

## Europe's involvement in East Asian security: how to engage China

Sébastien Peyrouse

»» The economic crisis has weakened Europe's standing in Asia, with which the EU has a growing trade deficit. However, paradoxically, calls now emanate from Asian political actors for stronger EU participation in addressing East Asia's security challenges. In June 2012, the 11th Asia Security Summit, or Shangri-La Dialogue, held in Singapore, confirmed the weakness of European interest in Asia's strategic issues. The German delegation was second rate, despite Germany being the most economically powerful European actor in this region. Only France, represented by its new defence minister, Jean-Yves Le Drian, announced that Asia would be prioritised, including in the forthcoming French strategic defense review. In July, a meeting of Catherine Ashton with Dai Binguo, China's state councilor responsible for foreign policy, provided another occasion for Asian leaders to complain about the EU's weak visibility in the region.

Europe sees Asia overwhelmingly as a trade partner, and has been reluctant to develop a security assessment of the region and of its own engagement. The European position is all the more blinkered in light of the 2012 US Defence Strategic Review reorienting the United States' national interests toward the Asia-Pacific region. The Obama administration plans to shift more military resources to Asia-Pacific in order to address both old and new challenges, but remains ambiguous with regards to relations with China. Washington hopes for the emergence of a shared vision with China of a security framework for the region, but does not define

### Highlights

- The remains relatively disengaged from Asian security.
- While the EU cannot be a major political player in the region, especially on hard security, its degree of engagement is too limited.
- A range of soft security issues offer possible points of productive engagement, including with China.

»»»» a clear US position on matters of cooperation with Beijing on diplomacy, trade and security.

Many European pundits have criticised the US pivot, interpreting it as an abandonment of the transatlantic commitment. They denounce overly bilateral relations between China and the United States that do not take more global interconnections into account. But Europe has not developed a clear position on how to engage China either. It will not be able to solidify its own image as a global actor without greater engagement in Asia, and therefore a greater relationship with China. The establishment of an EU-China Strategic Partnership in 2003 institutionalised dialogue and facilitates cooperation at both the multilateral and bilateral levels. But patterns of cooperation to address security issues remain weak. So, how should European engagement with China be strengthened on security issues?

### HESITATION

EU cooperation with China has manifold limitations. First of all, this is due to the values gap. China has implemented some good governance reforms and the institutionalisation of generational changes at the political elite level (the fifth generation of leadership will take power in September and remain in place until 2022). Nonetheless, China's advances are limited. European institutions – especially the European Parliament – and advocacy groups lobbying in Brussels and Strasbourg regularly criticise the Chinese regime and its treatment of dissent. Freedom of speech, the legal system and access to the Internet

are particularly contentious issues. EU institutions also condemn Beijing's repressive and militarised handling of tensions with the provinces of Tibet and Xinjiang, as well as the mistreatment of Christian converts and North Korean refugees. Catherine Ashton's declaration on the Tibetan issue and general human rights situation in China infuriated the Chinese. The EU arms embargo against China, instituted after the Tiananmen crackdown in 1989 but contested by France and some other member states, could be lifted or relaxed in the coming months, and replaced by a new code of conduct that would allow for more dual technology transfer.

China's position on international issues is also sometimes at odds with that of Europe. China offers support to the North Korean and Burmese regimes; has defended the Sudanese regime, in particular in the conflict in Darfur; and, alongside Russia, ambiguously supports Iran in its standoff with the international community over its nuclear programme. Recently, Beijing has deployed its veto on the UN Security Council to block international pressure on the regime of Bashar Al-Assad, and the Syrian crisis is now a point of major divergence between the EU and China.

Trade disputes between China and Europe have also intensified in recent years. Brussels and EU member states denounce China's lack of respect for intellectual property rights, the indirect use of subsidies through credit financing for Chinese exporters and investors and the sudden decision to restrict the export of rare earths metals (over which China has a quasi-monopoly). Mean-

while, Beijing complains about European protectionism, especially on textile imports. In 2008, the first EU-China High-Level Economic and Trade Dialogue aimed to foster dialogue in the context of political and commercial tension. Since the economic and debt crisis in Europe, trade issues have gained in importance. Recently trade Commissioner Karel De Gucht warned China the EU

could consider launching an anti-dumping case against Huawei and ZTE Corp., while Beijing threatens retaliation on European businesses. Like the United States, the EU also complains about China's policy of currency depreciation and has called for greater flexibility in the exchange rate of the yuan, which Beijing staunchly resists.

The current debt crisis – and the crisis of confidence in the European project that is linked to it – has driven member states increasingly to act independently of one another. Germany is now China's number one trade partner in the EU and China is the top foreign investment destination for German companies. Bilateral trade grew by 400 percent in the past decade. Berlin has tended to condemn Chinese policies with decreasing frequency as compared to its European neighbors. The same goes for France, which has engaged heavily in China, mainly in the aerospace, nuclear energy, and high tech sectors, with a political impact that remains unclear. Areva's contract to supply

Nigerian uranium to China, for example, became a target for extensive criticisms from advocacy groups. Moreover, some EU member states' increased sales of arms and weapons systems to China could indirectly affect East Asia's military (im)balance, especially with regards Taiwan's security.

### THE NEED FOR EUROPEAN INVOLVEMENT

While Asian leaders are concerned by the weak multilateral security framework of their region, the lack of engagement from the EU is striking. The EU participates in the main regional forums like the Asia-Europe Meeting (ASEM), the ASEAN Regional Forum (ARF) and the South Asian Association for Regional Cooperation (SAARC), and has declared its intention to join the East Asia Summit (EAS). However, the EU attends them with second-order delegations and with goals centered on trade, rather than on security. The 'track-two' for security issues in ASEM is limited. However, the EU is considered by Asian leaders to be a legitimate promoter of multilateralism in the region, and seen as a potential model because of the European collective security project and the EU's involvement in multilateral structures like NATO. The experience of building the Franco-German partnership is also an often cited example in Asia, particularly with regards to Sino-Japanese or Japanese-Korean relations.

A growing EU role in promoting European experiences in security multilateralism would thus be welcomed by all Asian actors, included Beijing. While Europe

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advocates multilateralism, China advocates multipolarity. However, even Beijing would be supportive of a better framework for discussing regional security risks. Chinese elites are justifiably worried about their lack of allies in Asia. Their diplomatic isolation is a long term security risk for which they seek to compensate with integration into regional organizations. China needs both balanced domestic development and a secure external environment in order to thrive. A politically and economically weakened China would be detrimental to its neighbours as well as the world, and would create more strategic uncertainties rather than solve any problems. There are several areas in which Europe can and should engage China.

Security risks in East Asia are numerous, ranging from those induced by the North Korean regime and Japan's accusation of repeated incursions of Chinese destroyers into a disputed part of the East China Sea that is potentially rich in oil and gas, to a revival of tensions between China and Taiwan and territorial disputes in South China Sea. As the US decision to station 60 percent of its naval power in Asia by 2020 confirms, freedom of navigation is a key concern for all actors: China because its supply routes for hydrocarbons from the Middle East go through the South China Sea; the Philippines, Vietnam, and Taiwan because their own security depends on accessing the sea, and disputes over territorial claims have increased in recent years; and the United States, Europe and Japan because of their dependency on sea trade from Asia.

Europe tends to leave these issues for the United States and to keep a low profile.

This is an unsatisfactory position. Europe cannot criticise Washington over the risks of transatlantic disengagement while it remains aloof from the global reshuffling toward Asia. Europe's becoming a hard security actor in Asia is not the question at hand; but it could second the United States by promoting its own conflict management diplomacy and soft security tools. Two domains seem promising: the peaceful management of shipping lanes and solving maritime territorial disputes. In the past, the EU has contributed to peace and security by assisting democratic governments in East Timor and Cambodia. A growing commitment toward China's southern neighbors, for instance Thailand and Vietnam, would also give the EU a role in building new regional security mechanisms.

#### ENGAGING CHINA... AND CHINESE SOCIETY

In addition to an EU engagement toward bolstered multilateral security frameworks, there are several soft security domains where the EU could offer its experiences and be considered a legitimate actor by China. The Chinese leadership is concerned about the country's domestic weaknesses, especially the rise in social discontent, the deceleration of economic growth, the loss of the industrial competitiveness and huge development vulnerabilities. One can argue that China has sought to become a stakeholder in global governance, but does not share the corresponding responsibilities, particularly in the environmental domain. However, Europe has an interest in taking Chinese declarations seriously and in pushing

the Chinese leadership into a growing socialisation in soft security frameworks.

Transnational environmental degradation, water scarcity, border-crossing disasters and pandemics, and preparation for climate change are common interests for Europe and China. The sharing of a single continent is not the only reason for this intersection. These problems that do not stop at political borders and that have a long-term global impact: the risk of interstate tensions around water management, uncontrollable flows of environmental refugees on the Eurasian continent and drastic changes in agricultural and industrial capacities due to changes in the natural environment. In more frequent interaction with China on these issues, Europe could contribute to improving good governance in China and to widening the role of Chinese civil society. Indeed, although traditional advocacy engagement – on democratisation, human rights and freedom of speech – is still limited in China, the authorities have been forced to respond to issue-based advocacy. Questions linked to health and the environment (workers' exposure to industrial pollution, lack of access to safe drinking water, poor state preparation for natural and industrial disasters and scandals linked to public health) elicit strong reactions from Chinese society. Local civic movements have forced the Chinese authorities better to incorporate society's demands and improve the efficiency of governance.

Another area where Europe could engage China is cybersecurity. China is a safe haven for cyber-criminals, especially those involved in economic crimes. A US report released in

2011 criticised China for using high-tech espionage to boost its own development and for being home to 'the world's most active and persistent perpetrators of economic espionage.' However, Beijing could also become a victim of cyber-insecurity. The government feels vulnerable to hackers, especially of the type epitomised by Anonymous. The security of industrial and strategic infrastructure is increasingly digital, and could be hacked or failed, triggering a cascade of consequences. The technical character of cybersecurity is an indirect way to engage the Chinese leadership in a debate on increased internet freedom and the growing role of social media and online public opinion. The authorities seek to control the virtual space, but are aware that they can only postpone the progressive liberalisation of the public debate. China's economic development through the digitisation of its infrastructure, and therefore the growing use of information technologies by the population, will impact the political system.

Europe has a long tradition in elaborating development strategies and understanding their impact on societies. The Chinese leadership has ideological presuppositions that the population is satisfied with the regime if the latter engages in infrastructure and industrial development. It is therefore surprised when the population has suspicious or even violent reactions to its economic strategies. This is particularly the case in Tibet and Xinjiang, but also applies to many central provinces in China and to some big cities. For now, Beijing does not have alternative solutions to offer in response to this social discontent. The pension system will face enormous challenges in coming



years; the higher education system fails to create jobs at the peak of student requests; the small provincial middle class is dissatisfied with the lack of new opportunities to climb the social ladder; and workers are protesting the absence of professional opportunities. Europe cannot offer quick fixes to such issues, but it can propose the mechanisms for debate and exchanges of experience on aspects of human security, social welfare and good governance. Once again, these are areas in which both the Chinese authorities and the local civil society can be engaged, consistent with Europe's values agenda.

## CONCLUSION

Periods of crisis are conducive to strategic readjustments and should give way to an improved focus on top priorities. Europe and Asia are deeply interdependent. The economic crisis effects regions and their mutual economic fragilities can be measured in security risks. Europe cannot present itself as a global actor that has China as its second-largest trading partner and that signed an extremely ambitious bilateral trade agreement with South Korea, without being more engaged in Asian security issues. Asian countries are asking for more involvement and see the EU as a more neutral actor than the United States. Europe must commit itself more courageously to supporting regionalism and multilateral security platforms, and in developing security dialogues with East Asian countries, large and small. Finally, Europe has everything to gain through more concrete engagement with China. A wide spectrum of soft security issues could allow Europe to construct shared agendas with the Chinese

authorities, while also positively impacting on the autonomy and legitimacy of Chinese civil society. A more structured agenda for a selected engagement with Beijing is urgently required.

*Sébastien Peyrouse is Associate Researcher at FRIDE and Senior Research Fellow with the Central Asia-Caucasus Institute & Silk Road Studies Program at SAIS, Johns Hopkins University, Washington DC.*

**e-mail: [fride@fride.org](mailto:fride@fride.org)**

**[www.fride.org](http://www.fride.org)**

**ISSN: 2254-0482**

