

Konrad-Adenauer-Stiftung e.V.

Jakarta 6. November 2018  
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November 2018

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# Challenges and Opportunities for Europe

## Statement at the German-Indonesian Security and Strategy Forum in Jakarta on November 6, 2018

*Selamat siang, ibu-ibu dan bapak-bapak* (Good afternoon, ladies and gentlemen).

As you learnt this morning the law observing German giant Gulliver does not need dozens of dwarfs to be tied and entangled he achieves that himself by producing a jungle of laws. But he knows the way out: As soon as Gulliver understands that he needs political will to cope with a problem he will act, always late but so far never too late.

Against this background I will address the South China Sea (SCS) issue under the heading Challenges and Opportunities for Europe.

I am grateful for the invitation to Jakarta and I appreciate the opportunity of sharing a European perspective with Indonesian colleagues in a discussion of the South china issues. But I have to add a disclaimer: I am speaking strictly on a personal basis, my views should not be taken as an official line and I will talk of SCS as a whole although I am aware that the Indonesian government renamed parts of it North Natuna Sea.

Clearly, the South China Sea dispute is at this very moment not the focal point of strategic debates in Europe, let alone in its probably most inward looking major European country, Germany. Europe is struggling with the centrifugal tendencies triggered by the unfortunate British Brexit vote and many European countries have to look inward at a time when the political landscapes in quite a few are fundamentally changing. These inward looking attitudes are probably unavoidable in democracies but they are nevertheless definitely

wrong since the world is at a defining moment and global long-term thinking and a Europe speaking with one voice is more badly needed than ever before since the end of the Cold War.

The brief moment of the uni-polar world dominated by the US came to an end at 9/11, a truly multi-polar world may emerge but it does not yet exist since there is no balance no balance of power: The between the two truly global centers, US and China, cannot produce it and the two other not full fledged centers, Europe and Russia, do not dispose of fully developed global capabilities. More importantly, however, there is an emerging competition between at least two concepts of a world order: There is the Western model of a rule based democratic order in which the power of the laws controls the power of the mighty and in which the individual enjoys the protection enshrined in the Declaration of Human Rights. And there is the Chinese model, which President Xi Jinping hailed as the new model of global order at the last party congress. It is based on the traditional ideas of Confucius and not so much on communism. It promises economic wellbeing to all who obey to the rules and fulfill their duties but it leaves little to no room to individual freedom. These two models will compete since they cannot be reconciled for one simple reason: The Western model promises individual freedom, the Chinese model does not. Hence, the world is at the brink of new global competition, which will primarily take place in Asia. The trick will be to ensure that it will remain a cooperative competition and not become confrontational.

It is this larger and truly global picture against which a European has to look at the South China Sea issues. The South China SCS issue is embedded in the concept of the New Silk Road or OBOR initiative, which is the transmission belt for the Xi Jinping global concept. Without OBOR the promise of economic well-being cannot be fulfilled and without control of the South China Sea the maritime leg of the New Silk Road will remain incomplete. At the same time the Chinese interpretation of the South China Sea issue challenges one of the truly indispensable global commons, the freedom of the High Seas. The maritime commons is global good and sea-lanes of communication are the arteries of economic vitality for all. The common vision of the US and the EU is to preserve that vitality for all. It is China's policy in the SCS dispute and the militarization of the SCS, which alerted the Europeans and

made them understand the strategic dimension of the South China issues. Europe depends on free global trade. Its political and economic survival is at stake if the freedom of movement at sea is restricted. For these reasons China's claims and actions in the SCS and the Japan Sea are simply unacceptable. Neither the EU nor any major European country will tolerate them but Europe begins understanding that there is a need for a comprehensive EU Strategy on Asia. There are two reasons for that: First, Europe understands that it can no longer hope for the US providing an all encompassing guarantee that the freedom of the High Seas will be protected by the US and secondly, Europe sees China's OBOR initiative no longer as an investment opportunity exclusively but increasingly as a strategic challenge in a global competition. That does not mean that Europe will abandon its strategic objective of pursuing cooperative politics in Asia but Europe wishes its partners to understand that cooperation will for Europeans never mean kowtowing. Following that line Europe will develop its Asia Strategy, probably after the European elections in May 2019. Europe will do that based on dialogue with its partners in Asia such as Indonesia but also in close exchange with Europe's most important partner and ally, the US. To this end the EU will take the statement of US SecDef Jim Mattis at this year's Shangri La Conference as a point of departure, which anchored the US firmly as an Indo-Pacific nation. It follows from that that the EU as well as individual EU nations will pursue their Asia strategies in close coordination with the US. Therefore individual EU nations and at a later time the EU as I hope will maintain their occasional naval presence at the exits of the Indian Ocean including the patrolling of disputed SCS waters by European warships. Moreover, EU nations will remain committed to their NATO missions in Afghanistan sitting in the center of the land tongue of the New Silk Road.

In addition they will aim at enhanced cooperation with the Central Asian countries and they will encourage Turkey in maintaining national control of its railroad network.

But as the driver of strategic change in Asia is the PRC I would like to share with you some thoughts on China's strategy as I see it thus hoping to learn from you how you as one of the most important nations in the Indo-Pacific region see China's strategic aspirations and achievements.

From my perspective China has to be the point of departure in the development of a EU strategy for Asia. China's strategy is a global long term, multi-faceted and comprehensive strategy, which the country pursues patiently and never losing sight of its strategic long-term objective of becoming the world's pre-eminent power, if possible by the 100th anniversary of the PRC in 2049. China's instruments are global and dominant economic power as expressed by the China 2025 vision and the desire of gaining global political influence by winning majorities throughout the world for Xi Jinping's model of a global world order. China's growing military power offers the tool for protecting and supporting China's aspirations although China's military outreach will despite remarkable improvements remain regional for quite some time to come. In contrast to the US China will probably not possess a capability of truly unlimited global power projection in the five dimensions of modern military power: land, air, sea, space and cyber for the next ten to 15 years.

Many people in Europe do not understand the dimension and the really all-encompassing nature of China's strategy and, in particular, the strategic patience of the Chinese is simply alien to Westerners. You may remember the joke of Tzu En Lai being asked how he sees the impact of the 1789 French Revolution on mankind and his answer that it is too early to come to a conclusion.

The One Belt One Road Initiative aims at the creation of a gigantic network at sea and at land connecting the Eurasian landmass to Africa and the Atlantic Ocean. It will ensure Chinese access to the raw materials of Africa and Central Asia and it may permit Chinese dominance on the global market place. It promises cooperation but the reality is tight control by a centralized government, which pays little to no heed to intellectual property rights. The spider in control of the web sits in Beijing.

Most Europeans erroneously saw the SCS issue and the Chinese claims in the Japanese Sea initially as military muscles flexing of an emerging Asian world power. The last Party Congress and Xi's claim of presenting the model of a new world order came as a wake up call. We Europeans eventually understood that a new competition for world dominating influence is on its way. As usual, it takes time to get a machinery such as the EU to move but now a first step is taken:

The EU published its Connectivity Strategy in mid September.

Against this background Europe does no longer see OBOR as a gigantic investment of some 1.000 billion USD and as a business opportunity one must not miss, it is seen as well as a risk for Europe. Again it was a Chinese decision, which made Europeans understand the hidden dangers of OBOR. The Chinese Government insisted that all OBOR participants have to sign a declaration in which not the slightest change of wording was permitted. Nevertheless, 16 European states signed, among them 11 EU members. Thus they became tools in the hands of the Chinese government and the Chinese Government succeeded in getting its feet into the EU door, a truly clever move, which will make it very difficult to reach consensus based EU decisions on OBOR related issues. This move underlines the far - sighted Chinese strategy since the aim is obvious: Prevent unanimous EU decisions on any possibly contentious issue such as, for instance, SCS issues. At the same time such an attitude reveals the strategic nature of the OBOR initiative: OBOR aims at the control of 60% of the World's trade in the vast area from the Yellow Sea to the Atlantic and it offers the PRC the link to connecting its substantial African investments to OBOR. Thus China will get access to truly strategic raw materials and commodities and it could become the decisive player in Africa, which is after all the fastest growing market on our globe since the African population will double from 1.2 billion to 2.5 by 2050.

Having said this it is obvious that the EU can no longer deal with SCS issues as a matter of secondary importance. Moreover, Chinese attempts of getting the SCO involved in OBOR matters raised additional concerns.

The sea area next to your doorsteps sits at the exit of the straits of Malacca, possibly the most important choke point of world trade of which a truly big proportion is European. Any claim of anyone, which would reduce freedom of navigation in international waters as defined by international jurisdiction will be seen as a threat by the European nations. The freedom of the High Seas is a global common of which the Europeans will never renounce. Based on rulings of the International Court of Arbitration. Europe will therefore continue deploying warships into the SCS area thus demonstrating that Europeans will not recognize artificially created changes of

the map of the SCS. France and the UK deploy occasionally ships to the SCS and I am confident that Germany will join them in a not too distant future.

But Europe's concerns run wider and deeper since they see the total pattern of Chinese actions in the entire area of the OBOR initiative. We see a well orchestrated and meticulously executed plan of winning global dominance through the control of the area from the Yellow Sea to the Atlantic through a string of pearls at sea from China and the adjacent Nine-Dash Area through Myanmar, Sri Lanka, Pakistan to Djibouti prolonged into the Mediterranean Sea where China controls the harbours of Ashdod and Haifa in Israel and Piraeus in Greece. Looking at OBOR as a two tongues concept the maritime arm is supplemented by the land arm running from the Central Asian countries to Turkey and Hungary ending in Duisburg Germany where the Chinese control Europe's biggest port of inland navigation. Thus the EU influence in Central Asia and in Eastern Europe will decrease and Russia's will be reduced. The Chinese instrument for achieving that will be the 16+1 formula, which emerged from the bilateral OBOR agreements on which the PRC insisted.

That describes the challenge for Europe and the EU, a challenge, which is eventually recognized by most Europeans, as usual late but hopefully not too late. As intimated earlier on, a first reaction is the EU Connectivity Strategy but more is needed: The EU or better Europe taking into account the Brexit realities has to develop a truly comprehensive Asia or Indo-Pacific strategy and has to discuss it with partners such as Indonesia and if appropriate with ASEAN at one of the future EU-ASEAN Summits. The European nations individually as well as the EU as a whole should make it clear that they pursue strategic objectives in Asia, that they seek cooperation and partnership, that they do not wish to dominate but that they are willing and prepared to protect and, if necessary to defend their strategic interests, preferably in cooperation with partners in Asia. The partners of Europe should know that Europe would never act as an adversary but that the EU will not accept intimidation or coercion and any violation of international laws and jurisdiction. I suppose that this will be a consensus line accepted by all including the 11 EU countries, which signed the OBOR document presented by the PRC.

Pursuing such a cooperative approach the challenge could become an opportunity, an opportunity for achieving a lasting peaceful cooperation in Asia and the Indo-Pacific region between the US, the PRC, the ASEAN nations, Australia and Europe.

The EU will seek increased cooperation with its partners in Asia and Australia.

Europe will never aim at imposing its order on others but it will present its Western model as an example based on the deeply engrained conviction that the rule based world order is the best solution for any human society: An order in which each state has the obligation to protect through the power of laws the freedom and the human rights of each of its citizens against all dangers be they internal or external and to defend the country if necessary. As a European I am confident that the Western model has every chance of succeeding in any competition. Therefore we Europeans see the challenge emerging from China's global aspirations and we understand the SCS issues at your doorsteps as an expression of these aspirations but we are not afraid of it. We see the challenge as an opportunity and thus we extend a hand of friendship and enhanced partnership to you and the countries affected by the SCS issue. At the same time we Europeans do not close our eyes to the risks of war in Asia triggered by Chinese expansionism. As Europeans we are of course aware of the so-called "Thucydides Trap", the dangers produced by the rise of an emerging power, which challenges the hitherto dominant power. Hence we believe we should follow Henry Kissinger's advice " to move from crisis management to a definition of common goals, from the solution of strategic controversies to their avoidance".

To this end Europeans will seek cooperation with countries such as Indonesia. Together we should and could probably convince China that there is but one prerequisite for becoming a truly global and respected power: Peace.

Terima kasih atas perhatian Anda (Thank you for your attention).