



Strategic Competition in the Indo-Pacific: Between Constraint and Co-optation

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Abstract: The Indo-Pacific is one of the most consequential regions in the world. Its demographic and economic trends make it a pivotal engine for global economic growth. At the same time, various ethnic, territorial, and maritime disputes in the region threaten to destabilize not only individual states and the region but also the international system. Against this backdrop, the Sino-American strategic competition adds another layer of complexity to regional dynamics, bringing with it several opportunities but also significant challenges. Consequently, how this competition evolves will have global repercussions. This study explores the role of the Indo-Pacific in the broader Sino-American strategic competition and assesses the perceptions and interests of key regional actors. The author argues that these actors are exercising their agency in ways that constrain or co-opt the Sino-American strategic competition to further their interests. Conclusions are made that this challenges the emergent Cold War 2.0 discourse, which envisions Washington and Beijing forming two coherent blocks vying for influence, by revealing the region's complex realities.

Keywords: strategic competition, Indo-Pacific, ASEAN, India, agency.

Introduction

Strategic competition has become a central feature of U.S.-China bilateral relations over the past decade. This competition is multifaceted, encompassing security, economic, and ideological dimensions. The Indo-Pacific is particularly central to this rivalry, as it is the region where the divergences on these issues are most acutely felt. States in the region have primarily responded with policies

aimed at constraining or co-opting the efforts of the two powers, seeking to avoid “choosing sides.”¹ In other words, clear alignment remains an exception.

In many regards, the Sino-American strategic competition has driven Washington’s adoption and promotion of the Indo-Pacific construct in recent years.² This regional construct, linking the polities of the Indian and Pacific Oceans, represents the most economically dynamic region in the world, contributing around two-thirds of global growth in 2023.³ It is also home to the largest emerging consumer markets, further accentuating its prominent role as an economic engine for the foreseeable future.⁴ The region’s economic centrality is further illustrated by the fact that 60 % of global maritime trade passes through its sea lanes and choke points.⁵ However, this economic centrality is contrasted by several enduring security challenges. Many of these critical sea lanes and choke points are situated in contested waters, such as the East and South China Seas. Additionally, longstanding territorial disputes—such as those involving Kashmir, Taiwan, and the Koreas—engage nuclear-armed actors, posing risks not only to regional stability but also to the broader international system. In other words, regional dynamics in the Indo-Pacific have far-reaching global implications. Consequently, strategic competition in the Indo-Pacific will impact both regional and global affairs.

While Sino-American competition has played—and will continue to play—a significant role in shaping the Indo-Pacific, key regional actors also possess the capacity to influence how this competition unfolds. The exercise of their agency reveals that these states have actively sought to constrain or co-opt the Sino-American strategic competition to advance their own interests. Consequently,

¹ Drew Thompson, “Don’t Make Us Choose Sides: Southeast Asian Perspectives on U.S. Strategy and Presence in the Region,” *Centre on Asia and Globalisation (National University of Singapore)*, March 2024, 1-13, https://lkyspp.nus.edu.sg/docs/default-source/cag/don't-make-us-choose-sides_march2024.pdf; David C. Kang, “Still Getting Asia Wrong: No ‘Contain China’ Coalition Exists,” *The Washington Quarterly* 45, no. 4 (2022): 79-98, <https://doi.org/10.1080/0163660X.2022.2148918>.

² Bibek Chand and Zenel Garcia, “Constituting the Indo-Pacific: Securitisation and the Process of Region-Making,” *International Quarterly for Asian Studies* 52, no. 1-2 (2021): 15-34, <https://doi.org/10.11588/iqas.2021.1-2.14300>.

³ “Regional Economic Outlook Asia and Pacific: Challenges to Sustaining Growth and Disinflation,” *International Monetary Fund*, October 2023, <https://www.imf.org/en/Publications/REO/APAC/Issues/2023/09/27/regional-economic-outlook-for-asia-and-pacific-october-2023>.

⁴ Homi Kharas and Wolfgang Fengler, “Which Will Be the Top 30 Consumer Markets of This Decade? 5 Asian Markets below the Radar,” *Brookings*, August 31, 2021, <https://www.brookings.edu/articles/which-will-be-the-top-30-consumer-markets-of-this-decade-5-asian-markets-below-the-radar/>.

⁵ See: “How Much Trade Transits the South China Sea?” *China Power*, January 25, 2021, <https://chinapower.csis.org/much-trade-transits-south-china-sea/>; Darshana M. Baruah, Nitya Labh, and Jessica Greely, “Mapping the Indian Ocean Region,” *Carnegie Endowment for International Peace*, June 15, 2023, 1-51, <https://carnegieendowment.org/research/2023/06/mapping-the-indian-ocean-region>.

rather than a purely top-down dynamic where great powers like the United States and China compete for influence through a combination of inducements and coercion, the region also exhibits a bottom-up dynamic that enables, and sometimes limits, the ability of these powers to dominate. To illustrate these processes, the author presents cases demonstrating how local actors have effectively constrained or co-opted the Sino-American competition to pursue their national objectives.

Constraining Strategic Competition

Perhaps no other actor in the Indo-Pacific has been as invested in constraining Sino-American strategic competition as the Association of Southeast Asian Nations (ASEAN). While dissenting voices exist within, particularly given ASEAN's diverse membership and consensus-based approach, key actors like Indonesia, Singapore, and Malaysia have sought to use the institution as a means to mitigate what they view as the destabilizing effects of strategic competition in Southeast Asia. This is unsurprising, considering that ASEAN's founding was partly motivated by efforts to limit external interference during the Cold War, a goal that remains central to the organization's *raison d'être*.⁶ In the current context of Sino-American strategic competition, these key states have worked to use ASEAN to "enmesh" the United States and China within the region's broader economic and security architecture. Additionally, they have sought to create overlapping partnerships to prevent bloc formation, which could undermine ASEAN's cohesion and centrality.

ASEAN's strategy of *omni-enmeshment* "refers to the process of engaging with a state so as to draw it into deep involvement into international or regional society, enveloping it in a web of sustained exchanges and relationships, with the long-term aim of integration."⁷ The goal is for member states to avoid having to take sides by involving all great powers in the region's affairs and transforming them into stakeholders of its stability.⁸ Examples of this omni-enmeshment predate the emergence of Sino-American strategic competition and include initiatives such as the East Asia Summit (EAS) and the Asia-Pacific Economic Cooperation (APEC). These groupings originated from ASEAN efforts to bring together extraregional powers with security and economic interests in Southeast Asia.⁹ As

⁶ "The ASEAN Declaration (Bangkok Declaration)," *Association for Southeast Asian Nations*, Bangkok, August 8, 1967, <https://agreement.asean.org/media/download/20140117154159.pdf>.

⁷ Evelyn Goh, "Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies," *International Security* 32, no. 3 (Winter 2007/2008): 113-157, 121, <https://doi.org/10.1162/isec.2008.32.3.113>.

⁸ Goh, "Great Powers and Hierarchical Order in Southeast Asia," 121-122.

⁹ See: "About the East Asia Summit," *East Asia Summit*, <https://eastiasummit.asean.org/about-east-asia-summit>; "About APEC: What is Asia-Pacific Economic Cooperation?" *Asia-Pacific Economic Cooperation*, updated January 2024, www.apec.org/about-us/about-apec.

the strategic competition between Washington and Beijing has intensified, ASEAN states have continued to rely on this strategy, broadening it by actively participating in initiatives led by the rival powers.

ASEAN's participation in Beijing's Belt and Road Initiative (BRI) exemplifies its strategy of omni-enmeshment. Member states have actively engaged in various BRI economic corridors and infrastructure projects. For instance, the BRI's China-Indochina Peninsula Economic Corridor connects China's Yunnan and Guangxi provinces with Vietnam, Laos, Myanmar, Cambodia, Thailand, Malaysia, and Singapore through highways, economic development zones, and an emerging network of high-speed railways. Similarly, the BRI's 21st Century Maritime Silk Road links multiple key ports in mainland China with Southeast Asian ports and associated free trade zones.¹⁰ Many ASEAN states view these BRI initiatives as complementary to their national and regional development goals. Thus, ASEAN and China have worked to synergize regional connectivity efforts. Existing ASEAN mechanisms—such as the Lancang-Mekong Cooperation (LMC), the Greater Mekong Subregion (GMS), the ASEAN-Mekong Basin Development Cooperation (AMBDC), the Ayeyawady Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS), and the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA)—are now linked to the BRI.¹¹ Through these collaborative efforts, China has emerged as ASEAN's most significant economic partner.

At the same time, several ASEAN members have joined Washington's Indo-Pacific Economic Framework (IPEF) in an effort to ensure economic diversification. While some ASEAN states view the IPEF as part of Washington's strategy to counterbalance China's economic influence in the region, they assess their participation in IPEF as complementary to existing initiatives like the BRI and the Regional Comprehensive Economic Partnership (RCEP). The latter is spearheaded by ASEAN, China, Japan, South Korea, Australia, and New Zealand.¹² The IPEF's focus on supply chain resilience, transparency, and trade standards aligns with the region's broader efforts to foster economic growth.

¹⁰ Zenel Garcia and Phillip Guerreiro, "What American Policymakers Misunderstand About the Belt and Road Initiative," *Parameters* 54, no. 2 (Summer 2024): 7-20, <https://doi.org/10.55540/0031-1723.3284>.

¹¹ "ASEAN-China Joint Statement on Synergising the Master Plan on ASEAN Connectivity (MPAC) 2025 and the Belt and Road Initiative (BRI)," *Association for Southeast Asian Nations*, November 3, 2019, 3, <https://asean.org/asean-china-joint-statement-on-synergising-the-master-plan-on-asean-connectivity-mpac-2025-and-the-belt-and-road-initiative-bri/>.

¹² Siwage Dharma Negara and Maria Monica Wihardja, "IPEF's Relevance for ASEAN," *Fulcrum*, September 19, 2023, <https://fulcrum.sg/aseanfocus/ipefs-relevance-for-asean/>; "Speech by PM Lee Hsien Loong at Nikkei's 27th International Conference on the Future of Asia," *Prime Minister's Office Singapore*, May 26, 2022, <https://pmo.gov.sg/Newsroom/PM-Lee-Hsien-Loong-at-the-27th-International-Conference-on-the-Future-of-Asia>.

These efforts illustrate ASEAN states' non-discriminatory approach toward initiatives from Washington and Beijing, using them as mechanisms to simultaneously mitigate strategic competition between the two powers while achieving national and regional development goals. To this end, they continue to pursue the omni-enmeshment strategy in regard to the two rivals by supporting Beijing's bid to join the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), which Washington abandoned in 2016, and by facilitating U.S. trade with the RCEP free trade agreement. This strategy also reflects efforts to create overlapping partnerships that avoid the formation of rigid blocs, preserving ASEAN's centrality. In a 2022 speech at Nikkei's 27th International Conference on the Future of Asia, former Singaporean Prime Minister Lee Hsien Loong (2004-2024) highlighted this approach. He acknowledged that while it is natural for countries in the region to develop closer ties with either the U.S. or China, "most countries would prefer not to be forced to choose."¹³ Lee argued that "there would be no good outcome if Asian countries are split between two camps" and advocated for a "more stable, less tense configuration" where the two powers "have overlapping circles of friends."¹⁴ Lastly, he cautioned against forming "alliances and groupings of like-minded partners" such as the Quad and AUKUS, emphasizing that collective security should involve "engagement and confidence and trust building arrangements with potential adversaries."¹⁵

Lee's sentiments are reflected in the broader Southeast Asia region. As indicated in *The State of Southeast Asia: 2024 Survey Report*, there is growing concern that ASEAN is becoming an arena for major power competition, and its members may be forced to become proxies in this process.¹⁶ Consequently, there is a rising desire to strengthen the resilience of the organization and to maintain its position of not taking sides in the U.S.-China strategic competition.¹⁷ It is clear that Southeast Asians view ASEAN's strategy of omni-enmeshment as a key mechanism for ensuring the region's centrality.

ASEAN centrality requires the organization to act as a bridge-builder by promoting inclusive and complementary groupings while also taking the lead in shaping regional norms. This is evident in the introduction of the ASEAN Outlook on the Indo-Pacific (AOIP) in 2019, which was a direct response to the increasing number of Indo-Pacific strategy white papers by the United States, Japan, and

¹³ "Speech by PM Lee Hsien Loong at Nikkei's 27th International Conference on the Future of Asia."

¹⁴ "Speech by PM Lee Hsien Loong at Nikkei's 27th International Conference on the Future of Asia."

¹⁵ "Speech by PM Lee Hsien Loong at Nikkei's 27th International Conference on the Future of Asia."

¹⁶ "The State of Southeast Asia: 2024 Survey Report," *ASEAN Studies Centre at ISEAS – Yusof Ishak Institute*, 2024, 14, <https://www.iseas.edu.sg/centres/asean-studies-centre/state-of-southeast-asia-survey/the-state-of-southeast-asia-2024-survey-report/>.

¹⁷ "The State of Southeast Asia: 2024 Survey Report," 47.

Australia. The objective was to reframe the conceptualization of the Indo-Pacific construct away from Sino-American strategic competition and instead focus on ASEAN's priority areas, such as connectivity and sustainable development.¹⁸ In fact, the AOIP explicitly states that ASEAN considers the Indo-Pacific a "region of dialogue and cooperation instead of rivalry."¹⁹ Importantly, the AOIP positions the organization as the nexus of the Indo-Pacific region by highlighting key ASEAN-led initiatives, such as the East Asia Summit (EAS), and emphasizing its critical role in any viable Indo-Pacific strategy developed by extraregional powers.²⁰

While scholars and practitioners often criticize ASEAN as being ineffective, particularly regarding key strategic issues such as the South China Sea disputes and the situation in Myanmar, the organization's track record is more complex.²¹ Discursive and empirical analyses have demonstrated that ASEAN has adeptly played the role of a "regional conductor" and has shown a capacity to shape great power interests in the region.²² Even in a critical issue like the South China Sea, where ASEAN has arguably fallen short in securing the interests of its members, it has established a precedent by compelling China to "recognize the bloc's role as a legitimate dispute manager."²³ This achievement is significant, given Beijing's preference for bilateral mechanisms in dispute resolution. Consequently, while Washington and Beijing may seek to draw various Southeast Asian states into their respective spheres of influence as their strategic competition intensifies, they must contend with ASEAN's continued efforts to enmesh them within the broader regional architecture. At the same time, ASEAN positions itself as a pivotal actor in the Indo-Pacific. In essence, ASEAN aims to constrain Sino-American strategic competition to safeguard the interests of its members.

¹⁸ "ASEAN Outlook on the Indo-Pacific," *Association of Southeast Asian Nations*, June 22, 6, 2019, https://asean.org/wp-content/uploads/2019/06/ASEAN-Outlook-on-the-Indo-Pacific_FINAL_22062019.pdf.

¹⁹ "ASEAN Outlook on the Indo-Pacific."

²⁰ "ASEAN Outlook on the Indo-Pacific."

²¹ John Lee, "ASEAN Is a Danger to Itself and the Neighborhood," *Commentary*, Hudson Institute, March 9, 2024, <https://www.hudson.org/international-organizations/asean-danger-itself-neighbourhood-australia-john-lee>; Joshua Kurlantzick, "ASEAN's Complete Failure on Myanmar: A Short Overview," Council on Foreign Relations, August 29, 2022, <https://www.cfr.org/blog/aseans-complete-failure-myanmar-short-overview>.

²² Le Hu, "Examining ASEAN's Effectiveness in Managing South China Sea Disputes," *The Pacific Review* 36, no. 1 (2023): 119-147, <https://doi.org/10.1080/09512748.2021.1934519>; Robert Yates, "ASEAN as the 'Regional Conductor': Understanding ASEAN's Role in the Asia-Pacific Order," *The Pacific Review* 30, no. 4 (2017): 443-461, <https://doi.org/10.1080/09512748.2016.1264458>.

²³ Hu, "Examining ASEAN's Effectiveness in Managing South China Sea Disputes."

Co-opting Strategic Competition

Despite ASEAN's efforts to constrain Sino-American strategic competition, it is evident that other key actors have sought to co-opt this rivalry to further their own interests. In this context, few other states have benefitted more than India. As the United States and key allies, such as Australia and Japan, promote the transition from the Asia-Pacific to the Indo-Pacific regional construct as a form of threat management vis-à-vis China, they explicitly acknowledge India's pivotal role in the region.²⁴ Thus, the Indo-Pacific construct not only reflects the increasingly interconnected polities of the Indian and Pacific Ocean regions but also demonstrates how strategic competition fosters role recognition—one that states like India find vital to their national interests. Consequently, the promotion of the Indo-Pacific construct, itself a product of Sino-American strategic competition, serves to legitimize India's historic claims to regional power status. However, this recognition goes beyond simply acknowledging power status; it is a recognition of India's geopolitical and geoeconomic role within the broader regional framework.

This dynamic is exemplified in official statements from American, Australian, and Japanese officials discussing the Indo-Pacific regional construct. For instance, in 2018, former U.S. Deputy Assistant Secretary, Bureau of East Asian and Pacific Affairs, Alex N. Wong, discussing the Indo-Pacific Strategy, stated that the construct “acknowledges the historical reality and the current-day reality that South Asia, and in particular India, plays a key role in the Pacific, East Asia, and Southeast Asia.” He added that it was in the “U.S. interest, as well as the interests of the region, for India to play an increasingly weighty role in the region.”²⁵ Similarly, Australia's 2017 Foreign Policy White Paper echoes American views, referring to India as “the pre-eminent maritime power among Indian Ocean countries” and encourages New Delhi's strategic engagement with East Asia and the United States.²⁶ Meanwhile, Japan, which has been a leading proponent of the Indo-Pacific construct since the mid-2000s, views India as an “indispensable partner” in ensuring a “Free and Open Indo-Pacific.”²⁷ While these statements are not exhaustive, they illustrate how the promotion of the Indo-Pacific construct has legitimized India's regional power status, granting it a measure of centrality – not only within the Indian Ocean Region, a position India has historically claimed, but also within the broader Indo-Pacific region.

²⁴ Chand and Garcia, “Constituting the Indo-Pacific: Securitisation and the Process of Region-Making.”

²⁵ Alex N. Wong, “Briefing on the Indo-Pacific Strategy,” *U.S. Department of State*, April 2, 2018, <https://2017-2021.state.gov/briefing-on-the-indo-pacific-strategy/>.

²⁶ “2017 Foreign Policy White Paper,” Australian Government, 2017, quote on p. 42, <https://www.dfat.gov.au/sites/default/files/minisite/static/4ca0813c-585e-4fe1-86eb-de665e65001a/fpwhitepaper/index.html>.

²⁷ Fumio Kishida, “The Future of the Indo-Pacific – Japan's New Plan for a ‘Free and Open Indo Pacific’ – ‘Together with India, as an Indispensable Partner’,” Ministry of Foreign Affairs, March 20, 2023, p. 12, https://www.mofa.go.jp/fp/pc/page3e_001336.html.

This recognition increasingly facilitates New Delhi's efforts to strengthen political, economic, and security ties with other sub-regions in the Indo-Pacific, particularly Southeast Asia. Since the 1990s, India has pursued these goals through its "Look East" policy, which was initially focused on enhancing economic relations with ASEAN. By 2003, the Look East policy was expanded to include East Asia and Australia, and its scope was further extended to incorporate security cooperation.²⁸ However, these efforts had limited results. Therefore, when Prime Minister Narendra Modi came into office in 2014, he announced the Act East policy.²⁹ While some view it as a simple rebranding of its predecessor, it is clear that Modi has sought to capitalize on Sino-American strategic competition as a means to deepen India's engagement with the broader Indo-Pacific region.

Despite ongoing challenges, the new policy has made tangible progress compared to its predecessor.³⁰ As China has displaced U.S. economic influence in the region, countries have sought new partners to diversify their economies. While India's influence in Southeast and East Asia remains modest, it has made measurable progress in becoming an economic player in those sub-regions. Moreover, due to New Delhi's lack of territorial disputes with Southeast and East Asian countries, coupled with its ambition for a larger security role, India has also made significant strides in strengthening security ties across the region.³¹ In other words, New Delhi has been able to effectively leverage strategic competition to its advantage.

New Delhi's co-optation of Sino-American strategic competition extends beyond deepening its geopolitical and geoeconomic centrality in Southeast and East Asia. It also plays a significant role in India's efforts to achieve a similar effect in the Middle East and Europe. Due to territorial disputes with China and Pakistan, India lacks natural land routes to European markets. As a result, India, Iran, and Russia signed an agreement in 2000 to establish the International North-South Transport Corridor (NSTC).³² This agreement spurred India's interest in investing in Iran's Chabahar port, developing it into a deep-sea port that would

²⁸ Thongkholal Haokip, "India's Look East Policy: Its Evolution and Approach," *South Asian Survey* 18, no. 2 (2011): 239-257, <https://doi.org/10.1177/0971523113513368>.

²⁹ Arijit Mazumdar, "From 'Look East' to 'Act East': India's Evolving Engagement with the Asia-Pacific Region," *Asian Affairs* 52, no. 2 (2021): 357-374, <https://doi.org/10.1080/03068374.2021.1912467>.

³⁰ Mazumdar, "From 'Look East' to 'Act East': India's Evolving Engagement with the Asia-Pacific Region"; Chietigj Bajpae, "Reinvigorating India's 'Act East' Policy in an Age of Renewed Power Politics," *The Pacific Review* 36, no. 3 (2022): 631-661, <https://doi.org/10.1080/09512748.2022.2110609>.

³¹ "Prime Minister's Keynote Address at Shangri La Dialogue (June 1, 2018)," Ministry of External Affairs, Government of India, June 1, 2018, <https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018>.

³² Harsh V. Pant, "India-Iran Cooperation at Chabahar Port: Choppy Waters," *CSIS Briefs, Center for Strategic & International Studies*, April 2, 2018, <https://www.csis.org/analysis/india-iran-cooperation-chabahar-port-choppy-waters>.

serve as a key node in the proposed corridor.³³ Indian investment since 2016 has led to the development of several terminals at Chabahar and some utilization of the NSTC. However, Iran and Russia's status as sanctioned states has undermined the corridor's viability. Chabahar currently operates below capacity due to concerns from potential customers and investors about secondary sanctions from the United States.³⁴ Although India successfully lobbied the United States to exempt its investment in Chabahar port from sanctions—a clear example of the pivotal role India plays in the American Indo-Pacific strategy—it is increasingly evident that the port and the NSTC will not serve as a viable entry point to European markets in the foreseeable future.³⁵ As a result, New Delhi has turned its attention to the proposed India-Middle East-Europe Economic Corridor (IMEC).

The IMEC, announced on the sidelines of the G20 meeting in New Delhi in 2023, is one of the key corridors that are part of the Biden Administration's Partnership for Global Infrastructure and Investment (PGII).³⁶ It is also a crucial element in Washington's broader effort to promote alternatives to Beijing's Belt and Road Initiative (BRI) as their strategic competition intensifies. The IMEC consists of two primary corridors: the first is an east corridor connecting India to the Arabian Gulf, and the second is a northern corridor linking the Arabian Gulf to Europe. This initiative connects India to the UAE, Saudi Arabia, Jordan, Israel, and ultimately to Europe.³⁷ In essence, the IMEC addresses New Delhi's longstanding efforts to establish a reliable land route to European markets. While the IMEC is still in its early stages, it is clear that India plays a vital role in its formulation and implementation, thus granting it greater centrality in the Indo-Pacific region.

³³ Sudha Ramachandran, "India to Invest in Iran's Chabahar Port," *The Central Asia-Caucasus Analyst*, November 26, 2014, <https://www.cacianalyst.org/publications/analytical-articles/item/13099-india-to-invest-in-irans-chabahar-port.html>.

³⁴ "Chabahar Port Capacity Remains Largely Untapped," *Financial Tribune*, September 6, 2019, <https://financialtribune.com/articles/domestic-economy/99758/chabahar-port-capacity-remains-largely-untapped>.

³⁵ Alberto Rizzi, "The Infinite Connection: How to Make the India-Middle East-Europe Economic Corridor Happen," *European Council on Foreign Relation*, April 23, 2024, <https://ecfr.eu/publication/the-infinite-connection-how-to-make-the-india-middle-east-europe-economic-corridor-happen/>; Harsh V. Pant and Prithvi Gupta, "Chabahar, Port of a Smart Call," *Observer Research Foundation*, May 16, 2024, www.orfonline.org/research/chabahar-port-of-a-smart-call.

³⁶ "Fact Sheet: President Biden and Prime Minister Modi Host Leaders on the Partnership for Global Infrastructure and Investment," The White House, September 9, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/09/09/fact-sheet-president-biden-and-prime-minister-modi-host-leaders-on-the-partnership-for-global-infrastructure-and-investment/>.

³⁷ "Memorandum of Understanding on the Principles of an India-Middle East-Europe Economic Corridor," *The White House*, September 9, 2023, www.whitehouse.gov/briefing-room/statements-releases/2023/09/09/memorandum-of-understanding-on-the-principles-of-an-india-middle-east-europe-economic-corridor/.

As Sino-American strategic competition intensifies, India's regional profile and influence have grown. The transition from the Asia-Pacific to the Indo-Pacific regional construct reflects this reality, as highlighted by official statements and white papers from its proponents. New Delhi has successfully co-opted this regional transformation to strengthen political, economic, and security ties, thereby enhancing its centrality in South, Southeast, and East Asia. Moreover, India's efforts in the International North-South Transport Corridor (NSTC) and the India-Middle East-Europe Economic Corridor (IMEC) further illustrate its ability to leverage Sino-American strategic competition to establish a viable land route to Europe. In the case of the NSTC, New Delhi utilized its strategic role in Washington's Indo-Pacific strategy to secure exemptions from sanctions on its investments in Iran. Similarly, with IMEC, India has capitalized on its market and economic potential to position itself as a viable alternative to China.

Conclusion and Implications

The two cases discussed above are by no means exhaustive. Nevertheless, they offer a glimpse into the various responses to Sino-American strategic competition in the Indo-Pacific. There is no uniformity in these responses. More importantly, there is no desire among key regional stakeholders to settle on a clear alignment with either the United States or China. Instead, they are actively pursuing strategies that either constrain or co-opt the competition between the two powers.

While individual ASEAN member states approach the competition in various ways, it is evident that its major players have made constraint a core strategy for the organization. Despite legitimate concerns about Chinese activities in the South China Sea and the unease over economic dependence on Beijing, ASEAN has maintained its omni-enmeshment policy with the United States and China. In this context, proposals from either rival are not viewed through a zero-sum lens but as complementary. In other words, Chinese investment may facilitate American investment and vice versa.

Although this behavior is often described as hedging, it could be argued that this strategy goes beyond merely avoiding taking sides. As indicated earlier, ASEAN aims to establish centrality in the region and play the role of regional conductor. The organization seeks to be a key player in shaping the Indo-Pacific strategies of any extraregional power.

India's strategy more closely aligns with co-optation. While it may appear that India has clearly aligned with the United States, this alignment is largely confined to its stance vis-à-vis China as opposed to a broader set of strategic interests. In essence, India benefits from the role it has been ascribed by the United States and its regional partners without having to compromise on other priorities. This is most clearly illustrated by India's continued investments in the Chabahar port and the International North-South Transport Corridor (NSTC) despite Iran and Russia being under heavy U.S. sanctions. Additionally, this dynamic is evident in New Delhi's position on the Russian invasion of Ukraine, as well as

its ongoing purchase of vast quantities of Russian oil despite Washington's criticisms. In fact, New Delhi has largely disregarded U.S. objections precisely because it understands the central role it plays in Washington's Indo-Pacific strategy.

The implication of these cases is that key actors in the Indo-Pacific are shaping the outcome of Sino-American strategic competition through their actions. While both the United States and China may desire clearer alignment from their respective partners, these actors have exercised agency in ways that complicate such neat demarcations. These states make choices that sometimes align with the preferences of one rival, as seen in India's participation in the IMEC, but at other times, they defy those preferences, as exemplified by ASEAN's efforts to maintain its centrality without taking sides.

Ultimately, the idea of a "Cold War 2.0" with rigid, opposing blocs is therefore overstated. Local agency plays a crucial role, and many Indo-Pacific states, having experienced the worst excesses of Cold War competition, are unlikely to seek a repeat of that history.

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