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## EU's New Indo-Pacific Strategy – A Stabilizer or a contender?

Dr Joshy M Paul  
*Research Fellow, CAPS*

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The European Union published a draft policy document of its strategy on the Indo-Pacific on April 19 and the final communiqué will be released in September.<sup>1</sup> The document states that the EU has a big stake in the regional architecture of the Indo-Pacific because it is “home to 60% of the world’s population, producing 60% of global GDP, and contributing two-thirds of current global growth”. The EU expects the regional architecture remains open and rules-based, however, it believes that “current dynamics in the Indo-Pacific have given rise to intense geopolitical competition”. In this regard, it seeks to “reinforce its strategic focus, presence and actions in the Indo-Pacific with the aim of contributing to the stability, security, prosperity and sustainable development of the region, based on the promotion of democracy, rule of law, human rights and international law”.

The document does not specifically mention who are the main actors and competitors, and mentions China only once—about the EU’s prospective Comprehensive Agreement on Investment with China. This suggests that the EU doesn’t view China as a rival or a competitor but as a constructive partner. However, it is apprehensive of the latest developments that are taking place in the Indo-Pacific region which are largely affecting the smooth functioning of the principle of ‘freedom of navigation’ due to China’s actions. In September 2020, Germany, France and the UK jointly submitted a proposal to the UN rejecting Chinese maritime claims in the South China Sea under international law.<sup>2</sup>

Prior to this, France, Germany and the Netherlands had come up with their own Indo-Pacific strategies.<sup>3</sup> They are engaging with the regional countries, mostly with US’ strategic partners. Recently Germany and Japan have held the first-ever security dialogue between their foreign and defence ministers, also known as “two plus two”, and has planned to dispatch a German frigate to the Indo-Pacific in 2021, which was scheduled to travel in 2020, but was postponed due to Covid-19 restrictions, and the ship will pass the South China Sea, for the first time after 2002 when a German naval ship crossed the SCS.<sup>4</sup> France joined the Quad members and conducted a joint naval exercise codenamed “La Pérouse,” on April 5-6 in the Bay of Bengal.<sup>5</sup> Quad is a quadrilateral security mechanism created by Japan, India, Australia and the US, supposedly aimed to counter Chinese hegemony in the Indo-Pacific. Besides, France is joining with Japan and the US for a military drill in Japan from May 11-17, in which ground forces from the three countries will be participating.

With the Brexit, France and Germany are in the driver’s seat of the EU and are increasing their presence across the globe, given the context of the impact of former US President Trump’s “America first” strategy. Although Germany is the largest economy in Europe and leading EU’s negotiations with China, but France is more active on the Indo-Pacific matters because of its resident power status with the Reunion Islands in the western Indian Ocean. And, at times Germany plays second fiddle to France

on global security issues. During the colonial period Germany had a less presence in the current Indo-Pacific region, but is now trying to catch up with France. Only France and few smaller countries have crossed the mark of two per cent of GDP for defence mandated by NATO by 2024, Germany's current defence expenditure is 1.57 per cent only.<sup>6</sup> Similarly, China was accused of attempting to divide the EU between East and the West, with large amount of investments and trade opportunities for the Eastern and Central European countries under the BRI, but the EU still works as a coherent unit on matters of security and external policies.<sup>7</sup>

A major reason for the EU's renewed push for an active role in the Indo-Pacific is to replicate the model of European stability into the Indo-Pacific. European stability during the Cold War was based on balance of power and followed a strategy of 'rivalry and containment' with the former Soviet Union. However, its new incarnation Russia is being treated differently and the EU's strategy towards Moscow is more of 'engagement and containment'<sup>8</sup>. It has contributed to stability in Europe as no one power will dominate the continent, while at the same time benefit economically from the engagements.

Today, China has become the largest trading partner of the EU, overtaking the US in 2020, and many of the EU countries have joined the China-led multi-billion dollar Belt and Road Initiative (BRI). At the same time, the EU has expressed its concern of freedom of navigation in the Indo-Pacific and, being a member of NATO, it supports the US policy on security of the region. The stability of the region is important for the EU both in terms of economy as well as security. Its strategy towards the Indo-Pacific is engagement and containment-engaging China economically, while containing its hegemonic ambition in the maritime domain of Asia.

Indeed, power balancing is the most effective and sustainable mechanism to bring peace and prosperity to any region. However, Indo-Pacific lacks this power balancing and is still a theater for potential disruption because of China's assertiveness and perceived hegemonic ambition. There has been no regional mechanism which can effectively manage regional security in the Indo-Pacific. The US announced a 'rebalancing' strategy a decade back to contain China, but its implementation turned out to be ineffective, and China has become more assertive since then. The Quad is still in its formative period of evolution and is highly unlikely to become a vibrant regional mechanism in near future. The only mechanism that has wider acceptance across the region is ASEAN, with its policy of multilateralism premised on 'inclusiveness and consensus'. It has been accepted by all stakeholders, including China and the US. For instance, Indian Prime Minister Narendra Modi stated at the Shangri La Dialogue in 2017, which was further highlighted by External Affairs Minister S. Jaishankar at a UN Security Council virtual meeting on April 19, 2021, that 'India's vision of Indo-Pacific is the centrality

of ASEAN'.<sup>9</sup> However, most of the regional countries are economically dependent on China so are unable to pursue balancing against Beijing. Even though India is the largest regional military power after China and the least exposed economically to China, it is reluctant to take a leadership role of the Quad, or to play a constructive role in a balancing mechanism against China. So the EU's effort can be seen as a stabilizer and to fill the vacuum of the balance of power mechanism in the Indo-Pacific.

It is also aimed to enhance the EU's presence in the defence market across the Indo-Pacific region. France has already established as a leading defence supplier; India has bought Scorpene class submarines and Rafale fighter aircraft from France, and Australia awarded \$ 50 billion submarine project to Naval Group of France. The EU's new policy stipulates that it will provide assistance to enhance capacity building of the regional countries in their effort to maintain freedom of navigation in the Indo-Pacific. As a leading buyer of arms from the Indo-Pacific and also a major stakeholder in ensuring peace and stability of the region, India would be the largest beneficiary of the EU's new policy initiative on the Indo-Pacific.

## Notes

<sup>1</sup> "EU Strategy for cooperation in the Indo-Pacific", Council of the European Union, April 19, 2021. [https://eeas.europa.eu/headquarters/headquarters-homepage\\_en/96741/EU%20Strategy%20for%20Cooperation%20in%20the%20Indo-Pacific](https://eeas.europa.eu/headquarters/headquarters-homepage_en/96741/EU%20Strategy%20for%20Cooperation%20in%20the%20Indo-Pacific)

<sup>2</sup> United Nations "Note Verbale", New York, 16 September 2020. [https://www.un.org/Depts/los/clcs\\_new/submissions\\_files/mys\\_12\\_12\\_2019/2020\\_09\\_16\\_GBR\\_NV\\_UN\\_001.pdf](https://www.un.org/Depts/los/clcs_new/submissions_files/mys_12_12_2019/2020_09_16_GBR_NV_UN_001.pdf)

<sup>3</sup> Gudrun Wacker, "Europe and the Indo-Pacific: comparing France, Germany and the Netherlands", German Institute for International and Security Affairs, Berlin, March 5, 2021. [http://www.realinstitutoelcano.org/wps/portal/riecano\\_en/contenido?WCM\\_GLOBAL\\_CONTEXT=/elcano/elcano\\_in/zonas\\_in/asia-pacific/ari29-2021-wacker-europe-and-the-indo-pacific-comparing-france-germany-and-the-netherlands#:~:text=Within%20the%20EU%2C%20France%20published,September%20and%20November%202020%20respectively.&text=France%20was%20the%20first%20EU,its%20own%20Indo%2DPacific%20strategy](http://www.realinstitutoelcano.org/wps/portal/riecano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/asia-pacific/ari29-2021-wacker-europe-and-the-indo-pacific-comparing-france-germany-and-the-netherlands#:~:text=Within%20the%20EU%2C%20France%20published,September%20and%20November%202020%20respectively.&text=France%20was%20the%20first%20EU,its%20own%20Indo%2DPacific%20strategy).

<sup>4</sup> Alexandra Sakaki, "Strategic Convergence: Towards a New Chapter in Germany-Japan Ties", *RUSI Commentary*, 20 April 2021. <https://rusi.org/commentary/strategic-convergence-towards-new-chapter-germany%E2%80%93japan-ties>

<sup>5</sup> The Times of India, "ye on China, Quad-plus-France exercise kicks off in Bay of Bengal," April 5, 2021. [http://timesofindia.indiatimes.com/articleshow/81917310.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/81917310.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

<sup>6</sup> *Financial Times*, "Most Nato countries set to miss military spending target," October 21, 2020. <https://www.ft.com/content/9bf3fe51-f6c2-4c74-86b0-db2918e33745>

<sup>7</sup> "China trying to divide and rule in Europe, EU foreign policy chief Josep Borrell says", The South China Morning Post, May 16, 2020. <https://www.scmp.com/news/china/diplomacy/article/3084684/china-trying-divide-and-rule-europe-eu-foreign-policy-chief>; Philippe le Corre, "A Divided Europe's China Challenge", Carnegie Endowment for International Peace, Washington DC, November 26, 2019. <https://carnegieendowment.org/2019/11/26/divided-europe-s-china-challenge-pub-80437>

<sup>8</sup> Carl Bildt, Gustav Gressel, Kadri Liik, and Nicu Popescu, "Push back, contain, and engage: How the EU should approach relations with Russia", European Council on Foreign Relations, Brussels, 25 March 2021. <https://ecfr.eu/publication/push-back-contain-and-engage-how-the-eu-should-approach-relations-with-russia/>

<sup>9</sup> "Indo-Pacific vision premised on Asean centrality: EAM S Jaishankar", Business standard, April 19, 2012. [https://www.business-standard.com/article/current-affairs/indo-pacific-vision-premised-on-asean-centrality-eam-s-jaishankar-121041901355\\_1.html](https://www.business-standard.com/article/current-affairs/indo-pacific-vision-premised-on-asean-centrality-eam-s-jaishankar-121041901355_1.html)