



The Indo-Pacific

A passage to Europe?

by Eva Pejsova



The term 'Indo-Pacific' has made its way into official foreign policy rhetoric. Japan's 2017 Foreign Policy Strategy, the US 2017 National Security Strategy, as well as its 2018 Defence Strategy, all refer to the 'free and open Indo-Pacific' as the ultimate vision for managing international affairs from the Indian Ocean to the Western Pacific. As opposed to the traditional 'Asia-Pacific', focused on the US and its East Asian allies, the new geopolitical construct shifts the regional centre of gravity westwards, reflecting the emergence of new actors and trends shaping the region's strategic environment.

One of the reasons for this new concept is China's assertive foreign and security policy and rising blue water ambitions. Its recent expansion into the Indian Ocean to safeguard its economic and strategic interests in Africa, Europe and the Middle East, along its Maritime Silk Road (MSR) connectivity initiative, raises concerns far beyond the region. Another reason is the emergence of India as a fully-fledged security player, and the development of a more robust structure for collaboration between the US and the region's like-minded democracies: Japan, India and Australia (referred to as the Quadrilateral Security Dialogue or 'the Quad'), which are wary of preserving the *status quo*.

On paper, the 'free and open Indo-Pacific' underscores the centrality of maritime trade, freedom of navigation, and the importance of a rules-based, liberal order as a prerequisite to global development, prosperity and stability. But in reality, the region is heading towards an era of ever more open strategic rivalry.

What are the main challenges of this regional order in the making and what are its implications for Europe? The shifting balance of power to the Indian Ocean and the focus on connectivity are bringing some of Asia's security challenges directly to the EU's immediate periphery. As the world's greatest trading power with an inherent interest in maritime security and regional stability, it will have to take a stance.

China's 'hybrid approach'

China's military presence in the Indian Ocean dates back to 2008, when it started as a fight against piracy. But the Ocean's Sea Lanes of Communication (SLOCs) represent a major strategic vulnerability for China beyond piracy: it is dependent on its access to Middle Eastern oil, as well as its main trade partners in Europe and Africa. Over the last decade, Beijing has established a regular naval presence,



multiplying drills and port visits, including inaugurating its first overseas naval base in Djibouti in 2017. Moreover, by 2020, China will have the world's 2nd largest blue water navy and similar activities are likely to become commonplace.

The more worrisome part of this expansion is, however, not related to the Chinese military. In what could be called a 'hybrid approach' to power projection, the military is merely a part of a broader strategy, combined with economic and political incentives and pressures. Among the main features of this approach has been the use of civilian power and economic investments to progressively gain ground strategically. Whether associated with the 'String of Pearls' (China's alleged previous geopolitical strategy for the Indian Ocean), or nowadays promoted as part of the Belt and Road Initiative (BRI) or the Maritime Silk Road, the development of vital connectivity infrastructure (seaports, roads, railways etc.) has become Beijing's signature foreign-policy project.

Bilateral relationships formed along the MSR are deeply asymmetric. China exploits the economic weaknesses of individual countries by collateralising investments against access to strategic resources or long-term land loans. In extreme cases, this 'debt-trap diplomacy' can lead to a partial erosion of sovereignty, as was the case of the Sri Lankan port of Hambantota, where the local government's inability to reimburse \$8 billion led to a 99-year lease to China. The acquisition of port facilities in Gwadar, Mombasa, Djibouti, Athens and elsewhere were all negotiated under debt constraints. In other cases, economic pressure is used to purchase political goodwill, with investments traded against diplomatic favours and support in international fora.

Another important characteristic of China's behaviour along the BRI has been a lack of transparency and a constantly evolving agenda. While not uncommon in China's foreign policy in general, the discrepancy between official discourse and actions on the ground generates ambiguity and tends to sow distrust in its foreign partners. Finally, even though a deal may be clearly articulated at first, its conditions and endgame may change over time (as was the case with using civilian port facilities in Sri Lanka and Pakistan for hosting military capabilities, for instance).

For Europe, activities along China's grand connectivity project are bringing a taste of the latter's foreign policy assertiveness closer to home. Large-scale infrastructure investments in several EU member states and in the countries of the Western Balkans have already resulted in political trade-offs

that have put the unity and strength of a common European position at stake. To date, Chinese state-owned enterprises (SOEs) control one-tenth of Europe's seaport capacity, with full or partial ownership of ports in Greece, Italy, Spain, Portugal, and most recently Belgium. As Brussels steps up its own connectivity agenda and wants to take a proactive stance, Chinese infrastructure investments will need to be watched carefully.

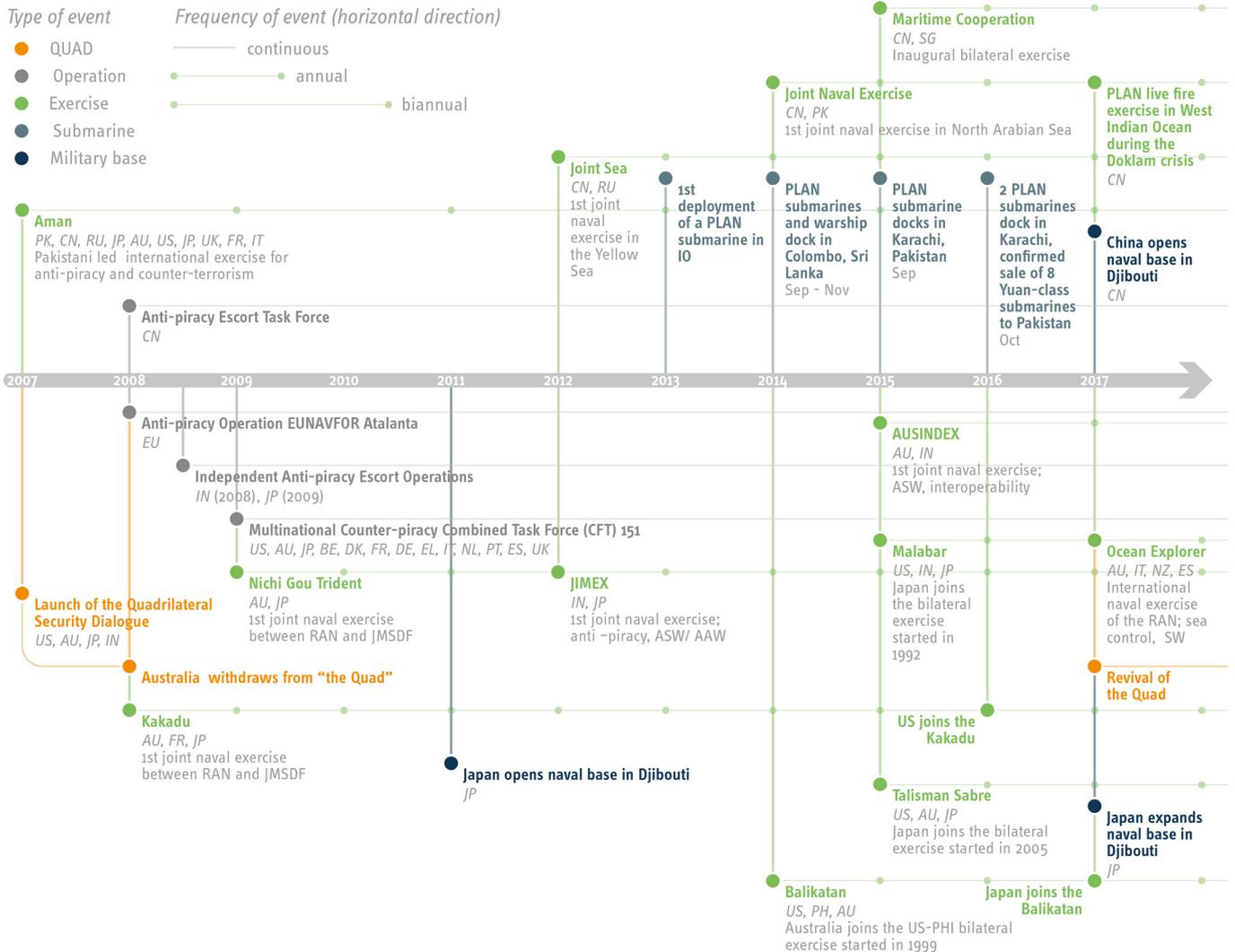
Send in the Quad!

Given the strategic importance for Beijing of the Indian Ocean and its trade routes, controlling them is seen as a way of moderating any potentially aggressive Chinese behaviour. In an effort to maintain regional balance, India, Japan, the US and Australia decided to revive the Quad, at the margins of the ASEAN Summit in Manila in November 2017. First proposed by Japan in 2007, the Dialogue was suspended in 2008 by Australia, with Canberra wary of jeopardising its relationship with China. The decision to resume it a decade later stands as a testament to the growing concerns of China's rising blue water ambitions and revisionist tendencies, combined with the passing of the US unipolar moment.

A result of years of tightening bilateral and trilateral security cooperation between the four actors, including joint naval activities, the informal coalition of maritime democracies calls for a free, open, prosperous and inclusive Indo-Pacific promoting freedom of navigation, quality connectivity infrastructure and the commitment to peace and stability. But beyond the official rhetoric, the most obvious common interest remains the containment of China. However, although the aim of the new formation may be to ensure stability, if not managed and communicated properly it risks generating increased competition and elevating the risk of great power confrontation.

While the exact contours and content of the dialogue remain undefined, speculations surrounding its ambitions abound. Understandably, its (re)creation was met with strong opposition in Beijing, which fears the creation of a more formal security alliance. As much as that is highly unlikely, given India's tradition of non-alignment and Japan's constitutional limitations to engage in collective self-defence, such a perception may nevertheless provoke an increase in China's military assertiveness. In some respect, it can be seen as an effort to counterpoise the Chinese MSR in light of Japan's and India's own ambitions to boost connectivity with Africa through the Asia-Africa Growth Corridor (AAGC)¹. But even if it is most likely to

Naval activity in the Indo-Pacific



remain only an informal consultation mechanism, the consequences for the region's overall strategic balance are already being felt.

No leadership without stewardship

The intensification of great power competition between China and the US and its allies leaves the majority of countries in South and South-East Asia with a painful binary choice. Between Beijing striving for global leadership and regional liberal democracies pondering on how to preserve the *status quo*, small and middle powers in the region are contemplating their own strategic options.

Geographically, historically and politically, South-East Asia has long been torn between Chinese and Western spheres of interest. However, despite differences and ongoing disputes, South-East Asian nations are and will always remain in China's immediate periphery and continue to view its rise

as an economic opportunity above all else. South Asian countries, for their part, tend to view Beijing as a counterbalance to India and an opportunity to increase their leverage *vis-à-vis* their own regional hegemon. Most importantly, all countries along the MSR are attracted by the prospects of prosperity and keen to benefit from the investments and infrastructure developments stemming from the initiative.

While the promise of a 'free, open and inclusive' Indo-Pacific may sound attractive, it remains abstract and lacks tangible incentives for countries in the short and medium term. Also, the emphasis on cooperation with 'like-minded' countries, adhering to liberal democratic values, is not necessarily compatible with the espoused spirit of openness and inclusiveness. A sustainable cooperative security regime needs to be ruled by norms that are common and attractive to all its members. What is painfully missing from both the Chinese BRI and the Quad's vision is the notion of good governance. Between the pragmatic mercantilism proposed by

Beijing and the insistence on the *status quo* championed by the Quadrilateral coalition, a number of every-day, non-traditional security issues, from climate change to cyber security or disaster response, are being overlooked.

What is more worrying, increased great power competition may undermine existing multilateral cooperative structures and institutional processes. At the forefront, ASEAN has been the cornerstone of regional security architecture for the past 50 years and remains the sole acceptable driver of inclusive cooperative security efforts such as the ASEAN Regional Forum (ARF). Albeit criticised as weak and arguably not very efficient, organisations such as the Indian Ocean Rim Association (IORA), that span the entire Indian Ocean, are also crucial for maintaining balance and achieving a sustainable form of governance in the region.

What role for Europe?

When announcing the revival of the Quad, Japanese Foreign Minister Taro Kono suggested a “collaborative role” for Europe, mentioning France and the UK specifically.² Indeed, both countries are established historical maritime powers, with a naval presence in the Indian Ocean, strategic interests across the Indo-Pacific and security ties with all four members of the Dialogue. But given the importance of this new geopolitical space, as well as the principles that ought to govern it, it is impossible not to look for a role for the EU as such: as the world’s largest trading block and top partner of the East Asian powerhouses, the Union is vitally dependent on maritime traffic and is invested in the safety and stability of its sea routes in the Indian Ocean and beyond.

Besides economic interests, Europe (as the final stop of the Chinese BRI) has felt some of the nebulous effects of Beijing’s mercantilist foreign policy on its own security and political cohesion. A more proactive and strategic approach to new connectivity initiatives and to security developments in the Indo-Pacific in general is now no longer an option, but a necessity. In many ways, Europe could play a valuable role in this changing security environment, by addressing overlooked areas related to non-traditional security cooperation and good governance, for instance. Its neutral security profile and good relations with all the powers involved could further bring a stabilising element to the growing great power rivalry. While its role as a global security provider may still be questioned, the EU’s ‘regulatory power’ and contribution to the

promotion of a rules-based order and cooperative security initiatives is hard to deny.

Although not a naval power in a traditional sense, the Union’s commitment to maritime security and its achievements in maintaining order at sea (both at home and abroad) are laudable. Cooperation in law enforcement, sustainable resource management, rules-based governance, and conflict prevention is also most sought after when engaging with Asian counterparts, from India to ASEAN. Its strong relationship with ASEAN and lasting support for regional integration could be of particular value when promoting an inclusive multilateral cooperative security architecture that would empower small- and medium-sized countries. Finally, its engagement policy with Beijing could serve to maintain and deepen the dialogue on global governance issues.

All four members of the Quad are Strategic Partners of the EU, and through this framework it has sought to deepen political-security cooperation. An enhanced dialogue on how to keep the Indo-Pacific truly ‘free and open’ could provide a broader comprehensive strategic framework to strengthen these ties. Indeed, collaboration with Europe would bring legitimacy to the new democratic formation and enhance its profile as an *inclusive* cooperative security framework. The EU’s ambition to play a greater political and security role in Asia is not new. Its invitation to the 12th East Asia Summit in Manila in November 2017, albeit as a guest of the Chair, can be seen as a first sign of acknowledgment of its potential usefulness for regional security.

The new regional order currently under construction provides a unique opportunity for the EU to demonstrate its added value. The challenge is now how to uphold its commitments towards China, while promoting the principles of the newly-invigorated democratic coalition, without appearing to take sides.

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References

- 1) The AAGC was launched in May 2017 at the meeting of the African Development Bank in India. Details in the “AAGC: Vision Document” at <http://www.eria.org/Asia-Africa-Growth-Corridor-Documents.pdf>
- 2) The Nikkei interview with Taro Kono on 25 October 2017 <https://asia.nikkei.com/Politics-Economy/International-Relations/Japan-to-propose-dialogue-with-US-India-and-Australia>

