



STRATEGIC ENVIRONMENT IN INDO-PACIFIC, CHINA-US THREAT AND OPPORTUNITIES

(Lingkungan Strategis di Indo-Pasifik, Ancaman dan Peluang China-AS)

Saqib Athar Dil

International Student, Republic of Indonesia Defense University /
Wing Commander, Pakistan Air Force
Email: (saqibathardil@gmail.com)

Abstract

Indo-Pacific is one of the world's most strategic regions which has a lot of potential. World powers have always shown their interest in this region. The rise of China and its expansion in this region has raised alarm for the US and the Western World. China and the US have vested their interest through their presence and collaborations with many countries of the region. This article is aimed at identifying the threats for each of these countries i.e., China and the US, and the opportunities therein. The main focus is on how these countries see these opportunities and exploit them in their favour, and how these threats are perceived and averted.

Keywords: Belt and Road Initiative, China and Indonesia relationship, Collaboration.

Abstrak

Indo-Pasifik adalah salah satu kawasan paling strategis di dunia yang memiliki banyak potensi. Kekuatan dunia selalu menunjukkan minat mereka di wilayah ini. Kebangkitan China dan perluasannya di wilayah ini telah menimbulkan kekhawatiran bagi AS dan Dunia Barat. China dan AS sama-sama menaruh minat mereka melalui kehadiran mereka serta kolaborasi dengan banyak negara di kawasan ini. Artikel ini ditujukan untuk mengidentifikasi ancaman bagi masing-masing negara tersebut yaitu China dan AS, serta peluang di dalamnya. Fokus utamanya adalah bagaimana negara-negara ini melihat peluang ini dan mengeksploitasinya untuk keuntungan mereka, dan bagaimana ancaman ini dirasakan dan dihindari.

Belt and Road Initiative, hubungan China dan Indonesia, Collaboration.



1. Introduction

Indo-Pacific is a geographic region that spans both the Indian Ocean and the Pacific Ocean (*The Indo-Pacific Strategy: A Background Analysis* | ISPI, n.d.). However, in the twenty-first century, the Indo-Pacific region's amplified economic relevancy and geopolitical importance has projected it as the center of attention regionally and globally. With the increased presence of great powers like the US, China, and regional countries like India, Japan, and Australia, the matters have been further aggravated.

China's diplomatic expansion in the Indo-Pacific area is a component of its effort to overtake regional giants like India, Australia, and Japan as a global force. They believe that Beijing's influence weakens its position as a regional leader and the region's power disparity. In reality, the two Indo-Pacific founding members—Japan and Australia—decided to jointly implement the IPS and strengthen defense cooperation with the United States. Additionally, India has increased collaboration with the US, Japan, and Australia while extending its support for the IPS. Slow progress resulted from the four states' varied goals/perspectives regarding the IPS.

Strategically, the Indo-Pacific strategy is perceived differently by all participants including the U.S., India, Japan, Australia, and ASEAN states. That is to say; their interests and aims are not pretty much same; and their way of addressing and tactics are discerned. (*The Indo-Pacific Strategy: China's Perspective* — Valdai Club, n.d.).

2. Literature Review

Indo-Pacific is one of the world's most strategic regions which has a lot of potential. World powers have always shown their interest in this region. The rise of China and its expansion in this region has raised alarm for the US and the Western World. China and the US have vested their interest through their presence and collaborations with many countries of the region.



This article is aimed at identifying the threats for each of these countries i.e., China and the US and opportunities therein. The main focus is how these countries see these opportunities and exploit in their favour, and how these threats are perceived and be averted.

2.1. The Belt and Road Initiative (BRI): What Will it Look Like in the Future? :

Vera Schulhof, Detlef van Vuuren, Julian Kirchherr

Labelled as the world's largest infrastructure program, China's BRI, has so far directed investments mainly to energy and transportation networks in Asia, the Middle East, and Africa. Over the years BRI has significantly transformed in its scale, stakeholders, and investment sectors and continues to evolve, especially because of the COVID-19 pandemic. So far, it is difficult to analyse how it might shape up in almost a decade and a half from now (2035), despite the growing literature on BRI. (Schulhof et al., 2022).

2.2. Indo-Pacific Strategy and China's Response: Wu-Shicun, Jayanath Colombage

U.S. President Donald Trump formally unveiled the Indo-Pacific Plan (IPS), a relatively new maritime-related strategy, during his trip to Asia in November 2017. Its four founder nations are the USA, Japan, Australia, and India. This strategy is comprised of two key elements, namely economic integration and defense cooperation with Indo-Pacific region countries. It seeks to undermine the BRI, strengthen and expand the American partnership network and maintain American hegemony in the region, and subvert China's relationships with states bordering the Indian and Pacific Oceans. It also seeks to offer substantive alternative plans with sufficient financial commitment to the regional countries and halt the advancement of China's BRI. (Shicun et al., 2019).



2.3. Indo-Pacific Strategy of United States

The US and a big part of the world have viewed Asia as a theatre for geopolitical conflict, for centuries. Allies and partners of the United States from all over the world have an interest in how the Indo-Pacific region shapes the current global order.

The United States is oriented to a free and open, connected, thriving, secure, and resilient Indo-Pacific region. The United States will bolster its own position while strengthening the region as a whole in order to realize that vision. This strategy's defining characteristic is that it cannot be implemented alone due to shifting strategic conditions and historical obstacles, which necessitate unprecedented cooperation with people who share this vision. (The, 2022).

2.4. Chinese Vision of a Rules Based Order, International Order with Chinese Characteristics: Dr. Benjamin Tze Ern Ho

Because the concept of a rules-based system is not intrinsically self-evident in traditional Chinese political thought, China's emergence complicates the Western-centric definition of RBO. Indeed, Beijing's experience with RBO is comparatively new; only during its reform and opening up programme in the 1980s was Beijing more inclined to thinking about its foreign policies in such terms, and even then, primarily with emphasis on the Taiwan issue. Beijing first began to seriously seek multilateral organisations during the 2008–2009 global financial crisis, when Chinese authorities began to notice a substantial drop in the West and a reduction in Western (especially American) dominance in international multilateral institutions.

According to Chinese thought, declining American power would present an opportunity for altering the rules regulating the global system. (Page & Page, 2020: 12-15).



3. Research Methodology

A quasi-qualitative research methodology was adopted for analysing the Indo Pacific Strategic Environment and thereby threats and opportunities for both big powers including China and the US. A pre-determined framework was adopted as per quasi-qualitative research requirement considering the issues at hand. Whereas many books, scholarly articles, media interviews, news, and internet sources were referred to gather data and draw inferences.

4. China-US Threats and Opportunities in Indo-Pacific Region for National Interests

Threats and Opportunities for National Interests of China and the US can be deliberated with respect to the actions, policies, alliances, cooperation and competitions while considering both countries' strategies to handle Indo-Pacific Region.

4.1. China's Belt and Road Initiative

In 2013, China presented its grand strategy by publicizing the Belt and Road Initiative (BRI) It was aimed at creating a network of transport, aviation, port, and energy related infrastructure globally. China as growing economic power laid down its Indian Ocean Strategy, with two main pillars CPEC and CMEC in Pakistan and Myanmar, thus, to advance its economic interests and political influence in the region. The West and specially the US consider this expansion more than a step for economic growth only, considering these ports, connectivity and communications networks as enablers for Chinese naval logistics, replenishment and power projection capability, down-the-line.



4.2. Indo-Pacific Strategy / QUAD

In order to cater BRI the US pushed forward the Indo-Pacific Strategy (IPS) in November 2017, and revived the QUAD, the dialogue between the U.S., Japan, Australia and Bharat thereafter (*The Indo-Pacific Strategy: China's Perspective – Valdai Club*, n.d.). In December 2018, the U.S. passed the Asia Reassurance Initiative Act (ARIA) into law, as stated:

“To develop a long-term strategic vision and comprehensive, multifaceted, and principled United States policy for the Indo-Pacific region, and for other purpose” (Wang, 2019).

Following it in 6 months, the Pentagon published its first Indo-Pacific Strategy Report: “Preparedness, Partnership, and Promoting a Networked Region”. These can be seen as the U.S.’ actions aiming to operationalize its policy to counter China (Shicun et al., 2019: 2).

The importance of Indian Ocean region for the United States is clear from its position as leader of “Indo-Pacific Strategy”. In the wake of reversal of Obama's "Asia-Pacific rebalancing" strategy, the Asia-Pacific power structure resulted in involved conforming modifications. Through its economic growth in past decade Bharat has emerged as a leader among growing economies. This time, the "Indo-Pacific Strategy" is the growth and reconsideration of the "Asia-Pacific rebalancing strategy." Its aim is to constrain China's growth and protect U.S. hegemony in the region (*FACT SHEET: Indo-Pacific Strategy of the United States | The White House*, n.d.).

4.3. The US National Security Policy (NSP)

As per the new US NSP, China is taken as a strategic rival that “challenges American power, influence, and interests, resulting in compromised American security and prosperity.” The US has initiated an Indo-Pacific strategy to contend with and curtail China’s growing power and influence amongst those countries along the Indian and Pacific oceans. This new and comprehensive competitive



strategy against China comprises of “a new alliance of democracies” in pursuance of to the US Indo-Pacific strategy as well as the “free and open Indo-Pacific” idea. A decade ago in response to the Obama administration’s “pivot to Asia” strategy, China uncovered its geo-economic strategy to enlarge Chinese economic power along the ancient Silk Roads on land and sea (*The US Indo-Pacific Strategy and China’s Response on JSTOR*, n.d.); (*China’s Fragmented Approach toward the Indo-Pacific Strategy on JSTOR*, n.d.).

4.4. Reshaping Alliances and Partnerships as Threat to China

Variations in the geopolitical environment in the Asia-Pacific region are the vital causes inspiring the formation of the Indo-Pacific strategy. In the presence of the comparative wearying of the United States’ leading position and the cumulative swing of geopolitical and economic gravity to the Indo-Pacific, the goal is to redesign coalitions and alliances to address China’s rise (*The Indo-Pacific Strategy: A Background Analysis | ISPI*, n.d.). New alliances like AUKUS, where creates opportunities for the US to maintain its presence in the region and maintain influence, it also helps to curtail China’s growing influence. Different countries involved align their interests which can be taken as opportunities to further boost national agenda or taken as threat by each party.

- **JAPAN.** Japan is an island nation with its peculiar insecurities, moreover, the reason for being part of this alliance is Japan’s concerns in contradiction of China’s expansion policies and about China’s increasing economic and military competences.
- **INDIA.** India as rising economic power wants to expand its influence in the region. The US and China rivalry has provided an opportunity to increase its presence in East Asia, reinforce its political, economic and military collaboration with the US and its partners, and widely grow



India's impact in international affairs. This would further provide grounds for endorsing reasoning and validation of its interests in SE Asia.

- **AUSTRALIA.** Australia being the strategic ally to the US in the region favors the "Indo-Pacific" strategy and accentuates its own position as an important actor in the US's "Indo-Pacific" strategy. The Free and Open Indo-Pacific (FOIP), brought up by the Indo-Pacific Conflict between the United States, Japan, and India, also involves Australia. This strategy aims to check China's economic and military advancements by combining diverse interests and experiences. The United States has helped the area maintain its position as the most potent military power in the world. Military might at sea supports the mobility of America and its allies' trade routes to various nations. As a result of BRI China, numerous trade channels inevitably intersect and have the ability to change current business practices. China has no actual desire to invade the United States (Swastanto et al., 2020). It has two-pronged approach by enhancing US-Australia trade relations, and also it wants to enhance its influence and scope of interest in SE Asia.
- **SOUTHEAST ASIAN COUNTRIES OPPORTUNITIES / THREATS.** Southeast Asia is region which is integral to link the "Indian Ocean" with "Pacific Ocean". Conceptually, Singapore and Indonesia also support the "Indo-Pacific Strategy", as this would flourish their strategic positioning in the region. However, Small and medium-sized countries are trapped in the decision to favour China or the United States. Where rise of China is affecting the regional order, at the same time China's economic development has advantages which no country wants to lose.

That is why, the geopolitical changes resulting from China's growth are the fundamental reason Washington is dedicating energies to enhance Indo-Pacific alliances, and the IPS is envisioned to border against China's foreign and security



policy conduct (*FACT SHEET: Indo-Pacific Strategy of the United States | The White House*, n.d.).

4.5. Latest Developments for the US Interest

The Biden Administration has taken notable steps to reinstate American control in the Indo-Pacific and adjust accordingly for the 21st century. In the last year, the US has restructured its longstanding associations, reinforced evolving partnerships, and developed creative links to face crucial challenges, from rivalry with China to climate change to the pandemic.

The US is expected to pursue an Indo-Pacific region that is:

- **Free and Open Indo-Pacific Region.** Free and open Indo-Pacific is the requirement for the US interest. This includes favoring democratic institutions, a free press, and a vivacious civil society. Refining fiscal transparency to eradicate corruption. It is to further ensure that the region's seas and skies are ruled and governed according to international law. Developing and adopting common approaches to critical and developing technologies, the internet, and cyber space (Page & Page, 2020).
- **Connected.** A free and open Indo-Pacific by developing joint capacity regionally and connecting it globally, through:
 - Expanding 5 regional treaty coalitions with Japan, the Republic of Korea (ROK), Australia, the Philippines, and Thailand
 - Consolidation of associations with major regional partners, including Bharat, Indonesia, Mongolia, NZ, Malaysia, Singapore, Taiwan, Vietnam, and the Pacific Islands
 - Helping to further empower and unify ASEAN
 - Consolidation of the Quad and carrying out its pledges
 - The Indo-Pacific and the Euro-Atlantic to be more connected.



- Increasing U.S. diplomatic existence in the Indo-Pacific, especially in SE Asia and the Pacific Islands.
- **Prosperity.** The US considers it prosperity dependent the Indo-Pacific. The enhanced economic capacity of the region will have an influence on the US economy. This entails investments to inspire novelty, reinforce economic attractiveness, create economically rewarding jobs, restructure supply chains, and enlarge economic prospects for middle-class population: Billions of people in the Indo-Pacific are anticipated to link the global middle class this decade. The step required include:
 - Suggesting new methods to business that meet better labour and environmental criteria.
 - Encouraging free, fair, and open business and investment through the Asia-Pacific Economic Cooperation (APEC)
 - Build Back Better World policy is to be adopted with G7 partners, to enhance the region's infrastructure gap
- **Security.** For a long time, the US has continued a robust and steady defense presence required to back regional peace, security, stability, and prosperity. In these times this role has to be modernized and extended to secure its national interests and to discourage any hostility against the US territory and its allies and partners. It will reinforce Indo-Pacific security, bring in play all Mil and non-Mil instruments of power to discourage hostility and to cater coercion, through:
 - Upholding peace and stability across the Taiwan Strait
 - Adapting to act and respond in VUCA threat environments, which may be space, cyberspace, and crucial emerging technologies
 - Firming prolonged deterrence and coordination with South Korea and Japan allies and following the total denuclearization of the Korean Peninsula



- Relying and working to deliver on AUKUS
- Increasing U.S. Coast Guard deployment and collaboration against other multinational threats

4.6. China's Naval Expansion both Opportunities and Challenges

In regards to China, "China's naval growth into the Indian and Pacific Oceans calls for both opportunities and challenges or threats. For example, China supports counter piracy operations in the Gulf of Aden, conducts humanitarian assistance and disaster response missions enabled by its hospital ship, and participates in large-scale, multinational naval exercises. As a signatory of the Code for Unplanned Encounters at Sea (CUES), China demonstrates its ability to embrace international norms, institutions, and standards, behaviour commensurate with rising power status. However, China's naval expansion also presents challenges when it employs force or intimidation against other sovereign nations to assert territorial claims" (Cooperative Strategy for 21st Century Sea Power, 2015); (Shicun et al., 2019).

4.7. Bridging the Indo-Pacific and Euro-Atlantic

Articulation of the Biden's strategy defining the US policy in the Indo-Pacific is not based on the out of the world ideas, surprising the world. The new and emerging concept is based on the participation of its allies especially Europe, in this region. That's why this strategy is focused on "**building bridges between the Indo-Pacific and the Euro-Atlantic.**" Ongoing Russia-Ukraine crisis reflect the results, that it would be a cumbersome job. It raises the question about dealing the situation in this region against the China-Russia coalition. But it is expected that for the time being the US will try to be a dependable partner in Asia and Europe concurrently, and will try to link its partners there more closely. Japan's decision to share surplus natural gas with in the wake of the European energy crisis, Japan's support in form of providing its surplus natural gas presents one such example of exploiting



opportunities between two regions, and at the same time can be considered as threat to China's expansion in the region. (*The New US Indo-Pacific Strategy and Its Implications for Europe | Strengthening Transatlantic Cooperation*, n.d.).

5. Conclusion

Threat and opportunities are relative terms. In any strategic environment exploiting opportunities by one actor may result in raising threats for other. These threats and opportunities can be listed as Economic, Traditional and Non-Traditional Security issues, and above all tussle for regional hegemony. For long time Indo-Pacific region has been controlled by the US and its allies. The rise of China with its alleged expansionist policies have raised concerns and threats to the US hegemony. A region full of resources, opportunities and forming major trade route for big powers make it geo-strategically very important. **China's economic expansion and alleged power projection** vitally depends upon the control of this region. **The US and its allies forming various alliances like QUAD, AUKUS** etc., are basically aimed to curtail China's influence. The US economic strength is also linked to this region as it connects the Pacific to the Indian region. May it be nine dash line dispute, non-adherence to the UNCLOS, boarder disputes or Taiwan issue, China wants to stress upon its own claims and rights; the same issues are considered as threat to the interests of the US and its allies in and outside the region.

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