

The EU Strategy on Cooperation in the Indo-Pacific: A Meaningful Regional Complement?

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INTRODUCTION

On 16 September 2021, the European Union (EU) joined an exclusive but growing club of foreign policy actors that have published an Indo-Pacific strategy, with the release of “The EU Strategy for Cooperation in the Indo-Pacific”.¹ The European Commission followed three EU member states (France, Germany, the Netherlands) whose national initiatives had been driving the process of a whole-of-EU engagement with the Indo-Pacific, and who feel more comfortable embedding their own national strategies within a broader EU framework.² Their influence on EU policy direction is palpable in the EU strategy, reiterating most of the national white papers’ principles, objectives, and agenda items.

This volume expertly discusses in various chapters individual aspects of the national and supranational European approach. Beyond that concrete content, the final questions remaining are: what is the EU seeking to accomplish by joining the Indo-Pacific bandwagon, and if and how Brussels can make a difference. This chapter will try to address these questions by situating the EU initiative within the broader conceptual Indo-Pacific discourse and its meaning and implications. It will ultimately be argued that the EU strategy, just like the national European strategies, is largely a reactive measure to externalities; an ultimately involuntary recognition of geopolitical shifts and new faultlines emerging between the two global superpowers – US and China – rather than an intrinsically motivated fundamental

1. European Commission. 2021. The EU strategy for cooperation in the Indo-Pacific. 16 September. (https://ec.europa.eu/info/sites/default/files/jointcommunication_indo_pacific_en.pdf). Hereafter referred to as “EU strategy”.

2. Gudrun Wacker discusses the individual national strategies of EU member states in this volume. Gudrun Wacker. 2021. European Approaches to the Indo-Pacific: Same, Same, but Different. Panorama 01/2021.

recalibration of EU policy direction with regard to the Indo-Pacific region. Second, this chapter will address and discuss some of the EU strategies' concrete policy instruments and identify some more and less valuable contributions.

The final argument this chapter seeks to make is that the EU strategy, while listing very valuable policy proposals and initiatives, does not address the root cause of the Indo-Pacific discourse: the rise of China and its challenge to the US-led order in Asia. Without this fundamental strategic positioning, the EU Indo-Pacific strategy is not part of the current Indo-Pacific frame promoted by the US and its security partners in Asia. Nonetheless, it is a valuable policy agenda for European contributions to regional stability and prosperity, and to maintain European influence in key areas of regional development. The EU's real added value is building inclusive, rules-based multilateralism and providing economic, health, physical and digital infrastructure. In this light, one might view the EU Indo-Pacific strategy partly as a complement to and reinforcement of the ASEAN Outlook on the Indo-Pacific (AOIP).

For Europeans, the strategy should be seen as a statement of intent for the region, and as an excellent starting point for European nations and the EU to engage in a deeper and more honest conversation as to where the EU and its member states want to position themselves amidst new geopolitical dynamics.

AN EU STRATEGY FOR COOPERATION IN THE INDO-PACIFIC

Particular contents of the strategy are discussed in several chapters of this volume, but this analysis too must begin with a brief overview. Most obviously, the EU strategy appreciates the Indo-Pacific as a region of great social and economic importance to European foreign policy. As the strategy specifies, the region is home to more than half of the world's population, four of the EU's ten-largest trade partners (China, Japan, South Korea, and India) and six G-20 members – seven if one wants to include Russia. Over half of global gross domestic product (GDP) is generated there, and trade between the EU and the Indo-Pacific, as defined by the strategy, is the highest inter-regional volume in the world. With France's overseas territories, the Indo-Pacific de facto includes territory where both EU legislation as well as the rights and duties associated with EU membership apply.³ Central to European notions of the Indo-Pacific is ASEAN, the Association of Southeast Asian

3. The EU has nine overseas territories, called "outermost regions", two of which are located in the vicinity of the Indo-Pacific, as geographically defined by the EU strategy: the French territories Mayotte and Reunion Island.

Nations, which Brussels has long called a “natural partner”, and the 2020 upgrade of EU-ASEAN relations to the level of “strategic partnership” further deepens inter-regional ties.⁴

Unfortunately, the Indo-Pacific is home to one of the world’s greatest concentration of challenges with global implications, including political challenges, security and defence issues, and transboundary non-traditional security (NTS) threats. Specifically, these include questions about armament and arms racing, territorial conflicts, surge of authoritarianism and autocratic resilience, human rights violations and good governance issues, transboundary crime, ecological degradation and water conflicts, and much more. In logical consequence, the European Commission now identifies the Indo-Pacific as a key space for the economic and political future of Europe, for shaping the future post-hegemonic world order, and as a key partner to address increasingly pressing transboundary challenges, especially climate change. In short, “[the] futures of the EU and the Indo-Pacific are inextricably linked given the interdependence of the economies and the common global challenges”, as the strategy puts it.

Key foreign policy instruments specifically revolve around diversification and strengthening of partnerships with so-called like-minded partners, and, more specifically, plugging gaps in regional infrastructure, trading opportunities, investment programmes, and enhancing the resilience and diversity of supply chains. This chapter will discuss the merit and added value of specific individual policy measures at a later stage below. As one might expect, all bi- and multilateral partnerships must ultimately advance EU interests. In the European case, however, these interests differ – at times substantially – from many other national Indo-Pacific strategies, such as the US’ or Japanese, in that they are predominantly normative in nature. As specified in the EU’s main foreign policy document, the 2016 Global Strategy, as well as subsequent foreign policy guidelines, these interests include strengthening the rules-based order, tackling climate change, raising good governance and human rights standards, and realising a “green” and sustainable economic recovery post-Covid-19.⁵

4. Although the concept of “strategic partnership” remains unspecified and ambiguous, it is the deepest form of relationship the EU knows beyond the membership process.

5. EU Commission. 2016. Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union’s Foreign and Security Policy. (https://eeas.europa.eu/sites/default/files/eugs_review_web_0.pdf).

WHAT THE EU STRATEGY IS NOT: FOIP AND HEGEMONIC DENIAL

But the concept of the Indo-Pacific as such is at its core neither about the region's economic and/or social importance, nor a simple geographic definition of space. Actors such as Japan, the US, Australia, and even ASEAN, subscribe to the idea of the Indo-Pacific not to expand their trade relationships and partnerships but to redefine their strategic space and priorities amidst the end of the US-led liberal hegemonic order in Asia. The central characteristic of the Indo-Pacific notion is the global shift in the geopolitical centre of gravity, with the rise of an increasingly assertive China as the primary driver. More precisely, the Indo-Pacific is the unravelling of Asia's status quo order, underpinned by US liberal hegemony.⁶ The Indo-Pacific has now marginalised previous conceptualisations of the region and their meaning, such as "East Asia" and "Asia-Pacific". These notions were closely tied to the ASEAN-Plus Three (APT) process and the Asia-Pacific Economic Cooperation (APEC) forum and were about the construction of a regional identity, pan-Asian solidarity, and the institutionalisation of economic interdependence, regional and inter-regional trade, and the broader sharing of prosperity. The Indo-Pacific debate is the unravelling of this. Embraced by regional stakeholders, most importantly former Japanese Prime Minister Abe Shinzo and former US President Donald Trump, the "free and open Indo-Pacific" (FOIP) discourse specifically symbolised a strategic reorientation to fully concentrate resources on the challenges posed by Beijing's increasing confidence and assertive regional posture. For better or worse, the concept of the Indo-Pacific has become synonymous with new-age strategic great power competition.⁷

And as a result, Indo-Pacific policies are not primarily instruments to harness regional opportunities but to stymie Chinese power and influence. The decision by resident countries to join minilateral security arrangements, such as the Quadrilateral Security Dialogue (Quad) between Australia, India, Japan, and the US, and AUKUS – a security arrangement between the US, Australia, and the UK – symbolise a seismic shift in the way in which regional stakeholders interpret their relationship with China. Simplified, an economic opportunity over time became

6. John Ikenberry. 2004. American hegemony and East Asian order. *Australian Journal of International Affairs*, Vol. 58(3), pp. 353-367.

7. Avery Goldstein. 2020. US-China Rivalry in the twenty-first century: Déjà vu and Cold War II. *China International Strategy Review*. Vol. 2, 48-62; Niall Ferguson. 2019. The New Cold War? It's with China and it has already begun. (<http://www.niallferguson.com/journalism/politics/the-new-cold-war-its-with-china-and-it-has-already-begun>).

a strategic threat, as Beijing's assertive regional foreign and security policy has fundamentally altered how its neighbours and the US perceive their own national security.⁸ In sum, the Indo-Pacific debate is predominantly a strategic reset that prioritises hegemonic denial, attempting to curtail how much further China can extend its military and geoeconomic reach in the region.⁹ The US and its regional partners seek to establish a new balance of power.

It is, therefore, highly noteworthy that a self-identified normative actor should engage in the Indo-Pacific debate, which is ultimately a strategic one. It is, of course, a legitimate EU interest to seek to strengthen and expand its market access in Asia, and the EU's many trading nations have an intrinsic interest in maintaining free and stable trading routes in the world's most crucial shipping lanes. But the EU had all the necessary partnerships, policies, and financial resources allocated to the region before. What has changed is that its most important member states, Germany and France, as well as some influential figures in the EU Commission and Parliament have recognised the inevitability of the ongoing shift in geopolitics' centre of gravity towards the Indo-Pacific. Not only does this warrant greater EU attention to the region per se, more importantly, the EU's and its members' security guarantor within the framework of NATO, the US, demands greater contributions to what Washington has identified as its strategic priority: the balancing of China. Without at least symbolic contributions to the great power competition, many Europeans fear the disintegration of their pivotal transatlantic ties.

But all European efforts in this regard remain unconvincing. Brussels tended to avoid participating in the Indo-Pacific debate altogether until recently. Now, the EU strategy goes as far as identifying China as a potential threat to European values, against which the EU will "push back" if necessary – a remarkable statement for usually reluctant Europeans. Nonetheless, the rest of the EU strategy in both language and policy measures seeks to distance itself from strategic competition with China by primarily seeking dialogue and cooperation with all partners, including China. The EU strategy, just like ASEAN's Outlook on the Indo-Pacific,¹⁰ is essentially an inclusive counterpart to the exclusive, hegemonic denial FOIP visions.

The UK's membership of AUKUS confirms the UK as the only European power in the Indo-Pacific that takes part in the US' long-term effort to deny China regional

8. Chang Liao N. 2018. Winds of Change: Assessing China's Assertive Turn in Foreign Policy. *Journal of Asian and African Studies*. Vol. 53:6; pp. 880-895.

9. Elbridge A. Colby. 2021. *The Strategy of Denial: American Defense in an Age of Great Power Conflict*. Yale University Press, New Haven.

10. ASEAN. 2019. ASEAN Outlook on the Indo-Pacific. (<https://asean.org/asean-outlook-indo-pacific/>).

hegemony. But this is, arguably, predominately a function of London's quest for a post-Brexit identity as "Global Britain", rather than because London intrinsically seeks to prevent Chinese hegemony in Asia. Likewise, the deployment of the German frigate *Bayern* to the Indo-Pacific is at least partially motivated by the desire to signal to Washington that Germany is listening to US requests to contribute more to the defence of the US-led order.¹¹ In fact, this deployment is a telling example of how limited EU member states' commitment is and will remain. One single frigate is, while highly welcome in the region, no more than symbolic appeasement of American pressure. Moreover, the *Bayern* eschewed controversial routes and even requested a port call in Shanghai in order to avoid being seen in Beijing as partaking in US (and British) balancing efforts. Even France, the EU nation with the greatest national interest to safeguard regional security and the most significant military presence in the region, is unlikely to commit to military confrontation with China. Paris sees its Indo-Pacific approach to the region more as part of an EU quest for strategic autonomy, not of an American-led strategic competition with China.

And how could it be otherwise? Unlike the case during the Cold War, virtually all states, resident or not, have to strike a careful balance between their often deep economic engagement with China and their security perceptions. China is deeply connected in a complex web of finance, trade, investment, and business-to-business ties with the rest of the world – over 140 countries share China as their largest trading partner. But, as I have argued elsewhere,¹² the balance of threat theory¹³ is the best way to think about how and why some states react to Chinese assertiveness by pro-actively balancing it and others by remaining more reserved. Much simplified, states form alliances in order to balance the greatest perceived threat to their own national security, as defined by the aggressor state's proximity, amount of comprehensive power (economic and military), military's capabilities' offensive nature, and intentions. A combination and weightage of these factors will decide whether states ally and join balancing efforts, and to what extent, depth, and commitment.

With this in mind, the argument that China is indeed a top security concern in the Indo-Pacific but much less so in Europe is an easy one to make. In Asia, China's increasing assertiveness in the South China Sea, the Himalayas, Taiwan, and many

11. Conversation with German Ministry of Defence officials in second quarter 2021.

12. Frederick Kliem. 2020. Why Quasi-Alliances will persist in the Indo-Pacific. The Fall and Rise of the Quad. *Journal of Asian Security and International Affairs*, Vol. 7(3).

13. Stephen Walt. 1987. *The Origins of Alliances*. Cornell University Press, Ithaca.

other places, raises real concern in virtually every regional capital.¹⁴ The situation in Europe is vastly different. China's assertive behaviour, its vast comprehensive power coupled with unapologetic authoritarianism, and unfair trade practices are reasons for great unease in most European capitals and Brussels. But unlike in Asia, where national security directly frames the China question, in Europe the rise of China is predominantly a normative concern, a fundamental dispute over good governance, international rules and norms, human rights, trade practices, etc.¹⁵ China is not going to attack the European continent or any EU member state, a certainty China's regional neighbours do not have. The Chinese navy (PLAN) will possibly not even regularly pass through European waters in the foreseeable future. China is not going to cause a new refugee crisis in Europe, invade and annex parts of Eastern Europe, provide a safe haven for terrorists, or undertake any other activities that would threaten fundamental European conceptions of national security. China is at most a top-three or -four European security concern, trailing well behind Russia, the immediate EU neighbourhood, and perhaps even behind Northern Africa, Sahel, and the Middle East. In other words, China is a systemic challenge to international rules and norms, a disruption of the status quo, but not a matter of defence in any EU member state's national security planning.

Instead, seeing China as an economic opportunity still prevails among EU member states, often hidden behind fuzzy notions of neutrality and strategic autonomy.¹⁶ This is a sentiment shared by many in the light of the immense importance of the Chinese economy to European prosperity while at the same time not being subject to most of China's coercion and military assertiveness. German business representatives especially often ask the question: why would anyone expect us to fight America's or Japan's fight?¹⁷ It would, therefore, be illogical and ultimately futile to ask the EU to commit to US-led hegemonic-denial efforts. And thus, the EU strategy avoids the term FOIP and the very few hard power references the EU strategy does make remain light.

14. Frederick Kliem. 2020. Why Quasi-Alliances will persist in the Indo-Pacific. The Fall and Rise of the Quad. *Journal of Asian Security and International Affairs*, Vol. 7(3).

15. Pew Research Centre. 2021. Large Majorities Say China Does Not Respect the Personal Freedoms of Its People. (<https://www.pewresearch.org/global/2021/06/30/large-majorities-say-china-does-not-respect-the-personal-freedoms-of-its-people/>); Pew Research Centre. 2020. Report: Unfavorable Views of China Reach Historic Highs in Many Countries. (<https://www.pewresearch.org/global/2020/10/06/unfavorable-views-of-china-reach-historic-highs-in-many-countries/>).

16. Frédéric Grare and Manisha Reuter. 2021. Moving closer: European views of the Indo-Pacific. European Council on Foreign Relations. (<https://ecfr.eu/wp-content/uploads/Moving-closer-European-views-of-the-Indo-Pacific.pdf>).

17. Communication with several German industry representatives based in their respective regional head offices in Singapore in 2020 and 2021.

EUROPE'S ADDED-VALUE: INCLUSIVE MULTILATERALISM AND REGIONAL CHOICES

In the wake of AUKUS, which prompted a brief diplomatic spat between France and the AUKUS parties, some argued that continental Europe's equidistant approach towards Indo-Pacific security and defence, and towards China on the one and the US on the other hand, is facing a reality check. The EU would eventually have to confront its lack of hard power and defence commitments or risk irrelevance.¹⁸ Although the former is certainly correct, the latter does not capture the full picture of possible European contributions to stability. The argument presented thus far assumes that the objectives of the American-led FOIP are not shared by most Europeans and the EU. However, this does not mean in final consequence that the EU's Indo-Pacific engagement is futile or superfluous.

The question is: how can Europeans contribute meaningfully while not betraying their own strategic preferences or principles? Play to your strength, as the idiom goes. While hard power and the security and defence dimensions are most important in a region currently undergoing a recalibration in the balance of power, the EU is very limited in that space. As a normative actor in both self-perception and practice,¹⁹ the EU's strengths lie elsewhere. Brussels primarily seeks to set and raise regional standards of good governance, equitable trade, and capacity building in a large number of NTS areas, and to advance ecological sustainability and high-quality infrastructure. The EU can leverage its great expertise and abundant resources.

Maritime Safety and Security

The EU strategy does mention maritime security and speaks of a "meaningful European naval presence". This will be explored by coordinating and facilitating individual members' naval presence, through mechanisms similar to the EU Coordinated Maritime Presences (CMP) – an instrument that allows EU member states with assets in a specific maritime region to coordinate their national efforts and share analysis and information on a voluntary basis with all assets remaining under national command. But cooperation in the maritime domain is not exhausted by

18. Tim Huxley and Ben Schreer. 2021. What does AUKUS mean for Europe's Indo-Pacific strategies? IISS Analysis, 27 September.

19. See, EU Commission. 2016. Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign And Security Policy. (https://eeas.europa.eu/sites/default/files/eugs_review_web_0.pdf).

deployment of naval assets and freedom of navigation exercises, where Europeans cannot contribute meaningfully. There are some more or less integrated EU efforts to enhance its coordinated hard power capacity, such as the Permanent Structured Coordination (PESCO), and coordination initiatives such as the European Defence Fund. But the EU's Common Security and Defence Policy (CSDP) remains intergovernmental, and Brussels has no meaningful independent capabilities in that space.

And the European Commission in its strategy recognises its obvious limitations. The strategy, therefore, emphasises not naval power but predominantly “softer” maritime issues, including defence diplomacy, ocean governance for the sustainable management of maritime resources and safeguarding biodiversity, and building capacity, especially in the areas of maritime domain awareness, anti-piracy operations and cross-border crime. As Olli Pekka Suorsa argues in much greater detail in this volume,²⁰ the EU and its member states have accumulated great expertise in building local technical and legal capacities, improving maritime domain awareness, and setting up programmes for the sharing of information and best practices. The Commission's intent to extend the CMP model as well as the Critical Maritime Routes (CRIMARIO) programme to South and Southeast Asia will contribute to soft maritime security and safety, as will the decision to deploy military advisors to EU Delegations in the region. But even in these soft security spaces, the EU's impact will remain low compared to that of resident powers.

Supporting Multilateralism

Henry Kissinger once remarked that a military definition of balance in Asia will eventually shade into conflict if not accompanied by a concept of partnership.²¹ This is where actors such as the EU and ASEAN can make a difference. These organisations, though flawed, have built a reputation for being adept at mediating differences within multilateral formats. The difference between such institutionalised multilateralism and ad hoc minilaterals, such as the Quad, is that the latter are exclusive and targeted arrangements while the former come from a perspective of inclusivity and multi-stakeholder dialogue.

More precisely, the clue to the “EU Indo-Pacific Strategy for Cooperation” is in its name: cooperation. It emphasises partnerships and multidimensional coopera-

20. Olli Pekka Suorsa. 2021. European Maritime Security Capacity Building Assistance in Southeast Asia: Promises and Pitfalls. Panorama 01/2021.

21. Henry Kissinger. 2015. *World Order*. Penguin Books, New York, p. 233.

tion, based on principled engagement. As is ASEAN's preference,²² the EU strategy provides an alternative way to conceive of regional relations, seeing it neither as inherently anti- nor pro-China. Instead of contributing to the further polarisation of the region, the EU has a pivotal role to play in supporting the existing, ASEAN-based multilateral architecture by participating in and inviting all regional stakeholders to make better use of existing platforms for both dialogue and the provision of regional goods. While unilateralism tends to increase polarisation, multilateralism can help mediate estrangement among individuals, groups, and governments – the great powers especially.²³ It can provide a platform through which regional stakeholders manage their relationships, mitigate conflict, and, ideally, find a peaceful *modus operandi*. These contributions are difficult to quantify and are not reducible to measurable deliverables. But they are invaluable.

The EU is already lending ASEAN its full support, in line with the Global Strategy's objective of supporting "cooperative regional orders".²⁴ The EU is the largest contributor to ASEAN integration – larger than ASEAN members themselves – and a living example of the benefits of regional, rules-based multilateralism. The EU can at times serve as a valuable reference point, and Brussels has the power to bolster ASEAN's relevance by, for example, channelling the EU's material contributions to the Indo-Pacific through ASEAN.

Functional Cooperation

Similarly, by proposing to focus on common challenges and capacity building, the EU presents an alternative to the FOIP's hard power focus. The EU adds to the region's "menu of choices", thereby further diluting the relative weight of either China or the US. Brussels promotes the regional non-military agenda by advancing economic integration and impacting standards and regulatory frameworks. It builds and supports high-quality infrastructure and promotes collaboration and connectivity in research, innovation, and digitalisation in areas such as pandemic preparedness. Jointly, "Team Europe" has significant financial resources at their disposal. The exclusive supranational power of the Commission to negotiate trade deals on behalf of the world's second largest economy, the EU single market, is a

22. ASEAN. 2019. ASEAN Outlook on the Indo-Pacific. (<https://asean.org/asean-outlook-indo-pacific/>).

23. James Der Derian. 1987. Mediating Estrangement: A Theory for Diplomacy. *Review of International Studies*, Vol.13(2), pp. 91–110.

24. EU Commission. 2016 Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign And Security Policy. (https://eeas.europa.eu/sites/default/files/eugs_review_web_0.pdf).

most potent foreign policy instrument. This comes with significant regulatory power through setting trade, industrial, labour, and human rights standards, and its large market gives Brussels a great deal of political leverage in pursuit of its objectives. This is where the EU's real competitive advantage resides.

This is evident in several policy spaces. For example, the Commission seeks to build Digital Partnerships with partner countries in order to enhance reciprocal technical, policy, and R&D cooperation on key technologies, such as artificial intelligence, the digital transformation of business and public services, and the facilitation of digital trade. The main goal is to develop and entrench standards for emerging technologies in line with EU principles and values. It would be highly desirable to synchronise and synergise these efforts with the ASEAN Digital Masterplan 2025.

A similar regulatory objective applies to the increasing width and depth of trade agreements. In addition to several free trade agreements (FTAs) with key Indo-Pacific partners, such as Japan and Vietnam, already in place, Brussels seeks to conclude FTA negotiations with Indonesia, Australia, and New Zealand, and it will begin investment agreement negotiations with India. Although some serious obstacles must be overcome, EU negotiators are still assessing the possibility of the resumption of FTA negotiations with Malaysia, the Philippines, and Thailand, and perhaps even region-to-region with ASEAN. At a time when China is building on its already significant influence via participating in the world's largest FTA, the ASEAN-led Regional Comprehensive Economic Partnership (RCEP), while simultaneously the US vacated that space by exiting the other regional mega-FTA, the Trans-Pacific Partnership (TPP), it is important in the interest of fair, sustainable, and equitable trade rules that the EU maintains an impactful role.

In terms of connectivity, the case for the provision of alternatives is equally obvious. This includes "hard connectivity", such as physical transport and energy generation and transmission systems, as well as "soft connectivity", such as people-to-people exchanges and collaborative research and development (R&D) capacities. Brussels' great experience and technical know-how with EU neighbourhood development programmes and high-quality connectivity will both deepen the EU's network of regional partners and, more importantly, significantly contribute to the improvement of living and ecological standards in the Indo-Pacific.

Many EU officials – correctly – see this as a geopolitical lever that helps to promote European principles, norms, and standards, especially pitching it as a direct competitor to China's Belt and Road Initiative (BRI).²⁵ The Indo-Pacific strategy

25. Conversations with officials from EU Parliament and Commission in third quarter of 2020.

specifically points out that all EU approaches to connectivity building will have the main EU principles at their core. Burgeoning regional disillusionment with the BRI opens a window of opportunity for Brussels to lastingly affect the standards for infrastructure development in the region, not least making a great contribution to the EU's fight against climate change and human and labour rights violations. The recently announced European "Green Deal", the strong drive to readjust the entire European economy in line with decarbonisation and green technology objectives, is making significant progress as EU member economies emerge from the Covid-19 crisis. The Green Deal approach is directly applicable to the EU connectivity initiative in the Indo-Pacific. In the light of especially China's great resources, the EU will have to mobilise private investments and its member states' financial resources in order to offer a real alternative. The EU's Team Europe instrument, i.e., the horizontal connection of all EU institutions as well as all the vertical connections leveraging all member states' banks, private sector and credit agencies, etc., is a possible model.

Lastly, in the wake of the Covid-19 global pandemic, health infrastructure has become a key sector for regional cooperation. The weaknesses of regional health-care systems in the Indo-Pacific, the poor regional cooperation and the uneven distribution of vaccines and protective equipment stand in stark contrast to the EU's largely successful and coordinated pandemic management. Health is, therefore, a central focus of the EU's outreach to the Indo-Pacific region. Facilitating equal access to vaccines, ensuring stable supply chains, but also the building of trust and capacity to create an interoperable Covid-19 digital certificate system similar to the EU Digital Covid Certificate, add real value to the Indo-Pacific region's pandemic resilience. The EU has mobilised over EUR800 million to support Southeast Asia's fight against the pandemic, significantly more than any other partner, and it is laudable that Brussels has made its Digital Covid Certificate software publicly available as open source.

This is by no means an exhaustive list. But these selected examples demonstrate that the reduction of the Indo-Pacific discourse to matters of security and strategic balancing is a simplification of the debate and does not take tangible regional needs and developmental gaps into account. The Indo-Pacific is a concept of strategic reprioritisation and geopolitical change. But there are manifold ways to contribute to regional stability, dialogue, and prosperity. The EU strategy should be seen as precisely what the name suggests: a strategy to uphold and advance cooperation, prosperity, and acceptable standards amidst an increasing geopolitical polarisation of the region and "over-geopoliticisation" of regional inter-state coop-

eration. EU initiatives not only increase the European footprint in the Indo-Pacific, but also allow regional partners to diversify away from US-China competition.

IN LIEU OF A CONCLUSION: THE UNCOMFORTABLE CHINA QUESTION REMAINS

Europe's already substantial contributions to the region are impactful, valuable, and necessary. But from a European perspective, its Indo-Pacific strategy should not just be seen as development cooperation, prosperity multiplier, and norm-entrepreneurship. Not least the AUKUS agreement confronts European powers with the question they least like to ask: where to position themselves vis-à-vis China? Member states view China pragmatically as an economic partner, but also simultaneously as a rival. The best way to manage this complex dilemma is to stay true to the intellectual basis of the Indo-Pacific strategy: engage but create alternatives. As far as EU-China relations are concerned, the EU must remain true to its core identity as a normative actor, but it must equally continue to engage and maintain dialogue with Beijing – and other regional autocratic states, such as Vietnam. For this to be possible, Europeans must reduce their dependency on choices made in Beijing by diversifying supply chains and restricting Chinese investments in Europe's strategic sectors, including telecommunication and digitalisation.

Most importantly, the Commission must note that there is no such thing as a united and coherent EU approach to China to date. EU member states' bilateral relations with Beijing are determined by their individual economic priorities. This must prompt the initiation of a joint, honest, and inclusive debate on how to position Europeans as a community of both values and interests vis-à-vis China. The Indo-Pacific strategy is an excellent start. Based on the strategy's premise that it is inclusive multilateralism where the EU can make a difference, there is now a need for a broad-based dialogue on the principles and conditionality of such an EU China policy. The European Council, under inclusion of the other institutions, should design a set of standards that can guide "principled engagement" and work towards a joint European position on very specific questions that arise with regard to China and develop a common script. These questions include joint EU positions on mechanisms such as AUKUS and Quad, but also on issues such as Taiwan, Hong Kong, and more. Asia's geopolitical reality will inevitably put these questions on the agenda soon. AUKUS serves as a reminder of how quickly and unexpectedly events in the Indo-Pacific can overtake European governments' capacity to react and manage them.

Contingency planning always includes some speculative elements. Nonetheless, it is wise to prepare for worst case scenarios and, at a minimum, to have a basic script in place regarding initial reaction. This mitigates the moment of surprise and ensures an initial sense of unity and coherence. For example, it is not unthinkable at all that, after many years of gradual increases in provocation and assertiveness, the People's Republic of China might attack Taiwan in an attempt at forceful unification, which, in turn, is likely to draw the US into a prolonged military conflict in the Taiwan Strait.²⁶ Washington will use the US Navy's Seventh Fleet, draw on its bases in Japan, and also very likely request allied support. AUKUS will almost certainly provide the basis for UK and Australian military participation, and Washington will also request Japanese and European support, in whatever form, militarily or with sanctions and diplomatic pressure. The US already seeks to expand NATO's narrow focus on Russia to include the balancing of China. It is even possible that the US would request at least French, and maybe even Dutch and German, naval support. For this, it is very wise to have a basic EU-wide understanding of possibilities, limitations, and red-lines, and what this would mean for European security, trade, and diplomacy.

This understanding begins with recognising such violent changes to the status quo as a distinct possibility and debating the strategic challenges that this might pose. This implicitly means accepting that the era of mutually beneficial trading relations with China while staying out of the more complex security elements of these relations is irrevocably over. Great power conflict is back and Europe cannot indefinitely keep this challenge at arm's length. In a first step, European NATO allies must rethink their commitments to and structures for their own defence against Russia and become less dependent on the US – not to reduce the US leverage over European security but to balance Russia on their own in order to free US resources and allow Washington to concentrate on its own strategic priorities in East Asia. With regard to China, Europe must continue on its path to diversify its economy away from over-dependence on decisions made in Beijing. In particular in strategic sectors, such as 5G technology, but also critical supplies, such as healthcare equipment, and important industrial goods, ranging from semi-conductors to raw materials, Europe must reduce China's influence on European economies.

Far from being a remote challenge, a US-China conflict is not unlikely in the long run, and it will significantly impact both the EU's security and its prosperity. It

26. Oriana Skylar Mastro. 2021. The Taiwan Temptation. Why Beijing Might Resort to Force. *Foreign Affairs*, July/August.

is, therefore, incumbent on all EU institutions to put this on the agenda and begin the consultative process as to how a basic consensus can be reached in Europe, and how reluctant member states and the EU population at large can be sensitised and mobilised in support. The EU Indo-Pacific strategy is a welcome collection of policy measures that will make highly meaningful contributions to regional stability, sustainable development, and continued prosperity. But it does not address the most fundamental questions of all. With Washington's strategic reprioritisation, away from Europe and the Middle East towards the Indo-Pacific and China specifically, the EU's place in the world will not least be determined by great power competition. All EU institutions involved in foreign policy making, the European Council, Commission, and Parliament, should capitalise on the Indo-Pacific strategy's momentum and work towards a common EU position on the more fundamental questions as well as on concrete contingencies. The process of Europe's Indo-Pacific engagement has only just begun.

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