

Indo-Pacific Region: Political and Strategic Prospects

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The Indo-Pacific Region or India's Rise in Asia-Pacific?: A View from Russia

Evgeny Kanaev

In recent times, the term 'Indo-Pacific region' has become part of international discourse at the political and expert levels.¹ Currently, the term still lacks specificity with regard to its geographical boundaries, institutional format and key projects. Nevertheless, its emergence may reflect, or anticipate, pending shifts in relations between powers shaping the strategic landscape in the Pacific and Indian oceans.

In Russian expert community, the term 'Indo-Pacific region' is not a popular topic; serious attempts to conceptualize it are just beginning to appear.² It is hardly surprising given that the key parameters of this hypothetical region have not yet been laid down. Because of this, in practical terms 'the Indo-Pacific discourse' may be currently seen mostly as New Delhi's quest to increase its profile in the 'traditional' region of the Asia-Pacific. At the initial approximation, this may be welcomed. This assessment is based on the evidence provided by two factors: serious imbalances being accumulated in Asia-Pacific and India's considerable potential to give impetus to the cooperative development paradigm of this region.

1 See, for instance: Chacko P. India and the Indo-Pacific: an Emerging Regional View. Indo-Pacific Governance Research Center Policy Brief. Issue 5. November 2012. http://www.adelaide.edu.au/indo-pacific-governance/policy/Chacko_PB.pdf; Hillary Clinton lauds India's role in Indo-Pacific region, urges for increased participation. *India Today* 14 November, 2012. <http://indiatoday.intoday.in/story/hillary-clinton-lauds-indias-role-indo-pacific-region-talks-china-breifly-in-australia/1/229136.html>.

2 Лукин А. На смену АТР идёт ИТР? (Lukin A. An Emerging Trend: Indo-Pacific instead of Asia-Pacific? (In Russian)) // http://russiancouncil.ru/blogs/dvfu/?id_4=328.

The chapter is divided into three parts. The first part analyses major economic, political and strategic imbalances in Asia-Pacific, and the second part gives insights into achievements of and prospects for India's Asia-Pacific policy and assesses its congruence with Russia's regional priorities. The third part offers a likely scenario resulting from India's increased future role in Asia-Pacific. The conclusion summarizes the foregoing analysis.

Asia-Pacific Imbalances

When the Cold War was coming to an end, Asia-Pacific state and non-state actors began to consider possibilities to create a system of multilateral cooperation in order to give a strong impetus to their economic development, and devise qualitatively new mechanisms of regional checks and balances based on new understanding of the term 'security' and ground-breaking approaches to ensure it. In the course of time, however, this multi-faceted and multi-dimensional system designed to mitigate pressing regional economic, political and military contradictions began to dissatisfy both big and small members. The root cause seems to lie in serious and constantly widening imbalances between Asia-Pacific development goals, mechanisms and institutions.

The key development goal repeatedly stressed in the Pacific leaders' statements and declarations of multilateral and bilateral settings is to maintain regional peace and stability, create an integrated, resilient and prosperous region which is in the vanguard of global growth and able to effectively cope with current and emerging challenges.³ In order to achieve it, the potential of two mechanisms is exploited – the bilateral and multilateral cooperation; the latter falls within development institutions.

The goal stated above is laudable in all respects, especially along with expectations that in the years to come, the future of global economic and political processes will be shaped in Asia-Pacific. However, regarding the mechanisms and institutions aimed at materializing this scenario, ample evidence suggests that they may not be fully fit for it. Several points bear relevance in this regard.

³ Such statements have been made in overabundance, so references don't seem to be strictly necessary. Nevertheless, see: 2011 Leaders' Declaration. The Honolulu Declaration - Toward a Seamless Regional Economy. Honolulu, Hawaii, United States, 12 - 13 November 2011. http://www.apec.org/Meeting-Papers/Leaders-Declarations/2011/2011_aelmaspx; Dmitry Medvedev's article, "Integrate to Grow, Innovate to Prosper". 28.01.2012. <http://eng.news.kremlin.ru/transcripts/3370> and others.

First, bilateral relations between main Asia-Pacific actors are far from contributing to the win-win cooperation. For instance, Sino-American relations; after the US' "coming back to Asia", Washington offered Beijing a model of "responsible leadership" with an intention to make China a "responsible shareholder" under the American "benign supervision". This project logically failed, not in the least because of differences, and in many respects, opposing attitude to the responsibility to international community adopted by Washington and Beijing. The former sees its responsibility in, figuratively speaking, "external terms", in combating the threat of international terrorism, preventing the proliferation of weapons of mass destruction and the like,⁴ which means unrestricted access to any part of the globe. The latter takes a different view, i.e. the Chinese leadership must, first and foremost, be able to tackle domestic issues,⁵ which attaches a paramount importance to defending national sovereignty.

This clash of visions predetermined a new wave of escalation of the South China Sea issue, the essence of which has changed since the Obama administration came to power. Before 2009, the contradictions concentrated, first and foremost, upon the issue of sovereignty over the disputed islands. Since the early 2009, the Sino-American geopolitical rivalry in the maritime Asia-Pacific and the South China Sea as its "strategic heartland" has come to the forefront of Asia-Pacific politics. The key lines of contradictions are as below.

An admissibility to violate the letter and spirit of Declaration on Conduct of Parties in the South China Sea (DOC) signed by China and the ASEAN states in 2002. China emphasizes that, according to the provisions of Declaration, all existing and potential problems are to be solved by sovereign states directly concerned and drawing up Code of Conduct of Parties in the South China Sea instead of DOC is to be based on consensus. Otherwise, in case 'letter and spirit' of the 2002 Declaration are not respected, the idea to find an internationally recognized legal framework in which the issue may be resolved can be discredited for many years ahead. Washington stresses that the international community, including

4 See, for instance: World at Risk. The Report of the Commission on the Prevention of WMD Proliferation and Terrorism. – New York, Toronto, 2008. <http://www.absa.org/leg/WorldAtRisk.pdf>.

5 A Changing China in a Changing World. Address by H.E. Yang Jiechi, Minister of Foreign Affairs of the People's Republic of China, at the Munich Security Conference. Munich, 5 February 2010. <http://www.fmprc.gov.cn/eng/wjdt/zyjh/t656781.htm>.

itself, should play a more prominent role in maintaining stability in the South China Sea, and speed up the Code on Conduct of Parties instead of the 2002 Declaration.

An admissibility of intelligence gathering activities in China's Exclusive Economic Zones. China and the US disagree on the interpretations of Articles 19, 25 and 30 of the UNCLOS which specify passage of foreign military vessels in a state's Exclusive Economic Zones. Nevertheless, the reasons behind this argument are easily discernible as both countries are jostling for influence in the Western Pacific. China is planning to establish its naval predominance within "the first island chain" which, in geographical terms, coincides with its claims in the South China Sea. In this context, the development of China's maritime programs doesn't make sense unless the operational space of the PLANavy is expanded.⁶ The US, strives to maintain the current status quo in Asia-Pacific waters, which means, among other things, unimpeded freedom of naval activity as Washington sees it necessary.

An admissibility to explore the resources of the South China Sea. It is China's position that the South China Sea falls within its internal waters and its "core interests". Consequently, any attempts by other actors to explore the resources of the South China Sea, no matter, states or non-state actors, should be authorized by Beijing. In its turn, the US stresses that the South China Sea and its resources are part of global commons, and these resources can be developed by any interested party, be it oil companies (Exxon Mobil, BP, Shell, Chevron and Murphy), or fishermen of littoral states.

At the bilateral level, the South China Sea issue causes deep disagreements not only in Sino-American, but also in Sino-Vietnamese and Sino-Philippine relations. The way things developed in 2010-12 leads to an obvious conclusion: the South China Sea claimants are neither able nor ready to solve emerging problems on the basis of win-win cooperation, mutual trust and respect. This is contrary to numerous statements repeatedly pronounced by their governments. In this connection, the assessment that the issue, given its depth, complexity and emotional sensitivity, will generate further contradictions in relations between the claimant states in

⁶ A detailed assessment of this trend is found in: Buszynski L. The South China Sea: Oil, Maritime Claims, and U.S. – China Strategic Rivalry. *The Washington Quarterly*. 2012. vol. 35. no. 2, pp. 139-156.

the years to come seems to be more than realistic.

The bilateral dimension of relations also includes the factor of nationalism which reveals itself in both escalation of territorial issues and pursuing individual interests at the expense of collective good. In the former case, suffice it to recall disputes in the East China Sea and the Sea of Japan, along with increased economic cooperation and plans to raise trade, investment and technological exchanges between the Northeast Asian countries to a qualitatively new level. Concerning the latter, the way the Southeast Asian states are moving towards the ASEAN Community reveals that Southeast Asia as an internally cohesive and integrated geo-economic region will long remain a catchy policy slogan rather than a realistic and attainable goal.

Finally, bilateralism as a mechanism of development includes differing – and, which is much more important, conflicting approaches to cooperation with the US and China, in terms of depth, scale and spheres this cooperation embraces. Since the US has been “back in Asia” and has made steps to strengthen its leadership in the Pacific, this “divergence of minds” has been on the rise. This also contributes to an increased polarization of relations between countries and territories of Asia-Pacific and hampers its cooperative development paradigm.

The multilateral dialogue in Asia-Pacific, in spite of many institutions designated to build confidence, prevents conflicts and, in the final analysis, contribute to the win-win cooperation, is also facing hard times. The key imbalances which this system is encountering are outlined below.

Multilateral dialogue platforms: rise in number vs. conservation in substance. The existing institutions like ASEAN Regional Forum, ADMM Plus and East Asia Summit can be rightfully regarded as brave ASEAN attempts to create a viable system of strategic checks and balances in Asia-Pacific. Nevertheless, progress in resolving urgent regional issues has been hampered by ASEAN institutional minimalism and its principles of cooperation based on consensus and a pace comfortable to all participants. As a result, these institutions are growing in number, as well as seriousness of the problems being discussed – but no tangible results are in sight.

Issues and approaches: complication vs. stagnation. With the passage of time, challenges which the region is encountering have undergone a

profound transformation. It has already been pointed out that the essence of the current contradictions on the South China Sea issue has very little in common with what existed ten or even five years ago. Nevertheless, up to now the ASEAN-centric multilateral platforms have been unable to respond to the changing situation, first and foremost, at the conceptual level. In practical terms, this means conservation of the instruments of conflict resolution rather than making them forward-looking, able to adapt to changes and therefore, effectively cope with current and emerging regional threats.

Trans-Pacific vs East Asian vector of multilateralism. At present, there are two parallel tracks of economic regionalism in the Pacific, the Trans-Pacific manifested by APEC and the US-led initiative Trans-Pacific Partnership (TPP), and the East Asian, exemplified by free trade and investment regimes being developed by East Asian countries. In many respects, these initiatives have proved to contradict rather than compliment to the cooperative paradigm of Asia-Pacific. Suffice it to say that the TPP is at variance with ASEAN prospective planning – to establish ASEAN Economic community scheduled for 2015 – and a subject of China's sharp criticism. The Free Trade Area of Asia-Pacific as the key APEC project doesn't seem to be realistic owing to many obstacles it is encountering. As for the most recent undertaking, the Regional Comprehensive Economic Partnership (RCEP), it still has to prove its utility to its members. Nevertheless, given that the US is not part of RCEP, a scenario under which RCEP will compete with TPP cannot be excluded.

All this is unfolding simultaneously with Asia-Pacific emergence as the main global powerhouse and the cutting edge of the future world order. Under these circumstances, the situation can be rectified, first and foremost, by efforts taken by established global powers with stakes in Asia-Pacific. One of these powers is India.

India in Asia-Pacific: A Power to Reckon with

The key economic, political and strategic trends currently developing in Asia-Pacific provide ample evidence for arguing that India is the *de-facto* key regional power whose influence upon the future evolution of the region will inevitably be growing. Evidence to confirm this assessment appears to be strong and overwhelming.

First, economic relations between India and the countries of Northeast Asia, Southeast Asia and South Pacific are on the rise. For instance, trade between India and ASEAN jumped from less than US\$ 10 billion in early 2000s to US\$ 79 billion in 2012. Given that in late 2012 India and ASEAN finalized their free trade agreement (FTA) in services and investments, to achieve the target of US\$ 100 billion by 2015, as it has been scheduled,⁷ seems to be a realistic task. Even assessments that mutual trade may have increased to US\$ 200 billion by 2022,⁸ are not beyond the realm of the 'possible'. In Northeast Asia and South Pacific, ambitious plans to expand economic cooperation with India are harboured by China, Japan, South Korea and Australia. Investment, technological and human resource exchanges between India and Asia-Pacific states have also intensified and hold good growth potential for the years to come.

In relations between India and ASEAN, it is especially important that they embrace many directions which correlate with ASEAN's prospective planning and in which the Association is particularly interested. Among them, of note is *connectivity* not only land connectivity, but also maritime and air connectivity. At present, infrastructure projects with India's contribution loom large in ASEAN's order of priority. In this light, the fact that ASEAN-India Partnership has recently been elevated to the strategic partnership is neither unexpected nor surprising.

Second, India is strengthening its defence and political ties with many Asia-Pacific countries. For instance, in Southeast Asia defence dialogue between India and Indonesia, Vietnam, Myanmar, Thailand and the Philippines is being actively developed. India seems to be using to the fullest potential, its strategic advantage. Given the traditions of non-alignment in its foreign policy, it is neither feared nor associated with a quest for hegemony. In Northeast Asia and South Pacific, of note are Australia's and Japan's plans to inject new vigour in their defence ties with India. But the most significant example is provided by the Australian leadership's readiness to raise the status of relations with India to that of

7 India, ASEAN Finalise FTA in Services, Investments. The Hindu. 20.12.2012. www.thehindu.com/business/Economy/india-asean-finalise-fta-in-services-investments/article4222052.ece.

8 India Harapkan Peningkatan Hubungan Ekonomi Dengan ASEAN. Antaranews.com. 20 Desember 2012. <http://www.antaranews.com/berita/349477/india-harapkan-peningkatan-hubungan-ekonomi-dengan-asean>.

the US, Japan, China, South Korea and Indonesia.⁹

These perceptions are explicable not in the least because India is paying close attention to developing its defence-industrial complex. Special emphasis is placed on upgrading the R&D potential of the national defence industry. Various forms of state support to enterprises as well as financial incentives in order to attract promising human resources are under consideration. Ways to optimize cooperation between defence and civil industry sectors are being elaborated. In this regard, urgent priority is attached to developing naval programmes; suffice it to mention that 16 per cent of the US\$ 80 billion allocated for defence needs is designated to the Navy. In qualitative terms, the naval modernization emphasizes acquisition and domestic production of technologically advanced weapons, among which aircraft carrier and submarine programs are given priority.¹⁰ All this will enable India to project its naval power beyond Indian Ocean, with the Pacific Ocean being a very likely direction.

Third, India has enough capabilities to influence upon important Asia-Pacific security challenges, first and foremost, in Southeast Asia. For instance, the South China Sea is important because Indian oil and gas company, Oil and Natural Gas Corporation (ONGC) is engaged in oil and gas exploration with TNK Vietnam and Petro Vietnam. A possible deployment of Indian warships to protect the country's interests in the South China Sea¹¹ will make the Indian factor in the South China Sea much more conspicuous than it is at present. Apart from the South China Sea, the Mekong issue deserves mentioning. In case Mekong-Ganga Cooperation Ministerial Meetings are held at the annual basis and new areas of cooperation are explored, as suggested by India in 2012,¹² this might produce an overall stabilizing effect upon the Mekong issue given that confidence between the Mekong actors will be growing. Also, this is

9 Australia plays catch up in India. East Asia Forum. 23.10.2012. // <http://www.eastasiaforum.org/2012/10/23/australia-plays-catch-up-in-india/>.

10 For details, see: India's Naval Acquisitions I: Defense Ship-Building in India. Thought Leadership Series. December 2011. // http://www.aviotech.com/pdf/Aviotech_Thought_Leadership_Series_Naval_Shipbuilding_December_2011.pdf.

11 See: Pandit R. Ready to Tackle China Sea Threat: Navy Chief. The Times of India. 4.12.2012. // http://articles.timesofindia.indiatimes.com/2012-12-04/india/35594081_1_south-china-sea-accordance-with-international-laws-vietnam-coast.

12 6th Mekong Ganga Cooperation Meeting. 6.09.2012. // <http://thecalibre.in/in-depth-current-affairs/6th-mekong-ganga-cooperation-meeting/092012/?p=1214/>.

very important given the Mekong issue will with a great degree of certainty become the key Southeast Asian security challenge in the near future.

Last but not least, India is an influential participant of the key East Asian and Trans-Pacific multilateral dialogue platforms. For instance, India has been in EAS, ADMM Plus Eight and the Expanded ASEAN Maritime Forum since their inception and joined ASEAN Regional Forum a short time after it was established. Currently, another possible undertaking is catching observers' attention: India, together with Australia and New Zealand, may become part of the Chiang Mai Multilateral Initiative. This step is considered to bring about profound favourable repercussions for that financial safety mechanism.¹³

On the whole, India's influence in Asia-Pacific is on the rise. In future, this trend is likely to continue due to a number of reasons. In the economic realm, many East Asian states seem to be eager to both avoid being in the epicentre of the unfolding Sino-US geo-economic competition and develop promising alternative partnerships. This is more so since in economic terms, the options which have been and are being offered to these countries by the US and China turn out far from being as attractive as they could have seemed initially, no matter what Washington and Beijing may claim. For instance, the TPP has not too many economic benefits to offer to its Asian participants, while the results of China-ASEAN Free Trade Area are mixed at best. Under these circumstances, the diversification of economic ties becomes an urgent priority of many Asia-Pacific nations. In light of this, of note is the quote from a Hitachi representative regarding the company's prospective planning: "Japan in the past, Thailand now, India in future".¹⁴

Furthermore, given an eye-catching trend towards trade in services liberalization, it will be in India's interests to capitalize on its many highly developed service sectors. According to the Strategic Global Outlook-2030, a research project carried out by the leading Russian think-tank IMEMO in 2011, in the next two decades, India's service sector is expected to be

13 See, for instance: The Next Steps in ASEAN+3 Monetary Integration. Research Institute on Economy, Trade and Industry. 27.05.2012. // http://www.rieti.go.jp/en/special/p_a_w/015.html.

14 Japanese companies keen on investing in India but want stable policy. 24 01.2013. // <http://post.jagran.com/japanese-companies-keen-on-investing-in-india-but-want-stable-policy-1359003017>.

developing at an increasing tempo.¹⁵ In this regard, one shouldn't forget that along with the free trade boom in East Asia, in many countries' service sectors remain underdeveloped. This gives India a strong competitive advantage.

Third and finally, in geopolitical terms ASEAN, the locomotive of the key multilateral dialogue platforms in the Pacific, is likely to welcome a more active Indian contribution to strengthening regional peace and stability. The reason is clear – in the unfolding Sino-American geopolitical competition ASEAN fears regional destabilization and regards India as an influential power in whose interests is to prevent this scenario.

All this is unfolding simultaneously with Russia's move eastward. In this connection, a logical question arises: how should Moscow see it? The answer is as follows: the current and expected rise of India in Asia-Pacific is not against Russia's interests. Of course, a long history of friendly and constructive relationships plays its role. But much more important is another factor, i.e. currently, Russia and India have very close strategic priorities in Asia-Pacific.

This assessment is substantiated by strong evidence. In fact, both India and Russia are established global powers trying to assert themselves in Asia-Pacific. Neither India nor Russia is interested in the polarization of the region as a result of Sino-American confrontation. Both see a peaceful regional milieu as the vital prerequisite to maintain economic development. Both share the same historical experience as not to take sides in geopolitical games played by other powers. Last but not the least, both have sufficient economic capabilities to pursue independent foreign policies.

No less significant is a convergence of Indian and Russian interests at the global level. Russia and India share the view that the new world order must be polycentric and inclusive. The latter point means that within this emerging global equilibrium, China must be one of big but not a dominant power. Also, both parties agree that current global issues cannot be effectively settled without a more active participation of developing countries in global trade, investment and financial exchanges, and that

15 Брагина Е.А., Володин А.Г., Лунев С.И., Мачавариани Г.И. Индия и Южная Азия. Стратегический глобальный прогноз 2030. Расширенный вариант / под ред. акад. А.А.Дынкина. – М., 2011. – С. 407. (Bragina E., Volodin A., Lunev S., Machavariani G. India and South Asia. Strategic Global Outlook 2030. Extended Version. /Ed. by Alexander A.Dynkin. – М., 2011. – P. 407. (in Russian)

these countries can and should become the driving force of global growth.¹⁶ Given that at present Asia-Pacific issues are rapidly globalizing, the role of this factor cannot be underestimated.

With all this in view, India's intention to raise its profile in Asia-Pacific does not run counter to Russia's priorities in this part of the world. On the contrary, points of convergence ultimately prevail.

What Will India's Future Rise Bring to Asia-Pacific?

To construct future scenarios is always an enviable task as many factors which cannot be foreseen are constantly growing in number. Nevertheless, along with the rise of India in Asia-Pacific, the overall regional situation will probably become more stable and cooperative. Before going into details, some preliminary remarks are necessary. In the early 2010, key political, economic and defence trends suggest pending shifts in Asia-Pacific equilibrium. Among the factors that will shape the parameters of the emerging regional order. Among these two are particularly noteworthy.

First, contradictions between China on the one side and the US and its Asia-Pacific allies on the other will probably be growing. To substantiate this point, it is important to have a look at shifting naval balance in the Asia Pacific. Although Washington is trying to reinvigorate its regional partnerships and harbours ambitious plans to increase its presence in these waters, ample evidence suggests that the US potential has reached its maximum. Owing to budgetary constraints, a modest supply network and a necessity to disperse energies to directions other than Asia-Pacific, are just a few factors. Against this, PLANavy's capabilities are on the rise, given massive financial injections which resulted in China testing its aircraft carrier and upgrading its submarine fleet. Although still at an initial stage, but in due course of time, these processes can significantly alter regional strategic balance. Other examples include conflicting schemes and initiatives of economic regionalism, Sino-American contradictions relating to the US' missile-defence system in Asia-Pacific, and the like. Under these circumstances, for many states of the region, an uncomfortable prospect to

¹⁶ Soviet and Russian experts have traditionally paid very close attention to the bilateral vector of relations between USSR/Russia and India. The most recent assessment can be found in: Тезисы о российско-индийских отношениях: рабочая тетрадь № III, 2013 /Гл. ред. И.С.Иванов. – М.: Спецкнига, 2013. (Theses about Russo-Indian Relations. Working Paper № III, 2013 /Ed. by I.S.Ivanov. – M.: Spetskniga, 2013. (In Russian)) // http://russiancouncil.ru/common/upload/wp_russiaindia_313.pdf.

choose between Washington and Beijing is becoming very real.

The second trend is an increasing prominence of trans-national infrastructure projects, mainly in transport and energy sectors, are priorities of Asia-Pacific countries. It is exemplified by Master-Plan on ASEAN Connectivity, ASEAN Strategic Transport Plan, railways and motorways from China to Indo-China, the idea of the trilateral trans-Korean projects – the railway, the gas pipeline and the transmission lines from Russia to ROK via DPRK – which is still alive in spite of an awful state of inter-Korean relations. Needless to say in case implemented, this large-scale construction may make invaluable contribution to strengthening regional stability.

In sum, Asia-Pacific is currently facing a “bifurcation point” and the balance between the key trends influencing upon the future evolution of the region is very fragile. India can play a significant role in strengthening the cooperative paradigm of Asia-Pacific. The expected consequences are as follows:

First, this may have a positive influence upon regional stability. This is predetermined by the already mentioned India’s economic potential combined with its independent foreign policy and non-alignment traditions. It should be stressed again that under the current trend towards the “globalization” of Asia-Pacific affairs, this stabilization will be possible by exploiting the potential of established global powers. This cohort includes India.

Second, economic cooperation between Asia-Pacific states will receive a strong impetus. In future, as bilateral free trade regimes and the project RCEP are developed, India factor will be increasingly felt in the Pacific.

At this juncture, of note are ASEAN’s plans to use India’s and China’s contribution to finance infrastructure projects in Southeast Asia. Currently, the Association is elaborating on turning ASEAN infrastructure fund into Asia Infrastructure Fund.¹⁷ For ASEAN, this may be helpful in moving towards ASEAN Economic Community given very high costs it evokes. But with regard to China, apprehensions exist that it might have plans to

¹⁷ ADB to tie up with India and China for ASEAN Infrastructure Fund. Business Standard. 21.01.2012. // http://www.business-standard.com/article/economy-policy/adb-to-tie-up-with-india-and-china-for-asean-infrastructure-fund-112012100078_1.html.

develop a kind of "China – Indo-China connectivity"¹⁸ which will compete with ASEAN vision of regional connectivity. In India's case, this perception is absent.

Third, no matter how unexpected it seems, India factor may positively influence upon the situation in the South China Sea. Currently, the South China Sea issue is rapidly globalizing, and to place it in its previous China-ASEAN framework is impossible whether or not some parties may like it. Given this trend, it is not appropriate to use the potential of India, a country with entrenched peaceful traditions of foreign policy and non-alignment thinking, to have its say in order to make the situation in this maritime area more cooperative than it is now? Based on the assumption that India's strategic interests are best served by achieving greater regional stability and reckless steps are out of the question; this idea deserves attention.

All this appears to be in congruence with Asia-Pacific priorities of the Russian Federation. Currently, Russia, at least at the expert level, is exploring the niche of a great non-allied Pacific power whose interests is to prevent the aggravation of Sino-US geopolitical rivalry and maintain the stable regional milieu. The latter is seen as the key prerequisite for successful economic modernization of Russia's Siberia and Far East.¹⁹ Also, infrastructure development is occupying one of the top priorities in Russia's Pacific objectives and in this context it is useful to recall the agenda of the APEC Summit-2012.²⁰ Last but not the least, Russia is developing a balanced and problem-solving approach to the South China Sea issue. This approach is premised on the assumption that Russia should dissociate itself from any developments that can provoke tensions and more actively implement projects which may lessen contradictions, strengthening energy security, develop alternative transportations routes, etc.²¹ At this juncture, a

18 This point is elaborated in: Wade G. ASEAN Divides. // Regional Outlook. Southeast Asia 2011-2012. Ed.by Montesano M., Lee Poh Onn. – Singapore: ISEAS, 2011. P. 18-21.

19 For more details, see: Sino-American Rivalry in Asia: Conclusions for Russia. // Security Index. 2012. Vol. 18. N. 4(101). P. 45-62.

20 Sumsky V., Koldunova E., Kanaev E. Russia's Interests in the Context of Asia-Pacific Region Security and Development. Report. RIAC/RSC APEC/Ed.by I.S.Ivanov. – Moscow: Izdatelstvo Prospect, 2012. // http://russiancouncil.ru/en/inner/?id_4=684#top; APEC-2012 Priorities. // <http://www.apec2012.ru/docs/about/priorities.html>.

21 See, for instance: Kanaev E. Russia and the South China Sea Issue: in Search of a Problem-Solving Approach. IMEMO Comments. 15.11.2011. // http://www.imemo.ru/en/comments/151111_Kanaev.pdf; Kanaev E. The South China Sea Issue: a View from

scenario that has a positive influence upon the globalizing South China Sea issue will be exerted by concerted efforts of responsible regional powers, with India and Russia being among them doesn't seem to be unrealistic.

In sum, there is enough evidence for arguing that India has enough resources, political, economic and reputational, to play the role of an Asia-Pacific "stabilizer", non-aggressive, responsible, and strengthening cooperation and compromise thinking. The position that other Asia-Pacific states, including the Russian Federation may only welcome.

Conclusion

It has become a commonplace to argue that the centre of gravity in the global economy and politics is shifting to Asia-Pacific. If so, in the same direction are also moving unresolved global contradictions. Evidence to substantiate both points is in overabundance. In case the latter trend grows, which is a likely scenario; further polarization of Asia-Pacific seems imminent, which is the most upsetting for its countries and territories. Contrary to the Cold War era, this time their new "economic miracles" are very likely to be out of the question.

The situation is aggravated by a widening imbalance between Asia-Pacific development goals, mechanisms and institutions. At present, this process is just increasing its tempo, but with a lapse of time it will undermine the existing trends towards mutually beneficial cooperation and compromise thinking.

Under these circumstances, to give a fresh impetus to the cooperative evolutionary paradigm of Asia-Pacific becomes a pressing necessity. It seems that India, an established and respectful global power whose significant economic potential is underpinned by independent foreign policy and entrenched non-alignment traditions, has good chances to achieve this goal. This will be appreciated by other Asia-Pacific nations for a very simple and obvious reason: it is exactly what most of them expect from New Delhi.