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European Union's Indo-Pacific Strategy

By

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Introduction

As the geopolitical and geo-economic weight gradually shifts to the Indo-Pacific region, the European Union (EU) fears missing out. With the launch of the “*EU Strategy for cooperation in the Indo-Pacific*” in September 2021, the Union has joined the bandwagon and attempted to outline its strategy to distinctly define the European position in the region. The strategy signals an adaptation to the shifting of economic gravity and has laid out a plan essential to safeguarding the EU’s economic and strategic interests in the region whilst safeguarding its core values and defending multilateralism.

The move demonstrates a significant foreign policy move and the EU’s intention to have more presence in the region. Furthermore, the strategy reinforces the need for collaboration in areas of mutual interest in line with contemporary realities and the complex geopolitics of the Indo-Pacific. Besides, inclusivity is a prominent feature, also present in EU members’ strategies for the region, which aims to balance the changing strategic narrative of the Indo-Pacific region.

The European Union envisions creating partnerships that align with its fundamental beliefs and principles. However, even though the EU intends to uphold the rule of law and democratic values and wants to form multidimensional alliances, various internal and external limitations create difficulties in effectively implementing the strategy.

EU members’ vision

With their strategies for the region, **France, Netherlands, and Germany** are the major drivers of the broader institutional design for the Indo-Pacific. In 2018, France launched its Indo-Pacific strategy highlighting its security objectives (Wacker, 2021). Germany and Netherlands followed suit by introducing their Indo-Pacific documents in September and November 2020, respectively, emphasizing their respective role in the autonomous EU strategy (Wacker, 2021).

Being the first to implement the region-specific policy and the only one with overseas territories¹ in the Indo-Pacific region, the French President, Emmanuel Macron introduced the policy by underlining the prominence of the India – Australia – France axis

¹ Mayotte and La Réunion islands, Scattered Islands and French Southern and Antarctic Territories, New Caledonia, Wallis and Futuna, French Polynesia and Clipperton.

in the area (Wacker, 2021). The robust French strategy underscores the importance of strategic partnerships and achieving sustainable development goals based on shared goals of peace and stability (France Diplomatie - Ministry for Europe and Foreign Affairs, n.d.). In addition, the security facet, which focuses on the French military presence and addresses concerns including terrorism, violent extremism, radicalization, organized crime, and secure shipping routes, is vital (France Diplomatie - Ministry for Europe and Foreign Affairs, n.d.).

The German guidelines are based on combined economic development, traditional security, connectivity, digital transformation, and social interests (Esteban and Armanini, 2021). With its strategy blueprint, Berlin envisions a substantial presence in the region while forging sustainable partnerships with like-minded partners. Furthermore, the Dutch “*non-paper*” centres around the role of the EU in the Indo-Pacific, focusing on solid economic links, safeguarding human rights, fostering sustainable trade partnerships, and accelerating all-encompassing international cooperation (Wacker, 2021).

However, the geographical perceptions differ for France compared to Germany and the Netherlands, and there is a slight variation in the scope and the length of the respective strategies. Also, while Paris takes a more assertive view of China and insists on preventing the emergence of Chinese hegemony, Berlin merely alludes to the intention of countering Beijing and gives more weight to the economic dimension (Reuter and Grare, 2021).

Nevertheless, all the formulated policies aim to achieve a multi-pronged engagement in conformity with multilateralism, rule-based order, inclusivity, and sustainable development (Esteban and Armanini, 2021). Furthermore, all three member states - France, Germany, and the Netherlands - emphasize the significance of the Indo-Pacific region and encourage EU action.

On the other hand, other EU members are significantly divided over their respective priorities in the region and the view of the institutional strategy. Many EU states, including many Western European countries, consider the strategy important for the overall security endeavors, whereas other members seem reluctant to have an individual stance due to a lack of direct interest in the security of the region and only view the Indo-Pacific from an economic lens (Reuter and Grare, 2021). Moreover, their divergences in the perceptions of China are evident as some (Belgium, Portugal, Romania, and Latvia) see

it as an anti-China strategy while 12 member states consider China as a critical partner in the region (Reuter and Grare, 2021). Hence, such unclear articulation of objectives points out the severe internal divisions, the overall ambivalence nature of the European Indo-Pacific Strategy, and the eventual difficulty in implementation.

Web of collaborations

The primary agenda of the EU's strategy is to collaborate with like-minded partners and form sustainable partnerships with the Indo-Pacific actors. With seven G-20 countries (India, Indonesia, China, Australia, Japan, the Republic of Korea and the Republic of South Africa) along with the Association of SouthEast Asian Nations (ASEAN) in the region, the European Union aims to consolidate the linkages with the Indo-Pacific actors (European Commission, 2021).

The EU has set up forums and conferences to act as a mechanism for dialogue between the EU and its partners. The 13th Asia - Europe Meeting (ASEM) was organized in November 2021, which stressed “*strengthening multilateralism for shared growth*” and creating a robust Europe - Asia connectivity (European Council, n.d.). Under the French Presidency, the Ministerial Forum for Cooperation in the Indo-Pacific organized by Paris in February 2022 focused on generating new ideas and avenues for collaboration under the EU strategy for the Indo-Pacific (EU External Action, 2022)

The document outlines a multidimensional approach to EU *connectivity* with the Indo-Pacific comprising infrastructure, transportation, digital and financial services, and culture. The 2018 EU Connectivity Strategy formed the basis of collaboration between Asia and Europe, and with the current Indo-Pacific strategy, the EU intends to further its economic, security and people-to-people connections (Pejsova, 2021).

Connectivity partners, including India, Japan, and ASEAN, are critical to deepening cooperation in promoting transport dialogues and aviation partnerships (European Commission, 2021). Furthermore, the EU Digital Data Gateways will serve as a means to facilitate public and private investments in enabling digitalization in the EU - Indo-Pacific relationship (European Commission, 2021). Additionally, the EU will amplify its engagement with regional organizations in East Africa, the Western Indian Ocean and South Asia and create synergies for north-south connections in alignment with the EU principles of connectivity (European Commission, 2021).

Also, the EU will promote comprehensive *digital partnerships*, consistent with the Communication 2030 Digital Compass, in areas like artificial intelligence, digital trade, skills development and co-develop standards for emerging technologies based on democratic values (European Commission, 2021). Furthermore, to enhance cooperation and interoperability on emerging technologies, Brussels plans to launch bilateral digital agreements with Japan, Singapore and the Republic of Korea (European Commission, 2021). Besides, in May 2021, the EU and India strengthened relations on digital connectivity, touching upon High-Performance Computing, Quantum Technologies to secure 5G technology and public sector digitalization (European Commission, 2021). In addition, the EU will expand its vision for secure and free data flow to ASEAN and other like-minded partners in the region (European Commission, 2021).

Furthermore, the Indo-Pacific resident states are crucial for the European Union's foreign *trade and investment* ventures, accounting for over 70% of the global share in goods and services (European Commission, 2021). Accordingly, Brussels updated its trade policy in 2021, insisting on "*open strategic autonomy*" consistent with its free and open Indo-Pacific view (Luthra, 2021). Hence, the first order of action is to further the current trade negotiations to diversify the supply chains and exploit the massive economic opportunity.

The EU prioritizes Preferential Trade Agreements (PTA) with high and middle-income countries and developing economic partnerships with developing economies (Luthra, 2021). Accordingly, the EU has signed trade agreements with South Korea (2011), Japan (2019), Singapore (2019), and Vietnam (2020) and economic partnerships with Pacific Islands (Luthra, 2021).

China remains the second-largest trading partner of the EU. However, the distaste for human rights abuse has led Brussels to criticize Beijing's policies. In an attempt to diversify its trade relations, the EU intends to implement comprehensive trade agreements with Japan, Singapore, Australia, New Zealand, the Republic of Korea and Vietnam and extend the reach of the Economic Partnership Agreement (EPA) by including other Pacific Island states (European Commission, 2021). In addition, the EU looks forward to welcoming new partners like Taiwan, while furthering ties with longstanding partners like ASEAN (European Commission, 2021). In May 2021, talks for a bilateral trade agreement

with India resumed, bringing in immense cooperation possibilities (European Commission, 2021).

Furthermore, along with Indo-Pacific partners, the strategy aims to strengthen international trade laws, address unfair trade practices, and reinforce rule-based trade networks (European Commission, 2021). It also sought to build support mechanisms to strengthen and modernize the World Trade Organizations (European Commission, 2021).

The European engagement with the region is dictated not only by economic development but also by attempts to achieve *climate resilience*. The EU members have demonstrated a pragmatic approach towards achieving climate goals with their forward, technologically driven, effective policies. Furthermore, it intends to forge Green Partnerships with Indo-Pacific partners and regional organizations, which are indispensable in achieving sustainable climate action.

Moreover, green transition and sustainability are crucial for the EU in its Indo-Pacific strategy as it proposes mobilizing financial resources for secure and affordable energy and a smooth transition to green energy alternatives (European Commission, 2021). Hence, it will continue to engage in high-level dialogues on environmental issues with ASEAN, Australia, China, India, Indonesia, Japan, the Republic of Korea, South Africa and others (European Commission, 2021).

Furthermore, the *regional security* architecture, plagued with challenges like cybersecurity, terrorism, nuclear weapons, violent extremism and piracy, dictates the underlying purpose of the strategy. The EU seeks to step up its engagement in the security affairs of the Indo-Pacific and promote a rule-based order. The security aspect of the strategy primarily revolves around the maritime dimension.

The prime focus is on increasing maritime awareness, securing sea lines of communication, and expanding participation in regional maritime security. It intends to cooperate on ocean governance and sustainable fisheries management in the Indo-Pacific (Luthra, 2021). The EU seeks to increase joint naval exercises with partners, including Japan, India, Djibouti, and Pakistan, to enhance its capabilities and ensure the security of its deployments in the region (European Commission, 2021).

Moreover, the European Union is insistent on stepping up collaboration under the Enhancing Security Cooperation in and with Asia (ESIWA) project covering issues like counter-terrorism, cyber-security, non-proliferation, crisis management and maritime security (Saha, 2021). The motive is to set up dialogues on such issues with partners, including India, Indonesia, Japan, the Republic of Korea, Singapore and Vietnam (European Commission, 2021). Besides, in an effort to further its peace and stability, the EU plans to ink Framework Participation Agreements with other² Indo-Pacific partners under the EU Common Security and Defense Policy (CSDP) banner (European Commission, 2021).

The role of ASEAN is also central to the strategic plans to build a more comprehensive partnership with more substantial participation in the ASEAN Defense Ministers Meeting Plus (ADMM+) (European Commission, 2021). Also, it has been an essential partner in supporting the scope of EU CBRN (EU Chemical, Biological, Radiological, & Nuclear), which the institution seeks to strengthen with other actors (European Commission, 2021). In addition, India, another reliable partner in the region, has supported the strategy and has stressed the need to create a secure and rule-based Indo-Pacific order. Apart from naval cooperation, India is an important actor in Europe's counter-terrorism endeavors and works together to create awareness of violent extremism erupting in the region.

Besides, with a giant leap in technology, modern means of warfare have become dominant, and the European members are actively willing to step up their engagement with other important actors on cyber security and digital governance. For example, the EU will establish an EU Cyber Diplomacy Network using its foreign missions to enhance association in addressing cyber threats and augment cyber resilience (European Commission, 2021). The EU also looks forward to creating counter mechanisms against information warfare and enabling a free flow of factual information (European Commission, 2021).

Other areas of collaboration include public health, education, research & innovation, and post- COVID recovery. To complement all the areas of cooperation, the EU will fund international research and innovation programs to create sustainable and

² Existing partners include Australia, the Republic of Korea, New Zealand and Vietnam.

inclusive growth. Furthermore, Brussels will increase its investment by 10% in the Neighborhood, Development and International Cooperation Instrument (NDICI) and provide continuous opportunities to Indo-Pacific states under the Erasmus+ Program (European Commission, 2021).

Besides, under the current public health crisis of the century, Europe and its Indo-Pacific partners will address the incompetence of public health infrastructure. Safeguarding health-related supply chains and access to quality health products in line with the EU Pharmaceutical Strategy is vital for creating lasting health synergies (European Commission, 2021). The EU will also improve the coordination of countries' COVID certification with the EU Digital COVID certificate (European Commission, 2021).

Cautious partners

An obvious concern for the European countries - and most of the prominent global actors - is the growing aggressive behavior of China on the regional and world stage. The inclusive approach of the strategy - just like its member states' - puts forward a multidimensional relationship with China wherein it has been tagged as both "*a trading partner, and an economic competitor and systematic rival*" (Tanchum et al., 2022).

The massive rise of China, especially militarily, is a direct concern for European security. The maritime buildup of the PLA (People's Liberation Army) in the South China Sea, East China Sea, and Taiwan Strait is evident in Beijing's ill-fated maneuvers. Furthermore, Beijing's blatant human rights violations have forced the EU to harden its political stance. Finally, the cyber threats emanating from China-based hackers manifest China's underlying expansive and offensive intentions.

Being a model for democratic values, the natural aversion to China's authoritarian nature of the regime will steer the EU in a restrictive and harsh approach in accordance with international law. Hence, the inclusive approach is rather chimeric as it is arduous for the EU to decouple economic and strategic interests in its engagement with China, making it a risky partner in the Indo-Pacific.

Additionally, the launch of the AUKUS (Australia - United Kingdom - United States) deal created a ruckus between the EU members and the participants of the deal. The surprise and eventual cancellation of a \$90 billion contract of submarines with France led

to a sharp reaction at the highest level, with the EU demanding an apology from Australia (Remeikis, 2021). This fallout with Canberra has cast uncertainty in France's and the European Union's security endeavors via Australia to counter the dangers posed by aggressive moves of Beijing. Even though Australia remains an essential European partner in the Indo-Pacific, the unfortunate incident calls for Canberra to restore the broken relationship and eradicate the trust deficit.

The way forward

The European Union's Indo-Pacific strategy was long overdue and represents a good beginning towards an enduring partnership with resident actors and creating a substantial presence in regional affairs. Even though the strategic outreach of the EU to Asia and Pacific states has been robust for decades, formalizing a region-specific strategy shows the Union's adaptation to the global power shift. The Europe - Indo-Pacific relationship is based on the imperatives of shared history, economy, and culture. The essence of the European Union values is reflected in its multilateral approach, preservation of strategic autonomy, and advocating a rule-based international order.

Amidst the increasing sense of bipolar order between the US and China, Brussels has carefully picked up its position while balancing competition and cooperation. Moving away from a Pax-Americana or Pax-Sinica order in the Indo-Pacific, the EU needs to focus on engaging with the region's middle powers in a mutually effective partnership and continue the balanced approach.

However, a mere declaration is not enough and moving ahead, the EU needs a proactive engagement to ensure effective strategy implementation. There is a need for a more structured approach in terms of the views and interests of the EU member states. A combination of pathways, including the broader institutional steps and the specific member states' policies, is a more practical and effective approach to actualizing the vision of Europe's strategy.

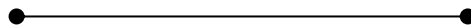
The individual focus of the Netherlands, Germany, and France can be complemented with EU-level initiatives. In addition, there needs to be increased consultation and dialogue with the member states on potential areas of collaboration to raise collective awareness of the strategy. Besides, a more coordinated response and a clear

political consensus between the member states are indispensable for the strategy's eventual successful implementation.

France – which held the Presidency of the EU in the first semester of 2022 – could act as a bridge with the Indo-Pacific region, favoring significantly the EU. As an important security partner in the area, France has created elaborate partnerships with Indo-Pacific actors, especially in the security domain, and the European Union can utilize this opportunity to actualize its security endeavors, have a meaningful naval presence, and become a security player in the Indo-Pacific. Moreover, France's strategic relationships with the region's states like India, Australia, and Japan can pave the way for an EU strategic network. Besides, the EU can put forth a closer outreach by mobilizing support from French overseas territories and enhancing its long-term strategic interests.

The strategy provides a broader outline of the vision. However, going ahead, the EU needs to supplement it with more concrete initiatives and projects. A clear definition of priorities will help eliminate ambiguity in its priorities and assist in meaningful and tangible partnerships with like-minded countries. In addition, the EU needs to have a specific consultation and communication process with the Indo-Pacific actors and enable a constructive dialogue mechanism for a mutually beneficial relationship.

The fluidity of the security situation at European borders makes it inevitable for Europe to take security more seriously and ensure a constructive engagement with the Indo-Pacific states, and stresses the importance of state sovereignty and territorial integrity. The EU must extend European and international values on peaceful co-existence by forging strategic partnerships in the Indo-Pacific.



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