



Department of  
International Relations

# GEOECONOMIC COMPETITION AND INSTITUTIONALISATION AMONG GREAT POWERS IN INDO-PACIFIC

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# Background: Rising China, Insecure US

- Established Great Power: US, Japan, and EU
- Aspiring Great Power: China
- Maintaining Current Structure vs Exercising Agency
- Strategic Autonomy → Ambivalence in Foreign Policy
- Crumbling Liberal International Order (Ikenberry 2018, 2020; Parsi 2021)
  - Democratic Decline (Ikenberry 2020)
  - Declining the quality of economic growth (Stiglitz 2011; Yates 2016; Broz, Frieden & Weymouth 2021)
- How Southeast Asian response? Hedging (Gerstl 2022)



# Framework: Geoeconomics and Great Power Competition

- Neologism: Geopolitics → Geoeconomics (Luttwak 1990)
- Similar logics on strategy (Luttwak 2012)
- Agency of weak states is important not because that its policy has a global reach, but because it influence the Great Power politics and policies (Blackwill & Harris 2016)
- **Geoeconomic instruments** (Blackwill & Harris 2016): (1) Trade Policy, (2) Investment Policy, (3) Economic Sanction, (4) Cyber, (5) Economic Aids, (6) Financial and Monetary Policy, and (7) Energy and Commodity Policy
- So, how? **Our framework:** Great Power Competition is not only the *consequence* of globalized International Politics in the Indo-Pacific, but also the *cause* of it

## Framework: Institutionalization

- Indo-Pacific often perceived as the changing geopolitical construction from Asia-Pacific to exclude China (Medcalf 2018)
- Institution as Norm and Rule-making to shape behaviour (Ostrom 1995)
- **Indo-Pacific: Competing Institutionalization**
- Japan: Confluence of the Two Seas, Democratic Security Diamond
- US: Pivot to Asia (Obama), Free and Open Indo-Pacific (2020), US Indo-Pacific Strategy (Biden)
- EU: Global Gateway Initiative (2021), EU Indo-Pacific Strategy



## Japan's Trade Policy

- FOIP Strategy (Free and Open Indo-Pacific)
- FOIP 1.0: Competitive → alliances with US, India, Australia
- FOIP 2.0: Cooperative & inclusive → open to working with China
- Core values: Rule of law, freedom of navigation, openness
- Led **CPTPP** after US exit from TPP
- Promotes fair trade: labor, environment, IP rights
- **PQI** (Partnership for Quality Infrastructure):
  - Alternative to China's BRI
  - Focus: transparency, sustainability



# USA Trade Policy

## Strategic Shift

- From “Asia-Pacific” → “Indo-Pacific” to include India
- Aims to counter China’s rising power

## Initiatives

- IPEC (Obama) → Limited success due to lack of funding
- TPP exit (Trump) → Weakens US multilateral presence



# USA Trade Policy

## New Directions

- Focus on **bilateral/trilateral deals**
- Indo-Pacific Business Forum → promotes private investment
- Competes with BRI:
  - Infrastructure investments with Japan & Australia
  - Digital tech & cybersecurity → challenge Huawei

## IPEF (Biden, 2022)

- Focus: digital trade, supply chains, decarbonization
- Weakness: No strong funding, not part of CPTPP



# EU Trade Policy

## Focus on the Economy

- Less military presence → more trade & diplomacy
- Promotes: rules-based order, liberal democracy, multilateralism

## Key Partnerships

- Japan: Economic Partnership (2019)
- ASEAN: FTA with Singapore, strategic dialogues
- India & Australia: FTA talks + security cooperation

## Role

- Emphasising **multilateral** over **bilateral** deals
- Promotes inclusive Indo-Pacific stability





# China's Trade Policy

## BRI – Belt and Road Initiative

- China's main tool to expand influence
- Focus: infrastructure, ports, trade routes
- Example: Gwadar (Pakistan), Kyaukpyu (Myanmar)
- Goal: reduce dependency on strategic choke points like Strait of Malacca

## Regional Strategy

- Leads **RCEP** → includes ASEAN, Japan, Korea
- Increases ASEAN dependence on Chinese economy
- Uses **bilateral ties** with Quad members (e.g., Japan, Australia)
- Maintains trade even amid political tensions

**Thank you for your attention. Any critics and suggestions are warmly welcomed**

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