

The European Union's Potential Role in East Asia's rise

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In a changing world order, both old and emerging powers are committed to securing themselves a prominent position in the 21st century global balance. If the United States is facing the scenario of an increasingly powerful China, the European Union (EU) has appeared to be too focused on its own regional challenges and threats to take part in this global power competition. However, the EU's economic ties and soft power capabilities with major East Asian actors are still strong and worthy of attention. In this challenging period, it is crucial to analyze what role the European Union plays in East Asia, its present limits, and its future opportunities.

The European Union as a global power

The challenges that have been shaping the European context in the recent past have resulted in the image of a European Union weakened both at the domestic and international levels. The last 18 months alone have seen Brexit, the Ukrainian crisis, the emergence of populist and far-right parties, several significant political elections (i.e. the United Kingdom, France, Germany, the Netherlands, Austria, Hungary), terrorist attacks, and a refugee crisis. If we add the economic recession to all these events, together with austerity measures and the severe lack of institutional cohesion that has been haunting Europe since 2008, it appears clear why many believe the EU has stepped down from its role of world superpower.

However, the facts suggest a different reality. Andrew Moravcsik, director of the European Union Program at Princeton University, is one of the most powerful voices offering a significant alternative to this belief. By arguing that "If a superpower is a political entity that can consistently project military, economic, and soft power transcontinentally with a reasonable chance of success," he defines the EU as "the invisible superpower in contemporary world politics."¹ Based on the assumption that Europe should be seen as a single actor – and not as 27 separate countries – Moravcsik demonstrates the EU's prominent military, economic, and soft power capabilities. In fact, according to objective measures, the European Union often exceeds both American and Chinese potential.

First, when considered as a whole, Europe ranks second in global military spending accounting for 15-

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¹ Moravcsik, A. (2017). Europe Is Still a Superpower. In *Foreign Policy*. [online] Available at:
<http://foreignpolicy.com/2017/04/13/europe-is-still-a-superpower/>



16%, after the United States (>40%) but before China (<10%), and first in terms of arms exports. Furthermore, the EU is a leading world power when it comes to the deployment of land and naval military assets outside of home countries: from the US-led operations in Iraq and Afghanistan to its support in countries such as South Sudan, Mali, Ukraine and Lebanon, Europe's military participation is vital.

Secondly, Moravcsik identifies the EU's economic power projection as its real asset. The European Union is the world's largest trader of goods and services, and the world's second-largest economy (if we measure by nominal GDP, the EU is almost the same size as the United States and 63% larger than China). If we consider Europe's commitment in terms of foreign aid and economic sanctions (e.g. against Russia and Iran), the EU's global economic influence is undeniable and it is often crucial in obtaining the desired political and diplomatic results.

Finally, if we interpret soft power as "the ability to advance foreign policy goals by disseminating and manipulating ideas, information, and institutions to help persuade other countries to act in particular ways", the European Union is internationally renowned for this unique power projection. As the major contributor to the United Nations (EU 37%, US 22%, China 5%), a leading supporter of multilateral institutions, and home to some of the most prestigious universities and popular international destinations rich in culture and history, the European Union still meets the requirements to be considered a superpower. With its economic and military capabilities, the EU's "normative power" aims at promoting good governance, advancing human rights protection, and providing development assistance at the international level. The annual global soft power data survey² confirms this trend with France, the United

Kingdom, and Germany ranking among the top 5 soft power leaders, and with 19 out of the top30 being European countries.

Interestingly, the findings show that "European soft power is recovering, North America's capability is on the decline, while Asia is on the rise."³ Having identified Europe's main assets in terms of its economic, military and soft power international projections, the question is: what role can the European Union play in East Asia?

Economic Partnerships

The European Union has major direct economic interests at stake in East Asia with China, Japan and South Korea ranking among the EU's top ten trading partners in 2016.⁴

Since resuming relations in 1994 – after a suspension due to the 1989 Tiananmen Square massacre – the European Union and China have gradually become more economically interdependent. Started in 2003, their strategic partnership has been evolving over the years and it recently acquired a greater weight through the signing of the EU-China 2020 Strategic Agenda for Cooperation adopted in June 2016. This is a key partnership for both parties: the EU is China's top trading partner, while China is the EU's second largest trading partner after the United States, and their trade in goods is worth over 1.5 billion euro a day.⁵ The main obstacle in further strengthening their economic relations is mostly represented by the European concern about China's protectionist measures as well as the difficulty in

² Portland. USC Center on Public Diplomacy (2017). *The Soft Power 30. A Global Ranking of Soft Power 2017*. [online] Available at: <https://softpower30.com/wp-content/uploads/2017/07/The-Soft-Power-30-Report-2017-Web-1.pdf>

³ Portland. USC Center on Public Diplomacy (2017). *The Soft Power 30. A Global Ranking of Soft Power 2017*. [online] Available at: <https://softpower30.com/wp-content/uploads/2017/07/The-Soft-Power-30-Report-2017-Web-1.pdf>

⁴ European Commission. (2017). *European Union, Trade in goods with Asia*. [online] Available at: http://trade.ec.europa.eu/doclib/docs/2011/january/tradoc_147207.pdf

⁵ European Parliament (2016). *East Asia*. [online] Available at: http://www.europarl.europa.eu/ftu/pdf/en/FTU_6.6.8.pdf



accessing China's market in terms of trade and investments.

After China, Japan is the EU's second largest trading partner in Asia. The EU-Japan strategic partnership, also signed in 2003, accounted for over 125 billion euro in trade just in 2016, and it is set to become a major cornerstone in the framework of the European presence in East Asia. In fact, the EU and Japan are committed to reaching a free trade agreement (FTA) which, since negotiations launched in 2013, has seen significant improvements as demonstrated by the positive outcome of the last EU-Japan Leaders meeting held in Tokyo last April. From a European perspective, this agreement is relevant because it finally tackles some major issues negatively affecting its economic relations with Japan, namely Japanese non-tariff barriers to its markets and the lack of regulated competition affecting several European industries.

The third and last official strategic partnership that the EU has in East Asia is with South Korea (ROK). Launched in 2010 and signed in 2014, the EU-ROK FTA represents the EU's most relevant trade agreement outside Europe.⁶ Under this FTA, Europe-ROK trade has achieved an almost complete liberalization in their exports of goods (some agricultural products are not included), reaching the unprecedented level of 96 billion euro in trade in 2016. This makes South Korea the EU's ninth largest trade partner, and confirms Europe among the ROK's top export recipients.

The EU is also one of Mongolia's main trading partners. Even if the total of their trade exchanges only reached 403 million euro in 2015, the European Union still ranked third among Mongolia's biggest trade

partners.⁷ More importantly, EU leaders have been recognizing Mongolia as a relevant player in the region. In 2013, the former EU High Representative, Catherine Ashton, signed a Partnership and Cooperation Agreement to foster their economic and political relations.

Military Cooperation

If the economic impact of the European Union in East Asia appears to be clearly significant, the same cannot be said of its military presence. As Fraser Cameron, Director of the EU-Asia Centre in Brussels, argues: "the EU is not a military actor like the United States, but it is a valuable partner for non-military actions."⁸ In fact, European engagement in the East Asian security areas should rather be measured by its support for multilateral peace processes and its participation in anti-piracy and maritime security regional activities. In this regard, Cameron specifically refers to the Northeast Asia Peace and Cooperation (NAPCI) process, the EU's support for the UN sanctions against North Korea and the anti-piracy operations in the Gulf of Aden, and its assistance in disaster management.

However, while the European Union's official military activities in East Asia are often compatible with its soft power efforts, individual European countries take a different approach. A clear example is offered by the case of the EU arms embargo against China: despite being in place for two decades, China still represents a significant market for the sale of European weapons -mainly those produced in France, the United Kingdom, and Germany. These three countries are also engaged in strategic dialogues with Beijing, often accompanied by joint military trainings

⁶ Okano-Heijmans, M. (2014). Trade Diplomacy in EU-Asia Relations. Netherlands Institute of International Relations Clingendael. [online] Available at: [https://www.clingendael.org/sites/default/files/pdfs/Trade%20Diplomacy%20in%20EU-Asia%20Relations%20-%20Clingendael%20Report%20\(Sept%202014\).pdf](https://www.clingendael.org/sites/default/files/pdfs/Trade%20Diplomacy%20in%20EU-Asia%20Relations%20-%20Clingendael%20Report%20(Sept%202014).pdf)

⁷ Delegation of the European Union to Mongolia (2016). *Mongolia and the EU*. [online] Available at: https://eeas.europa.eu/delegations/mongolia_en/1548/Mongolia%20and%20the%20EU

⁸ The Diplomat (2016). *The EU's Own 'Pivot to Asia.'* An interview with Fraser Cameron. [online] Available at: <https://thediplomat.com/2016/12/the-eus-own-pivot-to-asia/>



between these European armies and their Chinese counterpart. At the same time, other similar frameworks have been setup where several EU member states regularly take part in defense dialogues with countries such as Australia, Japan, New Zealand and South Korea.⁹

As affirmed by Duchatel and Bromley in their report on Europe's impact on military security in East Asia,¹⁰ "declining defense budgets within Europe, and rising budgets – and tensions – in parts of Asia, mean there is a new imperative for EU member states and EU-based companies to target the region for sales." More specifically, European countries play a pivotal role in supplying military technology not offered by the American defense industry. For example, France, Italy and Sweden found it relative easy to access the market of diesel-powered submarines and ground-based anti-ship missiles, benefitting from the lack of American competitors whose focus is rather on the non-exportable nuclear-powered submarines. The bilateral and multilateral initiatives thus result in China spending about 7 percent of its defense procurement budget on arms imported from Europe and, more broadly, in Asian countries importing 20 percent of their military technology assets from European countries. Overall, the 30 billion euro reached in the export of military equipment from Europe to Asia and Oceania in 2014 kept rising in 2015 to reach a total export value of over 44 billion euro.

Soft Power Projection

The impact of European soft power in East Asia is mostly the result of its economic, non-military, humanitarian, and cultural-related activities. First, the

European Union is a fervent supporter of multilateral institutions aimed at promoting the strengthening of economic and defense cooperation in the region. In this regard, Nicola Casarini, Head of Research Asia at the Istituto Affari Internazionali (IAI) in Rome, supports the idea that "the 'civilian' image of the EU makes it a well-suited actor to promote regional cooperation and trust building" and also that "Europe's soft security assets warrant serious consideration as they could help the regional policymakers to devise a peaceful future for Northeast Asia."¹¹

Other than its support to the previously mentioned NAPCI, the EU has indeed openly promoted the need to resume talks within the Trilateral Cooperation Secretariat (TCS) - whose goal is to promote peaceful relations between China, Japan and South Korea - as well as praised the important role of the Six Party Talks in tackling regional security threats. Furthermore, the Asia-Europe Meeting (ASEM) is another significant intergovernmental process which was established in 1996, aimed at fostering political dialogue, reinforcing economic cooperation, and promoting collaboration in other areas of mutual interest. It comprises 15 EU member states and seven ASEAN countries, plus the European Commission, China, Japan and Korea, who are expected to meet in Brussels in 2018 for the 12th ASEM Summit.

Secondly, the European Union is a major donor of humanitarian aid, with North Korea being the main destination for these funds. Food assistance, health services, access to clean water, and sanitation are some of the objectives pursued by the European Commission's Civil Protection and Humanitarian Aid Operations department, which has been donating over 135 million euro to North Korea since 1995.¹²

⁹ Berkofsky, A. (2013). The EU in Asian Security – Too Much for Beijing, Not Enough for Washington. *EU-Asia Centre*. [online] Available at: http://www.eu-asiacentre.eu/pub_details.php?pub_id=122

¹⁰ Duchatel, M., & Bromley, M. (2017). Influence by Default: Europe's Impact on Military Security in East Asia. *European Council on Foreign Relations*. [online] Available at: http://www.ecfr.eu/page/-/Influence_by_default.pdf

¹¹ Casarini, N. (2017). How Can Europe Contribute to Northeast Asia's Security?. In *The Diplomat*. [online] Available at: <https://thediplomat.com/2017/09/how-can-europe-contribute-to-northeast-asias-security/>

¹² European Civil Protection and Humanitarian Aid Operations (2017). *North Korea*. [online] Available at:



Finally, cultural and educational diplomacy represents a significant soft power projection pursued by the EU Delegations that are present in all Asian countries (except North Korea, the Maldives and Bhutan). In this field, Europe has strategic partnerships with China, Japan and South Korea. As presented in a report published by the European Parliament,¹³ China is the largest recipient of EU educational projects, and about 230,000 Chinese citizens are currently studying in Europe; Japan is one of the most active Asian countries in the field of European integration studies; while South Korea and the EU have implemented a protocol that has resulted in European partnerships with 58 South Korean universities and 810 exchange students. Furthermore, since 1997, and as part of ASEM, the Asia-Europe Foundation (ASEF) has achieved the participation of over 3,000 Asians and Europeans in its activities and the running of more than 25 cultural and educational projects a year.

Limits and Opportunities for the EU in East Asia

The relations between the European Union and East Asia have so far been mainly placed at the economic level, given the prominence of their trade exchanges. The EU has also been able to fulfill the role of leader in projecting soft power capabilities, as demonstrated by the several European diplomatic engagements in the region as well as by its efforts to present itself as a civil power, thus distancing itself from the more militarily assertive American presence. However, starting from the military cooperation field– and with particular reference to the EU-China relations –the lack of a common and coherent approach within the EU appears significant enough to weaken the image of Europe among its East Asian partners. The variety of

national interests, in addition to the domestic and regional difficulties that the European Union has been facing in the past few years, have prevented EU leaders from developing an effective and comprehensive approach in East Asia.

In a region where security threats win the attention of the international community, the European commercial diplomacy pursued to date doesn't seem to be keeping up with the expectations and needs of the regional dynamics. When Federica Mogherini – the top EU diplomat - emphasized the role of the European Union as a strategic partner during the Shangri-La Dialogue held in 2015, her speech was immediately undermined by the French and British positions who stressed the importance of their national interests in the region. The EU is thus facing several challenges: a fragmented approach within its member states, the security concerns shaping both its domestic policies and those emerging from the neighboring countries, the unpredictability of its long-term American ally's strategy in the region, and China's increasingly appealing role as an economic partner for other regional actors.

Given the prominent role that East Asia is acquiring at the economic and political level, the European Union can't ignore the limits of its approach in the region. First, Europe needs to address East Asian political issues more clearly. In this regard, a diplomatic but engaged approach is to be preferred to an active participation in regional military alliances, which would risk undermining the EU's leverage in the long term. Expanding its strategic cooperation with both China and the United States in order to constructively contribute to the fostering of their relations emerges as one of the best strategic options for the EU.

Secondly, the European Union's lack of military strength in East Asia shall not be considered a weakness but rather a strength: if Europe is able to demonstrate a concrete engagement in tackling the regional threats and issues through soft power

https://ec.europa.eu/echo/where/asia-and-pacific/north-korea_en

¹³ European Parliament (2015). *The increasing role of the EU's culture, education and science diplomacy in Asia*. [online] Available at: [http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/549050/EXPO_IDA\(2015\)549050_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/549050/EXPO_IDA(2015)549050_EN.pdf)



measures, it is likely to attract those regional powers who feel threatened by the United States and China. However, the EU needs to further develop its potential influence by “emphasizing conflict prevention, working through multilateral channels, in a comprehensive manner integrating diplomacy, aid and trade, and defense,” as argued by Kortweg in his report on Europe’s strategic role in the Asia-Pacific.¹⁴

Finally, European leaders need to further acknowledge the increasingly powerful role that Southeast Asian countries have already started acquiring. The unprecedented number of top-level visits in recent years has been paving the way to a stronger cooperation that aims at bringing these countries closer at an economic, political and defense level. Their economic potential and their position at the forefront of major security challenges such as terrorism and maritime piracy represents, in fact, an opportunity for a European Union interested in strengthening its economic ties in the Asia-Pacific, and also in protecting freedom of navigation and in pursuing the peaceful resolution of territorial and maritime disputes, which are crucial to European prosperity.■

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¹⁴ Kortweg, R. (2014). A presence farther east: Can Europe play a strategic role in the Asia-Pacific region?. *Centre for European Reform*. [online] Available at: http://www.cer.eu/sites/default/files/publications/attachments/pdf/2014/cer_a_presence_farther_east-9351.pdf

