"Challenges to Maritime Security in Asia and Implications for Europe"

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Outline

• Europe in the South China Sea & the South China Sea in Europe
• EU Global Strategy
• Europe’s Preventive Diplomacy Approach
• PESCO
• Future Prospects
Europe’s got 99 Problems & South China Sea ain’t one of them
Is the EU’s convenient marginalization in Asia coming to an end?

• “During this year, I have seen that the demand for an engaged EU, for a strong EU in global affairs has increased enormously. The more chaotic world politics becomes, the stronger the need for a reliable, credible & predictable global power is. The “European way” to foreign policy – that is that unique mix of soft & hard power we manage to exercise - has become more attractive & I would say indispensable for many around the world.”

Federica Mogherini, High Representative of the European Union for Foreign Affairs & Security Policy & Vice-President of European Commission at CSDP Ambassador’s Conference, September 2017

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European Council President Donald Tusk spoke of increased security cooperation under ASEAN-EU Plan of Action

- Counterterrorism w/information sharing via Interpol & Europol
- Fight against piracy
- Illegal fishing & any other type of transnational crime at sea.

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EU-Asia Relations

- EU is China’s largest trading partner
- EU is also largest foreign investor in ASEAN
- EU’s foreign policy interests require the safety of European commerce with Asia.
- EU one of founding members of ASEAN regional forum; & signatory of TAC.
SLOCs

- USD 3.5 trillion-worth of trade/year
- Main oil and LNG trade routes.
- Involvement of states beyond SCS
Rare Earths Embargo: Wake-up Call for EU in 2010

- Clear turning point from studied inaction
- Joint filing of WTO complaint with US-Japan-EU
China’s Advancement to Indian Ocean - BRI

- The Chinese Navy is thought to be shifting its naval forces towards “offshore waters defense and open seas protection,” and is steadily increasing its capabilities to conduct operations in more distant seas such as the Indian Ocean in recent years.
- China has been securing overseas bases of activities such as harbors, which would help support its far seas operations.
CHINA’S DJIBOUTI BASE: OVERVIEW

- POL TANKS
- AMMO POINT
- HELIPORT
- HOSPITAL?
- STORAGE BARRACKS
- ARMoured VEH Garages
- SIDE ACCESS
- UG COMPLEX
- LIVING
- MAIN ACCESS
- OFFICE COMPLEX
- GEDOI9/5/17

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Revival of the Quadrilateral Security Dialogue

- Comprises US, Japan, Australia & India

- Perceptions: Indo-Pacific reframing concept psychologically shortens distance between Europe and Asia.
“Free and Open Indo-Pacific Strategy”

A key for stability and prosperity of the international community is dynamism that is created by combining

“Two Continents” : Asia that is rapidly growing and Africa that possess huge potential of growth; and

“Two Oceans” : Free and open Pacific Ocean and Indian Ocean

⇒ broaden the horizon of Japanese foreign policy by envisioning the above as an overarching, comprehensive concept.

Africa

- Full of potential
  - population around 1.1 billion (15% of global population)
  - around 2.5 billion in 2050
  - account for 30,000,000 kil (22% of global area)
  - high economic growth rate (4.2% on average (2002-2013))
  - rich in natural resources and promising markets

⇒ progressing as a “developing continent” whereas still challenged by poverties and terrorism etc.

Japan will provide nation-building support in the area of development as well as politics and governance, in a way that respects the ownership of African countries, and not by forcing on or intervening in them.

Asia

- Increase of awareness of confidence, responsibility and leadership, as well as democracy, rule of law and market economy taking root in South East and South Asian countries

⇒ Currently expanding its success to Africa and bring out the potential of Africa as a “global main player” through a free and open Indo-Pacific

Japan will expand infrastructure development, trade and investment, and enhance business environment and human development from East Asia as a starting-point, to the Middle East and Africa.

"Free and Open Indo-Pacific Strategy"

Improve “connectivity” between Asia and Africa through free and open Indo-Pacific, and promote stability and prosperity of the region as a whole

※ To make the “Free and Open Indo-Pacific Strategy” into shape, Japan will strengthen strategic collaboration with India, which has a historical relationship with East Africa, as well as the US and Australia.
Russia-China Maritime Exercises in Europe

Black Sea to Med May 2015

Baltic Sea, July 2017

“Joint Sea 2017” live fire exercise near Kaliningrad.

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French Defense Minister, Jean-Yves Le Drian at SLD 2016

- France would encourage EU to undertake “regular & visible” patrols in SCS.
- “If we want to contain risk of conflict, we must defend this right, & defend it ourselves.”
- Concerns about Arctic & Mediterranean norms.
Mistral forms part of amphibious task force mission, the Jeanne d’Arc, April 2017 (COASI)

- Drills involved 700 troops.
- French Pacific islands New Caledonia & French Polynesia.
- Britain had 2 navy helicopters aboard Mistral deepening security cooperation w/ Japan.
Chinese Commentators React to French/British/COASI Deployments into Western Pacific

CCTV Channel 4 – 今日关注 [Focus Today], 1 May 2017

Is the US-UK-French-Japan joint exercise really aimed at North Korea? Or is it directed at the China-Russia partnership?

Are the British and French really coming to the Western Pacific to ‘support peace’?

Source: Lyle Goldstein

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“Political signal from France & Britain is absolutely directed at China & Russia.”

Admiral YIN Zhuo (ret.): “The US has for years been seeking to make NATO into a global NATO.”
Chinese naval analysts are interested in European navies.
Europe in the South China Sea & South China Sea in Europe: Serious challenges

• **Economic Challenge**
  – Cost of trade & investment security
  – Global fisheries & environmental issues

• **Normative Challenge**
  – Great power non-compliance undermines international legal order.
  – Implications for Black Sea & Arctic Ocean

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New EU Global Strategy (EUGS) on Foreign & Security Policy June 2016

• Much needed update of 2003 European Security Strategy, under leadership of Javier Solana
• Maritime Security Strategy 2014
• Added concepts of: Principled Pragmatism, Joined-up, Resilient
EUGS (2)

• Recalibrates overall foreign policy posture of EU & sketches out more modest & concrete approach compared to earlier aspirations & more “joined-up”

• Main priority for EUGS was to achieve better balance between soft & hard power, in support of clearly defined geopolitical objectives.
China’s Economic Statecraft

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China’s Economic Statecraft

- Defined as using economic resources (e.g., foreign aid, trade sanctions, strategic investments) to influence policy decisions in other countries.
Introducing Official Banner “Silk Road Economic Belt” & “21st Century Maritime Silk Road”
Chinese Cash Surges into EU

Chinese FDI in Europe Surges, while EU FDI in China Declines

Value of FDI transactions between the EU-28 and China, EUR million

- Red: Value of Chinese FDI transactions in EU
- Blue: Value of EU FDI transactions in China

Source: Rhodium Group. Combined value of FDI transactions includes completed acquisitions resulting in ownership stake of 10 per cent or more and greenfield projects that have broken ground.

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2011, China launched new forum for cooperation w/CEE “16 + 1”

- **11 EU countries**
  - (Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia)

- **5 EU candidate countries**
  - (Albania, Bosnia and Herzegovina, FYROM [Macedonia], Montenegro, and Serbia)
Piraeus Port, Greece

COSCO was unchallenged in its $400 million offer for a 67 percent stake in Piraeus Port, Greece March 2015 (original investment predates BRI)

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Growing concern about Chinese investment in Europe

- Chinese political influence
- Control of assets of relevance to national security
- Corporate ties to the CCP, can be regarded as potential strategic implications of having received Chinese investment.
Silk Road Squeeze?

PLEASE LEAVE A MESSAGE AFTER THE BEEP...

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Can Europe speak with one voice?
EU response to Arbitral Tribunal decision (GHC)

• “The European Union and its Member States, as contracting parties to the United Nations Convention on the Law of the Sea (UNCLOS), acknowledge the Award rendered by the Arbitral Tribunal, being committed to maintaining a legal order of the seas and oceans based upon the principles of international law, UNCLOS, and to the peaceful settlement of disputes.” July 2016
EU’s Preventive Diplomacy Approach

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EU’s Preventive Diplomacy Approach

- Resolution of disputes by peaceful means, has been one of foundations of EU’s foreign & security policy in Asia & beyond & stands as an expression of a rule-based international order.
EU’s Preventive Diplomacy Approach in Asia

- **Nepal**
  - Civil war, 1996-2006
  - Financial and political resources to mitigate the conflict and support Nepal’s peace process (expertise, support to dialogue, capacity building and fact-finding)

- **Philippines**
  - Mindanao peace process, since 2008
  - EU funding to international NGOs and local civil society; training of local peacebuilding actors and community mediation

- **East Timor**
  - Independence crisis, 1999-2000
  - Participation of five EU MS in Australia-led multinational force; EC contribution to the transition process (humanitarian assistance and fact-finding)

- **Myanmar**
  - Peace process/democratic transition, since 2012
  - Myanmar peace process financed through the 2013 EU-Myanmar Task Force Coordination of the Peace Donor Support Group

- **Indonesia**
  - Mediation in Aceh, 2004
  - Aceh Monitoring Mission (AMM): implementation of the stabilisation process (arms decommissioning and reintegration of combatants)
What future potential for EU preventive diplomacy within ARF framework?

- **Continued capacity-building exercises** & coordination between participating states;

- **Sharing of best practices** in devising knowledge management strategies & setting up a pool of experts in field of peace & reconciliation, in particular mediators & mediation support experts

- **Capturing lessons learned** from region based on ASEAN & its member states’ long-standing experience in facilitation & mediation support

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Future Prospects
Demand for closer EU defence cooperation

- On Monday (13 November 2017), European foreign and defence ministers from 23 member states agreed to deepen cooperation in military matters.
- Approach demonstrates new pragmatism of European integration policy.
Setting up a European Defense Union
Suddenly everything is happening at once:

- Permanent Structured Cooperation (PESCO),
- Coordinated Annual Review on Defence (CARD)
- European Defence Fund (EDF)
- Launch of PESCO is expected before the end of the year or in early 2018 at the latest.
- Now that things seem to be moving fast, let us make sure that they move in the right direction.

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Permanent Structured Cooperation on defense (PESCO)

- Europe was finally becoming serious on defence because of the “Trump scare”

- With Brexit, more cooperation in security policy has become possible.
PESCO

- German government welcomed it as “a big step towards [European] self-reliance” (Foreign Minister Sigmar Gabriel)

- “Another step in the direction of the Army of Europeans” (Defence Minister von der Leyen).
PESCO

- PESCO is a framework, rather than a policy

- Early stages where vague declarations of intent still need to be filled w/ content.

- 47 projects are on the table; 10 should be decided on by the end of the year.

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PESCO – possible constraints?

- Participants could yet find a way to prevent the inclusive nature of the framework from diluting its ambitions and deliver some far-reaching projects.
EEAS has begun work on a Euro-Asian connectivity strategy, and will define a distinctive EU connectivity approach rather than just reply to China on its own terms.
Europe needs to help prepare long-term solutions

- De-escalatory diplomacy
  - Environmental protection
  - Fisheries management
- Broad economic outreach to ASEAN states
  - Trade
  - Investment
  - Development Cooperation

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Europe is “Woke”

- Numerous situations could spark military conflict in East Asia despite efforts from parties in the region to maintain peace.
- Accidental collisions at sea or in the air
- Misunderstandings caused by cyberattacks
- Actions taken by third parties like North Korea.
Conclusion

- Europe has an interest to help build up a robust multilateral and rules-based security order in Asia.

- EU & ASEAN need to respond to Beijing’s strategic investments which create challenges to cohesion & coherence of these organizations.

- EU needs to continue to engage ASEAN on topics relevant to ROL at sea and maritime security.
The risk of miscalculation may be higher than many assume, and in the event of a confrontation, the potential for unintended escalation is significant.

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