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**THE INDO-PACIFIC REGION
BETWEEN THE CHALLENGES OF CONFRONTATION
AND OPPORTUNITIES FOR INTERACTION**

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Abstract. The article examines the priorities of China and the United States in the Indo-Pacific, examines the current trends of the US-Chinese strategic confrontation in the Indo-Pacific region, expressed, among other things, in the formation of new international institutions reflecting primarily the economic rivalry of regional leaders. The key features of the policy of the Chinese leadership led by Xi Jinping in the Pacific are highlighted. The course of the J. Biden administration's Pacific diplomacy is compared in detail with the Indo-Pacific policies pursued by previous American governments in the twenty-first century. The official regional strategies of China, the United States and American allies are compared, and the multivariance of U.S. partnerships with Indo-Pacific countries is assessed. The balance of positive consequences and risks in the relations between the United States and China with the countries of the region is analyzed, as well as the readiness of the East Asian states to follow in the wake of American and Chinese diplomacy. In this context, the potential and prospects of the subjectivity of the countries of the region in the context of the American-Chinese rivalry, their possible role as a stabilizer of political and economic processes in the Indo-Pacific are investigated.

Keywords: Indo-Pacific Region, ASEAN, UK, EU, India, China, USA, Republic of Korea, Taiwan, Japan, Quad, AUKUS, IPEF, regional security and economy.

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**ИНДО-ТИХООКЕАНСКИЙ РЕГИОН
МЕЖДУ ВЫЗОВАМИ КОНФРОНТАЦИИ
И ВОЗМОЖНОСТЯМИ ВЗАИМОДЕЙСТВИЯ**

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Аннотация. В статье представлены результаты анализа современных тенденций стратегического противостояния присутствующих в Индо-Тихоокеанском регионе держав, прежде всего США и Китая, которое выражается в том числе в формировании новых региональных политических и экономических институтов. Показан баланс позитивных последствий и рисков в отношениях США и Китая со странами региона, отмечается готовность восточноазиатских государств следовать в фарватере американской или китайской дипломатии. В этом контексте рассматриваются потенциал и перспективы субъектности стран региона в условиях американо-китайского соперничества, их возможная роль в качестве стабилизатора политических и экономических процессов в Индо-Пацифике.

Ключевые слова: Индо-Тихоокеанский регион, АСЕАН, Великобритания, ЕС, Индия, Китай, США, Республика Корея, Тайвань, Япония, Quad, AUKUS, IPEF, региональная безопасность и экономика.

PROBLEM STATEMENT

Since the beginning of the 21st century, dynamic development in most Asia-Pacific region (APR) countries has enabled them to overcome the challenges of market fluctuations as well as the crisis posed by the COVID-19. This growth has had notable effects on regional economies, politics, and security. Chief among these changes is the increased influence of China, which has emerged as a leading global power. Concurrently, economic growth and active, multi-directional diplomacy, including in the Pacific, have raised India's international profile, leading to the popularization of the term "Indo-Pacific region" (IPR). Meanwhile, the regional positions of the ten ASEAN member countries have strengthened, and both South Korea and Japan have actively promoted their initiatives. These developments have drawn the attention of non-regional powers to the IPR. However, the most critical factor affecting the future of countries in this region is the escalating rivalry between China and the United States, which has intensified over the last decade. Noting the trend towards potential deglobalization, American scholar R. Manning observes that "we're seeing how fragile the international system is as it fragments into regional blocs" [1].

Assuming that the global center of development shifts increasingly toward the regions, it's essential to consider the sheer scale of these "regional fragments," the nature of their formation and operation, and their influence on global processes. A key trend in the IPR is the expanding scale and diversity of regional cooperation. In-depth analysis by D. Izotov, for instance, has provided quantitative insights into the impact of regional integration on the economic ties among these countries. His findings suggest the presence of legitimate prerequisites for the formation of large-scale trade structures or "mega-formats" [2]. This implies that leading regional economies are likely to participate in such mega-formats, reshaping economic interactions within the IPR. Driving this trend further is the influence of global leaders, namely, China and the United States, who should increasingly consider the interests

of other significant players in international economic relations.

PRIORITIES OF CHINA AND THE USA IN THE INDO-PACIFIC

The unprecedented growth in China's economic, political, and military power in the first quarter of the 21st century, supplemented by expanding soft power capabilities, has laid the groundwork for its active regional and global expansion. This has enabled China to steadily and assertively increase its influence in the IPR, shaping rules and modes of international interaction. Beijing has sought to use both existing and newly created institutions in the IPR to steer integration processes in ways that align with its strategic interests.

China's influence in the region is rooted in its position as a key economic partner to IPR countries, furthered by the Belt and Road Initiative (BRI) and active engagement in regional economic organizations. For instance, China has utilized the Asia-Pacific Economic Cooperation (APEC) and, since January 2022, the Regional Comprehensive Economic Partnership (RCEP), which includes ten ASEAN nations, Australia, New Zealand, South Korea, and Japan. These arrangements aim to simplify customs processes and reduce trade barriers, supported by the China-ASEAN Free Trade Agreement (established in 2010).

At the 2022 APEC Forum in Bangkok, Chinese President Xi Jinping emphasized China's priorities in the Pacific, stating: "Unilateralism and protectionism are on the rise. Global industries and supply chains are under stress." [source 1]. Indeed, the number of economic sanctions used in the 2020s is four times higher than in the 1990s.

While some countries, such as Australia, Canada, and Japan, are reducing trade tariffs, others, including the United States and India, are raising them. According to the law firm *White&Case*, "the number of FDI regimes and regulatory enhancements is growing around the world, particularly in Europe" [3]. In light of this, the Chinese leader outlined his goal of "take Asia-Pacific

cooperation to a new height,” presenting his vision for regional development priorities: “First, we should always... respect the sovereignty and territorial integrity of all countries. Second, we should stay committed to openness and inclusiveness... promote trade and investment liberalization and facilitation, and steadily advance regional economic integration. China will work with other parties on the full and effectively implementation of the Regional Comprehensive Economic Partnership (*RCEP*), and continue working toward joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (*CPTPP*) and the Digital Economy Partnership Agreement for the purpose of promoting integrated development of the region. Third, we should always strive for green and low-carbon development. Fourth, we should bear in mind our shared future... uphold APEC’s role as the main channel in regional cooperation... steadily move toward an Asia-Pacific community with a shared future” [source 1].

Simultaneously, China’s foreign policy strategy places greater emphasis on the PRC’s leading role in shaping global development. Documents from the 6th Plenary Session of the 19th CPC Central Committee (November 2021) highlighted China’s ambition under Xi Jinping to “lead the world” and framed his vision of a “community with a shared future for mankind” as “a benchmark for human development” [4].

Efforts to counter China’s claims to global leadership, primarily evident in its systematic strengthening of influence in the IPR, have been pursued over the past quarter century by every U.S. administration, albeit with varying intensity [5]. While George W. Bush designated China as a “strategic competitor” and set a general goal of containing it, Bill Clinton’s 2009 call for “returning to Asia” found full expression in the Obama administration’s 2011 “pivot to Asia.” Notably, U.S. allies “were not informed in advance” about the shift in American foreign policy towards the APR; as N. Bubnova notes, this diplomatic reorientation was fundamentally a “pivot against” China. This period saw notable progress in normalizing U.S.-Vietnam relations and strengthening the contractual

foundations of U.S.-India relations, including military-technical cooperation. However, due to the American diplomatic focus on issues in other regions, particularly the Middle East, Clinton’s policy approach in the APR did not reach full implementation [6].

The most consistent and active efforts to strengthen U.S. policy in the Pacific began under Presidents Donald Trump and Joe Biden. American diplomacy also adopted elements of the Indo-Pacific strategy initially outlined by Japanese Prime Minister Shinzo Abe in a 2007 speech to the Indian parliament and expanded by the United States in 2016 under Trump’s leadership. Following Japan’s shift from APR to IPR terminology, the U.S. first concentrated on organizing a systemic confrontation with the PRC, emphasizing the need to address American economic concerns such as trade imbalance and technology leakage. Second, it strengthened the coordination of military-political activity and economic diplomacy, focusing on the Asian sector of the Pacific (while maintaining special attention to Latin American concerns in U.S. foreign policy). Third, the U.S. prioritized the growing economic and political significance of China-India relations on the global stage. Trump’s regional policy faced challenges, however, due to an ambiguous stance that cast doubt in South Korea and Japan on the reliability of America’s nuclear deterrent [7]. Additionally, inflexible and occasionally doctrinaire actions toward allies affected their readiness to align with American policy in the IPR. These sentiments were further intensified by Trump’s “America First” stance.

The Biden administration, while adopting the key provisions of its predecessor’s approach, made several adjustments to their implementation, refining the priorities of American diplomacy in the IPR. This shift was solidified with the official adoption of the Indo-Pacific Strategy of the United States in February 2022 [source 2]. The document emphasizes the IPR’s fundamental importance to U.S. political, military and economic interests, noting that the region hosts the largest American military contingent abroad and that \$900 billion in direct investment flows into the U.S. economy from the Indo-Pacific.

Furthermore, it highlights that development within Indo-Pacific countries drives two-thirds of global economic growth, and their influence on global processes is expected to continue rising. Meanwhile, the strategy also acknowledges that the IPR “faces mounting challenges, particularly from the PRC” [source 2].

The key objectives outlined include modernizing existing alliances, strengthening established partnerships, and investing in regional organizations. The U.S. pivot towards coordination with allies in the Indo-Pacific, as highlighted in the strategy, is driven in part by the fact that Japan (which leads in some areas), South Korea, and the European Union (particularly France), along with the UK, have felt a decline in American leadership over the past two decades and have begun developing their own strategies in the IPR, responding to China’s consistent and multifaceted rise in influence. Japan’s Indo-Pacific strategy was initiated under Shinzo Abe’s government, which proposed the “Free and Open Indo-Pacific” strategy, based on principles such as the rule of law, freedom of navigation, free trade, economic prosperity, peace, and stability [source 3]. Updates published in 2021 and 2023 emphasized a commitment to maritime order and a focus on economic concerns [8, p. 2].

In September 2021, the EU announced its Indo-Pacific Strategy, also known as the EU Strategy for Cooperation in the Indo-Pacific, with a focus on ensuring joint development [source 4]. The EU’s strategic approach aligns closely with American priorities, embracing inclusive regional cooperation “based on shared values and principles,” with a focus on economic actions and security, especially in maritime domains, including freedom of navigation. A unique aspect of the EU’s approach is its flexible policy towards China. While expressing concern over human rights in the PRC, European countries are open to exploring areas of cooperation with China.

The UK has outlined its approach to the Indo-Pacific in the Global Britain in a Competitive Age strategy, as part of the 2021 Integrated Review of Security, Defence, Development and Foreign Policy [source 5]. Although not a regional power,

the UK’s strategy reflects a readiness to participate in military-political alliances while deepening its economic presence in the IPR.

Comparing the regional strategies of the U.S. and its allies reveals a shared doctrinal basis for economic and political engagement in the IPR, centered around: upholding the rule of law; fundamental democratic principles and human rights; maintaining peace and ensuring regional and maritime security; fostering inclusive economic growth with a focus on social and environmental considerations, new technologies, and advanced international supply chains; and enhancing the quality of economic governance, science, education, and healthcare, particularly to address pandemic challenges. Minor differences in approach toward certain regional issues, however, still remain. Thus, the positions of American allies generally allow for constructive dialogue with China to varying extents, though the exact parameters of “constructiveness” are hard to define and are influenced by specific political and economic factors. This does not inherently contradict the U.S. stance, which also allows for a potential positive scenario in relations with China under favorable conditions, though the U.S. seeks to retain the final say on this crucial issue. Developing U.S. relations with other states, however, remains a complex process.

USA IN SEARCH OF OPTIMIZING PARTNERSHIP IN THE IPR

On April 4, 2023, U.S. Presidential Advisor on National Security, Jake Sullivan, outlined the underlying causes of the key challenges facing the United States in terms of development and foreign policy. These include: 1) the US industrial base has been hollowed out; 2) geoeconomics was ignored; 3) climate change was dismissed in favor of economic growth; and 4) inequality rose. To address these imbalances, several adjustments are being made to American priorities.

Domestically, key industries have been identified as “foundational to economic growth” and national security. These include the production of semiconductors and the essential mineral components required for them. Protectionist

and stimulative measures are expected to support the development of these industries.

Simultaneously, foreign policy objectives are being defined, with the primary goal being to “work with friends.” As Sullivan emphasized, “We will unapologetically pursue our industrial strategy at home, but we are unambiguously committed to not leaving our friends behind. We want them to join us. In fact, we need them to join us.” Addressing U.S. allies and partners, a senior official urged them to do more in response to current economic and geopolitical realities [9].

Meanwhile, these general directives are being put into practical action. It is noteworthy that the United States, under both the Trump and Biden administrations, has been focused on protecting its manufacturers. At the same time, the U.S. leadership acknowledges that resolving internal challenges depends on both domestic modernization efforts and adjustments to foreign economic policy. Likewise, achieving foreign economic goals is impossible without relying on updated scientific, technical, personnel, and industrial resources.

In this context, the Biden administration seeks to pursue a flexible policy on IPR by aligning its interests with the capabilities and priorities of allies and partners. This has led to a cautious approach toward multilateral integration agreements that require opening up domestic markets, as well as a preference for multi-variant agreements that allow for adjusting economic diplomacy to focus on priority tasks and their solutions, taking into account the potential of specific partner groups.

The Quadrilateral Security Dialogue (Quad), whose members are Australia, India, the United States, and Japan, initially launched in 2007–2008, did not achieve significant outcomes at that time. President Trump sought to reshape the Quad, but the most comprehensive concept for the organization was introduced by the leaders of the four countries at the Washington summit, organized in fall 2021 by the Biden administration. The revival of the organization is driven by a combination of political and economic factors, including the need to enhance security and

competitiveness through coordinated efforts in joint innovation programs. With their combined potential, the “Four” not only aim to counter China’s growing dominance in several technological sectors, primarily IT, but also to secure long-term innovation leadership.

In practical terms, the strategy focuses on creating production chains, particularly for semiconductors, based on American and Japanese technologies, with rare earth metals supplied by Australia and the final product manufacturing located in India. This approach seeks to establish a complete IT development and production chain, bypassing China. Additionally, the plan includes exerting control over exports and tracking the movement of final high-tech products within the region.

In September 2021, through the joint efforts of Australia, the UK, and the US, a new organization was created, AUKUS (an abbreviation of the member countries’ names). This structure is intended to be part of a broader chain of regional military-political alliances operating under the auspices of the United States, aimed at containing China. However, the function of this international institution also addresses technological and economic issues. Australia has particularly benefited from this arrangement, gaining access to advanced American technologies related to the construction of a nuclear submarine fleet, something South Korea had previously failed to secure. This highlights the strong interconnection between security concerns in the Indo-Pacific region as interpreted by the U.S. and the economic and technological collaboration between the U.S. and its allies, as demonstrated by both Quad and AUKUS.

The effort to institutionalize relations within the U.S.-Republic of Korea-Japan triangle, demonstrated by the leaders of these three countries during the Camp David Summit in August 2023, should also be viewed in this context. The central topic of the talks was ensuring security in the IPR, including on the Korean Peninsula. Simultaneously, the three nations emphasized the need to enhance cooperation in the IT and semiconductor industries, acknowledging

the necessity of reducing risks to international production chains – a vulnerability they see in their dependence on supplies from China [10]. It is noteworthy that the annual meetings' agenda now includes not only representatives from the ministries of foreign affairs and defense but also the trade ministers of the three countries [11]. Thus, the familiar 2+2 meeting format (involving ministers of foreign affairs and defense) has been expanded to include economic departments. At the same time, the Republic of Korea has emphasized its desire to “foster a mature and healthy relationship with China” [12].

Meanwhile, in May 2022, at the initiative of the United States, another economic organization – the Indo-Pacific Economic Framework for Prosperity (IPEF) – was established, consisting of 14 member countries [source 6]. An analysis of the process of developing the IPEF's guiding principles reveals that, contrary to the expectations of Southeast Asian countries, the new structure, at least in its initial stages, does not fully function as a trade agreement. Instead, it primarily focuses on supporting trade chains that exclude China [13, pp. 11-15].

India's position differs significantly from the approaches outlined by Southeast Asian countries. The particular interest shown by Indian representatives at past IPEF forums on topics such as “international production chains” and a “fair economy” reflects Delhi's desire to use IPEF partnerships to reorient these chains in ways favorable to India. This would allow Indian companies to secure a strategically important position in regional cooperation networks. At the same time, India, keen on protecting its national manufacturers, has not pushed for discussions on access to domestic markets of IPEF member countries, which aligns its stance more closely with that of the United States at this stage.

Finally, during the Third Meeting of IPEF member states in Detroit (May 27, 2023), the Agreement on Production Chains was adopted. This included the establishment of the IPEF Supply Chain Council, the IPEF Supply Chain Crisis Response Network, and the IPEF Labor Rights Advisory Board [source 6].

The Biden administration has successfully managed to form a network of diverse regional organizations, designed to support the implementation of American strategy in the Indo-Pacific region. However, the actual impact of the decisions made by these institutions will largely depend on the alignment of U.S. diplomatic goals with the key priorities of Indo-Pacific countries.

INTEGRATION EXPERIENCE WITHOUT THE PARTICIPATION OF GLOBAL LEADERS

The Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) holds a unique position among regional economic organizations. The original version of the Trans-Pacific Partnership (TPP) was significantly influenced by the United States. However, when President Trump withdrew the U.S. from the organization in January 2017, this did not lead to its collapse. The remaining 11 partners recognized that the agreement was built on a strong foundation of pre-existing bilateral and multilateral free trade agreements. The need to harmonize rules and standards across these agreements became an urgent priority. The results achieved through difficult negotiations were viewed as essential, and the TPP members believed abandoning them would threaten their economic interests, prompting their desire to continue with the agreed actions.

Furthermore, 22 amendments were made to the agreement, most of which concerned intellectual property rights protections. This shifted the focus of the organization's goals, leading to its rebranding as the CPTPP instead of the TPP. This decision highlighted the readiness of the 11 states not only to preserve what had been achieved but also to demonstrate their ability to function without the patronage of a global leader. They showed their commitment to developing the organization by updating the agreement's text and expressing a willingness to accept new members. As a result, Australia, Canada, Mexico, New Zealand, Singapore, and Japan were the first to ratify the agreement establishing the CPTPP, which came into effect on December 30, 2018. Other

member states subsequently joined. By the time the CPTPP was created, around 52 % of product groups within the agreement were already subject to a 0 % tariff. The strategic aim then became further reducing trade tariffs. Although each country implements tariff liberalization independently, tariffs on goods should be reduced to 0 % within 11 years of a country's accession to the CPTPP. For the first six members, this target date is 2029 [14, p. 7].

The initial conditions for the launch of the CPTPP were challenging. In 2019, during the first adaptation period, both domestic trade and exports outside the participating countries declined. The following year, 2020, was further impacted by the onset of the COVID-19 pandemic. However, by 2021, trade volume between CPTPP members had increased from less than USD 400 billion to USD 500 billion, marking the highest figure in the last 10 years. The strongest growth was seen in goods that had not previously been included in most countries' tariff liberalization under Free Trade Agreements. Specifically, exports of pharmaceuticals and medical products grew by 25.3 %, while imports increased by 17.9 %. The volume of trade in digital services between CPTPP countries also grew, rising from USD 23 billion in 2010 to USD 51 billion in 2019 [14, p. 17].

Nevertheless, the positive dynamics of trade development between CPTPP members have limitations. The primary strategic economic partners of these countries are China and the United States, along with South Korea and Taiwan, which play key roles in international production chains. Additionally, many East Asian countries are now linking their strategic plans for expanding foreign economic relations to the growth prospects of the Indian economy. However, none of these countries are currently members of the CPTPP. This makes the topic of expanding CPTPP membership particularly relevant to the organization's future development.

In July 2023, the United Kingdom signed an agreement to join the CPTPP in Auckland, with the accession process scheduled for completion in October 2024. Meanwhile, China has ex-

pressed its readiness to join the CPTPP, having initiated relevant consultations in 2021. South Korea has also shown interest in formalizing ties with the organization to some extent. The UK's admission to the CPTPP is largely seen as a pilot project, aimed at testing procedural mechanisms, refining candidate requirements, and avoiding the risk of external conflicts or dominance by one or more members. China's potential accession to the CPTPP raises the question of balancing the opportunities and risks associated with the organization. While China's entry could create significant opportunities for other members, it also carries the risk of introducing its rivalry with the United States into the framework.

Taiwan has also expressed its intention to join the CPTPP, predictably facing opposition from Beijing. However, the advanced nature of Taiwan's industry, particularly its world-leading semiconductor sector, is highly sought after by CPTPP members, including Japan. As a result, the likelihood of establishing some form of partnership between the CPTPP and Taiwan is quite high. In the future, India's inclusion in the CPTPP cannot be ruled out, as it has been strengthening multilateral ties with the United States in recent years and is a member of the Quad. The entry of any of these countries or territories – especially if multiple join – could significantly impact the nature and prospects of integration processes in the IPR.

ADAPTATION OF IPR COUNTRIES TO THE CONFRONTATION BETWEEN CHINA AND USA

The U.S.-China confrontation poses a serious challenge to the countries of the Indo-Pacific region due to the scale and influence of the two superpowers, the significant fluctuations in their relations, and the unpredictable consequences for regional security and the economy. In this context, both South Korea and Japan, while deepening their allied relations with the United States, have pragmatically sought to balance their involvement in American regional strategy by maintaining business and, in some areas, partnership ties with China. At the same time, it

is likely that all participants in this complex diplomatic configuration understand that Seoul and Tokyo will remain loyal allies of Washington in both the present and the foreseeable future. China, meanwhile, will continue to build its system of mutually beneficial and interdependent relations with South Korea and Japan.

In these circumstances, the Chairman of the State Council of China, Li Qiang, South Korean President Yoon Suk Yeol, and Japanese Prime Minister Fumio Kishida met in Seoul for trilateral talks on May 27, 2024 – the first such meeting since 2019. Many experts agree that the very fact that Beijing, Tokyo, and Seoul demonstrated their willingness to support the negotiation process was a significant event. Moreover, the relevance of the topics discussed – ensuring free trade, protecting value chains, addressing the aging population in all three countries, and combating infectious diseases – was notable. Of particular importance were the challenges related to the functioning of international production chains, which were affected by both American sanctions and the strict measures imposed by Chinese authorities during the COVID-19 pandemic. In this regard, the call by China's Premier to his negotiating partners to reject protectionism and promote free trade – urging that economic and trade issues not be used “in political games or security matters” [15] – was significant. It is unlikely that the South Korean and Japanese leaders can ignore such a call, especially since attempts to establish international production chains that bypass China have not yet gained substantial momentum for various reasons. The outcome of the meeting suggests that the negotiation process will likely continue at both the highest and working levels, and that cooperation among the three countries will proceed in the near future.

Meanwhile, following the summit in Seoul, a summit meeting between the United States, South Korea, and Japan is planned. Given the political capital gained by Tokyo and Seoul at the summit with China, it is important to note that both countries approached this meeting with their ally having acquired additional diplomatic authority, allowing them to more convincingly advocate for their economic and political prefer-

ences. Moreover, this competition of negotiation formats aligns with the interests of other countries in the region. The domestic political stability, security, and economic development of ASEAN member countries are decisively influenced by their relationships with both the United States and China, as well as the nature and predictability of U.S.-China relations. At the same time, due to objective economic, political, and historical factors, Southeast Asian countries are interested in maintaining political partnerships and economic ties with both superpowers. Therefore, they cannot fully endorse the strategic priorities of either side and tend to weigh their own preferences in each specific case when making decisions.

At the Quad leaders' summit in September 2021, President Biden stated: “The future of each of our nations – and indeed the world – depends on a free and open Indo-Pacific enduring and flourishing in the decades ahead.” This statement serves as an epigraph in the U.S. Indo-Pacific Strategy, adopted in 2022 [source 2]. However, given the diversity of political systems and varying degrees of political and economic engagement with the global community, it is unlikely that all ASEAN member countries can fully adhere to the “freedom and openness” standards set by the United States.

Moreover, while Southeast Asian states welcome the U.S. presence in the region as a counterbalance to Chinese influence, they are not inclined to dictate the parameters of China's domestic and foreign policies. Additionally, as mentioned earlier, ASEAN countries still have concerns regarding access to the U.S. market and the possibility of integrating American innovative technologies. Periodically, friction arises between the U.S. and ASEAN members due to differing interpretations of the state's role in economic processes and disagreements over social and labor standards in practice.

A distinct set of issues has emerged in the relationship between ASEAN countries and China. In the South China Sea, China has made territorial claims to 90% of the waters, as well as to islands, rocks, and reefs, including a 12-mile zone off the coasts of several other states, such

as Brunei, Vietnam, Malaysia, and the Philippines. Since 2013, in these waters demarcated by China's "nine-dash line," there has been "an increase in Chinese activity" [6, p. 396]. This trend has raised concerns among Southeast Asian countries, particularly since Beijing has ignored the 2016 ruling of the Permanent Court of Arbitration in The Hague, which deemed China's territorial claims in the South China Sea illegal. Under these circumstances, various incidents have occurred around the disputed territories, resulting in a deterioration of relations between China and the Philippines in the spring of 2024 [16].

China and ASEAN are each other's largest trading partners; between 2013 and 2023, their mutual trade turnover doubled to USD 915 billion, although ASEAN's collective trade deficit with China remained around USD 140 billion in 2023 [source 7]. Meanwhile, the expansion of Chinese business in Southeast Asia continues at a robust pace. In 2022, the annual volume of direct investment in Indonesia, Vietnam, and Malaysia reached USD 8 billion, a fourfold increase over 10 years [17]. In total, China invested USD 15.4 billion in ASEAN economies in 2022 [18].

However, as noted by N. Rogozhina and A. Rogozhin in their analysis of public and elite sentiment, despite the recognition of China's growing influence in the region, "in Southeast Asian countries, the rise of China's economic power is not perceived exclusively as beneficial" [19]. This sentiment is particularly strong in Vietnam and Indonesia, two countries whose international influence is increasing and whose development is expected to shape ASEAN's economic trajectory in the coming decade. Public opinion polls conducted in 2023 revealed that in Indonesia, 27% of respondents had a positive view of both the United States and China, while 24% had a somewhat negative or openly negative view of the U.S., and 22% expressed similar sentiments toward China. Among the elite, however, the numbers were different: 57.8% distrusted China, and 50.4% distrusted the U.S. In Vietnam, while reliable data on elite opinions is unavailable, public opinion polls show that 78.7% of respondents somewhat or completely distrust China, while only 19.8% express such sentiments toward the U.S. [20].

All this raises doubts about the readiness of ASEAN countries to fully adopt either the American or Chinese models of political and economic development. Meanwhile, extremes in the political relations between Washington and Beijing do not serve the fundamental interests of ASEAN member countries. On the one hand, they would be concerned about a rapprochement between the U.S. and China in a format similar to the "U.S.-China Strategic and Economic Dialogue" initiated by the George W. Bush administration, which led Zbigniew Brzezinski to suggest the possibility of forming a G2 – a system of global governance led by these two superpowers. On the other hand, it is not in ASEAN's interest to see an escalation of U.S.-China confrontation, particularly one marked by a "sanctions war" or, worse, a military crisis that could escalate into a real conflict. Such a scenario would inevitably draw the Indo-Pacific region into the fray, regardless of the degree of local countries allied commitments.

When regional policy approaches either extreme, ASEAN's members may be under the threat of growing external pressures. However, when U.S.-China relations remain within the bounds of political rivalry and economic competition, ASEAN countries have the potential to strengthen their subjectivity. Vietnam serves as an example, having achieved impressive growth rates and quality of development over the last decade, with both China and the United States recognizing its growing role, as evidenced by the visits of President Biden and Xi Jinping to Hanoi in 2023 [21, pp. 103-105]. In this context, some experts suggest that "neutrality may be one of the few positions on which this heterogeneous group of states can agree" [22]. However, neutrality alone is unlikely to compel global leaders to exercise restraint or ensure a balanced distribution of interests in the Indo-Pacific region. Rather, the new political and economic realities of the 2020s will require ASEAN to be united and consistent in pursuing a coordinated course that promotes military-political stability and fair economic competition in the region. This approach will, in turn, strengthen ASEAN's subjectivity

and enhance its ability to influence positive developments in the region.

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By the mid-2020s, political and economic instability in the Indo-Pacific region has become evident. This is largely due to the instability of the entire framework of U.S.-China relations, in which both powers maintain a mutual interest

in developing bilateral ties while simultaneously displaying deep mistrust of each other's regional strategies. Both countries seek to leverage interactions with regional partners through international organizations. Meanwhile, many of these regional actors have been able to strengthen their subjectivity in the new realities, which gives them a chance to increase their stabilizing influence on the processes in the IPR in the near future.

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