and international anarchy. Moreover, the notion contributes to feeding the egos of power holders that exhibit Han-centrism, a form of hyper-nationalism that has taken hold in contemporary China, and which is very rarely talked about in the West (Lee, 2016; Friend – Thayer, 2017).

7. Ethnic Nationalism

One of the consequences of the aforementioned shift to capitalism with Chinese characteristics, launched by Deng Xiaoping in the late 1970s and early 1980s, was that it so conflicted with the Party's guiding Maoist ideology that it essentially created a "crisis of faith" among Chinese intellectual and political thinkers (Unger, 2016). Chinese leaders, concerned about the decadence and nihilism they observed among the youth cohorts in the capitalist West taking root among the nation's young people in the absence of the Party's guiding ideology, chose to fill the ideological vacuum with a brand of ethnic nationalism—one that could draw upon the symbols and imagery of China's past (albeit dynastic) greatness, including the once-verboden Confucianism. The result was a new foundational myth—or rather, the resurrection of an old Sinocentric belief system harking back to Imperial China—that is predicated on race and culture, and in which the villains were no longer their Imperial oppressors, but rather the barbarian foreigners who had inflicted past humiliations against the once-great Chinese civilization.

This was achieved through a campaign of patriotic education designed to reshape collective memory by "misremembering the past". This involved downplaying or erasing the more egregious crimes of the CCP such as the Cultural Revolution and the

Tiananmen Massacre, and crafting a new history that interweaves the Mao-era “victor narrative” about heroic Chinese triumphs over Western and Japanese enemies with a new “victim narrative”, which focuses on historical Chinese humiliation at the hands of said enemies (Gries, 2005, p. 254; Friedman, 2008; Friend – Thayer, 2017).

The political education provided to citizens has therefore successfully inculcated a shared identity through an “us vs. them” mentality, boosting patriotism and bolstering support for the Party’s efforts to resist bullying from the West. Unfortunately, this re-education campaign may have been too effective, with now a second generation of indoctrinated citizens taking up the banner of ethnic nationalism and distilling it to levels that give even Party leaders pause. Evidence of this can be seen in the vitriolic posts by nationalistic netizens (posts, it should be noted, that seem not to be subject to removal at the hands of the state, though it clearly has the power to do so) as well as the frequency at which nationalistic protests spiral out of control. It can also be seen in the rash of mid-level diplomats caught up the recent trend of hardline behavior that has been dubbed “wolf warrior diplomacy”. Counterparts to these wolf warrior diplomats can also be found among the middle-ranks of the PLA, who argue that all military officers should be “hawks” and not “doves”, with some advocating that Beijing deploy its nuclear arsenal in a counterattack against the United States should Washington involve itself in a conventional kinetic defense of Taiwan (Chen – Wang, 2011; Zhu, 2020).

8. Competing Paradigms

Xi’s Chinese Dream taps into this New *Tianxia*-ism and presents the BRI as the mechanism through which this dream will be realized: a reconstruction of world order and international politics in line with the working of the tributary system of bygone days to impose a traditional Chinese world order in the revision of the existing one. Chinese academics and commentators are openly calling for just this, previsioning a voluntary recognition by neighboring countries of the civilization of propriety and righteousness that a Chinese traditional *Tianxia* order would bring, to right the injustice of the existing world order by replacing the old structure of global hegemony with something distinct to Chinese civilization through a transformation and reformation of the world. Indeed, the mask may have slipped on January 25, 2021, at the World Economic Forum’s annual Davos meeting, where Xi delivered a speech in which he essentially proposed a “new type of multilateralism” with Chinese characteristics, marked by nations interacting in a manner more in line with China’s perspectives. Xi urged the international community to be “keeping up with the times instead of rejecting change”

as a means to “reform and improve the global governance system” (Liu, 2014; Feng – He, 2020; Liu, 2021; Sun, 2021; Tran, 2021).

In contrast, the US-led FOIP concept seeks to reinforce the existing world order. It is very much a product of the Western conception of international relations, hence its titular reference to “free and open”: a none-too-subtle acknowledgement of the need to protect the global commons and respect the formative United Nations principle of the equality of nations, with equal rights for nations large and small. Both of these concepts would stand threatened under what new international order would be wrought by the Chinese Dream, and so the FOIP’s primary objective is arguably to shape and consolidate regional order in a way that defends the existing rules-based international order. The rest of the title, “Indo-Pacific”, is equally telling, indicating a conceptual perspective on the region as one that includes India as opposed to terminology preferred by nations and thinkers who would seek to exclude the nations and people of the Indian subcontinent from their conceptualization of the region: to wit, “East Asia”, Asia-Pacific”, and the like (Koga, 2020; Funabashi – Ikenberry, 2020).

9. Taiwan’s Choice

The Chinese Dream, and hence the BRI, holds no promise for the people of Taiwan. On the contrary: it represents a clear and present threat to Taiwan’s continued autonomy, making it imperative for leaders in Taipei to delicately navigate their foreign policy and trade relations with this threat in mind. Currently, Taiwan is notable for its exclusion from the United Nations, the World Health Assembly, and virtually every other international organization for which statehood is a prerequisite for membership. This is true despite the fact that Taiwan, as an economy, is one of the world’s leading nations in the very sectors that will come to define dominance over the next decades, namely cyber, Artificial Intelligence, and semiconductor manufacturing (Hickson, 2003; Roy, 2019).

The only reason for Taiwan’s disrespectful treatment internationally is that it comes at the behest of China, which uses its clout to pressure nations and corporations to adopt a “One-China” policy, derecognize Taipei, and give lip service to the lie that Taiwan is part of China. For this reason, Taiwan is not like other nations in the region—or indeed, in the many other regions of the globe impacted by the BRI project—for the simple reason that Beijing does not consider it so: in the eyes of the CCP, Taiwan is a “Renegade Province” that must be annexed—by force, if necessary. Negotiation on a state-to-state basis with Taiwan is anathema to the Beijing leadership, and it is a

foregone conclusion that rapprochement between Taipei and Beijing not be a cooperative effort between countries, but rather a political subjugation of one to the other (Tan – Ho – Clark, 2020).

The pattern established in Hong Kong provides an insight into how such a project would unfold, conducted as it would be under the “one country, two systems” model that the CCP insists upon. In other words, any promised autonomy would soon dissipate in favor of direct control by Beijing. Other countries, in deciding whether to align themselves with China’s BRI or the Western FOIP, do not face this conundrum, and therefore the decision-making process in Taipei cannot simply use the same calculus as they do.

In deciding whether to associate itself with either the American FOIP or the Chinese BRI, the people of Taiwan must consider which option aligns best with their national and cultural narrative, to wit: are they driven by a belief in liberal democratic values, or is their animating narrative that of the century of humiliation? The argument advanced herein is that today’s Taiwan is culturally, and from a values perspective, closer in alignment with the driving narrative of the West than it is to that of China.

10. Taiwanese Values

The vast majority of Taiwan residents are ethnically Han Chinese: the Taiwanese are descendants of settlers who crossed the Taiwan Strait, mostly from Fujian and Guangdong provinces, beginning in the 17th century, while those called Mainlanders are the descendants of refugees from the Communist takeover of China in the late 1940s and early 1950s. Despite this shared heritage, the values that are held by Taiwanese today are markedly different from those discussed above as pertaining to China. Democratization, the growth of civil society, economic and social liberalization, and greater equality in terms of gender and sexual orientation have marked a Taiwan society that is becoming postmodern, following much in the same pattern that has taken place in parts of the West. Moreover, as the walls that separated Taiwan from China for decades have come down in just the last few years, with tourists from each side allowed to visit the other, the stark cultural differences between the two populations have become painfully evident, having the effect of promoting the growth of a Taiwanese (as opposed to a Chinese) identity (Karalekas, 2018a).

In the 1970s, when first the United Nations, and later in the decade the United States, derecognized the ROC in favor of the PRC, the leadership in Taipei deemed—correctly—that anti-Communism would no longer be as strong a force for cementing

alliances with the West as it had been up to that point, and so Chiang Ching-kuo began slowly to loosen the reins of the dictatorship which had theretofore been largely successful in repelling domestic calls for social liberalization and eventually democracy. In 1987, the 38 long years of martial law came to an end, and with it the White Terror period that saw the widespread jailing of citizens for Communist sympathies, or just the perception thereof. Thus, Taiwan became one of the nations that threw off the shackles of authoritarianism in the third wave of democratization that swept the globe (Blundell, 2012; Tan – Ho – Clark, 2020).

This democratization, along with the nation's impressive economic growth—known as the Taiwan Miracle—served to create the conditions wherein rapid changes to the social structure and society's values would take place. In the wake of the lifting of martial law, Taiwan saw enormous changes in almost all aspects, including the growth of a civil society, the widespread acceptance of Western liberal values, a thriving political environment wherein leaders vie for votes to represent their constituencies, and most recently, a deep belief among young people in social justice to the point where they are willing to take to the streets to protest unconstitutional actions on the part of government representatives (see Blundell, 2012). Compared to the social landscape just three decades ago, it is a completely different Taiwan.

Prior to the end of the authoritarian era, Taiwanese professionals sought to build lives for themselves abroad—often in the United States and Canada—in order to afford a freer, more prosperous future for their children. Since the aforementioned social liberalization, people in Taiwan have instead focused on creating in Taiwan a society, like those they experienced in the West, where they could enjoy the advantages of economic prosperity and freedom, but without having to emigrate. In other words: they have been building a better nation for themselves and their people.

Taiwan's social movements have used memory to inspire and mobilize their proponents as well as to call for equality. These movements use memory to challenge official interpretations of history and to implement new understandings of the Taiwanese identity to equalize access to the political franchise using the same process—albeit with a different animating ideology—described by Galtung's Chosenness-Myths-Trauma (CMT) complex, all in an effort to reinvent the civilizational narrative underpinning the Taiwanese sense of self (Salmenkari, 2020; Galtung, 2001).

Therefore, if the FOIP and the BRI represent competing paradigms for the future of regional—and arguably, international—relations in the 21st century, nations are being presented with a choice as to which they want to sign on with: the liberal international

rules-based order, or New *Tianxia*-ism. It might appear that China has the advantage in this contest: whereas America is ill-equipped even to conceptualize, much less manage, its global decline, China has 3,000 years of precedent as a blueprint. Moreover, America is currently in the throes of an identity crisis, with one side still believing in the American experiment and the emancipatory power of liberal democratic values, and the other pushing the view that Western civilization (and especially America as its culmination) is the root of virtually all of the world's evils. In contrast, China is bolstered by a strong sense of ethnic nationalism and a belief in its manifest destiny to reconsolidate its role as regional hegemon. As evidenced by America's post-war ascendancy, and by China's juggernaut challenge to the US position, civilizational confidence can be a potent force.

There are doubtless advantages to being a tributary state, especially when contrasted with international anarchy. Due to its unique international situation and the threat of forceful unification by the PLA, however, Taiwan has more to lose than other would-be vassal states. Thus, it would behoove leaders in Taipei to adopt a comprehensive strategy position that is in concert with the FOIP and seek to aid Washington in this regional effort by whatever means necessary.

The administration of ROC President Tsai Ing-wen has already signaled its support, especially via its extant engagement in Southeast Asia as part of the New Southbound Policy, but there is much more it can do. For one thing, the ROC's relations with South Pacific island states could help shore up one of Washington's blind spots in the region. The ROC still enjoys official diplomatic recognition by Palau, the Marshall Islands, Nauru, and Tuvalu, countries in a part of the region that—despite being of intense interest to Beijing—is barely on Washington's radar. Indeed, Taiwan's current efforts in the region already largely converge with US policy, yet it remains an unacknowledged partner (Roy, 2019).

11. Conclusions

Most countries are motivated by economic advantages when joining the BRI, but Taiwan does not have that luxury. The BRI and the FOIP represent competing paradigms, not only in the economic sphere, but in the much wider competition for civilizational dominance. Each represents a blueprint for the international order, and governments around the world, in choosing to ally themselves with one or the other, are making choices whose impacts will extend far beyond mere economic matters. Given its unique geopolitical circumstances, Taipei is in a corner. The only choice available

to ROC leaders who have Taiwan's best interests at heart is to support the US-led FOIP paradigm, as it is congruent with the values of Taiwan society today. In contrast, the BRI is built upon a vision of New *Tianxia*-ism that represents an existential threat to Taiwan's continued autonomy.

Going forward, there are several ways in which Taipei could aid Washington in supporting the FOIP vision, including making liberal use of the recently passed Taiwan Travel Act and the aforementioned lifting of contact restrictions. Conducting regular high-profile visits of officials both ways would aid in normalizing the perception among American citizens that Taiwan is an independent state, and not—as China's widely spread narrative presents it—a Chinese province. Increased military cross-training and maneuvers between ROC and US troops would likewise help, not only for streamlining operational procedures and improving interoperability, but in presenting Taiwan and the ROC military as the key ally in holding the integrity of the First Island Chain. Crucially, the ROC government must seize the opportunity presented by the widespread shuttering of the CCP's Confucius Institutes throughout America and the world: Taipei should step into this vacuum and meet the global demand for Mandarin language training programs, minus the Communist indoctrination that was part-and-parcel of the Confucius Institutes.

In terms of domestic policy, the government must engage in a public relations campaign to make its citizenry aware of the overarching paradigmatic goal of FOIP as well as the risks they face in the event of its failure. There are elements of Taiwan society that are distinctly pro-China: in terms of identity, they see themselves as Chinese, and no doubt experience a frisson of excitement at the prospect of a fall of the American Imperium and the rise of a new Sinocentric unipolar world. There are others who may not be aware of the more unsavory aspects of the Chinese Dream, but who believe that America (and the West in general) has had its day in the sun, and who would welcome a shift away from the prominence of the profligate West in favor of a super-power coalition of the developing world led (in the absence of any other likely candidates) by the PRC. These elements should be informed of the likely consequences of such a choice, and hence the imperative to support the FOIP and its operative vision of the current international order, flawed as it may be, that is predicated on the universal values of freedom, democracy, human rights, and the rule of law, which Taiwan has come to cherish.

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Japan's Strategic Indo-Pacific Vision

Yoichiro Sato

1. Introduction

Japanese Prime Minister Shinzo Abe played an instrumental role in the evolution of the Indo-Pacific orientation in both the Japanese and American strategies. Japan's dependence on the energy and natural resources imports from the Middle East (Miyagi, 2011, pp. 1-2, 176-177) and Africa (Morikawa, 1997, p. 61) has been a constant consideration in the country's security strategy. Securing the extended sea lanes in the post-Cold War period necessitated greater Japanese contributions to collective security efforts in the maritime Indo-Pacific region. With the rise of the Chinese naval power, Japan more visibly attempts to anchor the American commitment to defending the security interests of Japan through the regularized quadrilateral security dialogues (Quad) and joint military drills with the United States (US), Australia, and India. The networking of the existing alliances and the growing, new security-oriented alignments is the core of Japan's effort to embed the US commitment to the regional security into overlaying "mini-lateral" frameworks (Atanassova-Cornelis – Sato, 2019; Sato, 2019a).

The closer ties with India, the networking of US alliances with Australia and Japan, and the enhanced defense cooperation between India and the other three constitute the main pillars of Japan's Indo-Pacific strategic vision.

My friends, Japan and India have come of late to be of the same intent to form a "Strategic Global Partnership" in which the two countries are going to expand and fortify their relations. As for how Japan has come to such a conclusion, I hope that through what I have just laid out as my personal views you have come to understand the recognition and expectations Japan has towards India.

This partnership is an association in which we share fundamental values such as freedom, democracy, and the respect for basic human rights as well as strategic interests.

Japanese diplomacy is now promoting various concepts in a host of different areas so that a region called “the Arc of Freedom and Prosperity” will be formed along the outer rim of the Eurasian continent. The Strategic Global Partnership of Japan and India is pivotal for such pursuits to be successful.

By Japan and India coming together in this way, this “broader Asia” will evolve into an immense network spanning the entirety of the Pacific Ocean, incorporating the United States of America and Australia. Open and transparent, this network will allow people, goods, capital, and knowledge to flow freely.

Can we not say that faced with this wide, open, broader Asia, it is incumbent upon us two democracies, Japan and India, to carry out the pursuit of freedom and prosperity in the region?

In addition, as maritime states, both India and Japan have vital interests in the security of sea lanes. It goes without saying that the sea lanes to which I refer are the shipping routes that are the most critical for the world economy.

From now on let us together bear this weighty responsibility that has been entrusted to us, by joining forces with like-minded countries, shall we not, ladies and gentlemen?

The question of what Japan and India should do cooperatively in the area of security in the years to come is one that the officials in charge of diplomacy and defence in our countries must consider jointly. I would like to put that before Prime Minister Singh for his consideration (Abe, 2007).¹

The networked security cooperation did not grow overnight. Abe, after making his landmark speech (quoted above) upon his visit to Delhi in 2007, stepped down from his short-lived first tenure as prime minister due to illness. Abe’s conservative ally within the ruling party, Taro Aso, did not last long as a successor in the turbulent water of Japan’s domestic politics, and the ruling Liberal Democratic Party (LDP) lost power to the opposition Democratic Party of Japan (DPJ). The inexperienced DPJ with a naïve idealist prime minister, Yukio Hatoyama, pursued a euphoric East Asian community without a buy-in from the United States, triggering a crisis in the bilateral alliance (Sato, 2013a; Sato, 2013b). Succeeding Hatoyama, two short-lived DPJ prime ministers went through multiple crises, most notably the Great East Japan

¹ Prime Minister Shinzo Abe’s speech at the Indian parliament, August 22, 2007.

Earthquake and the nuclear meltdown at the Fukushima Nuclear Reactor Complex Number One in 2011, and the growing Chinese incursions into the territorial water of the Senkaku Islands. They repaired the bilateral relationship with the United States to some extent, but Japan's stance on the alliance was nowhere as proactive as we would see under the second Abe premiership a few years later.

Japan's approach to India, despite some cautions on both sides, did not slow down under the DPJ government, however. When Abe, recovering from his illness, returned to the LDP presidency and Japan's premiership in 2012, he was ready to pursue a grand reform of Japan's external security strategy. Abe's earlier emphasis on India as well as Japan's continuous overture to India through the DPJ period hold a key to understanding Japan's strategic vision. Abe pitched the "Free and Open Indo-Pacific" strategy in his meetings with Donald Trump, starting right after his electoral victory in November 2016, and the US government consequently adopted the terminology. Overlooking the continuity in Abe's (and Japan's) India-focus may mislead observers to believe that Japan (and Abe) was reacting to the drastic change in the US strategy from Obama to Trump. Such a belief is wrong in two ways. First, the US strategy from the Obama to Trump periods has more continuity, although Trump personally appeared to have lacked coherent strategic thinking and patience not to be distracted by ad hoc events. Second, while Japan took advantage of the Trump administration's anti-China tilt to promote security cooperation among the Quad members, Japan stayed on with Obama-like economic engagement with China and did not fully subscribe to the Trump administration's half-cooked supply chain delinking against China. It was Japan cooperating with India to contain both the growing present superpower rivalry between the United States and China, and their potential G2 management of global affairs at the neglect of middle power interests like Japan and India's.

When US President Barack Obama announced the "Rebalance to Asia" strategy, it nicely boded with Japan's strategy to seek US engagement in Asia economically, militarily, and diplomatically. The growing dilemma Japan faced in dealing with China (that both their economic interdependence and security rivalry are concurrently growing) was to be moderated with the greater US engagement in the region, with which Japan's security is assured and its economic partnerships are more diversified (Porter, 2018, p. 65). The Trans-Pacific Partnership (TPP) with the United States as a signatory was to serve not as a means of exclusion against China but leverage to incentivize China to open up and join liberal free trade with Japan and others toward a greater regional integration (Wilkins, 2018, p. 35). US President Donald Trump's decision in 2017 to pull the United States out of the TPP negotiation reversed the role of the two leverage points, and Japan moved to accelerate the Regional Comprehensive

Economic Partnership (RCEP) agreement with the East Asian countries including China first, at the cost of accepting its less rigorous liberalization contents. The RCEP became leverage in the negotiation against Trump's mercantile trade policy and bilateral economic demands on Japan. Japan also quickly signed an Economic Partnership Agreement with the European Union in July 2018 in a defensive move against Trump's pressure to impose trade demands on Japan in an unbalanced bargain through bilateral talks (Sato, 2019b).² Moreover, dynamic economic growth in the Indo-Pacific region has opened a new competition among China, Japan, the United States, Russia, India, and the European Union in the service trade, infrastructure development businesses, and arms sales.

Japan's medium-term vision of the Indo-Pacific region is multipolar. This Japanese idea contrasts the bipolar vision of both Xi Jinping's China and the United States under Donald Trump held against each other. The bipolar vision reduces all middle powers, including Japan, to a pawn of the big strategic game by the United States and China, whereas Japan as a middle power (or one of the several great powers) proactively seeks a degree of autonomy in the bipolar competition, and when possible, attempts to shape the course of the bilateral relationship between the United States and China. A lens of regional multilateralism (Krauss – Pempel, 2004; Inoguchi – Ikenberry – Sato, 2011a) is increasingly in need to analyze the US–Japan security partnership in proper contexts. This chapter critically illustrates and explains the divergence of Japan's strategic Indo-Pacific vision from the US version under Trump through the lens of an asymmetrical alliance system in Asia.

2. Continuity and Change in Japan's Economic-Security Nexus

Japan is poor in natural resources, especially in fossil fuels and minerals. The country's dependence on imports of oil and natural gas from the Middle East and North Africa as well as minerals from African countries is a major reason of Japan's interests in maritime security in the Indian Ocean region (IOR) and Southeast Asia (Sato, 2017, pp. 125-126, 129-130; Sato, 2019a). Maritime security in the Indo-Pacific is also pre-requisite to exports of Japanese manufactured goods to Southeast Asia and Europe.

² The United States still managed to bully Japan into extending a tariff concession on meat products the latter made during the TPP negotiation, while it did not reciprocate Japan with a concession on automobile tariffs it once agreed in the TPP negotiation from which it withdrew.

The relative weight of Japan's economic relations with Southeast Asia has risen since the 1990s, as industrialization of the region proceeded with official development aid by the Japanese government and heavy investment inputs by Japanese firms (Hatch – Yamamura, 1996). The rising importance of East Asia (inclusive of China) as Japan's economic partner has eclipsed Japan's previously predominant reliance on exports to the United States. Since 2008, China has persisted as the top trade partner for Japan (Inoguchi – Ikenberry – Sato, 2011c, pp. 278-281). Chinese trade policy remained mercantile, taking advantage of inward direct investments and technology transfers from Japan to promote the country's industrialization and ascent on the ladder of technological upgrading.

The growing trade volumes among China, Japan, and South Korea have raised the stake in their free trade negotiations. Despite the political tension between Japan and the other two, the attempt at signing a trilateral free trade agreement (which started in 2013) continued.³ The electoral victory of Donald Trump, whose policy platform advocated US withdrawal from the TPP negotiation, in the US presidential election in November 2016 altered Japan's negotiation strategy. The need to face anticipated mercantilist demands from Trump with stronger negotiation leverage urged Japan to quickly sign a free trade agreement that included China. Japan prioritized the broad-based but less rigorous trade liberalization through the RCEP trade negotiations over the trilateral agreement with China and South Korea (Sato, 2021, pp. 97-98).

Tariff reductions in China's "free trade agreements" tended to be more modest and selective. China was not content with accepting Japanese and other foreign investments in labor-intensive manufacturing industries where China's initial comparative advantage (of cheap labor) was the chief attraction. Instead, both China's growth per se and its government's conscious drive for technological upgrading have shaped the country's trade and investment agreements (Pekkanen, 2012, pp. 133-134, 138-139; Sato, 2021, p. 98). China's growth has raised its labor costs. The rapid industrialization resulted in a massive movement of the labor force from rural parts to the urban centers where the cost of living keeps rising. The resulting wage hike has in return robbed China of its comparative advantage in labor-intensive manufacturing industries to other relatively populous low-wage countries like Vietnam, Myanmar, and Cambodia. Moreover, the Chinese government has consciously driven the shift in industrial productions into more technologically advanced sectors through various

³ Chief negotiators from the three countries, who were actively meeting since January 2015, had their last meeting in January 2017. Lower-level meetings have continued since then, however (Ministry of Foreign Affairs of Japan, 2019).

policy tools, including tariff protection for domestic companies, forced capital accumulation into (partially) state-owned enterprises, and permissions for foreign direct investments linked with demands for technology transfers (Sato, 2021, pp. 95-96; Yu, 2019). China's large domestic market has served as a lure for foreign investors and as negotiation leverage for the Chinese government.

Table 1

Japan's Plurilateral Free Trade and Economic Partnership Agreements

	Negotiation started	Signed
Japan–ASEAN Comprehensive EPA	April 2005	April 2008
China–Japan–Korea FTA	March 2013	-
RCEP	November 2012	November 2020
(CP)TPP	March 2010 (Japan joined in July 2013)	March 2018
Japan–EU EPA	April 2013	July 2018

The pattern of trade in East Asia has deepened integration of the production network in the area (Black, 2018), while the region's dependence on the US market for its final export destination continues. For Japan, regional integration through the growing supply chain and free trade as well as access to the non-Asian markets of North America and Europe through global free trade are national interests, hard bargain vis-à-vis China over the terms of integration notwithstanding.

3. Dilemma in Japan's Dependence on the Bilateral Alliance with the United States

Japan's bilateral alliance with the United States has remained an asymmetrical arrangement with some inherent dilemmas between the senior and the junior partners. The two sets of dilemma, known as the abandonment fear and the entrapment fear, to some degree characterized the US–Japan alliance throughout the Cold War era. In the wake of the post-Cold War period, Japan chose to accept a greater entrapment risk by accepting overseas military security roles in order to reduce the abandonment risk (Shinoda, 2011, pp. 26-27). The two dilemmas are now manifesting to a greater extent in the context of the perceived power shift from the United States to China.

The high intensity of the Cold War confrontation between the United States and the Soviet Union maximized the geostrategic importance of the Japanese archipelago, which is situated off the northeastern edge of the Eurasian continent. Japan's location

was ideal for forward deployment of the US naval and air forces to check against Soviet advance into the open Pacific, making the US–Japan alliance an essential component of the US global strategy. This geostrategic utility of the archipelagic location rewarded Japan leverage in its dealing with the United States. Without deeply fearing abandonment by the US, Japan minimized its own contributions to collective security beyond offering base locations to the American forces (Miyashita, 2008).

Reduction in the Cold War tension, coupled with the worsening US trade balance vis-à-vis Japan, led to American frustration against Japan's "free riding" on its protection by the US. The *détente* during the 1970s built on a nuclear parity between the United States and the Soviet Union reduced the risk of a total war but highlighted a possibility of a limited war and its ceasefire under a condition not favorable to Japan. The Japanese review of its defense strategy aimed at building sufficient defense forces to protect the main islands (Kawasaki, 2015, pp. 230–241). In its official policy statements Japan distanced itself from the US global military strategy and refrained from joint military operations with the American forces beyond exercises. Underneath the official policy statement, however, Japan's defense procurements during the renewed Cold War tension in the 1980s started supplementing the US area control capability beyond Japan's immediate territory, starting from assets for controlling maritime choke-points, such as anti-submarine warfare planes and destroyers (Sato, 2017, p. 132).

Bilateral trade disputes in the steel, textile, semiconductor, automobile, and various service sectors erupted throughout the Cold War period, but never amounted to threaten the continuation of the alliance *per se*. The trade concessions the United States demanded in resolving these disputes, on the other hand, appeared to the Japanese as the cost of security dependence on the US. The collapse of the Soviet Union as the primary common threat against the US–Japan alliance altered the equilibrium between the two alliance partners. While engagement of China continued into the post-Cold War period, its economic growth enabled the country's steady rise as a major military power. While the Chinese military strength was no match for the military supremacy of the United States to defend its core mainland population, the threats China posed to its neighbors, including Japan, were rising. The fear of abandonment by the United States urged Japan to more proactively seek both a strategy to anchor US commitment to regional security and upgrading of its own military capabilities (Sato, 2013b, pp. 91–93).

While the American perception of China gradually worsened as well, the primary concern of the United States from the mid-1990s through the G. W. Bush administration years of the 2000s in East Asia focused on North Korea. Despite a bilateral discord over

China's spying of US nuclear and industrial secrets during the Bill Clinton administration, the US policy economically engaged China through sponsoring of the latter's membership into the World Trade Organization and, under Bush, diplomatically relied on China's tacit acquiescence over the War on Terror and active cooperation on the nuclear nonproliferation diplomacy vis-à-vis North Korea. Japan shared the US concerns about North Korea's nuclear weapons, but closer US–China relations posed a dilemma for it. The fear of abandonment by the United States was most tangibly manifesting over the Senkaku Islands in the East China Sea, over which China's sovereignty claim gradually escalated into maritime presence operations inside the territorial water around the Japan-controlled islands (Sato, 2013a; Sato, 2013b; Sato, 2020a; Sato, 2020b). The US policy of remaining uncommitted to the question of original sovereignty over these islands, while supporting the status quo of Japan's active administrative control over them (Nagasawa – Kato, 2021), was viewed with suspicion by the Japanese government leaders, who repeatedly sought more explicit statements to affirm applicability of the US–Japan Mutual Security Treaty to the defense of the Senkakus.

The alliance management in the post-Cold War era placed Japan on a solid course of upgrading its own military capability and more closely coordinating its military operations with US forces. The Japanese government incrementally undertook burden-sharing in collective defense settings, which was a political taboo in post-World War II Japan. Getting the populace used to overseas dispatches of the Self-Defense Forces (SDF) through United Nations peacekeeping operations first during the 1990s, the Japanese government then passed a new bill to enable the SDF to undertake rear support missions for US forces in contingencies in the adjacent areas, which are deemed to have serious security implications for Japan (Sato, 1999). The escalating tension over North Korea's nuclear and missile development was in the background of Japan's new legislative drive. In the 2000s, three sunset legislations to dispatch SDF to the Indian Ocean region (IOR) (Erkan, 2018; Sato, 2008a), Iraq (Sato, 2009, pp. 94-105), and the Sea of Aden (Midford, 2018, pp. 126-127), as well as amendments to the PKO Law of 1992 set precedence and templates for coordinated military operations, notwithstanding the oft-used legal-definitional emphasis on Japan's "unilateral" operations.

In 2014, the Abe government adopted a new interpretation of the constitution to explicitly enable SDF participations in limited collective defense. The new interpretation led to major amendments to the Self Defense Force Law, explicitly allowing the use of SDF for protection of military assets of an ally (the United States) and other friendly states whose security have serious implications on Japan's survival. Japan concurrently cultivated new strategic partnerships with non-US partners (Atanassova-Cornelis – Sato, 2019).

Japan's new strategic partnerships are not substitutes to its alliance with the United States, but are supplements (Wilkins, 2018, pp. 38-44). The gradual yet certain relative decline of the US power vis-à-vis China is now the source of Japanese fear of "abandonment". The present context of the regional security differs from that of the immediate post-Cold War period, when the United States was in a position to be able to "choose" an offshore balancing strategy—of keeping an equidistance approach between Japan and China pitting them against each other. Although the United States never fully adopted such a strategy during the Clinton and the Bush administrations, temptations at such or signs thereof easily rang an alarm bell in Tokyo. Today, the Japanese fear is that the weakened United States would be left with no choice but to adopt an offshore balancing strategy by necessity, unless its power is sufficiently supplemented by its allies, including Japan, to form a balancing alliance against China. Japan's upgrading of its own commitment to collective defense and its effort at forming new strategic partnerships with other US allies and new partners are means to boost deterrence through the balancing alliance against China.

Table 2

Japan's Strategic Partnerships

	Regularized 2+2 meetings started	Acquisition and Cross-Servicing Agreement (ACSA) signed	Reciprocal Access Agreement (RAA) signed
Australia	June 2007	May 2010	November 2020
India	November 2019	September 2020	-
United Kingdom	January 2015	January 2017	-
France	January 2014	July 2018	-
Canada	August 2011	April 2018	-

4. Japan's Vision of the Indo-Pacific as the Growth Center of the 21st Century

Japan is a power in decline. The country's shifting demography is characterized by the shrinking overall population and the growing proportion of senior citizens within it. On the other hand, Asia as a whole is still growing to be the world's largest economic zone. The center of growth within Asia is shifting from East to South Asia. Japan as an investment power, a technological leader, and a competitive service sector operator aims at retaining its comfortable share in the rapidly growing regional economy. Stable growth of the Indo-Pacific region is only possible through peace, openness, and connectivity across its subregions. Enhancing bilateral relations with India and emmeshing this partnership into a broader framework of Quad form an important pillar of Japan's Indo-Pacific strategic vision.

All statistics indicate that India will become world's most populated nation by 2050. According to United Nations forecasts, even if we look ahead only as far as 2030, some 270 million people in India are expected to stream anew from the countryside into towns and cities.

India is trying to fight poverty that still persists today and to overcome social issues that are symbolic of demographic movement while consistently upholding democracy, and, at the same time, striving to achieve high economic growth. This, I believe, is precisely the challenge that India faces today.

As a person responsible for setting the direction of a nation, the scope of your aspiration and the enormity of the difficulties that are likely to accompany their realization leave me at loss for words. The world has its eyes focused on you as you undertake these challenges, and I too will be watching in great anticipation (Abe, 2007).

By examining the transformation of East Asian regionalism, von Solms (2018, p. 196) foresaw the leadup to Japan's leadership in promoting "norms, such as the rule of law, protection of human rights, democracy (...) to transform East Asian regionalism into an inclusive framework that enabled Japan to rally like-minded states, such as Australia and the United States".

Japan's vision of the Indo-Pacific is contingent upon three conditions. First, the growing China must conform to "the existing rules of international economic relations" (Sato, 2008b, p. 234). China with its huge market will remain the engine of the region's economic growth for the foreseeable future. Opening this market for mutual gains is part of Japan's strategic objectives. Regional multilateralism as seen in RCEP or the China-ASEAN Free Trade Agreement is insufficient to discipline China's mercantile trade through rule making. China has to be brought into modern investment rules, which ensure openness and fair competition in the diversifying national economy (Sato, 2011a).

China's growing balance-of-payments surplus has now elevated the country into a major investor and a source of aid overseas. China's Belt and Road Initiative (BRI) posed a clear challenge to Japan's own initiatives and the US development paradigm (Rothman – Vyas – Sato, 2017, p. 8). Massive Chinese loans, which indebt the recipient countries for infrastructure projects whose long-term economic utilities are at best debatable (if not plain dubious), conflict with the liberal political-economic norms of market-based development and aid transparency. When China launched

the Asian Infrastructure Investment Bank (AIIB) to finance the BRI projects, the United States and Japan did not join, allowing China to be the dominant voting-stake holder. However, Japan has not completely ruled out a future membership in AIIB and has also sought funding for Asian infrastructure development via joint financing between the AIIB and the Asian Development Bank (in which Japan holds a large stake).

Moreover, “US willingness to keep its market open” was a necessary condition for China’s growth and consequently its political stability under the growing interdependence (Sato, 2015). The US effort under the Trump administration to divert the supply chain away from China placed Japan in an awkward situation, which it had strategically attempted to avoid. Despite Abe’s announcement that the Japanese government was going to subsidize Japanese firms for their relocation of production sites out from China, Japanese firms are not divesting from China. A survey by the Japan External Trade Organization (JETRO) in September 2020 indicated “only 7.2% of Japanese companies operating in China either planned or considered shifting production out of China (...) down from an already paltry 9.2% in 2019” (Pesek, 2021).

The second condition for Japan’s vision of the Indo-Pacific to come true is that China’s military behavior will remain benign and status-quo conforming. The earlier optimism in this regard has largely disappeared as China continued to assert its expansive claims in both the East China Sea and the South China Sea. Japan has worked on both enhancing its bilateral alliance with the United States and exploring new defense partnerships through the Quad framework and additional bilateral channels. The balancing effort by Japan against China, however, is qualitatively different from the Cold War era “containment”. Japan continues with its economic linkage with China. The US–China “contest for supremacy” (Friedberg, 2011) must be carefully controlled by the Japanese strategy, not vice versa, in Japan’s perspective. Although the inherent dilemma between Japan’s military security and economic interests may prove to be insurmountable and the country’s strategy may choose to seek economic disengagement from China and full bandwagoning with the United States, so far there is very little sign of such a shift except in rhetoric.

The third condition for the Japanese vision to succeed is that the US remains willing to keep its market open. This is important for both engaging China for a cooperative relationship and/or lining up US allies in a balancing defense coalition against China. In order to diversify export destinations to reduce dependency on the Chinese market, US allies need the United States engaged in the free trade order of the Indo-Pacific as envisioned in Obama’s strategic decision to join the TPP negotiation. Enforcing liberal trade rules against China is important to check against its mercantile policy,

but US trade policy has to carefully target Chinese producers without causing collateral economic damages to the strategic allies. Trump's "America First" protectionist trade policy had to be checked against. Some observers have keenly noted that it was Japan, which championed the free world under Trump's wiggling global commitments (Che, 2021).

5. Conclusion

The internal conflict between Japan's "comprehensive security" (inclusive of economic security considerations) and "normal nation" (which emphasizes the country's military security roles) may have been aggravated by the poor leadership of the DPJ government, but this tension continued to shape the evolving Japanese strategy under Abe (Envall, 2015, pp. 63, 76-78).

The fusing of the two objectives may take a new form, in which military security roles may not hurt economic interests as much as before, as the primacy of oil and the Middle East in Japan's energy portfolio changes. It is indicative of such a shift that Japan's official development assistance (ODA) distributions after 2001 do not favor oil exporting countries, but favor China's neighbors and countries on Japan's key sea lanes (Sato – Asano, 2008, p. 121). Moreover, Japan has successfully overcome its diplomatic baggage of negative associations with the history of invasion during World War II among Southeast Asian countries. China and Korea for their own domestic reasons cling onto this negative narrative about Japan, but Japan's security activism is no longer hurting its economic diplomacy outside Northeast Asia.

Japan sees that it needs to prove its own utility for US security, in order to anchor the US commitment to Asian security. Reminding the United States of Japan's geo-strategic importance is no longer sufficient to ensure Japan's both military security and economic interests, as the relative power position of the United States vis-à-vis its potential adversary (China) worsens in economic and military terms. Starting with coordinating bilateral military cooperation in the North Korea policy (Sato, 2006, pp. 87-89), Japan is enhancing collective defense with the United States, as well as with new security partners.

Asymmetry in the bilateral military alliance with the United States, which raised Japan's twin fears of "entrapment" and "abandonment" by its senior partner during the early post-Cold War period, is now under a new global context, in which American unipolar dominance is long gone and China works to consolidate its regional

supremacy in East Asia. With China being the greatest common threat between the two allies, entrapment has become a “given” for Japan; there is no “America’s war” against China in which Japan can remain neutral. Such a war has to be prevented. Offshore balancing for the United States is no longer an option based on its strength but is becoming a dangerous inevitability out of its weakness. Abandonment by the United States is a growing fear for Japan. A passive and reluctant security policy of Japan could have ignited this unwanted transformation in the US strategy, which in the end would force Japan to be active in security matters anyway to an even greater extent but without credible allies.

Various rhetoric of the policymakers notwithstanding, the US–Japan alliance during the first two decades of the post-Cold War period has “dramatically shifted from ‘the most important bilateral relations—bar none’ to a component of ‘the (ad hoc) coalition of the (temporarily) willing’” (Inoguchi – Ikenberry – Sato, 2011b, p. 6). While attributing preference for an offshore-balancing option to “some in Pentagon”, Samuels (2007, p. 192) nonetheless conceded then that the future of the US–Japan alliance will be more fluid over the next two decades. At nearly a decade and a half since Samuels’ prediction, the Japanese promotion of Quad aims at anchoring the US commitment to regional security in Asia, which in effect reduces (not increases) the additional defense burdens Japan has to undertake in the prevailing global context.

Prime Minister Hatoyama’s euphoria about multilateralism without the United States (Sato, 2011b, p. 83) ignored the essential roles of the US in Japan’s strategic interests. The declining yet remaining Japanese dependence on the American market, the indirect benefits from the Chinese exports of completed manufacturing products (which assembled imported components from Japan), and the way Japan’s trade agreements in Asia and the United States can mutually be leveraged have formed the economic strategy of the Abe administration.

As Nagy (2020) observed, “Prime Minister Abe Shinzo has lately appeared to want it both ways: to tighten the alliance with the United States to the point of joining the ‘five eyes’ in intelligence sharing, and to boost relations with China”. Japan, thus, proactively⁴ acts to bridge the two-ocean region of “Indo-Pacific” with maximum openness with active engagement of both the United States and China in a rule-based (not power-driven) competition.

⁴ The Abe period’s diplomacy has effectively ended the academic calling of Japan as a “reactive state”. See Miyashita – Sato (2001), for example, on the reactive-proactive debate.

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India – The Cornerstone of US Foreign Policy in Asia: Captured between Conflict and the Need for Cooperation with the People's Republic of China

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1. Introduction: India's Geostrategic Position on the Edge of the Indo-Pacific Region

Along with the People's Republic of China (PRC) and the Empire of Japan, India is a leading power on the Asian continent. As a subcontinent, it extends far into the Indian Ocean in the south, while in the north it borders the Himalayas and Karakoram Mountains. Therefore, geostrategically India closes off the Indo-Pacific region in the west, while at the same time blocking Indian Ocean access to its largest competitor in the region, the People's Republic of China. At the same time, the government in New Delhi is influencing its neighboring states¹ that, due to their size and economic performance, are hardly able to resist this pressure and therefore mostly seek the support of foreign powers in order to secure their sovereignty. This leads to diverse conflicts in the region, which as sub-conflicts have a direct or indirect effect on the entire Indo-Pacific region.

The present study, which methodologically follows a historical empirical approach, puts the foreign policy developments in the Republic of India in context with international crises and demonstrates why a US–Indian coalition would be the only serious answer to the increasingly expansionist behavior of the People's Republic of China. But this is a long stretch, both strategically and economically: while the US and India are on the edges of the Indo-Pacific region, the People's Republic of China is pushing with all its might into the center of the area: the South China Sea. Can India play a mediating role in this conflict region? Can the country, strengthened by the US, put China in its place? Can stable US–Indian relations deter China from further expansionary actions? Much is at stake as this region is the center of the 21st century's global economy.

¹ This is what happened in the Himalayan kingdoms of Nepal, Sikkim and Bhutan in 1949/50. The subcontinent secured extensive political influence there without bringing about a change that would promote democracy. Relations with China were too important in this environment, which also impacted all other issues (Wagner, 2009a, p. 9).

2. India's Foreign Policy in the 20th Century: Shifting from a Neutral Pro-Socialist Position to the Capitalist West

2.1. Moscow's Support for the Leading Nation of the Non-Aligned

Independent from Great Britain, the former colonial power of the subcontinent since 1947, India developed its own path between the superpowers during the Cold War, primarily in order to avoid being pulled into the conflicts between the blocs. Therefore, the New Delhi government supported several anti-colonial liberation movements in Asia and Africa in the 1950s. In addition, India was actively involved in resolving conflicts in Indonesia and Indochina. These events resulted in India's engagement in the movement of the non-aligned states for four decades, in which the subcontinent played a leading role until the war with China in 1962. For Indian foreign policy this meant staying away from any military alliances with American or Soviet involvement, to address global issues soberly and appropriately, and to evaluate them from an Indian perspective. The guiding principle was to pursue friendly relations with all countries.² India applied the approach of "*Panchashila*", the five principles of peaceful coexistence³, with which the government wanted to tie in with Gandhi's "*ahimsa*", the principle of non-violence (Bianco, 1969, p. 203).

The foundation of the Southeast Asia Treaty Organization (SEATO) in 1954, which was also joined by Pakistan, was hostile with India since the division of the subcontinent and gave India the feeling of being surrounded. The superpowers seemed to want to put a stop to India's vision of building a zone of peace in Asia. The cooperation between the US and Pakistan led to India's rapprochement with the Union of Soviet Socialist Republics (USSR). In 1955, Khrushchev and Bulganin visited India. Furthermore, Nehru's vision of the Soviet Union's role as a peaceful power was given new impetus when the Communist Party of the Soviet Union's general secretary took a clear position regarding Kashmir, supporting India, and generally showed sympathy towards the Indian leadership (Kulke – Rothermund, 1998, p. 430).

Nehru, who after independence not only held the post of prime minister but also that of minister for foreign affairs, visited the Soviet Union in the same year, and from then

² The practical implementation of this policy can be exemplified by the deployment of peacekeeping troops in the Gaza Strip in 1956 and in the Congo in 1961, and in the condemnation of the joint French–British invasion during the Suez crisis in 1956.

³ These five principles are stated in the Sino–Indian Agreement (1954): 1. Mutual respect for each other's territorial integrity and sovereignty; 2. Mutual non-aggression; 3. Mutual non-interference in each other's internal affairs; 4. Equality and mutual benefit; and 5. Peaceful co-existence.

on could count on Russian economic support. This assistance was extensive: infrastructural projects, economic planning, mechanical engineering, technical knowledge transfer, and hydroelectric power, to list some of the various forms of support provided by the Soviet Union to the Indian economy (Stebbins, 1960, p. 297).

The Indian government was heavily criticized for the invasion of Goa in 1961.⁴ Once again, India positioned itself against the West. While France had given up its remaining enclaves on the subcontinent, Portugal showed no signs of withdrawal. On the contrary, it fought against the Indian *satyagraha* resistance.⁵ Therefore, Nehru decided to violate his own basic principle of peacefulness and annexed the Portuguese colony by military action. This did not seem to weaken his position with the non-aligned states, as this action was directed against the dominance of the former European colonial powers and thus corresponded to the basic attitude of the movement.

However, the next crisis proved to be more challenging. In 1962, a border conflict arose between the two anti-imperialist states, India and China, over the demarcation of borders in the mountainous regions of the Himalayas and Karakoram Mountains. Although the Middle Kingdom was far superior to the Indian forces, the People's Republic under Mao succeeded in humiliating India even though there were no significant territorial gains. Nehru never made up for this loss of face until his death in 1964. India had passed its zenith as a leading nation. Subsequently, it was more dependent than ever on foreign support, especially as Pakistan sought support from China and the crises in the disputed province of Kashmir intensified. Two subsequent wars, in 1965 and 1971, showed how vulnerable the region is.⁶

At the same time, this was an opportunity for the Soviet Union to strengthen its position in the South Asian region through diplomatic mediation. As a guarantor of peace after the war in 1965, and as a balancing force, it had to consider the Pakistani perspective of the conflict as well, and provided military aid to both sides, which was met with incomprehension in India.

⁴ Nehru merely needed to inform the cabinet of the military measures in Goa when this last enclave of Europeans in India was dissolved. Foreign policy decisions by the government as a whole and the ratification of international treaties by the parliament are not provided in the Indian constitution.

⁵ *Satyagraha* is an attitude that essentially strives to appeal to the opponent's reason and conscience, and to resolve conflicts without violence and suffering.

⁶ The first Indo-Pakistani war took place as early as 1947-49, ending without setting fixed borders in the disputed area.

Indira Gandhi, Nehru's daughter, who was prime minister of India and chairwoman of the Congress Party from 1966 to 1977 and from 1980 until her death in 1984, was initially viewed with skepticism by the Soviet leadership and as a weak interim candidate (Kulke – Rothermund, 1998, p. 435). This changed after her election victory in 1971. The Soviet Union, which during this phase of détente of the Cold War had endeavored to establish friendly relations with developing countries around the world, initiated the Indo–Soviet Treaty of Friendship. With Russian backing, it was much easier for India to face the next confrontation with Pakistan that same year. This resulted in the collapse of Pakistan; East Pakistan became independent from the western part of the country as Bangladesh, which strengthened India and made it the leading regional power in South Asia.⁷ Indira Gandhi used this situation for another demonstration of power: the first Indian nuclear bomb test in 1974.⁸ India had caught up with the superpowers in terms of technology. Nevertheless, the subcontinent's nuclear program remained restricted as the uranium came from the US, and they were not enthusiastic about India's new strength.

Nevertheless, from that time on, India dominated South Asia. As a basic principle, conflicts in the region were to be resolved only with the help of India and without the intervention of other foreign powers ("Indira Doctrine") including the Soviet Union, as it was also considered to be a great power at the time. Therefore, it was not at all to Indira Gandhi's liking to be repeatedly reminded by the Soviet leadership about the Treaty of Friendship between their countries because India wanted to lead the non-aligned states and not be made to feel too much like vassals of Russia (Ibid., p. 439). However, there were no foreign policy alternatives in sight.

In 1984, after the murder of Indira Gandhi, her son, Rajiv took over the country's leadership. He further expanded India's primacy in South Asia. Although the agreement with Sri Lanka in 1987 was an expensive and ultimately unsuccessful example of this, India's engagement in the Maldives in 1988 was a clear sign of dominance.⁹ Furthermore, relations with Pakistan remained tense, and the withdrawal of the

⁷ However, this was only possible because the USSR held back in this conflict, the hostile attitude of the US was ineffective, and China behaved neutrally instead of rushing to the aid of its ally, Pakistan.

⁸ Under Nehru, India took a stand against nuclear bomb tests and was one of the first states to sign the Moscow Treaty of 1963. When, a year later the People's Republic of China detonated the first atomic bomb, India refused to join the Treaty on the Non-Proliferation of Nuclear Weapons, as it only ensured the "hegemony of the powers that were already in possession of the bomb" (Kulke – Rothermund, 1998, p. 437).

⁹ With the intervention of India, the president could be brought to safety from a coup. In addition, the Indian Navy was able to capture the fleeing rebels.

USSR from Afghanistan in 1989 indirectly weakened India's position as well, as its ally, the Soviet Union gradually pulled out of the region.

With the help of Moscow, India, which had been independent since 1947, had become the regional power of South Asia and, for a long time, also the leading nation of the non-aligned states. However, at the beginning of the 1990s, it was left alone and without experienced political leadership. Rajiv Gandhi was killed by a suicide bomber in May 1991, on the threshold of a new era.

2.2. Breakdown and the Need for Reorientation

The 1991 crisis was multifaceted. There were political difficulties in India's federal system with around 500 registered political parties and 28 federal states. Election campaigns were constantly taking place somewhere in the country and thus, important decisions were often delayed. Organizing an efficient government in order to implement crucial reforms was extremely difficult in an economic system shaped by state economic plans and socialist models. Despite the occasional desire of the upper class to restrict democracy and to establish a development dictatorship, the subcontinent remained a living democracy, albeit difficult to steer.

The looming end of the Cold War and the weakness of the Soviet Union had far-reaching consequences for India. The subcontinent could expect less and less financial, economic, and military support. Although the so-called "Hindu economic growth" was only around 4 percent for decades, it steadily declined during the phase of the gradual dissolution of the Soviet Union. In the early summer of 1991, the so-called mixed economy collapsed. The time had come for a fundamental change. The man of the hour was Manmohan Singh, who as finance minister had the task of implementing the next five-year economic plan (1992-1997). This provided for a fundamental economic liberalization, coupled with a greater influence of companies and trade unions in almost all areas of Indian politics.

The Indian economy also opened for foreign trade. The subcontinent joined the World Trade Organization in 1994 and began to increasingly integrate itself into global structures. From then on, the new Indian values were "Security, Trade and Raw Material Supply" (Müller, 2006, p. 236). The crucial system change was thus completed.

At the same time, however, a foreign policy realignment was necessary. Indian Prime Minister and Foreign Minister Kumar Gujral (1994-1996) reshaped the relationship with neighboring countries. In the "Gujral Doctrine" he announced a "policy of good relationships with neighbors" and replaced the principles of the "Indira Doctrine". The principle of non-reciprocity was to apply; India was prepared to make major compromises in the event of conflicts with its neighbors (Wagner, 2009b, p. 201). At the same time, the country gave up its claim to regional power, which led to a *détente* in South Asia.¹⁰

Pakistan, on the other hand, returned to rivalry with India after the Afghanistan conflict. It felt itself to be a counter state to the subcontinent and wanted to establish equality with its rival through military parity. That could only be achieved through access to nuclear technology. Pakistan reached this goal with Chinese help in 1998. In addition to the successful launch of a medium-range missile, underground nuclear weapon tests were also carried out.¹¹ Furthermore, the Pakistani leadership rekindled the conflict in Kashmir. As a result, when Islamist fundamentalists carried out an attack on the Indian parliament in December 2001, the region was on the verge of war. The tension only lessened when Indian Prime Minister Atal Bihari Vajpayee initiated the composite dialogue process with Pakistan. In 2004, his successor as prime minister, Manmohan Singh, together with the Pakistani head of state, Musharraf, called for the continuation of the irreversible peace process. The Kashmir conflict was to be resolved through opening the border for trade and tourism. But the process came to a halt in 2008 after the attacks in Mumbai with 166 people killed. India blamed Pakistani Islamists for this terrorist act. It took two years for the foreign ministers of the two neighboring countries to meet again and move the peace process forward.

It can thus be summarized that in the 1990s the new global situation forced India to fundamentally change its foreign policy. It gave up its dominant role and integrated itself into a cooperative system of South Asian states.¹² This reticent attitude opened up new options. One of the most important developments affecting the world even today was the rapprochement between India and the United States of America.

¹⁰ In 1996, India succeeded in peacefully settling its water claims with Bangladesh and Nepal. At the same time, it expanded economic cooperation with neighboring countries, including Sri Lanka in 1998.

¹¹ The Nuclear Non-Proliferation Treaty has not yet been signed by either India or Pakistan.

¹² The South Asian Association for Regional Cooperation (SAARC) was expanded into a SAARC Preferential Trade Arrangement (SAPTA) in 1995, which was then expanded further into the SAARC Free Trade Arrangement (SAFTA) in 2006.

3. US–Indian Relations in the Shadow of Chinese Regional Dominance

3.1. Initial Difficulties and Repeated Diplomatic Failure

The Truman administration supported the Indian aspirations for independence after World War II, despite being close allies with Great Britain, which was still the colonial power in India at the time. Moreover, in the late 1940s, the US leadership saw India as a suitable ally in the region, favoring it even over Pakistan. The efforts of US diplomacy to include India in their geostrategic plans failed because of Nehru's undiplomatic demeanor.¹³ The Indian prime minister reacted extremely negatively even to the offer from the US to give India everything it demanded. Consequently, Nehru's tour in the US in 1949 ended in "an undiplomatic disaster" (Brands, 1991, p. 204), which only left disappointments and reinforced Nehru's commitment to strengthen India's independence from the superpowers. Although the Indian leadership supported the UN–US position concerning the Korean crisis in condemning North Korea, the Indian recognition of the communist leadership in China irritated the Americans.

The US leadership also criticized India's neutral stance under Nehru. In a bipolar world that is a competition between "two competing and incompatible ways of life: democracy and totalitarian communism (...), neutrality (...) is an immoral conception", stated John Foster Dulles (Ogden, 2014, Chapter 7.1., paragraph 1). The non-alignment of India was therefore purely a fabricated argument to conceal the actual affiliation with the Soviet bloc. Still, India received significant support from the US during the first phase of the Cold War. This was mainly financial and food aid, but also technological support.¹⁴ The US government could not expect gratitude for this. After the US nuclear weapons tests in the Pacific in 1954, Nehru accused the US leadership of being "dangerous self-centered lunatics [who would] (...) blow up any people or country who came in the way of their policy" (Ogden, 2014, Chapter 7.1., paragraph 2).

Five years later, Dwight D. Eisenhower was the first US president to visit India. It was a sign of friendship, also demonstrating that the US would support India if there were aggression on the part of China.

During Kennedy's presidency, India was even celebrated momentarily as the "greatest democracy in the world" (Kulke – Rothermund, 1998, p. 437), and the similarities

¹³ American Secretary of State Dean Acheson noted that he was "one of the most difficult men with whom I have ever had to deal" (Gopal, 1979, p. 60).

¹⁴ Between 1947 and 1959, India received US\$1.7 billion in aid, of which US\$931 million was in food (Stebbins, 1960, p. 297).

between the two countries were emphasized. Consequently, the US administration then clearly backed India in the 1962 Sino–Indian War. Since New Delhi had good relations with Hanoi, the new partnership was over quickly. In the Vietnam conflict, India clearly positioned itself in confrontation with the US. The low point in their relations was reached in the 1970s, when President Nixon gave up the neutrality of the US concerning the Indo–Pakistani conflict and clearly sided with the Islamic state. Simultaneously, US relations with the People’s Republic of China improved, paving the way for China to join the UN. This was a difficult phase for India, which brought the country closer to the Soviet Union.

The situation improved during Jimmy Carter’s presidency, even though India refused to support the US’ position during the Soviet occupation in Afghanistan. The Reagan administration regarded India as a market for US products and supplied military technology. The subcontinent played no other role in US politics.

After the end of the Cold War, bilateral relations only slowly gained new momentum. The necessary foreign policy reorientation followed the economic turnaround. During a visit to the US in 1998, Prime Minister Atal Bihari Vajpayee saw the now only remaining superpower as a “natural ally” (Ihlau, 2006, p. 131). The US leadership also realized that China’s dominance in Asia could only be prevented with the help of India since Japan alone could not manage to hold the PRC in check. And why wouldn’t the world’s largest democracy with a functioning constitutional system and an open society with religious and ethnic pluralism be a suitable partner?

In March 2000, US President Bill Clinton visited India. He had previously referred to China as a strategic partner but relativized his position when he advocated a form of new partnership in his speech delivered in Lok Sabha, the Indian parliament. The subcontinent began to play an increasingly important role for the US, so the US started to support India in the Kashmir conflict.

3.2. The Bush Administration: Ready to Make the Change

The turning point in US–India relations came with the Bush administration. At the time, the US clearly considered the People’s Republic of China as a “strategic competitor”, and more importantly, they believed that the Sino–American conflict could constitute “the core of a new world war” (Ihlau, 2006, p. 136). This situation required a restructuring of the balance of power in Asia, which connects their long-standing partners Japan and Korea and the emerging India.

India had an open ear for this. Almost all the plans of the Bush administration met their approval: missile defense plans, the right to preventive strikes, negative attitude to the world climate conference, and rejection of the International Court of Justice. The US leadership expressed its gratitude to India with its willingness to integrate the country into the circle of recognized nuclear powers (*Ibid.*, p. 138). In 2002, people already referred to India as a “great power”. Alongside Japan, India was supposed to become the US’ most important ally in Asia, mostly with the intention of keeping China in check. In return, Washington was once more ready to offer India everything it demanded, as it had done previously under Truman’s presidency. This approach was implemented during a US visit by Prime Minister Singh in July 2005: Bush lifted the export restrictions on nuclear technology. In exchange, India was prepared to place 14 of its 22 nuclear reactors, which were used for civilian energy production, under the control of the International Atomic Energy Agency. This agreement was a breakthrough in forming a strategic partnership: the US gained a new reliable partner in the conflict with China, and India became a *de facto* nuclear power. As US President Bush expressed this in New Delhi a year later: “India, as a global leader, will work alongside America to change the world, and if we work together there is no limit to what we can achieve” (*Ibid.*, p. 139).

This positive development was also based on their joint fight against Islamic terrorism. Immediately after the attacks on the World Trade Center on September 11, 2001, India had become a reliable partner of the US in this regard. This served as a solid base to confidently promote other policy areas.

The economic relations between India and China may seem surprising considering the aspects described above. Trade volumes doubled between the 1990s and 2005, amounting to US\$1 billion per month. In 2008, China became India’s largest trading partner, overtaking the US (Wagner, 2009b, p. 204). Individual trust-building measures¹⁵ also improved bilateral relations, not to mention their joint fight against Islamic terrorism. India’s Foreign Minister Sinha therefore made it clear in January 2003 that China would now be considered as their partner and no longer as a competitor (Baruah, 2003). Nevertheless, it must be stated in this context that pragmatic economic relationships can at best only support geostrategic aspects, but they can never replace them. In the increasingly critical relations between the PRC and the US, a crucial question remains unsolved: and what about Tibet?

¹⁵ The main focus here was on resolving the border disputes that repeatedly shook the relationship between India and China. For this purpose, a joint working group was set up in 1989 in order to resolve the situation.

3.3. The Tibetan Question in the Sino–Indian–Tibetan Triangle

The Tibet issue influenced Indo–Chinese relations for decades. Even today, it still represents a major stumbling block in diplomatic relations. As early as in 1950, the Indian government issued a diplomatic note protesting Chinese military action against Tibet, stating that in spite of earlier promises by the Chinese government to “liberate” Tibet peacefully, Beijing “invaded Tibet”. Negotiations on the Tibet problem were thus destroyed (Kindermann, 2001, p. 466). Beijing’s actions were described as Chinese internal affairs and thus the Indians’ protest note was disregarded. The Chinese could not tolerate Indian influence under any circumstances.

India initially did not address the issue, mostly because they were confident that the 17-point Agreement of 1951 would solve the problems between Tibetans and Chinese. And actually, they were on friendly terms with the Middle Kingdom after World War II, as they were anti-imperialist. This conviction found expression in the Sino–Indian Agreement of 1954, which was supposed to regulate trade and travel between India and Tibet, but at the same time also regulated the five principles of peaceful coexistence with the Middle Kingdom (“mutual respect for each other’s territorial integrity and sovereignty; mutual non-aggression; mutual non-interference in each other’s internal affairs; equality and mutual benefit; and peaceful co-existence”).¹⁶

“Indians and Chinese are brothers” was the slogan when Chinese Prime Minister Zhou Enlai visited India in 1956. Moreover, India supported the return of China to the international structures of world politics. This all changed after the uprising in Tibet and the Dalai Lama’s escape to India in 1959¹⁷. The Beijing leadership suppressed the rebellion with extreme severity; around 87,000 Tibetans died between March 1959 and September 1960, without taking into account the victims of starvation and torture. “Genocide” was the accusation of the international community (Ihlau, 2006, p. 147). However, there were no international consequences. Even New Delhi proved reluctant to irritate Beijing too much; the Indians were not prepared to publicly condemn Beijing’s actions in Tibet. As the Dalai Lama wrote in his memoir: “It was clear that Nehru wanted to save India’s friendly relations with China”. An illusion, as it would soon become apparent.

¹⁶ Above all, non-interference in internal affairs has become a central principle of Indian foreign policy (Wagner, 2009b, p. 200).

¹⁷ The bilateral relationship was also strained by the fact that China assumed that the uprising was supplied with help from the CIA (Ihlau, 2006, p. 147).

The border disputes with China and the military crisis of 1962 put a permanent strain on bilateral relations. The illusion of making Asia a “zone of peace” together with the People’s Republic of China was shattered. The Tibetans in exile in India were tolerated but became a permanent problem between the rival powers (Braun Alexander, 2020, p. 204).

The tension between the two rival countries was only relieved when India recognized the status quo in Tibet in 2003 and China acknowledged India’s sovereignty over Sikkim in 2004. And yet, there have constantly been border disputes over the Chinese-occupied part of Kashmir (Aksai Chin) and most of the Indian state of Arunachal Pradesh, two regions that border Tibet and play an important geostrategic role. In addition, the Indian Union Territory of Ladakh is culturally strongly influenced by Tibet and therefore is also referred to as “little Tibet” or “Western Tibet”. A large number of Tibetan refugees have settled there, and the Dalai Lama also maintains his summer residence there, in Choglamsar.

It is now becoming apparent that the unresolved issue of Tibet will play a stronger role in the coming years. US Secretary of State Antony Blinken, who had only been in office for a few days, had already made it clear that in future the US will stand up for human rights and democratic values in Xinjiang, Tibet, and Hong Kong (Deutsche Wirtschaftsnachrichten, 2021).

3.4. “Pivot to Asia”, or How Obama Perceived the Pacific Region

President Obama (2009-2017) billed himself as America’s first Pacific president¹⁸ and made it clear what he meant by this during his visit to Tokyo in November 2009: “I promise you that this Pacific nation will strengthen and sustain our leadership in this vitally important part of the world” (The White House, 2009). US Secretary of State Hillary Clinton clarified this position two years later in a speech in Honolulu: “It is becoming increasingly clear that in the 21st century, the world’s strategic and economic center of gravity will be the Asia-Pacific, from the Indian subcontinent to the western shores of the Americas. And one of the most important tasks of American statecraft over the next decades will be to lock in a substantially increased investment—diplomatic, economic, strategic, and otherwise—in this region” (US Department of State, 2011).

¹⁸ President Theodore Roosevelt had already focused on the Pacific region more than 100 years ago: “We are in the great American tradition of expansion across the continent and across the Pacific. We are still moving westward.”

This “new” turn towards East Asia included some specific objectives that built on the strategic positions of the Bush administration:

- Promotion of the Trans-Pacific Partnership (TPP);
- Trade integration of the region as well as expansion of relations with the Asia-Pacific Economic Forum (APEC);
- Eliminating any doubts of the partners in the region about the loyalty the US has to the alliance;
- End of the G2 initiative (concept of shared responsibility between the US and China) to emphasize sole leadership;
- Clear positioning against China's “anti-access/area denial” capacities (e.g. the ability to prevent foreign ships from using international waters).

The demands made to China to reduce its influence, to allow the US to participate in the region's economic growth, and thus to continue to stabilize the US dollar, failed to have an effect. The Middle Kingdom was not willing to grant the Americans rights and profits in its geostrategic “backyard” (Southeast Asia) without a fight. On the contrary, it gradually shifted away from trading raw materials and settling export transactions in US dollars, which has been the practice since World War II. So, the PRC was in the process of making itself economically independent from the world's currency, the US dollar.

India could be the answer to these partly existential challenges. The subcontinent has also come under pressure and felt confined by the Silk Road initiative, which from the Indian perspective reached from the east coast of Africa to Japan. Narendra Modi, India's prime minister since 2014, enhanced India's relations with the Association of Southeast Asian Nations (ASEAN) countries as part of his “Act East” policy. Relations with Japan in particular have expanded fundamentally. Both agreed to establish an Asia–Africa Growth Corridor (AAGC) to offer countries bordering the region an alternative to the “One Belt One Road” initiative (Wagner, 2019).

The first successes resulted from military cooperation with the island states of Mauritius, the Seychelles, the Maldives, and the Comoros. In this case, the US made its first contribution to cooperation in the Indian Ocean: a logistics agreement that has enabled India to use US military facilities since 2016.

The Obama administration strengthened the already healthy relations with India established during the presidency of George H. W. Bush. This was also made clear by the fact that Obama was the first US president to visit India twice in an eight-year

term. Furthermore, Manmohan Singh visited the White House three times, and two further meetings took place with Narendra Modi in Washington. In total, Obama has met Modi eight times including their first meeting in September 2014 (The Economic Times, 2017).

4. Reorganizing the Relationship: Trump's New Approach

4.1. Failure of Diplomacy and Attempted New Beginning

The main objective of the United States' China policy, to include China in the global liberal structures of the world and the global economic policy and to build trust between the partners in the spirit of the G2 initiative, ended abruptly in 2012. Xi Jinping, the new general secretary of the Chinese Communist Party, changed Beijing's attitude towards its global partner as well as towards the countries in the region. China expanded not only its economic but also its military positions. A military modernization program was launched, and it started to expand its military presence in coastal waters. This was not only the case in the South China Sea but also in the Indian Ocean and the West Pacific. This geostrategic claim was literally cemented by the construction of artificial islands on reefs that had previously been underwater. Moreover, the newly reclaimed land was used to build airfields, radar systems and other structures that could also be utilized for military purposes. China has always denied military use but has drawn on the legal claims that arose from the newly constructed islands (Auslin, 2020, p. 7).

The new challenge required a response. It was clear to the Trump administration that any diplomatic approach would be just as unsuccessful as the previous ones failing to halt China's growing dominance. Although the Quadrilateral Initiative (Quad)¹⁹ between the US, Japan, Australia, and India was revived in November 2017²⁰, they were unable to find common positions in this framework; the viewpoints were too different, for example regarding maritime security (Wagner, 2019).

As a result of the "America First" strategy, tensions would inevitably rise: there were setbacks in trade. On his very first day in office, Donald Trump withdrew from the Trans-Pacific Partnership because he believed that it was a "job killer" (Zeit Online,

¹⁹ Quad is a security dialogue. Joint maneuvers of the member states in the South Pacific were a sign of good cooperation.

²⁰ This group was initiated by Japan in 2007. The member states are looking for common strategies to counter the Chinese expansion policy in the Indo-Pacific region.

2017). The accusation of job losses due to the relocation of production to Asia also affected India.²¹ In the following years, there were other significant examples of the withdrawal from the subcontinent: at the end of September 2020, Harley-Davidson announced the end of its production in India.

In the long run, the South Asian state will lack know-how as a result of withdrawal of industries. The subcontinent will have to develop its own technological and economic capacities in order to exploit future opportunities and to reduce the power imbalance with China. The chances of this are not bad as India is a leading player in several research and production areas (medical technology, pharmaceutical industry etc.). However, this objective requires cooperation.

4.2. The Role of India in the Indo-Pacific Concept and the Aspirations of the US

The idea of the "Indo-Pacific" concept was first discussed in concrete terms during the visit of Japanese Prime Minister Shinzo Abe to New Delhi in December 2015. India and Japan signed a *"Joint Statement on India and Japan Vision 2025: Special Strategic and Global Partnership Working Together for Peace and Prosperity of the Indo-Pacific Region and the World"*. Two years later, in September 2017, a second joint declaration entitled *"Toward a Free, Open and Prosperous Indo-Pacific"* was adopted. The core elements of this document included:

- Expansion of the cooperation on maritime security;
- Improving connectivity in the Indo-Pacific region;
- Stronger cooperation with ASEAN;
- Regular discussions between strategists and experts from both countries (Heiduk – Wacker, 2020, p. 25).

Another important point of reference for the interpretation of the Indo-Pacific concept was Modi's speech at the Shangri-La Dialogue security conference in Singapore in June 2018. The prime minister placed ASEAN at the center of his strategy, emphasizing the importance of security and growth for the entire region. India intends to get

²¹ Concerning trade: the two partners have made a deal on arms sales by the US (Boeing) to India. On the other side, trade tensions have been increasing. The Trump government has defined India as a competitor and therefore increased import tariffs on several products like steel and aluminum. India avoided imposing retaliatory tariffs in the "hopes of averting a trade war and bridging economic differences" (Parpiani, 2020).

more involved in regional ASEAN organizations (EAS, ADMM-Plus) in the future. He also emphasized the recently improved relationship with Japan and new impetus in relations with South Korea, Australia, New Zealand, and the Pacific Islands. The US would have preferred a stronger commitment to the “free and open Indo-Pacific” (FOIP), but Modi was clear about his vision. He put it this way: “India does not see the Indo-Pacific Region as a strategy or as a club of limited members. Nor as a grouping that seeks to dominate. And by no means do we consider it as directed against any country” (Heiduk – Wacker, 2020, p. 26). The prime minister was reserved concerning China, even though the US was already taking concrete steps against the PRC. These measures were called “soft balancing” or “evasive balancing” and were intended to promote cooperation between the US and Japan, Australia, and some Southeast Asian countries.²² While the United States was primarily exploring military options, India sought to strengthen economic and trade cooperation in the region. In this context, Japan plays a central role as they have a large number of infrastructure partnerships with India (e.g. in the Asia–Africa Growth Corridor or in the North–South Corridor with Russia and Iran) to offer an alternative to China’s “One Belt One Road” initiative. India has not yet made use of another option, namely, to participate in the “Blue Dot” initiative²³ of the US, Japan, and Australia.

India also sets the tone in terms of power politics. There should be no return to the age of great power rivalries in the region, and friendships are not “alliances of containment”; this is how the demarcation from the US can be formulated. On the other hand, “equal access” for all is the call on China to refrain itself in relation to some geostrategic issues. China’s dominance should be avoided. India can thus be seen as a balancing factor in the region; despite the efforts in containing China, it is also a partner in many organizations China has initiated.²⁴

But peaceful cooperation also has its limits. The border conflicts between China and India, which broke out again in 2020, have also made it clear to the Indian leadership that peaceful cooperation can only bring limited success against an aggressive China. Deterrence is therefore likely to be the next stage in the conflict between the two great powers of Asia. India will be closer to the US militarily, something the Trump administration had offered. Furthermore, Joe Biden will give priority to relations with

²² Vietnam, Singapore, and Indonesia.

²³ The Blue Dot Network is a multi-stakeholder initiative, mainly to support infrastructure projects worldwide on the basis of financial transparency, environmental sustainability, and the aim of mobilizing private capital to be invested abroad.

²⁴ For example, the BRICS countries (Brazil, Russia, India, China, and South Africa), the Asia Infrastructure Investment Bank (AIIB) and the Shanghai Cooperation Organization (SCO).

India, mainly because he does not intend to confront China directly but will rather use allies to restrict China's drive for power (Babst, 2021). Is this the Trump option that saw Indo–American relations “as an opportunity to shape the world” (Hein, 2020)?

5. Conclusion

India perceives China's political approach as “strategic encirclement”. It is concerned about the freedom of navigation in the South China Sea, and it is alarmed about China's stronger military presence in the Indian Ocean. In fact, these problem areas coincide with the US' concerns about the region. But what does India have to offer to the US as a partner in the conflict with China? The country has little economic strength and no military power. However, India has a chance to move supply chains away from China and reduce its economic dependence on the Middle Kingdom, as urged by US Secretary of State Mike Pompeo at a US–Indian economic summit (Hein, 2020). However, that is a long way off.

India continues to commit itself to the status quo; it envisages a free, open, and inclusive region in which all powers adhere to international rules in the Indo-Pacific. Nonetheless, there is tension between cooperation and conflict; India must remain credible to its Western partners, but at the same time must cooperate with China. Their approach that the world's two largest democracies are “natural allies” has become the starting point of all their relationships. Furthermore, good communication skills in English—which remains the official language in India—naturally contribute to this. With Kamala Harris, a US vice president of Indian descent from her mother's side, India has now become visible at the US' top political level. With a population of 5.9 percent Asians in the US (2019), such a representation in multicultural America has also been perceived positively globally.

Thus, it can be stated that the US has become a good deal more Indian. Strictly speaking, the world is very Indian and if the forecasts are to be believed, it will become even more Indian: India is a founding member of the United Nations, a member of several international organizations, including the Commonwealth, the International Monetary Fund, the World Bank, and the World Trade Organization (among others) and therefore plays an important role globally. As a nation of almost 1.4 billion people with an ever-growing population, and an increasing average growth rate, as well as—as some analysts claim—a tangible chance of overtaking both the US and China as the dominant world economic power by 2040, India is already able to play an important role as a strategic partner.

India's decades of distrust of the US, be it as an imperialist power or as a partner of Pakistan, has faded away. There is a general cooperative attitude that brings benefits to both sides. The India–US relations have never been as good as they are at present.

Over the decades, Indian foreign policy has been oriented towards the “big brother” in the north, the People’s Republic of China, as discussed above. Consequently, China has always been and still is the real driver of Indian foreign policy. That also applies to the Indian vision of the Indo-Pacific concept. Hence, it can be stated that China, at least today but probably for quite a while, continues to direct and indirectly determine Indian foreign policy.

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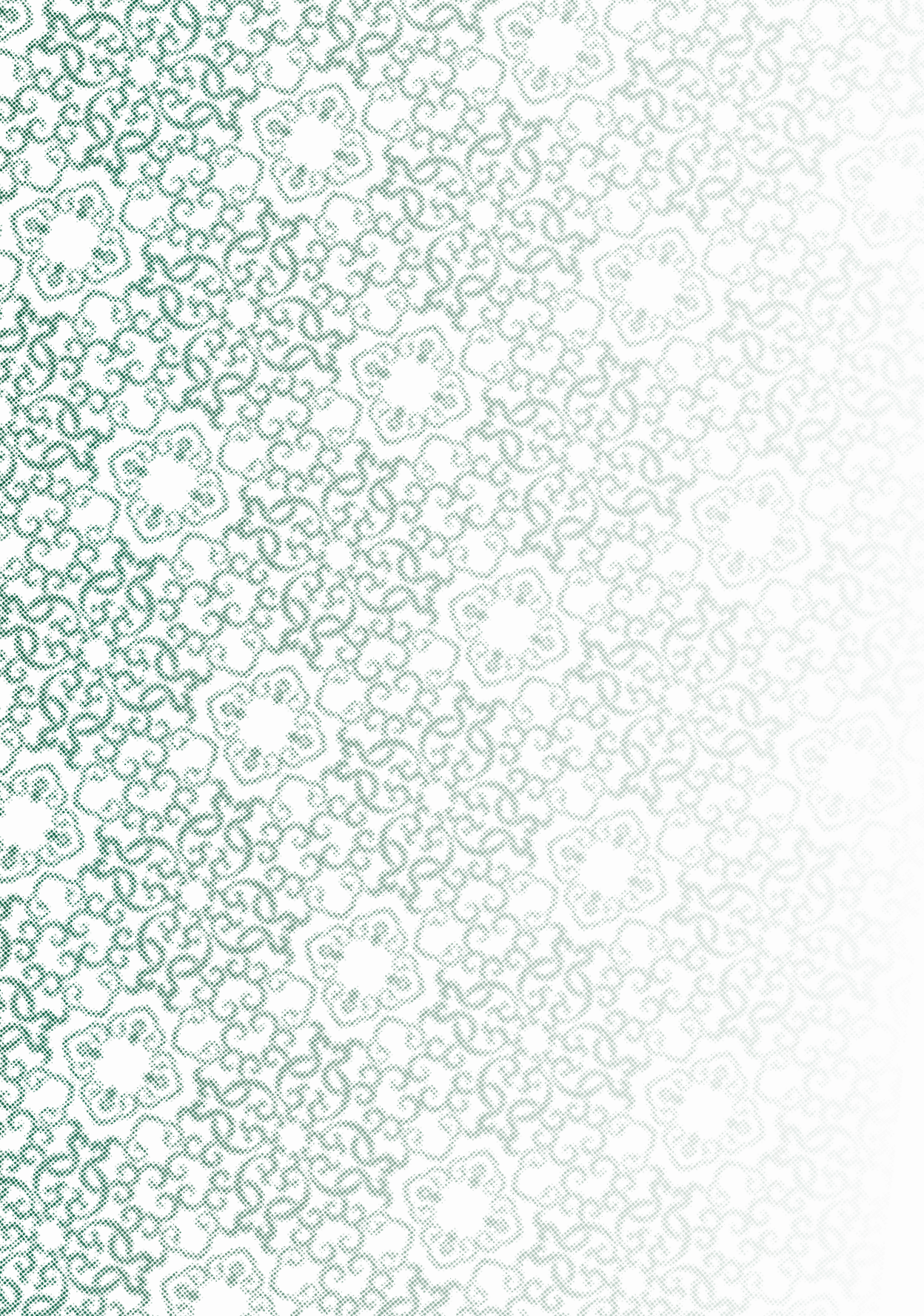
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The Implementation of the Free and Open Indo-Pacific Concept

Judit Szilágyi

1. Introduction

The concept of the Free and Open Indo-Pacific region was first proposed by Japanese Prime Minister Shinzo Abe in 2007. In his speech delivered in the Parliament of New Delhi he proposed that Japan and India should join efforts to coalesce a “broader Asia” that would be “open and transparent” and “allow people, goods, capital, and knowledge to flow freely” (Abe, 2007). It was the first time on the international stage that the Indian and Pacific Oceans were linked as a strategic arc with the policy to keep it “free and open”. Abe’s commitment to the concept strengthened during his terms in office, leading to the official launch of Japan’s “Free and Open Indo-Pacific” (FOIP) strategy in 2016, with the goals of “freedom, the rule of law, and the market economy, free from force or coercion, and making it prosperous” (Abe, 2016).

The concept gained support from the United States in 2017, when United States (US) President Donald Trump explicitly adopted the FOIP, stating that “I’ve had the honor of sharing our vision for a free and open Indo-Pacific—a place where sovereign and independent nations, with diverse cultures and many different dreams, can all prosper side-by-side, and thrive in freedom and in peace” (Trump, 2017). Even more recently, Joe Biden reinforced US commitment to the strategy and have raised the level of the Quadrilateral Security Dialogue (Quad) meetings for the first time to the highest possible.

The Quad, as discussed later in detail, is a loose cooperation of the US, Japan, Australia, and India, that can be key to the implementation of the FOIP strategy. The Quadrilateral Security Dialogue has been formulating since 2007 on the sidelines of other summits but was officially suspended as a result of China’s objections and pressures on the three countries from the region. Meetings resumed in November 2017, therefore, this new formula is also named Quad 2.0. The cooperation between the Quad is key to the implementation of the FOIP strategy, thus the focus of this paper is on the diverging and converging interests of the Quad members, their changing positions towards each other as well as towards China. The paper seeks to find answers

to the following questions: How have the interests of the Quad members and their positions changed since the announcement of the FOIP? What are the chances of deeper cooperation between the members of the loose alliance? Which forces drive the members towards or against more openly undertaken steps, and how do these processes unfold in the wake of recent events?

2. The Relevance of the Indo-Pacific

The US supremacy in the Indo-Pacific Ocean area has been the linchpin to the post-World War II world order and has not been challenged until recently. The „island chain doctrine“¹, a famous Cold War strategy that fitted into the containment policy against the USSR and China formulated three chains, the first beginning at the Kuril Islands and ending in Borneo, and most importantly including Taiwan. The second island chain already lies behind the Philippines, from Japan to the Mariana Islands that are US territory. The third chain refers to the Aleutian Islands (close to Alaska) and stretches towards Oceania, with key parts like Guam. The island chain strategy has also been referred to as the “unsinkable aircraft carrier” as it is built on landmasses.

To strengthen the US positions, five out of the seven collective security treaties that the United States signed during the heights of the Cold War and are in effect today are related to this region. Namely the Australia, New Zealand, United States Security Treaty (ANZUS, signed in 1951 by Australia, New Zealand, and the US), the Southeast Asia Treaty (signed in 1954 by the United States, Australia, France, New Zealand, the Philippines, Thailand, and the United Kingdom), and three bilateral treaties with the Republic of Korea (1953), the Philippines (1951), and Japan (1960). As for the latest developments, the US signed a framework for defense cooperation with the Maldives in September 2020 to deepen engagement by strengthening its alliance networks in the Indo-Pacific to counter China’s growing presence in the region.

The geographic scope of the Indo-Pacific region² is unparalleled. It includes roughly 52 percent of the Earth’s surface, stretches from the west coast of the United States to the west coast of India, and from the Arctic to the Antarctic, and includes 36

¹ The island chain doctrine was first mentioned by American diplomat, later secretary of state under D. D. Eisenhower, John Foster Dulles in 1951 in the context of the Korean War. The doctrine was a crucial element of the containment policy of the US and has been maintained since the end of the Cold War to ensure US naval supremacy and control over Russia and China.

² The paper aims to use “Indo-Pacific” in reference to the difference from “Asia-Pacific”, which is associated with the part of Asia that lies in the Pacific Ocean, while Indo-Pacific is a broader region that

nations, making up more than 50 percent of the world's population, speaking 3,000 different languages (US Indo-Pacific Command, n.d.).

The Indo-Pacific region is truly unparalleled in terms of cultural, social, economic, and geopolitical diversities. Two of the three largest economies are located in the region, along with ten of the fourteen smallest. The region includes the most populous nations in the world, the largest democracy, and the largest country with a Muslim majority. On the other hand, more than one-third of the Asia-Pacific nations are small, island nations, including the smallest republic in the world and the smallest nation in Asia.

The region is the vital engine of the global economy and includes the world's busiest international sea lanes and nine of the ten largest ports. The Indo-Pacific is also a heavily militarized region, with seven of the world's ten largest standing militaries and five of the world's declared nuclear nations (US Indo-Pacific Command, n.d.). Given all these circumstances, the strategic complexity emerging in the region is unique and not easily manageable by any of the stakeholders.

The United States has the oldest and largest unified combatant commands in the region, created in 1947, and formerly named as USPACOM (United States Pacific Command). It was renamed as US Indo-Pacific Command (USINDOPACOM) in May 2018, also showing the importance and interconnectivity of these territories and as a sign of greater emphasis on South Asia and India.

3. China vs. US in the Indo-Pacific Region

In December 2016, the Chinese navy deliberately crossed the first island chain for the first time and since then has carried out several military exercises beyond this line, thus setting these drills as the new norm. The most remarkable is how the Chinese media commented on the event, calling the first island chain, and the whole island chain concept, as a mere psychological barrier that no longer exists (Huang, 2017).

Militarily speaking, the Obama administration responded to the growing and more assertive Chinese presence over the years on the South China Sea basically by stepping back, shifting its major military deployments to the second island chain, and

combines the Indian Ocean, the Pacific Ocean, and the landmasses that surround them. Although the distinction might look clear, even the US Indo-Pacific Command's website uses both terms and refers to its geographical scope as "Asia-Pacific".

urging allies to form a closer cooperation in the wider area by creating an “arrow” from Japan to Australia. Obama also advocated the policy of rebalancing through emphasizing the multilateral dimension of regional cooperation in the form of the Association of Southeast Asian Nations (ASEAN) and taking the lead in the Trans-Pacific Partnership (TPP) that later Trump withdrew from.

The US position has been weakened over the past period not only by the rising Chinese power but also by its own policy decisions that have resulted in a strategic overreach and cracks on previously functioning alliances and coercive deals. Washington’s interferences in Russia’s and Iran’s influence spheres, its unending War on Terror, military interventionism in the Middle East and forceful democracy promotion attempts have considerably diminished both its resources and its soft power, while also triggering nationalist and Islamist backlash (Cavanna, 2018). China could capitalize on the overreach of and the global discontent with US power, while its own rising power has been increasingly acknowledged globally. Although potential clashes on the Pacific have not yet been resolved, recently the focus has shifted rather to the Indian Ocean as the strategic game and the encirclement policies are unfolding there.

According to the theory of American policy analyst, Rorry Daniels (2013), a chain of strategic encirclements can be detected in the geopolitical complexities of the Indian Ocean as China fears encirclement by the US, India fears encirclement by China, and Pakistan by India. All of these are seen by the respective countries as “containment strategies”, which they attempt to break out of.

4. The FOIP: Too Broad as a “Strategy”?

Although the FOIP concept is announced as a “strategy” in Japan and the United States, in India and Australia it is primarily considered as a normative framing, while in ASEAN as an “outlook” (ASEAN, 2019). The concept is too broad and open to interpretation, which could mean a potential strength in terms of elasticity and adaptability to the prospective partner’s circumstances. But this is exactly its greatest weakness as it is too broad to create an idea of the future regional security order. Critics also point out that in order to show its commitment, the US should devote more foreign assistance and economic investments especially for infrastructure financing in the region, though it has to be also admitted that the Belt and Road Initiative (BRI) of China offers such a framework, vision and win-win cooperation to the region in this sense that, especially with these countries’ growing economic dependence on China, it is hard to compete with.

The way the Trump administration articulated and now the Biden administration seems to continue the framing of the strategy also raises many concerns in the region, as defining China as a clear adversary worries especially smaller, vulnerable, and understandably risk-averse countries who are already exposed to China's economic pressure. Given the current political and economic circumstances, those countries not already tied to the US by collective security treaties and long-term strategic partnerships (among which the most important footholds are Japan and South Korea in the narrower Southeast Asian region) are extremely reluctant to take open steps against their most powerful neighbor.

Smaller countries of the region, including Pacific island states and Southeast Asian countries, have been the most wary of adopting a FOIP concept. They are understandably concerned that the Indo-Pacific framing implies that smaller states will inevitably have to make a strategic choice between a Chinese alternative or the US and its partners.

That the definition of the FOIP concept remains open to interpretation is a potential strength because states can adapt the concept to their circumstances. However, this is also its greatest weakness because this elasticity means that the concept may be incapable of shaping a future regional security order. Moreover, that certain versions—particularly the one articulated by the Trump administration—clearly define China as an adversary makes the concept unattractive to many smaller, risk-averse states worried about upsetting China.

5. The United States' Concerns about and Efforts to Contain China

China's rise has been at the forefront of attention by numerous US analysts and policy makers for more than two decades. The publicly accessible documents prepared by several councils, committees, agencies, think tanks etc. alone show an infinite number of analyses assessing trade measures, investment constraints, state subsidies, exchange rate manipulations, intellectual property right violations, and all aspects of economic tensions and their effects on the US position, while other reports also keep a close eye on military developments, security challenges, and most recently, on the global ambitions of China, also manifested in its Belt and Road Initiative.

Back in the times of China's appearance on the global stage in the 1990s, the US administrations were hesitant about the right approach to assess and address the realistic threat Beijing might pose in the future to US positions. While running for

presidency, Clinton sharply criticized his predecessor, George H. W. Bush for prioritizing profitable trade relationships and investment opportunities over human rights issues in China. As president, however, he backed away from his position and emphasized engagement with Beijing.

The Bush administration began to point out the rival nature and inevitable threats posed by China. Even the term “String of Pearls”, meaning a set of ports that are not only located strategically along major sea lines of communication but could be also potentially turned into naval bases in the future, was coined already back in 2005 by the Booz Allen Hamilton Holding, an American management and information technology consulting firm that, according to Bloomberg, is the most profitable spy organization, also in the sense that it employs a staff of thousands of former intelligence officers (Shorrock, 2008, p. 41). The expression has enjoyed growing interest ever since then both from academia and policy makers for a verifiable reason. While the continental hegemonic power has shifted from the Soviet Union in the Cold War era to China in the 21st century, the maritime hegemony of the British Empire in the 19th century has been replaced by that of the US since the mid-20th century until the present day. This hegemony is, however, challenged by China, and as numerous documents point out, the US has been aware of the threat and therefore has designed several policies since the 2000s to contain China, or at least to slow down the pace of its rise.

As early as 2006, the Quadrennial Defense Review clearly admitted that China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional US military advantages if US counterstrategies are absent (US Department of Defense, 2006). The National Security Strategy issued one month later, the same year in March, reiterated the hopes of the ‘90s, stating that as economic growth continues, China would face a growing demand from its own people to follow the path of East Asia’s many modern democracies, adding political freedom to economic freedom. As the document stated, China cannot stay on its peaceful path of development while holding on to “old ways of thinking and acting” that exacerbate regional and international security concerns. The US referred to the “old ways” in terms of non-transparent military expansion, mercantilism, and supporting resource-rich regimes with a record of unacceptable behavior (The White House, 2006).

As for the means to push China to follow a more “acceptable” behavior, the US at that time emphasized the domestic democratization process as a result of the economic development, as well as multilateral agreements, including the WTO. As time has unveiled, the Chinese economic miracle has no realistic effects on the

democratization processes, rather the opposite: the economic boom serves as a major legitimization force cementing the political leadership itself and the system as such, too. As for the economic interdependencies, China has risen to such a central role in the global economy that enables the use of economic leverage, counter-sanctioning, or even the recent developments of regional economic integration in the formulation of the Regional Comprehensive Economic Partnership Agreement (RCEP) in November 2020 to further strengthen its positions and to discourage any potential formulation of alliances to counteract Beijing's negative economic or political effects.

The 2008 economic crisis has definitely raised China to a relatively even stronger global and regional position, as the more developed countries suffered deeper and longer recessions, while the Chinese development relatively slowed down compared to the previous decades' double-digit GDP growth rates. Nevertheless, the challenges that China can pose to the US position in every single aspect were clearly visible by the time the Bush administration phrased the policies and concepts cited above, though, the timeframe in which China can rise to a real global power was not clear back then.

The Obama administration articulated new strategies under the concept Rebalancing of Asia in 2011 and especially by the Pivot to Asia announced in 2012. The strategy coincided with the introduction of the Belt and Road Initiative of China in 2013. This was the moment when China abandoned the famous "24-character" foreign policy doctrine introduced by Deng Xiaoping to keep an internationally low profile. The shift away from this policy has been gradual as China had been heavily investing in Africa, and Central and Southeast Asian countries for many years before. Yet, the declaration of its ambitions to become a global power and, to this end, to use the tool of mutually beneficial economic relations, or even more simply, the "infrastructure for natural resources" scheme that has been for so long the basis for its cooperative patterns, still marked the beginning of a new era and reflected the changing economic and political realities of the 21st century.

The Trump administration's introduction of steel and aluminum tariffs in March 2017 showed a clear departure from previous US policies concerning China. Earlier, rather than using protectionist measures and punitive tariffs, the US had tacitly acknowledged its economic interdependencies with China and—at least on the surface—made only very cautious moves. Washington has now taken on a more proactive stance and is constantly raising the stakes of the ongoing trade war with the introduction of further tariff measures, while Beijing only reluctantly follows them by retaliatory steps. This comes as no surprise: as the largest economy in terms of overall GDP

on purchasing power parity (PPP) and the largest trading nation of the world, China has been for quite a long time arguably the largest beneficiary of globalization. The success of the whole economic reform process and China's modernization strategy has been built upon the forces of globalization. The evolving trade war might have been taken as an indicator of a deglobalization process, and with the Covid effects and global economic changes it seems to signal a major turning point and the beginning of a new era not only in US–China relations but in the course of globalization in general as well.

The Free and Open Indo-Pacific initiative announced by the Trump administration is also a significant departure from the previous US strategies via its explicit linkage of the Indian Ocean, South Asia, and the Asia-Pacific region in an era when China's rise and presence across this wider territory is raising growing concerns in Washington. Critics of the initiative point out that since its declaration in 2017, the US has not clearly identified the whole vision nor has devoted the necessary economic or political resources to the implementation of the strategy successfully. When compared to the Belt and Road Initiative, the US economic investments in the region seem insufficient, though unlike Chinese investments, American FDI is largely not state-directed and -financed, which makes the comparison more difficult. Besides the gap especially between infrastructure financing, the Trump administration's withdrawal from the TPP and China's recent signature of the RCEP, the largest trade agreement of the region, has raised further concerns about the viability of the strategy.

5.1. Japan and Australia—The “Tandem” for Regional Integration?

In order to see the feasibility and the perspectives of the Free and Open Indo-Pacific concept, this paper aims to analyze the complex relations and interests between the largest regional powers, Japan, Australia, and India, or, in other words, the potentials of the Quadrilateral Security Dialogue, or the Quad, from the perspectives that can potentially help the revitalization of the loose alliance.

Though the two Pacific Rim countries are seemingly closer in their interests and major values to the US, even their cooperation is not without concerns, most of which stem from China's role as an unavoidable economic partner.

Japan remains the strongest foothold for the US in Asia. The country shares values and interests with the US in basically all aspects of containing China, and the US military bases on Japanese territory are crucial for the USINDOPACOM presence in

the region. The US operates dozens of military facilities, including air force, army, navy, and marine corps bases, and logistical and training centers. The best known of these complex bases lies in Okinawa, where the vast majority, approx. 63 percent of the US personnel is stationed (Okinawa Prefectural Government, 2003). Although the Japanese public is relatively a stable supporter of this close and apparent linkage with the US, in 2018 there were several protests by the residents of Okinawa against a construction of a new airfield for the US military base (The Japan Times, 2018).

Taking a look at the first diplomatic visits of Japanese Prime Minister Yoshihide Suga, since he took office in September 2020, shows a clear focus of Japanese foreign policy as well as its potential regional allies. Starting with Vietnam and Indonesia, the new administration clearly defined its commitment towards the ASEAN countries, and was also quick to visit the closest regional ally in diplomatic and security aspects. In a 2020 November meeting with Australian Prime Minister Scott Morrison, they reiterated the two countries' commitment to their shared values of democracy and the rule of law, which are also cornerstones of the FOIP and the regional security architecture in the views of the Quad.

Just like Japan for the United States, Australia seems a natural ally for Japan, not only for their shared values and interests but also as they enjoy trade complementarity and both of them maintain close ties with Washington. The once World War II enemies are even compared to Germany and France by some political analysts in their devotion to the value-based economic integration of the Pacific region, which, as others point out, can be a realistic path only if the US returns to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) talks.

In the last decades, the Japanese–Australian ties have become stronger also due to the shared concepts for regional order. Japan initiated a partnership with Australia in 1967 through its unsuccessful “Asia-Pacific Policy”, and in 1979 proposed another aborted initiative, the Pacific Rim Cooperation Concept.

The two countries worked closely together to establish the Asia-Pacific Economic Cooperation (APEC) forum in 1989. During Prime Minister John Howard's administration (1996–2007), when Australia was struggling to maintain good relations with the members of ASEAN partly due to East Timor's move for independence from Indonesia, it was Japan which created a basis for Australia to become a member of the East Asian community.

Between 2001 and 2007, under the administrations of Prime Ministers Junichiro Koizumi and Shinzo Abe, Japan advocated the concept of ASEAN Plus Six in order to expand the East Asian region, enabling Australia to cooperate with Japan within frameworks such as the East Asia Summit and the RCEP up until the present day. After Donald Trump withdrew the United States from TPP in 2017, Australia consistently supported Japan in its efforts to rebuild the cooperation without the US as the CPTPP.

5.2. Economic Relations Enhancing Cooperation

Japan and Australia are natural allies not only as a result of their shared values and interests with the US and shared concerns about China, but also thanks to the high complementarity of their economies. The Japan–Australia Economic Partnership Agreement (JAEPA) entered into force in January 2015 and is by far the most liberalizing trade agreement that Japan has ever negotiated. Once the JAEPA is fully implemented, it will provide preferential or duty-free access to around 98 percent of Australia’s merchandise exports to Japan (Australian Government, 2018).

The agreement provides valuable preferential access for Australia’s exporters and will support further growth in two-way investment. Japan is Australia’s second largest market and fourth largest source of foreign investment (Ibid.). The importance of the agreement also lies in the relative protectionism of the Japanese market, especially in terms of agricultural products. Australia is the first significant agricultural producer to sign a meaningful trade agreement with Japan, providing Australian exporters with a competitive advantage.

5.3. How to Avoid China’s Economic Dependency Trap

The JAEPA is a significant step towards deepening economic ties, but is that enough to counterbalance China’s growing economic influence in the case of these fundamental Quad members? As the events in the last years, and especially in 2020, have clearly indicated, it is useful but hardly enough. Just like in the case of many countries in the Indo-Pacific region, Beijing can easily exert its economic weight in terms of trade measures, or in the case of the countries targeted by the Belt and Road Initiative, by smart investment strategies. Beijing applies informal conditions including the use of Chinese labor force or the influence on the internal tendering processes of recipient states. However, the largest impact can be achieved through financial

measures, gaining long-term—as long as 47-99-year—concessions, literally building Chinese-owned properties on countries dependent on China's loans, FDI, naturally intertwined with political influence. We might call this the “game of loans”.

In the case of highly developed countries, these techniques clearly cannot be applied, but via dependencies on the massive Chinese market even Australia seems an easy target. After the 2008 economic crisis, most of the economic stimulus totaling 4 trillion yuan targeted the fast development of China's infrastructure, which resulted in a massive increase in demand for natural resources, thus making Australian exports even more sharply dependent on China. This reliance means also less room for maneuvering and even an unavoidable push towards supporting the economic diplomacy of Beijing.

Though Australia has not given up its basic values, especially the commitment to the rule of law, and expressed similar concerns to the US or Japan about China's growing presence in the South China Sea, even against the rulings of the Permanent Court of Arbitration in The Hague (in 2016), Canberra has been more flexible in terms of economic diplomacy. In November 2014, Xi Jinping and Tony Abbott agreed on upgrading the bilateral relations to a “Comprehensive Strategic Partnership”. In March 2015, Australia became a founding member of the China-led Asian Infrastructure Investment Bank (AIIB), and the China–Australia Free Trade Agreement also entered into force in December the same year. China also made a rare commitment in the trade pact by allowing Australian medical service suppliers to establish wholly-owned hospitals and elder care institutions in many areas of China (Terada, 2021).

Japan, on the other hand, seems more determined on its stance against China, as it decided not to join the AIIB, has not been engaged in negotiations with China for a bilateral free trade agreement (FTA), and has not granted China a market economy status—in this sense again aligning itself more with the US than with Australia.

Nevertheless, the Sino–Australian relations have also been uneasy in recent years. The *Global Times*, which can be considered the English-speaking media of the Chinese Communist Party, has harshly condemned Canberra for its interference in the South China Sea disputes, suggesting that having just signed a bilateral free trade agreement Canberra should be more cautious about raising criticism against its largest trading partner. The media went as far as to insult Australia by stating “Australia is not even a ‘paper tiger’, it's only a ‘paper cat’ at best” (*Global Times*, 2016).

In 2016, the Australian public was shocked by evidences of the Chinese Communist Party's influence in domestic politics as it was revealed that wealthy Chinese businessmen have become the largest donors to both major political parties. Clive Hamilton (2018) shed light on the infiltration into practically every single area of social influence, from culture to businesses, civil organizations or universities to limit academic freedom, intimidate critics, gather information for Chinese intelligence organizations, gain access to politicians and the general elites, and even to protest on the streets against government policies. His book revealed a smart and deeply rooted strategy to undermine the functioning of Australian democracy and promote Chinese interests via an invisible "army".

The bilateral relationship became practically frozen in August 2018, when Australia, following the decision of Washington, announced to exclude Huawei and other Chinese tech companies from building Australia's next-generation 5G telecommunications network. The key role in this strategic decision was taken by Scott Morrison, at that time treasurer and acting home affairs minister, similarly to the conflict that broke out in 2020, when in April, already as prime minister, he called for an independent international investigation about the origins of the Covid pandemic.

In a fear of possible worldwide wave of requests for investigations and even possible lawsuits seeking compensation, China replied this time with not only harsh words. Beijing blacklisted Australian commodity traders in seven product categories: barley, sugar, timber, wine, lobster, coal, copper ore and concentrate. In the fiscal year of 2019 (ending in June) these products equaled to 7 percent of Australia's total goods export excluding services (Terada, 2021). China showed the new rules by assertive practical measures: some 21 tons of live lobsters were stranded at an airport in Shanghai, forcing the complete and immediate suspension of shipments to China.

However hard the trade war hit Australia in the midst of the Covid-related economic problems, it can be a double-edged sword. China is also heavily dependent on Australia in importing various natural resources, for example in the case of iron ore. China imports more than 80 percent of its total needs, with Australia accounting for 65 percent of this import (Ibid.). Australia, however, has been hesitant to take counter-measures, as even in case they would be approved by the World Trade Organization, they would definitely further enrage China and could result in larger long-term damages by losing the key position of several Australian products in the Chinese market. They filed a complaint to the WTO about the 80 percent tariff that China unilaterally

imposed on Australian barley, requesting bilateral consultations in December 2020, however, the conflict seems to have a possible solution only in the longer term.

Reconciliation of economic ties will be inevitable for Australia, but the diversification of its export markets is also a sensible option. Recent trade agreements underline this intention—besides JAEPA, Australia has also recently signed an FTA with Indonesia that took effect in 2020, and agreed to re-enter negotiations with India about a bilateral comprehensive economic cooperation agreement. Similarly to Japan, Australia is also interested in expanding the membership of the CPTPP, not only by the re-engagement of the US but also by India. This megamarket could have the greatest trade diversion effects.

6. CPTPP as an RCEP 2.0?

The future of the CPTPP is also crucial in shaping the future economic order of the Indo-Pacific region. The first non-founding member, the United Kingdom (UK) has already filed its formal application on February 1, 2021, after its bilateral FTA with Japan entered into force on January 1 that year. As the second after Japan's economy in the partnership, the UK's membership would be a substantial upgrade to the agreement. Besides this move, London also endorses the FOIP concept (Heritage – Lee, 2021), however, the membership of the US remains the major question, which many consider as a real indicator of Washington's commitment to the region's economic prosperity and stability.

In May 2020, China also expressed its intentions to join the CPTPP (Zhenhua, 2020), which was reiterated by Xi Jinping at the APEC summit in November, making headlines globally only days after the signature of the RCEP. China's real intentions and possible scenarios for the CPTPP are hard to calculate. Seven of the current eleven CPTPP members, including Japan and Australia, are intersecting economies also belonging to the RCEP. In addition to China and the United Kingdom, South Korea, Indonesia, Thailand, and Taiwan have also expressed their interest in joining the CPTPP. If every country interested in an enlarged CPTPP, including China, were to join, it would practically mean the creation of a Free Trade Area of the Asia Pacific (FTAAP), cherished as a goal by APEC as early as 2004.

China's entry into the CPTPP in the absence of the United States could be also viewed as creating an advanced RCEP 2.0, if the clauses signed in the current RCEP

are upgraded to match those in the CPTPP. There are several questions raised by a possible Chinese accession. First, if the chapter on state-owned enterprises (SOEs) and the prohibiting measures against state interventionism remain unchanged, along with free data flows, digital trade conditions, labor conditions for government procurements, and the highest standards for intellectual property right protection of any trade agreement (Goodman, 2018), the CPTPP might face similar issues as the WTO after China's entry.

Second, the TPP has been largely viewed as a tool to contain China's assertive rise and as such would require the leadership of the largest economic and military power, the United States. Even Trump mentioned several times that the US might return to the TPP if the conditions are more favorable for the US economy. Biden's presidency started by demonstrative turns reviving multilateralism and international institutions, including the Paris Agreement and the World Health Organization. The question that will unfold is whether the new administration is willing and able to reach new terms that could support its pivot back to Asia by such a mega-agreement.

7. India and the Quad

India has been long considered as the "weakest link in the Quad" (Grossman, 2018). This section aims at understanding the reasons for India's stance and how recent moves have shown a departure from its previous approach. US–Indian bilateral relations have been considerably affected by the Cold War alliance systems and have come closer only after the dissolution of the bipolar system. Previously, the US focused on Pakistan as a Central Treaty Organization (CENTO) ally, while New Delhi first cultivated strategic relations with Moscow, until it became one of the founding members of the Non-Aligned Movement. However, the Nixon administration's support for Pakistan in the 1971 war between Pakistan and India has seriously deteriorated the relations with Washington. The dissolution of the Soviet Union initiated a reorientation in New Delhi's foreign policies, and ties with the US developed substantially. China's rise made this strategic relationship even more important for both sides as India seeks to maintain its regional power status in the Indian Ocean and fears strategic encirclement by the evolving Chinese–Pakistani relations.

As a sign of mutually developing relations and shared interests in terms of containing China, bilateral relations developed quickly in the 21st century and included Washington's support for Indian national interests as well as quests for upgrading its representation in multilateral forums, including the World Bank, the International

Monetary Fund (IMF), the United Nations (UN) Security Council non-permanent membership, the formulation of the APEC, and even the support for India's admission in the Nuclear Suppliers Group and technology sharing agreements. As a clear sign of the deepening partnership, India was declared as a major defense partner of the US in 2016 (US Department of State, 2021).

Economic cooperation, on the other hand, was not similarly successful. Successive US administrations have tried to open up their markets by offering trade concessions and to push New Delhi to play by multilateral rules, but with limited success. At the beginning of 2018, President Trump initiated a trade war by increasing duties on 14 percent of India's exports to the United States. India, similarly to China, retaliated by raising tariff rates about 6 percent of US exports to India (Bown, 2019). The trade war continued by India's removal from the Generalized System of Preferences (GSP) program in 2019, which also meant that previously offered exemptions from Trump's 2018 tariffs on solar panels or washing machines no longer applied. GSP-related tariff increases hit India even more seriously than the steel and aluminum-related ones, affecting more than 12 percent of Indian exports to the US (Ibid.).

Trump's trade war was effective. After a bloody border conflict in the Kashmir region where several Indian soldiers died, China regained its previous top position as India's most important trading partner in 2020. India's heavy reliance on imported machinery makes China an unavoidable economic partner; in terms of imports, China accounts for more than the US and the United Arab Emirates together, which are the second and the third largest import partners (Sundaram – Chaudhary, 2021).

India has announced that it is not interested in joining either the RCEP or the CPTPP in their current forms as it would cause immediate negative effects to its developing economy. Besides these differences from Japan and Australia and the recent trade frictions with Washington, India is also different from the other three members of the Quad by its heavy reliance on Russian weapons. While Japan imports its weapons almost exclusively from the United States (97 percent in the period between 2016-2020), and Australia also mostly (69 percent in the same period), the Indian army is still supplied by Russia up to 49 percent (Wezeman – Kuimova – Wezeman, 2021, p. 6). The three countries also rank as top importers. India is second worldwide after Saudi Arabia, while Australia is fourth, and Japan is the 12th largest importer (Ibid.).

7.1. Developments in 2020

India's engagement in the Quad has shown significant progress in 2020, especially in terms of Indian–Australian relations. The year started with Australia's Foreign Minister Marise Payne's visit to New Delhi in mid-January for consultations on a bilateral strategic partnership. As a sign of deepening security ties, a Royal Australian Navy ship also visited Mumbai the same month (Limaye, 2021, p. 152). The two countries agreed that their shared interests in defense security areas, especially in the maritime domain, have to be balanced by deepening commercial ties. Australia is interested in becoming a supplier of high-quality mineral resources for India, also partially as a result of worsening relations with China, which have significantly affected Australian export opportunities. This may also reflect Australia's discontent about the fact that despite its changing policies on providing uranium for India's civilian nuclear facilities, there have been no major purchases by India.

Prime Ministers Narendra Modi and Scott Morrison agreed at a virtual summit in June 2020 that they would upgrade the two countries' "strategic partnership" to "comprehensive strategic partnership". Australia also endorsed India's Indo-Pacific Oceans Initiative that, similarly to the Free and Open Indo-Pacific, aims to ensure the security and stability of the region's maritime domain.

Further developments included a Joint Declaration on a Shared Vision for Maritime Cooperation in the Indo-Pacific, which covered a range of regional engagement issues, a Mutual Logistics Support Agreement (MLSA), and further cooperation in defense science and technology to the Memorandum of Understanding on Defense Cooperation (Ibid., p. 153).

7.2. Malabar Does Not Make an Indo-Pacific NATO

Besides the above-mentioned steps forward, important developments took place recently at the end of 2020 indicating the evolving ties and commitments among the four democracies in the Indo-Pacific region. First, contrary to the previous assistant- and working-level meetings held on the sidelines of other summits, the first summit meeting of the Quad took place in Tokyo on October 6, 2020.

Second, the US has made a substantial step towards enhanced military cooperation by signing the last of the "foundational agreements", the Basic Exchange and Co-operation Agreement or BECA with India. According to the terms of the agreement,

the two countries will share classified geo-spatial data and strategic intelligence and give India access to US satellite and sensor data, thus joining the other two Quad members in gaining highly valuable access to US military data (Hughes, 2020).

Third, also in October 2020, the Indian Ministry of Defense confirmed Australia's participation in the Malabar exercise, which can mark a departure from New Delhi's reluctance in previous years. The Malabar military exercise has been conducted between Indian and US navies since 1992 and was first joined by Japan in 2007. At the same time, this was the first visible appearance of the Quad also including Australia and Singapore in the exercise. Japan participated occasionally in 2009 and 2011, too, and every year since 2014. India, however, has resisted inviting Australia ever since 2015 as a result of China's open opposition and criticism. Therefore, this move can be taken as a substantial step towards operationalizing naval coordination among all four Quad countries.

The Malabar exercise was conducted first at a basic military level, like passing exercises and maneuvers and was not even organized on a yearly basis, only occasionally, until it was suspended by the US in 1998 as a result of India's nuclear tests. It was resumed after the 9/11 attacks when India joined the Global War on Terror, and since 2002 the two countries have conducted it every year, mostly along the west coasts of India. When Japan also participated, the exercise took place off the Japanese shores, and more recently, also in the Bay of Bengal or in the Philippine Sea.

Needless to say, the latest developments of the Quad irritated China. In a sharp change from a previous ironic tone that characterized the Quad as "sea foam" which would "dissipate soon", Chinese Foreign Minister Wang Yi recently described it as an "Indo-Pacific NATO" (Rej, 2020). Though the Quad is far from a formalized security arrangement, the phrase marks a clear departure in the significance of the Quad and the threat perceived by Beijing.

India and the US have converging interests in the framework of "strategic encirclement" as well, as a result of the deepening Chinese–Pakistani strategic partnership and heavy infrastructural and strategic investments in the Chinese–Pakistani Economic Corridor element of the BRI. Still, since the framing of the Free and Open Indo-Pacific or the revival of the Quad, cooperation with India has been moving forward relatively slowly. These developments in 2020 made the Quad clearly more operational. President Joe Biden was quick to reach Indian Prime Minister Narendra Modi in a February 2021 phone call, when they agreed to continue close cooperation to promote a "Free and Open Indo-Pacific", including support for

freedom of navigation, territorial integrity, and stronger regional architecture through the Quad.

8. Conclusions

The operationalization of the Quadrilateral Security Dialogue is key to the implementation of the Free and Open Indo-Pacific concept. Therefore, the paper aimed to analyze the evolution of the diverging interests of the strongest potential regional partners for the US who share the same values and interests in containing the rise of China. Since the revival of the Quad in 2017, there have been significant developments in the Quad members' bilateral relations towards each other as well as towards China, and the first wave of alternative mega-integrations of the regions have also reformulated the positions of the countries in focus. Most of these changes point towards deepening their cooperation, including, most importantly, the shift in India's stance even amidst the US-initiated trade war. 2020 marked some notable developments, such as a security agreement with the US to share classified intelligence information not only with the other two members of the Quad but with India, too, or inviting Australia to the already trilateral Malabar naval exercise.

However, there are significant forces against the deepening of the alliance. China, which has already become the largest trading partner to more than 130 nations in the world, is in a position to exert influence for its own political and strategic interests by using its market leverage. The example of the trade war against Australia has clearly shown that with growing economic reliance on China countries find it increasingly difficult to act against Chinese interests even in the diplomatic arena as Beijing can easily retaliate via trade measures.

It is the interest of China to scare Southeast Asian countries away from joining the formation by projecting the frightening vision of a US-led "Asian NATO". As currently there is little chance for disintegrating the Quad, Beijing instead builds on the diversity of interests among the members of the alliance and also on their reliance regarding the Chinese market.

As for the military situation in the Indo-Pacific region, it has to be clarified that the advantage of the United States as a maritime power is obvious and seems undoubtable at least for now. China is not able to challenge the US Fifth Fleet in the Persian Gulf and the Indian Ocean or outnumber the US in terms of overseas military bases, capacities, or deployability. The Quad, however loose an alliance it is, also enhances

the US position in the Indo-Pacific region and counterbalances the Chinese strategies. Nevertheless, if China wants to assure its position as a real global superpower, it will inevitably challenge the status quo in the military aspects, too. The Maritime Silk Road and the String of Pearls concept is in clear line with this strategic objective and offer excellent tools for the implementation. Furthermore, these potential developments will also provide China with the options of a real hegemon to deal with potential crises affecting its interests globally.

Critics of the implementation of the FOIP are, however, right in the sense that it has not resulted in a clear and efficient containment strategy. What is more, not even the US seems to have a real answer to the greatest challenge to its leading global position, though the FOIP and a more functional Quad are definitely important tools to slow down the rise of China.

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