



## FROM THE ASIA-PACIFIC TO THE INDO-PACIFIC: UNDERLYING TRENDS AND IMPLICATIONS

Since recently, we have been witnessing the term “Indo-Pacific” being used more often than “Asia-Pacific” in the context of global affairs. Oftentimes this new tendency is viewed as a result of recent shifts in the focus by the West in its engagement with the countries of the Pacific region and Asia. Generally speaking, the use of the new term reflects the affirmation of a new common set of principles and priorities in the policy of the West in relation to the region. This conceptual change, however, should be clarified a little bit in order for us to understand a wider context and its possible implications. The Asia-Pacific and Indo-Pacific should not be understood as two opposite concepts. The two terms have been coexisting for quite a long time and have even been used interchangeably in many contexts. However, in the global context of the current East-West relations paradigm, the terminological switch from Asia-Pacific to Indo-Pacific has gained a clear geopolitical meaning. The process of shifting the focus of the West from Asia-Pacific to India-Pacific has been prompted in large by the decline of the U.S.-China relations and attempts by the U.S. to counterbalance China’s influence in the region by favoring India’s more active engagement in regional affairs.

On September 16, 2021, the European Parliament announced its vision for a new EU strategy on China. Among other things, the document mentions launching a new EU strategy for cooperation in the Indo-Pacific, which was largely in line with the scope of the AUKUS security alliance created by the U.S., UK, and Australia. The EU’s new strategy on China seeks to boost economic ties and address common challenges such as climate change, biodiversity loss, and coping with the consequences of the coronavirus pandemic. However, it explicitly puts the Indo-Pacific in the agenda by launching a new EU strategy for cooperation in this region. It is easy to note that in some points the document is rather reprimanding regarding some of the sensitive issues that are highly sensitive for China, such as instance human rights, Taiwan, and maritime border disputes. At the same time, the new strategy calls for China’s assistance in reinforcing the respect of international trade rules, fighting and adapting to climate change and biodiversity loss, and boosting cooperation on health care with least-developed countries.

It is rather symbolic that currently, we are witnessing China’s economic decline when

the controversies accumulated between the West and China reached the point where it is not possible anymore for China to act within its usual development paradigm without significantly changing the current system of international interactions. One of the important reasons explaining China’s economic rise over the last several decades was the preferential treatment mandate that it has been given by the West in the hopes that this would contribute to the rising rivalry between the Soviet Union and China in the 1960s strengthening the position of the West. The UN resolution, passed on 25 October 1971, recognizing the People’s Republic of China (PRC) as the only legitimate representative of China to the United Nations, and excluding Taiwan from the organization was a symbolic gesture that outlined the stance of the West relative to China. Hardly anything changed after the collapse of the Soviet Union as China viewed economic growth through integration into the global market as an absolute priority and stayed within “tolerable margins” of violations of the generally accepted rules of international economics such as intellectual property infringement, unfair trade practices through hidden currency interventions, etc. China’s relative success in coping with the Asian crisis of 1998 consolidated the positive image of China in western countries. Indeed, China’s international economic malpractices were outweighed by astonishing success in economic growth. Over the past four decades, the GDP per capita in China has grown on average 2.7 times faster than the world average. It became known as “The World’s Factory” for the immense amount of manufacturing capacity it has accumulated mainly thanks to foreign direct investments. Cheap labor costs and integration into global markets have been the main drivers of China’s economic growth.

However, China is approaching the limits of its traditional drivers of economic growth. It is an upper-middle-income country and therefore it is not among the cheapest countries for production. Trade wars with the U.S., restrictions of Hong Kong’s sovereignty, human rights issues, and deterioration of relations with the West pose investment risks that some investors may not be willing to take, which contributes to capital outflow from China. Deep structural reforms of the economy and governance with reduction of state control over the economy could potentially open prospects for further economic growth. However, the rigidity of

the Chinese Communist Party under the condition of rising confrontation with the West gives no reason to expect major breakthroughs for China any time soon.

The gradual move from the Asia-Pacific to Indo-Pacific scheme should not be understood as a mere geographic shift of focus of the West. By doing so, the West reinvigorates its commitment to its fundamental set of values in setting regional and international cooperation frameworks. It is an attempt to reiterate the priority of conformity with international legal norms and general ethical considerations. The message is not limited to the ties between China and the western world, but can also be extrapolated to all relations of the West with other countries. Unlike China, India is the most populous democracy in the world. Therefore, on some level of abstraction, the active attempts of the West to support India as opposed to China in its cooperation in the Asia and Pacific region can be viewed also as a figurative act of highlighting and praising democracy. In other words, the more active advancement of the India Pacific region should also be understood as a message that western countries will stick to the norms of international law and basic values recognized and accepted by the vast majority of the countries in the world, at least nominally.

The shift from the Asia-Pacific to the Indo-Pacific vision by the west should be viewed in a wider context of emerging global trends. A more rigorous attitude of the West to China’s adherence to international legal norms and regulations will not only apply to China but all countries intending to engage in close cooperation schemes with the western world. Thus, legal, moral, and ethical considerations are now becoming important elements of international interaction. The focus is being shifted from quantity and size to quality of economic growth.

Another trend that is being set is the widening of the concept of the “West”. In a traditional geopolitical perception, this term applies to a more or less solid structure mainly consisting of the U.S. and the EU. But the growing interest of the West in the Pacific region and the strategic alliance between the U.S., UK, and Australia give reasons to expect a westernization of the region. Most probably, the U.S. and the EU will move towards establishing new cooperation schemes with the Pacific region in which the leading democracies of the regions such as Australia, New Zealand, Japan, South Korea, and Taiwan will play the leading roles.

## Politics, Foreign Affairs, and Security

- The First President of Kazakhstan Nursultan Nazarbayev held meetings with participants of the 2021 Astana Club, including former President of Turkey Abdullah Gul, Ex-President of Slovenia and President of Club de Madrid Danilo Turk, leader of the Democratic Movement-United Georgia Nino Burjanadze, and the Chairman of the British Kazakh Society Rupert Goodman. Nursultan Nazarbayev extended his gratitude for participation in the work of the Astana Club. The parties exchanged their views on integration processes in the Eurasian continent (Kazinform, 17.11.2021).
- The President of Russia Vladimir Putin had a meeting with his Uzbek counterpart Shavkat Mirziyoyev. Following the meeting, the leaders made a joint statement regarding coordination on international platforms and internet governance. Vladimir Putin and Shavkat Mirziyoyev see it as a priority of international cooperation to develop under the UN auspices universal norms, rules, and principles of responsible behavior by countries in the cyber sphere. The Presidents signed the bilateral agreement in the field of international information security (TASS, 19.11.2021).
- The President of Moldova Maia Sandu had a meeting with the Minister of Foreign Affairs of Turkey, Mevlut Cavusoglu, who was on a working visit to Chisinau. The sides mainly discussed issues of strengthening bilateral cooperation, especially on the commercial, economic, and investment dimension. During the discussion, Minister Cavusoglu also stressed that Turkey fully supports Moldova's sovereignty and territorial integrity. He also emphasized that the Gagauz Autonomous Region, which is an inseparable part of Moldova, is a bridge of friendship that strengthens relations between Turkey and Moldova (Yenisafak.com, 18.11.2021)
- The Minister of Defense of Turkey Hulusi Akar met with his Mongolian counterpart Gursediin Saikhanbayar in Ankara. During the meeting, the sides stressed the need for more intense cooperation in the fields of military education and the defense industry and the importance of cooperation in the fight against the Fetullah Terrorist Organization (FETO). The Ministers also noted that there are strong historical and cultural ties between Turkey and Mongolia (News.mn, 18.11.2021).
- Moscow hosted the meeting of the secretaries of the security councils of the CIS countries. The participants in the meeting focused on threats to the security of the CIS states emanating from the territory of Afghanistan, issues of cooperation in the field of migration, problems associated with the development of biotechnology. As a result of discussions, the participants adopted a statement on the development cooperation to establish transparent administrative procedures necessary for the entry, exit, location, and employment of citizens in the territories of the CIS member states (Avesta.tj, 18.11.2021).
- Issues of cooperation between Iran and Turkey in security, terrorism, and human trafficking as well as in other global issues based on deep-rooted relations were discussed during a joint press conference of the Foreign Minister of Turkey Mevlut Cavusoglu and his Iranian counterpart Hossein Amir-Abdollahian in Tehran. The sides agreed to prepare a roadmap for long-term cooperation between Turkey and Iran. The Ministers also expressed intentions to reach permanent peace and stability in Afghanistan (Dailysabah.com, 15.11.2021).

## Economy, Finance, and Energy

- During the United Nations Climate Change Conference (COP26) held in Glasgow throughout October 31-November 12, 2021, representatives of the Asian Development Bank stressed the importance of joint climate action of the Central Asian countries and announced their intention to invest \$100 billion in the development of green projects in the region in 2019-2030. This means that annual investment will amount to \$8.8 billion. ADB will spend 66 billion dollars out of \$100 billion dollars on climate mitigation and 34 billion dollars on adaptation strategies (Qazaq TV, 17.11.2021).
- According to the Ministry of Agriculture of Kazakhstan, the farmers harvested 16.4 million tons of grain despite the unfavorable weather conditions. The average yield amounted to 10.3 centners per hectare. The harvested volume can satisfy both the internal demand of the country and export. The quality of the grain is at a high level as more than 90.5 percent of wheat is classified in 1-3 grades. The harvested volumes of rye, corn, legumes, and buckwheat grew significantly in 2021 (Qazaq TV, 19.11.2021).
- The Central Bank of Uzbekistan provided updated statistics on the country's foreign exchange reserves. According to the data, the number reached \$35.21 billion as of November 1, 2021, with a monthly increase of \$797.1 million. In October 2021, the physical volume of gold in reserves fell by 5.7 tons to 376.3 tons due to the recovery of gold exports. However, the value of gold in reserves increased by \$325.2 million to \$21.67 billion due to the growth of gold quotes (UzReport, 18.11.2021).
- The Asian Development Bank continues to provide financial assistance to Kyrgyzstan. Recently, the institution announced its decision to allocate \$1 million in technical assistance that would help Kyrgyzstan fully digitalize its national electronic procurement platform using advanced information and communication technology. The assistance will help upgrade the e-procurement system used by all government agencies and state-owned enterprises, replace paper-based operations, and transfer more functions online (Kabar, 16.11.2021).
- Deputy Minister of Industry and New Technologies of Tajikistan Umed Solehzoda and Deputy Minister of Industry and Technology of Turkey Cetin Ali Donmez participated in a working meeting to discuss issues related to the implementation of agreements reached at the 11th meeting of the Tajikistan-Turkey joint commission for trade and economic cooperation. The parties considered a wide range of issues of comprehensive cooperation. The officials noted the importance of increasing bilateral trade up to \$1 billion through joint projects (Asia-Plus, 18.11.2021).
- Turkey and Mongolia conducted the ninth meeting of the Intergovernmental Trade and Economic Commission in Ankara. Representatives of the two countries discussed in detail the proposals to increase trade and investments and expand cooperation in the sectors of agriculture, tourism, free zone management, and reached agreements. Co-chairs of the commission, the Minister of Defense of Mongolia Gursediin Saikhanbayar and Turkish Minister of Internal Affairs Suleyman Soylu signed a protocol at the end of the meeting (Montsame, 19.11.2021).

## Society and Culture

- The Turkish city of Bursa was declared the Cultural Capital of the Turkic World in 2022. The decision was made at the 38th Term Meeting of the Permanent Council of International Organization of Turkic Culture (TURKSOY), which held in Khiva, Uzbekistan. In January 2022, Bursa will receive the ministers of culture of the TURKSOY member countries, who will arrive to participate in the extraordinary meeting of the Permanent Council of TURKSOY (Turksyoy.org, 18.11.2021).
- Brussels hosted "The Culture Days of Khiva in Brussels" organized by TURKSOY. The event was held within this framework to introduce Khiva, the Pearl of Uzbekistan to citizens of Europe, which took place right after the Summit of the Organization of Turkic States held in Istanbul on November 12, 2022. Prior to the event held in Brussels, the delegation of TURKSOY met with Ambassadors of TURKSOY member countries and representatives of various NGOs (Turksyoy.org, 18.11.2021).
- The Balkan Congress Center of the Thracian University hosted the first concert dedicated to the 700th anniversary of the birthday of Yunus Emre and the 880th anniversary of the birthday of Nezami Ganjavi. The event were organized in cooperation with the TURKSOY with the Thracian University. The concert was preceded by the opening of an exhibition featuring works of the Azerbaijani painter Mikayil Abdullayev inspired by poems of Nezami Ganjavi and Yunus Emre (Turksyoy.org, 15.11.2021).
- Uzbekistan is making progress in making the internet more accessible and developing digitalization. Over the past few years, the total length of fiber-optic lines across the country has grown 4.5 times, and the number of broadband ports has grown 3.5 times. The speed of the backbone network at the interregional level has been increased to 400 Gbit/s, and at the inter-district level - up to 40 Gbit/s. This was discussed during a meeting of the members of the Senate Committee of the Oliy Majlis of Uzbekistan on Information Policy and Ensuring Openness in State Bodies (Centralasia.news, 18.11.2021).
- The South Korean humanitarian development NGO Good Neighbors International together with the Korean International Cooperation Agency (KOICA) delivered humanitarian aid to social institutions in the city of Bishkek, Chui, Issyk Kul, Batken and Talas regions of Kyrgyzstan. In total, humanitarian aid in the form of food products was transferred to 1000 families from vulnerable groups. Some 21 social institutions (orphanages, rehabilitation centers and shelters) also received food packages in connection with the coronavirus pandemic (Kabar, 15.11.2021).
- Kazakhstan, Russia and UAE signed a trilateral agreement on a joint statement of intent to modernize the Gagarin launch at the Baikonur cosmodrome. The agreement builds on the strong ties between all three nations and creates a framework to establish closer cooperation in space-related fields. The combination of expertise, experience, and shared resources is expected to accelerate progress towards a more competitive global space economy (Kazinform, 17.11.2021).