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The Third Wins –
Unnoticed Rise of the
Eurasian Rimland

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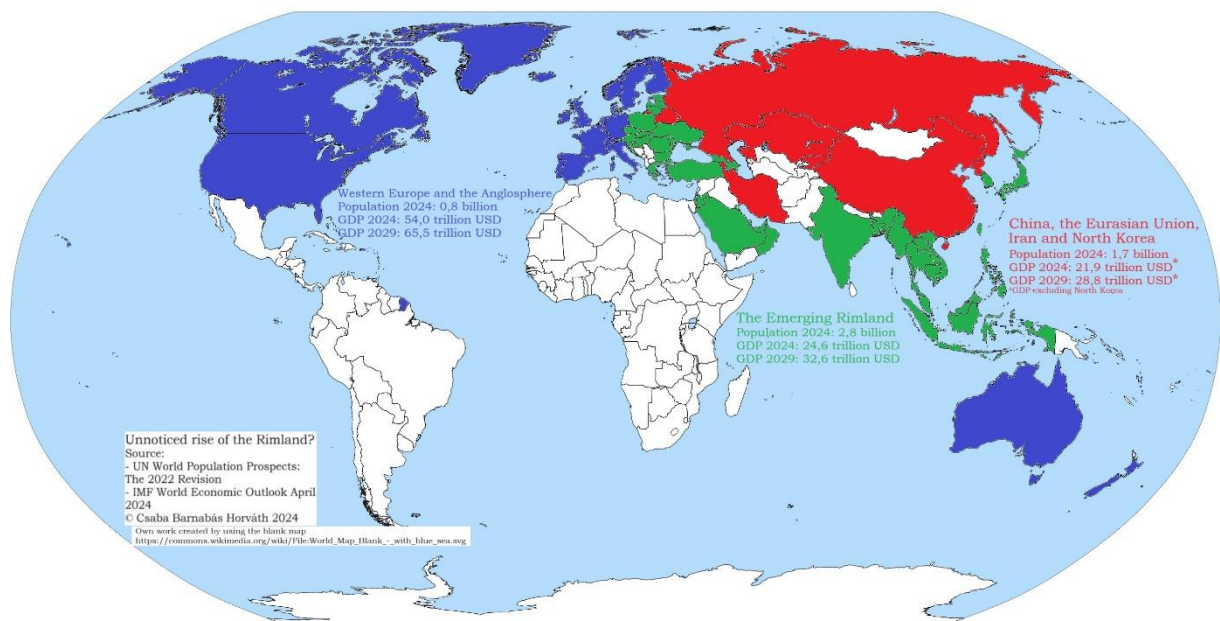
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Abstract

While the West on the one hand, and the increasingly converging coalition of the four autocracies of China, Iran, North Korea, and Russia covering much of the central part of Eurasia is much in the focus, there is much less focus on the lands in between, on the belt of rather West-leaning emerging economies of what Spykman called the Rimland, an emerging belt stretching from Eastern Europe through the Gulf States and India all the way to Southeast Asia. This belt, however, may be the actual main beneficiary of the rivalry of the former two.

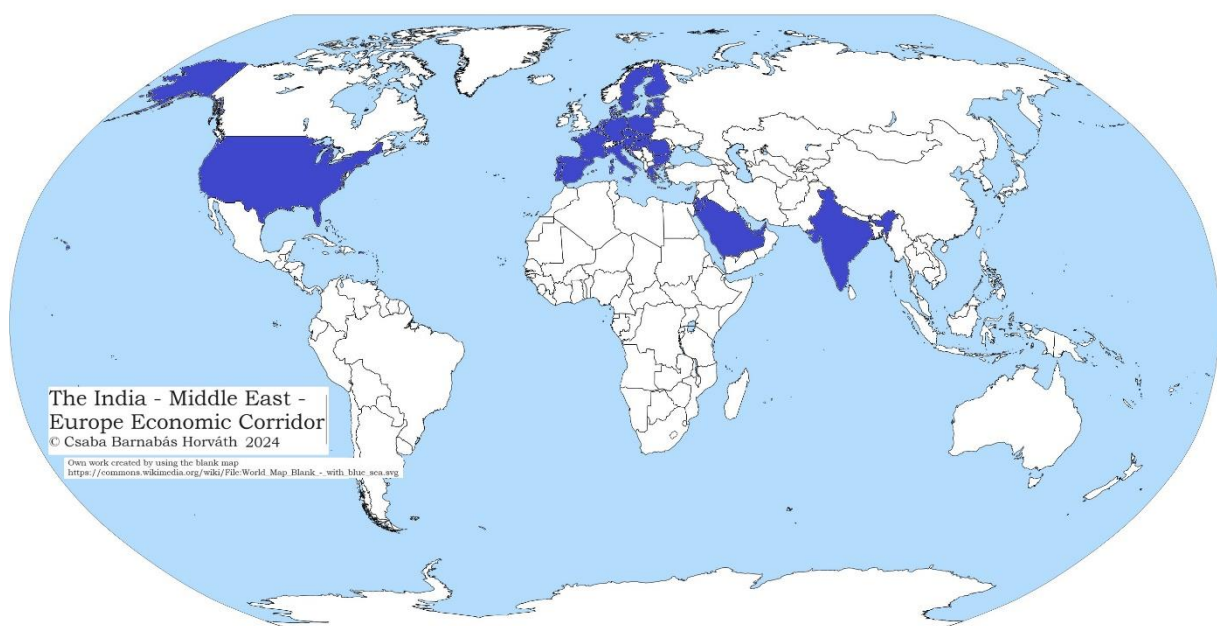


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The IMEC and the Quad

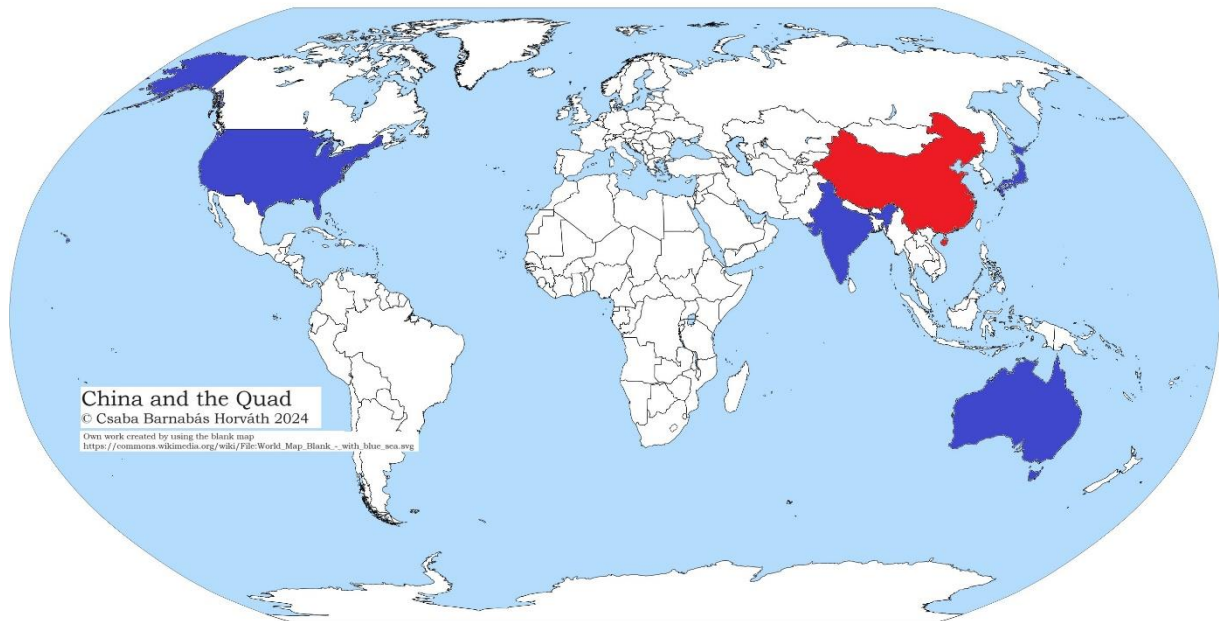
The newest initiative within this belt, the India - Middle East-Europe Economic Corridor, the IMEC was established on the 10th of September 2023, as an initiative of international trade and connectivity, that consists of the European Union, India, Israel, Jordan, Saudi Arabia, the United Arab Emirates, and the United States. The IMEC is strongly backed by the United States to connect Europe with India through the Middle East. As such, it appears to aim to establish a US-backed Eurasian alternative to China's Belt and Road project.



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What can be considered as the backbone of the belt under our discussion is however not the IMEC, but the Quadrilateral Security Dialogue (Quad), the strategic partnership of Australia, India, Japan, and the United States, that was formed with the undeclared, but rather obvious aim of containing China. With the United States and India, participating, in the IMEC, it also includes the two largest members of the Quad. The Quad has existed since 2017. Despite the rise of China, it is unlikely, that it will ever exceed the combined economic and military weight of the four participants. As India is

also a member of the Quad, the IMEC initiative would in a way, connect Europe to the Quad.



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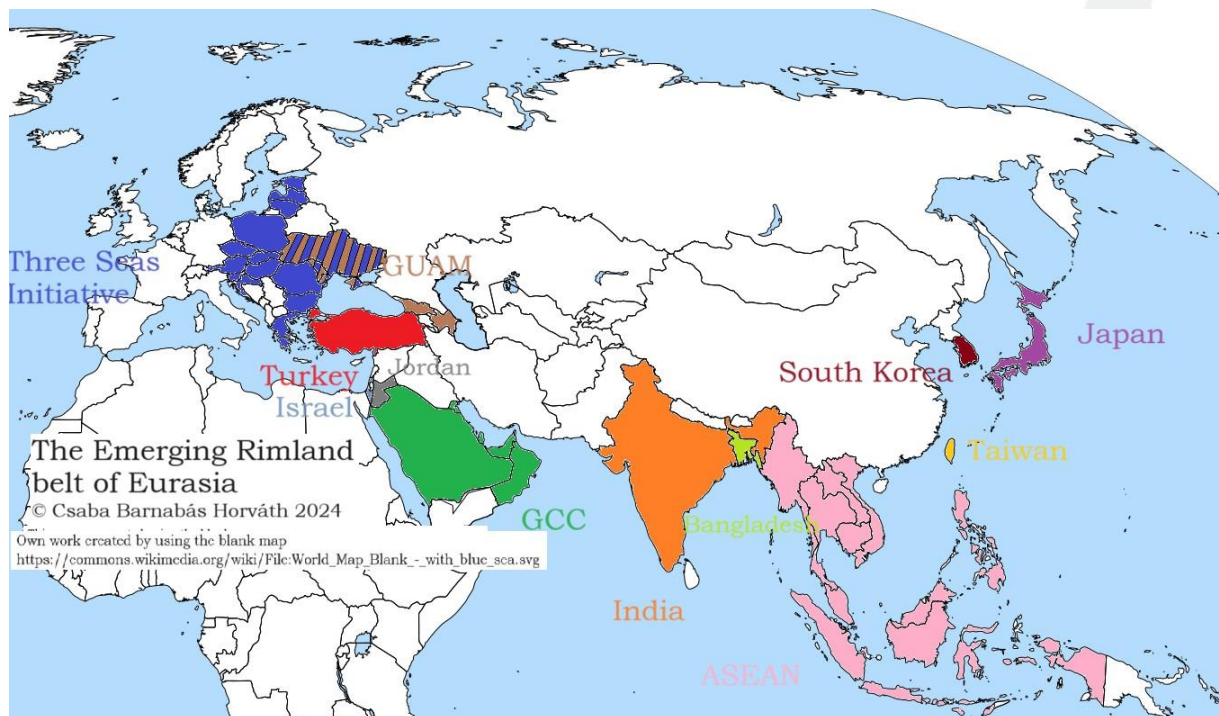
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Australia and Japan are traditionally treaty allies of the US, therefore their presence is self-evident. What is a major change compared to the Cold War era, however, is the ever-closer strategic partnership between the US and India. The background of this cooperation is the shifting of international alignment since the end of the Cold War and its impacts on India. Since the Himalayan war of 1962, China and India have been strategic adversaries. Due to the Sino-Soviet split, however, oddly enough, the Soviet Union became India's main strategic partner against China for most of the Cold War. This Indian-Soviet strategic partnership became especially strong in the 1970s and 1980s, when by triangular diplomacy, the United States established a partnership with China against the Soviets, therefore further alienating India, the adversary of China. In fact, as these decades were marked not only by a US-China partnership, but also by a USSR-India partnership, the phenomenon can rather be called rectangular diplomacy, where, crossing ideological lines, the largest communist country of the Global South aligned itself with the United States, and the largest Western-style democracy of the Global South with the Soviet Union. This rectangular diplomacy fell apart after the end

of the Cold War, when, on the one hand, the US and China turned from strategic partners to each other's main adversaries, and on the other hand, China and Russia, turned from enemies to strategic partners. This left the United States and India as the most practical strategic partners against China. India also tried to maintain amicable ties with Russia, but the closer Russia got to China, the less useful it became to it as a hedge against China. The Russian invasion of Ukraine especially hampered India's efforts to build on Russia as a partner against China. Meanwhile, India and the United States established a thriving strategic partnership.¹²

The Emerging Eurasian Rimland

The Quad and the IMEC represent the backbone of a belt in Eurasia that is marked by certain characteristics and may be the main beneficiary of the upcoming decade due to certain factors. This belt can be characterized as the emerging economy of Spykman's Rimland. In the geopolitical literature of the early 20th century, while Mackinder identified the Eurasian Heartland, the central regions of Eurasia as the geographical pivot area, Spykman came to an opposite conclusion and identified the Rimland, the coastal belt around the Heartland as such. Geographically, the region in question greatly coincides with the Rimland as defined by Spykman.³⁴



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The Quad and the IMEC represent the backbone of a network of alliances, initiatives, and regional blocks with the Quad members in their cores, a network of rather West-leaning alliances that constitute the belt in question. The Quad Plus initiative also includes South Korea, Vietnam, and New Zealand. South Korea and the Philippines are collective security allies of the United States, while Taiwan is a de facto ally of it under the Taiwan Relations Act. The Philippines and Vietnam are members of the ASEAN, which covers Southeast Asia, and most of its members maintain amicable relations with the United States and other members of the Quad. (Although some of its members - Cambodia, Laos, and Myanmar- are China-leaning.) India launched the Act East policy, under which it pursues enhanced relations with the ASEAN. Further west, Saudi Arabia and the UAE are key members of the GCC, which includes the wealthy Gulf States. In Europe, the Three Seas Initiative group covers most of Emerging Europe, at the crossroads between Europe, Asia, and the Mediterranean, as well as the GUAM group, consisting of the Western-leaning successor states of the Soviet Union, Georgia, Ukraine, Azerbaijan, and Moldova. Although, as Moldova and Ukraine are also partner-participants of the Three Seas Initiative, the GUAM group also greatly overlaps the former. While not a member of the GCC, Jordan in the Middle East is also part of this belt, as it is a participant in the IMEC and the most West-leaning Arab state in the Middle East outside the GCC. Last but not least, we have every reason to include unaligned Bangladesh in the group, with its economy predicted to have the fastest average growth among all countries of emerging Asia according to the IMF.⁵

Not only geographically, but also in several other aspects, this belt represents the region in between the Western World, here defined as Western Europe and the Anglosphere, and its main adversaries, China, Russia, Iran, and North Korea, which, in geopolitical terms, can be described, as autocracies of Mackinder's Heartland. Of course, the regions in question do not exactly fit Mackinder's Heartland and Spielman's Rimland. For instance, Mackinder sorted most of China to the Rimland. By and large, however, these converging groups of states start to outline China, Russia, Iran, and North Korea as a group of autocracies in conflict with the West in the middle, and the belt discussed in this paper stretches around it in a crescent shape, consisting of countries that are mostly Western-leaning regarding this systemic conflict.

The CEE region is between Western Europe and Russia, Turkey and much of the Middle East, India, and much of Southeast Asia, ending in Japan and South Korea in Northeast Asia. Of course, no textbook definition is perfect, as real life is usually more complex. In this case, Japan, while being an advanced, and not an emerging economy, shares much of the geopolitical conditions, and as a result, is also the beneficiary of those factors that benefit this belt. The perspective of this belt to become the main beneficiary of the upcoming decade is based on the combination of three factors: friend-shoring, offshore balancing by the United States, as well as the rise of Asia.

Trends helping the rise of the Emerging Rimland

Offshore balancing is a strategy, where instead of a direct military presence, and close-knit alliances, a power backs the enemy of its enemy, to enable the former to contain the latter. In the case of the United States, the main trends that can be interpreted as such are to provide military equipment, economic assistance, and in some cases nuclear umbrella for countries that pursue geopolitical aspirations that counter the aspirations of powers that the US wants to contain. Such a strategy would reduce the rule of the US to that of the power that tilts the balance in rivalries between its adversaries, and the adversaries of its adversaries.⁶⁷⁸

The geopolitical characteristics of the countries of this belt, that make them the beneficiary of US offshore balancing, is that they are in most cases direct neighboring countries of powers that the United States views as threatening: China, Russia, Iran, and North Korea. The Polish-Ukrainian axis, and potentially the entire Three Seas Initiative is adjacent to, and a geopolitical counterbalance of Russia, Israel, and Saudi Arabia are that to Iran and its allies, while Turkey is in a similar position relative to both Russia and Iran. India, much of the ASEAN, especially Indonesia, the Philippines, and Vietnam, as well as Taiwan, Japan, and South Korea, are in a similar position relative to China. Japan and South Korea are in such a position relative to North Korea as well, while Japan is relative to Russia too.

Regarding Europe, the increasing pressure of Donald Trump on European NATO member states to raise their military expenditures to 2% of their GDP can be interpreted as a shift towards offshore balancing. While NATO continues to be a close-knit alliance, such a shift would reduce direct US military presence in Europe and increase the role of European militaries. While it is not stated, increased European military capabilities and decreased US military presence would most likely increase the strategic autonomy of European powers. Not necessarily that of Europe as a whole, as hitherto Europe has lacked the political unity to step up as a single player. But still, it would increase the strategic autonomy of individual European powers. Within Europe, the CEE region seems to play an increasingly important role on its own. With its military build-up, Poland will soon have the strongest army in Europe: if everything goes according to the announced plans, by 2035, Poland will have six armored divisions, more than France, Germany, and the United Kingdom combined, while with the announced artillery purchases, it will have more firepower, than France, Germany, Italy, and the United Kingdom combined.⁹ While not compatible with Poland, if Ukraine survives the war, its military buildup will also make it a significant military power, and as Poland and Ukraine formed a close-knit alliance against Russia, this Polish-Ukrainian axis, with Poland as the senior, and Ukraine as the junior partner, with its combined population reaching half of that of Russia, and their combined armies potentially being

equal to that of all of Western Europe, may become the main European geopolitical counterbalance of Russia. As the combined population of the countries of the Three Seas Initiative with the inclusion of Ukraine equals that of Russia, and roughly half of this is represented by Poland and Ukraine, if other countries of the CEE region bandwagon with the Polish-Ukrainian axis, even if not all members of the Three Seas Initiative are included, such a CEE bloc could arguably become a significant international player on its own between Russia and Western Europe to a degree unprecedented since the Austrian, Ottoman, Prussian and Russian empires subjugated and partitioned the region in the early modern era.

While the rise of Turkey, with its own middle power agenda, criticized as neo-Ottoman by many, distances it from its role as a committed NATO member and US ally to a certain degree, its aspirations conflict those of both Russia and Iran make its bare presence an obstacle for both Russian and Iranian aspirations.

On the opposite end of the Eurasian landmass, the re-militarization of Japan is transforming it from a country relying on the US for defense to a formidable middle power in its own right, a shift towards offshore balancing again, in this case at the doorstep of China, the number one global adversary of the United States. With its plans to have four aircraft carriers by 2030,¹⁰ Japan is arguably on track to build up the third strongest navy on the planet right after the United States and China. The significance of this trend is underlined by the fact, that China plans to have six aircraft carriers by 2030.¹¹ Therefore, Japan's four planned aircraft carriers compared to China's six in practice means that despite being dwarfed by China, Japan will be surprisingly close to China in naval power. Considering the fact that much of China's naval power will likely be tied down in the South China Sea, and by its global aspirations, Japan will likely concentrate its naval presence on its own defense, and can certainly rely on more or less US naval presence, Japan can likely have the upper hand against China along the maritime boundary of the two countries in terms of naval power.

The most apparent cases of offshore balancing, however, are countries that unlike the NATO members or Japan, don't even have a security pact with the United States, and are, as such, truly powers on their own. Most of such powers lie along the southern part of Spykman's Rimland, along the Indian Ocean. The most important of these actors is India, the most populous country on the planet, which will become the third largest economy before the end of this decade,¹² and its own great power agenda is increasingly becoming a key obstacle to China's Asian aspirations. Israel and Saudi Arabia also belong to this category. Their presence is the main obstacle to Iran's aspiration. In certain ways, even Indonesia can be sorted into this group. While identifying itself as a non-aligned power, the strongest member of ASEAN has a maritime border dispute with China and blocs China's naval access to the Indian Ocean.

Thus, even if viewed as unaligned, its mere presence is a geopolitical obstacle for China, and not for the United States, therefore enabling the latter as opposed to the former in the rivalry of the two. Moreover, despite identifying itself as unaligned, Indonesia even receives military assistance from the United States.¹³

Of course, the offshore balancing suggests a trend of looser partnerships, not close-knit alliances. This is especially true for countries that pursue their own great and middle-power agendas, for Poland, Ukraine, Turkey, Israel, Saudi Arabia, India, Indonesia, and Japan. However, this is perfectly sufficient, as the bare existence of these geopolitical agendas contains the aspirations of those powers, that the United States views as its adversaries: Poland, Ukraine, and Turkey contain the aspirations of Russia, Israel, and Saudi Arabia contain the aspirations of Iran, while India, Indonesia and Japan contain the aspirations of China. For this, these countries do not need to be close-knit allies of the US, -although some of them are-, it is perfectly sufficient for them to exist, and assert their sovereignty to do the job. In other words, we can call this trend as outsourcing containment.

Friend-shoring is the phenomenon, where countries start to invest with not only profitability in mind but also whether the country where they invest is an ally or an adversary. Arguably, the reindustrialization program of Donald Trump can already be interpreted as the start of this trend, and it has been continued by the United States during the Biden administration, and other countries followed the trend as well.¹⁴ While the large-scale impact of friend-shoring hasn't been apparent for several years, it became so by 2022-2023, with India, Mexico, and Vietnam, and the US-friendly countries of the CEE region having become the main beneficiaries of the trend, and China the main loser. The average annual value of announced greenfield FDI projects was above 70 billion USD for China in most years between 2004 and 2020, but fell below 30 billion in 2022, while that of India was below 50 billion during most of the same period, but shot above 80 billion in 2022, and even US friendly Mexico and Vietnam surpassed China in this metrics in 2022, after having been way behind it throughout the previous two decades.¹⁵¹⁶ To make things worse for China, in the last quarter of 2023, foreign direct investment inflows to China fell into negative area for the first time since China started to publish such data in 1998, with more capital pulled out from the country, than invested in it.¹⁷ The trend also means a major setback for the Belt and Road Project for China, with Chinese FDI inflow into the rest of Asia having fallen by 44,3%, and to Emerging Europe (the CEE region) by 31,3% between the period of Q1 2015 – Q1 2020, and the period of Q2 2020 – Q2 2022. US investment into Emerging Europe, which is basically the equivalent of the CEE region, has risen by 19,4% in the same period.¹⁸ Thus, all this is the phenomenon of friend-shoring, while taking out the steam from China's economic growth, and even from its Belt and Road project, blowing it into the growth of the emerging economies of the Rimland from the CEE

region across India to Vietnam. These trends are also highlighted in the GDP growth forecast by the IMF in their April 2024 World Economic Outlook, predicting that major economies of South and Southeast Asia, such as Bangladesh, India, Indonesia, and Vietnam will grow much faster during the second half of the 2020s than China:

Predicted GDP Growth in China, and Selected Economies of South and Southeast Asia ¹⁹	2024	2025	2026	2027	2028	2029
China	4,64%	4,09%	3,77%	3,58%	3,38%	3,31%
Bangladesh	5,70%	6,60%	7,10%	7,20%	7%	7%
India	6,81%	6,46%	6,47%	6,48%	6,49%	6,50%
Vietnam	5,82%	6,50%	6,50%	6,50%	6,50%	6,50%
Philippines	6,16%	6,18%	6,19%	6,32%	6,32%	6,40%
Cambodia	6,03%	6,12%	6,09%	5,95%	5,76%	5,50%
Indonesia	4,96%	5,06%	5,06%	5,06%	5,07%	5,07%

An additional strength of the region in question is that it includes India and the ASEAN with a demographic growth much stronger than that of China, and also than that of Japan or Russia for that matter. While today China and India have roughly the same population, the number of children and younger is twice as many in India than in China, and while today the population of China is twice as much as that of the ASEAN, the population of the cohort under four is roughly the same in ASEAN, as in China. This means that within one generation, India could have a population twice the size of China, while India and the ASEAN combined can have a population three times of the size of China. Overall, in both economic and demographic terms, we can conclude, that the Emerging Rimland is actually becoming the more dynamic half of Asia.

Demographic shift within Asia ²⁰	2024		2024 children under the age of 4	
	pop. in millions	share of World	pop. in millions	share of World
China	1426	17,56%	57	8,73%
India	1442	17,76%	112	17,15%
Japan	123	1,51%	4	0,61%
Russia	144	1,77%	7	1,07%
Southeast Asia	694	8,55%	54	8,27%
World	8119	100,00%	653	100,00%

An additional interesting aspect is that within countries participating in the Quad and IMEC, we can identify a belt of conservative democracies. In the countries of Eastern Europe represented in the Three Seas Initiative, Israel, India, Japan and South Korea it is a common feature that while they are democratic societies, according to the Inglehart-Welzel World Cultural Map, based on the World Values Survey & European Values Study, they represent more conservative values than similar democracies of Western Europe and the Anglosphere.²¹

Conclusion

As we can see, the emerging Eurasian Rimland is increasingly showing signs of becoming the third player who may be winning the fight between the West and the autocratic Eurasian Heartland of China, Russia, Iran, and North Korea. As we can see, it can combine the advantages of the economic rise of Asia, and multipolar trends in the world, while also being backed by the West, especially the United States. By outsourcing containment to great and middle powers of this belt, the United States is basically assisting these countries in their own geopolitical aspirations, as their mere presence functions as a counterbalance to Chinese, Russian, Iranian, and North Korean aspirations. Therefore, the United States in fact accelerates the shift towards a multipolar world order, as several of these states and regional blocs aspire it also having a good chance to become major players on their own right in this new multipolar world order. While offshore balancing enables them to grow? their military power, friend-shoring helps them their economic growth. Thus, while in several ways great and middle powers of this belt are as much aspirants and beneficiaries of the multipolar shift of the global order, as China, Russia, Iran, and North Korea are by being geopolitical adversaries of the former, they also enjoy support of the West, while it

works on containing the former group of countries. The Emerging Rimland could be a promising opportunity for Hungary's foreign policy as an alternative to China's Belt and Road Initiative. It offers the opportunity to deepen relations with the majority of Asia, without security risks and tensions in relations with the United States and other Western allies, difficulties that are in the cards regarding close ties with China or Russia. However, as the United States is one of the main proponents of the IMEC, deeper involvement in it would most likely also enable Hungary to deepen its relations with the Emerging Rimland becoming the more dynamic half of Asia.

Endnotes

- ¹ <https://www.isas.nus.edu.sg/papers/russia-in-indias-great-power-diplomacy/>
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- ¹⁸ <https://www.elibrary.imf.org/display/book/9798400224119/CH004.xml>
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- ²¹ <https://www.worldvaluessurvey.org/WVSContents.jsp?CMSID=Findings>

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