

# **"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





# 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.



# 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

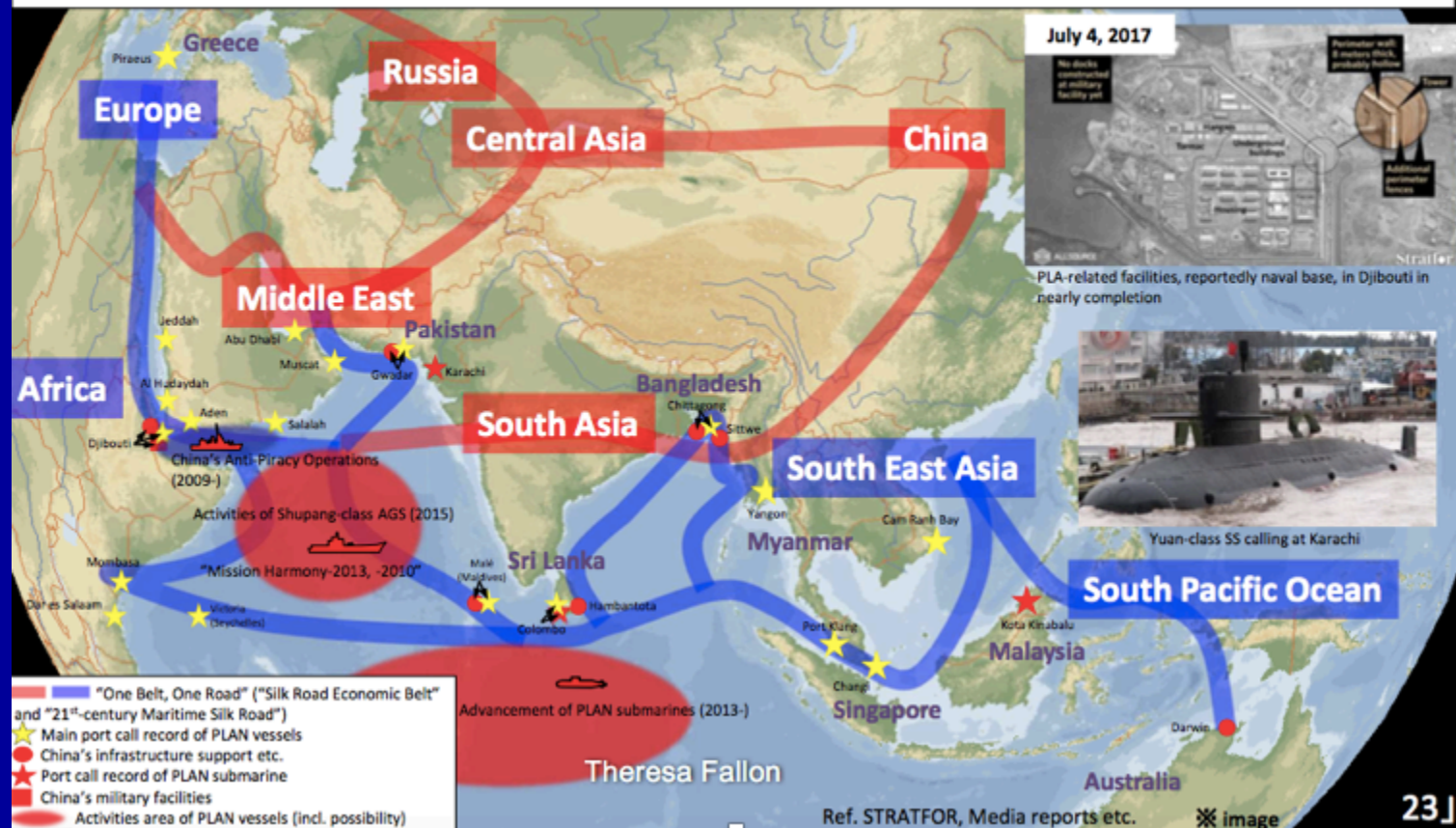


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# China's Advancement to Indian Ocean - BRI

- 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



# 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 km<sup>2</sup> (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

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.

### 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

# Russia-China Maritime Exercises in Europe

Black Sea to Med May 2015



Baltic Sea, July 2017



"Joint Sea 2017" live fire exercise near Kaliningrad.

# 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.



French amphibious assault ship Mistral (L) arrives at Japan Maritime Self-Defense Force's Sasebo naval base in Sasebo, Nagasaki prefecture, Japan April 29, 2017, ahead of joint exercises with U.S., British and Japanese forces in waters off Guam. REUTERS/Nobuhiro Kubo



# Chinese Commentators React to French/British/COASI Deployments into Western Pacific

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



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



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# 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



# **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

# China's Economic Statecraft

- Defined as using economic resources (e.g., foreign aid, trade sanctions, strategic investments) to influence policy decisions in other countries.

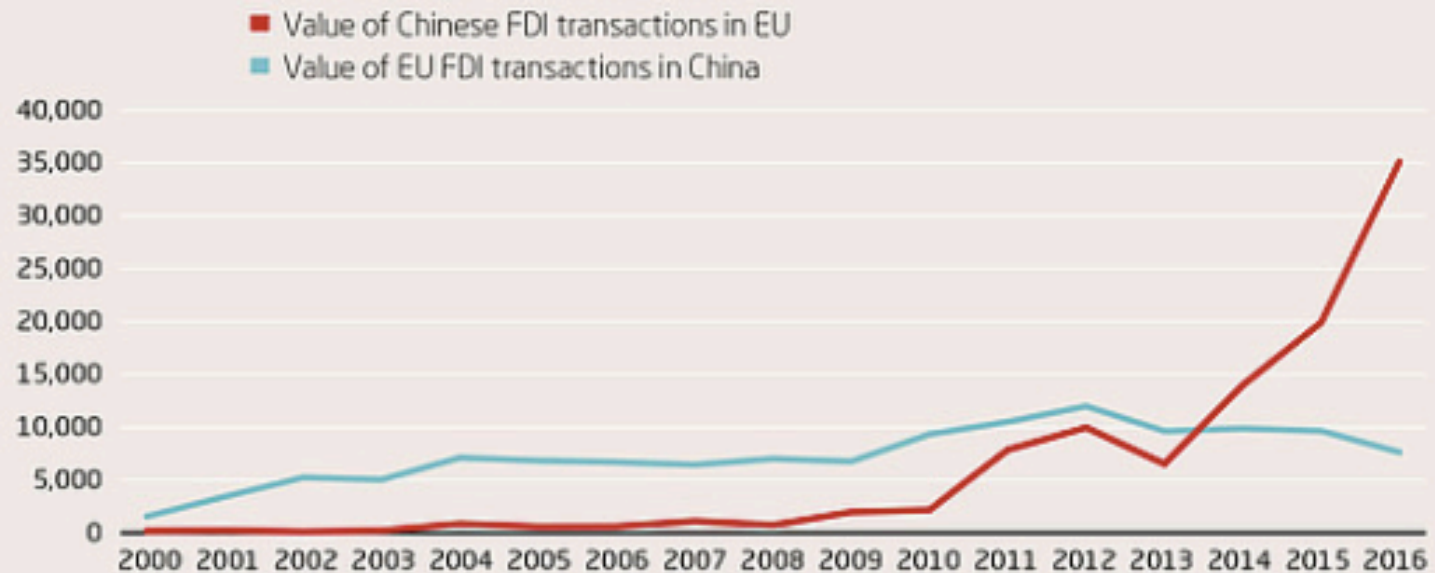
# Introducing Official Banner “Silk Road Economic Belt” & “21st Century Maritime Silk Road”



# 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



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)



# 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?



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# Can Europe speak with one voice?



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# EU response to Arbitral Tribunal decision (GHC)

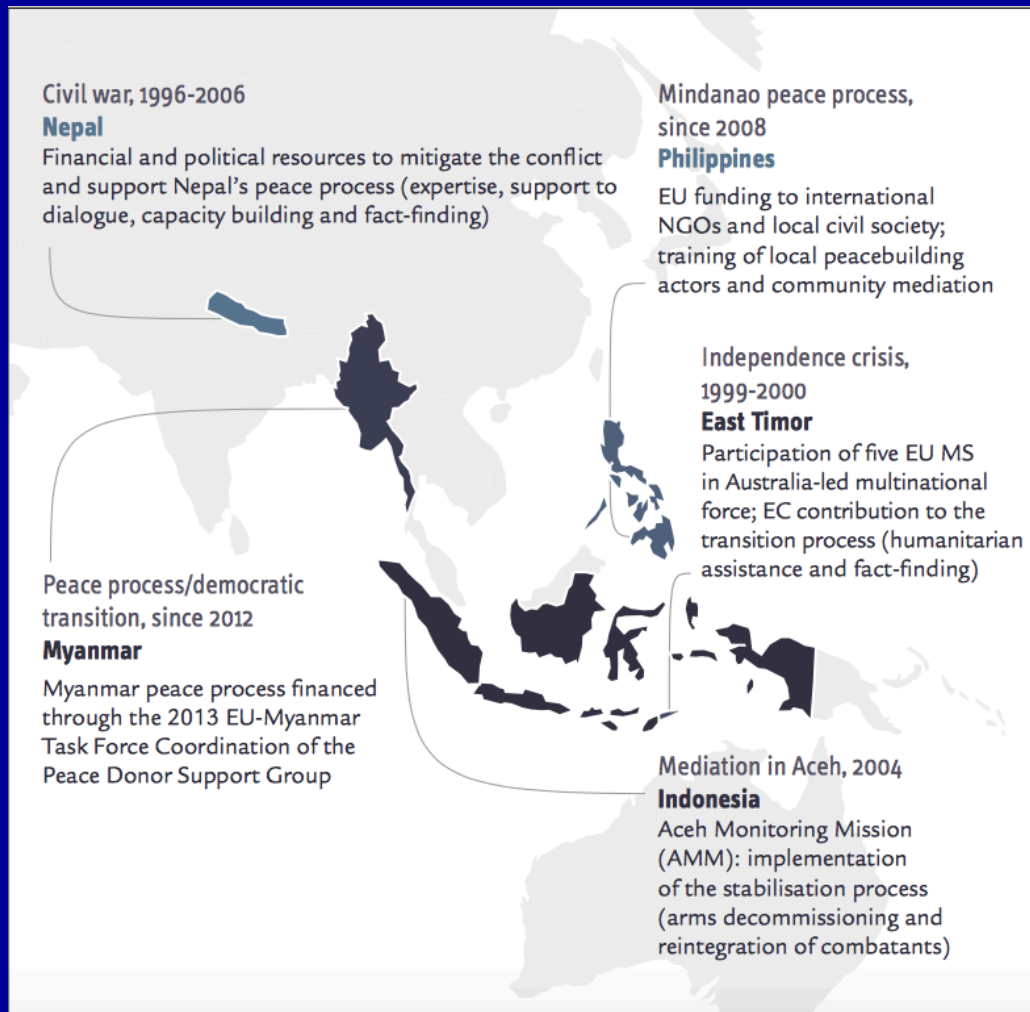
- “The European Union and its Member States, as contracting parties to the United Nations Convention on the Law of the Sea (UNCLOS), **acknowledge** the Award rendered by the Arbitral Tribunal, being committed to maintaining a legal order of the seas and oceans based upon the principles of international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

# **EU's Preventive Diplomacy Approach**

# 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



# 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



# ● **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.

# 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.

# 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.

# Euro-Asian Connectivity Strategy

- 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

# 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.



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