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**RESPONDING TO CHANGE IN ASIA**

**European Contributions to Secure Peace and Stability in Asia-Pacific?**

by

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## **Responding to Change in Asia**

### **European contributions to secure peace and stability in Asia-Pacific?**

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*For a long time, the primacy of trade was the main characteristics of European-Asian relations while cooperation in the security field produced declarations rather than deeds. Given the magnitude of challenges Asia-Pacific is facing combined with the global impact of conflicts and crises show that the time for declarations is over. This paper aims to assess where European experiences, expertise and technologies can serve as a source of inspiration for, and where European countries, companies and the European Union can act as partners in, addressing commonly faced challenges and can assist in managing the change in Asia towards keeping peace and stability in the region.*

#### **Introduction**

From a European point of view, the Asia-Pacific region is very different in almost all aspects, be it population, political systems, geopolitics, and the view is still influenced by the “tyranny of distance” between these two entities that have the greatest possible distance between them. At a second glance, both regions share interests and challenges in a world that is interwoven by globalised trade as well as globalised threats, including the impact of climate change, ageing populations and increasing tensions over resources, territories and influence, spurred by ever growing expenditures on arms and defence. While the Asia-Pacific region has long featured highly in terms of trade, the tyranny of distance has hampered European contributions to security and stability in Asia-Pacific. Given shared interests, the magnitude of the challenges ahead and spurred by the US’ pivot to Asia, there is new interest in European contributions to the efforts of countries in Asia-Pacific to keep the region stable and peaceful. Asia-Pacific, with its central role for global economic growth, production and trade, is also key to any successful responses to address today’s traditional and non-traditional challenges. The first part of this paper sketches out challenges and opportunities facing the Asian century and the traditional and non-traditional challenges that Asia-Pacific as well as Europe is facing. The second part of the paper will address

the current security architecture in Asia-Pacific and outline where Asian and European states as well as regional institutions such as ASEAN and the European Union could cooperate to successfully address these challenges together. European contributions in this regard can complement regional efforts and US initiatives, with the focus being on non-traditional security threats and rather soft military power such as conflict resolution, maritime security and disaster management.

### **Part I: Challenges and Opportunities facing the Asian Century**

Asia-Pacific is booming in every sense possible: The region comprises 4.2 billion people or 61 per cent of world population. Led by India and China as the world's two most populated countries, Asia-Pacific features seven of the world's ten most populous countries, but also many of the world's smallest countries, further defined by a great diversity of ethnic and religious minorities (ESCAP 2013). Although slowed down by the continuous economic difficulties in developed Western countries, export-dependent Asia-Pacific remains the world's economic 'growth engine' with a projected average growth of 6 per cent for the region's developing economies for 2013, ranging from an estimated 5.5 per cent for Vietnam to 8 per cent for China (Centre 2013). 40 per cent of world trade passes through the South China Sea and the Straits of Malacca alone, including 25 per cent of global oil shipping, covering 80 per cent of China's and 90 per cent of Japan's demand. Yet the region is also characterised by its high level of diversity: It encompasses the world's poorest countries such as Afghanistan, East Timor and Laos as well as countries like the Peoples' Republic of China championing the world's second largest GDP and India the third largest, in terms of purchasing power parity (PPP). Developing economies like Vietnam and emerging economies like Indonesia are next to developed economies such as Japan, the world's fourth largest economy based on purchasing power parity (CIA 2013). Contrary to the Western world that is predominantly governed by democratically-elected governments, the region also features very different political systems, as diverse as the world's biggest democracy India and parliamentary republics like Singapore to one-party-states like China, constitutional sultanates like Brunei and dictatorships like North Korea.

Besides the positive economic outlook and the challenges of diversity, the region faces a cornucopia of traditional and non-traditional security threats stretching from unresolved territorial claims and historical hostilities to dramatic levels of water insecurity, desertification and natural disasters.

### *Traditional Security Challenges*

From a European point of view, key interests in the area of traditional security challenges to Asia Pacific are maintaining regional stability and keeping the Sea Lanes of Communication (SLOC) open. Asia-Pacific assembles four nuclear powers at closest proximity possible – the officially acknowledged nuclear power PRC, the – by the US-India nuclear deal indirectly acknowledged - nuclear power India as well as Pakistan and North Korea. China, as one of the five Permanent Members of the United Nations Security Council, possesses veto power in UNSC resolutions. Repeated clashes between Chinese and Japanese coast guards in the East China Sea over the Senkaku/Diaoyu Islands as well as clashes over other disputed islands and fishery grounds between China, the Philippines, Vietnam, and even Taiwan, have significantly increased since the incident between the Chinese navy and the USS Impeccable in 2009. They have brought the disputed territorial claims back into the spotlight, also shedding light on the still unresolved leftovers from the pre-Cold War times. In addition to the conflicting claims of island chains in the East and the South China Seas, border disputes are still on the agenda, underlined by the recent quarrel between Chinese and Indian troops along the Nathu La border line (Harris and Wong 2013). What all these quarrels have in common that they illustrate a phase of testing expansion and limits of capabilities and spheres of influence of the emerging powers, underpinned by bold economic growth, flourishing nationalism and rapidly increasing arms expenditures that in 2012 even outbalanced the decline in Western countries' spending in global military expenditures. In 2012, the Asia-Pacific region accounted for 22 per cent of global military expenditure, with China's "revolution in military affairs with Chinese characteristics" being accompanied for example by major naval investments by countries like Vietnam and Indonesia (Perlo-Freeman, Sköns et al. 2013).

### *Non-Traditional Security Challenges*

Non-Traditional Security challenges (NTS) have been aggravated by the unintended consequences of rapid industrialisation and economic growth. Following the notion of comprehensive security that combines military with economic and political security in a mutually influencing triangle, issues like the widening economic inequality and the worsening of living conditions by a degradation of the environment can have a destabilising political impact with potential military consequences. Nearly 50 per cent of the people living in Asia-Pacific are poor, with one fifth being

extremely poor. Millions have been lifted out of poverty with for example eastern and south-eastern Asia having already achieved the Millennium Development Goals (MDG) of halving extreme poverty while poverty has declined all over Asia-Pacific by 15 per cent within the last decade. Yet the Gini coefficient<sup>1</sup> is high, hinting at rising income inequalities, with the highest value being measured for Indonesia, India and Hong Kong (China), according to the OECD. In India the Gini is as high as 54, which is 50 per cent higher than the OECD average (OECD 2012). Social security programmes and public healthcare still remain insufficient in many places, despite an ageing population not only in developed countries like Japan, but also emerging economies like China, intensified by its one-child-policy.

With bold economic growth and racing industrialisation, environmental degradation continues to worsen throughout the emerging and developing economies, with transboundary consequences for all Asia-Pacific countries (and hence potential for conflict): As a victim of climate change as well as the consequences of its rapid industrialisation, China for example faces severe deforestation and desertification: North of Beijing, the Gobi Desert currently expands by about 2,500 km<sup>2</sup> annually, leading to eventual sand storms in the capital. Concurrently, air quality has become an ever more pressing and transboundary challenge in Asia. According to the World Bank, 16 of the world's 20 most polluted cities are in the People's Republic of China (World Bank, cit. from (CBSNews 2010)), with measurements of the Beijing air quality showing highly hazardous 755 micrograms per cubic metre in January 2013 on the Air Quality Index (AQI) HAN, J. (2006)<sup>2</sup>. Transgressing clouds of smog from China to neighbouring countries like Japan (Ryall 2013) or the haze, attributed mostly to fires burning on the Indonesian island of Sumatra, engulfing parts of Malaysia, Thailand, Brunei and Singapore, have led to much tension and triggered multilateral initiatives such as the setting up of the ASEAN Sub-Regional Ministerial Steering Committee on Transboundary Haze Pollution (MSC) in June 2006<sup>3</sup> or the first cooperation on air pollution data between China, Japan and South Korea in May 2013 (Gooch 2013, Times 2013).

Non-Traditional Security Threats are defined as to “transcend national boundaries, go beyond the military sphere, are unpredictable and/or unexpected, have both internal and external elements and ramifications, and are frequently interwoven with traditional security threats”(Craig 2007).

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<sup>1</sup> This Gini coefficient measures the inequality among income values. A Gini coefficient of zero symbolises perfect equality, where for example, everyone has an exactly equal income. A Gini coefficient of one respectively 100 on the percentile scale hints to maximal inequality among income levels, for example where only one person has all the income.

<sup>2</sup> This index, based on revised standards of the American Environmental Protection Agency (EPA), deems an AQI of 100 as “unhealthy for sensitive groups” and anything above 400 as “hazardous” for all.

<sup>3</sup> <http://haze.asean.org/info/indo-sing>

Particularly water plays a key role in the new, non-traditional challenges the Asia-Pacific region is facing: More than 83 per cent of water-related disasters occurred in Asia-Pacific in the years 2000-2006, with floods, droughts and windstorms being the most frequently occurring disasters within the past 100 years (88.5 per cent of the total number of disasters). Three out of four Asia-Pacific Nations are faced with water insecurity according to a recent study jointly prepared by the Asian Development Bank (ADB) and the Asia-Pacific Water Forum (APFW)(ADB 2013). Sixty of Asia's river basins are transboundary (Europe: 68; Africa: 64)(UNWater 2013). In regard to the water-energy-food (WEF) security nexus that expresses the interlinking between water, food and energy security<sup>4</sup>, water scarcity can lead to various spill-off challenges ranging from health issues to mass migration to political instability as well as to transboundary conflicts. These challenges are magnified by the impact of the on-going climate change that brings the interwovenness of challenges to the fore front, with the words on climate change of the US Secretary of State John Kerry in Stockholm on May, 14<sup>th</sup>, 2013: "So it's not just an environmental issue and it's not just an economic issue. It is a security issue, a fundamental security issue that affects life as we know it on the planet itself, and it demands urgent attention from all of us"(Kerry 2013).

## Part II: Responses to security challenges

Responding to traditional and non-traditional challenges, Asia-Pacific has been experiencing a reinvigoration of the US-led hub and spoke system as well as a proliferation of bi-, tri- and multilateral initiatives including ASEAN initiatives such as the ASEAN Defence Ministers Meetings (ADMM and ADMM+)<sup>5</sup> and the revitalised Five Powers Defence Arrangements (FPDA)<sup>6</sup>. On the bottom-line, the security environment is still shaped by a "realist" paradigm, with priority given to non-binding multilateral institutionalisation with sovereignty of the nation states, national autonomy and bilateral security alliances still at the centre stage. The "ASEAN way" aims to present a united front to the outside and strives to overcome internal differences by consultation and exchange within a non-binding institution. The low level of regional integration is confronted by a rapidly growing number of Free Trade Agreements (FTA) and initiatives like the Trans-Pacific Partnership (TPP) on the economic side, with the latter walking in line with military deployments

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<sup>4</sup> for more information and recent initiatives on the WEF nexus, see <http://www.water-energy-food.org/en/practice.html>

<sup>5</sup> Established in 2006, the annual ASEAN Defence Ministers' Meeting (ADMM) is the highest defence mechanism within ASEAN, facilitating the discussion of and exchanging views on current defence and security issues and regional challenges by ASEAN defence ministers.

<sup>6</sup> The Five Power Defence Arrangements (FPDA) encompass a series of bilateral defence agreements between the United Kingdom, Australia, New Zealand, Malaysia and Singapore signed in 1971, whereby the five states will consult each other in the event of external aggression or threat of attack against Malaysia or Singapore.

within the US' declared refocusing on the region ("US pivot"). Despite the blossoming number of joint working groups and strengthened military alliances and amid historical hostilities and burgeoning military clout of the PRC and other Asia-Pacific states, tensions in the region seem to have been rather growing than abating. The ability of the existing security architecture to cope with rising tension, unresolved claims and the magnitude of non-traditional security threats is put into question.

### **European contributions to secure peace and stability in Asia-Pacific?**

Europe and Asia-Pacific are different by compilation, yet united in their security outlook. Population-wise, the European Union only accounts for 7 per cent of the global share; all countries in the European Union are governed by democratically elected governments (while many are constitutional monarchies), war between the members of the Karl Deutschian "security community" is unthinkable and the level of prosperity, access to education or resources like fresh water and energy is comparably similar. Despite repeated floods, the continent is relatively protected from major natural catastrophes that are routine in Asia-Pacific such as earthquakes, typhoons and floods. However, albeit at a much different scale today, the European Union and its Member States are confronted with many of the same challenges Asia-Pacific is facing: recent documents as well as the European Security Strategy name "key threats" such as terrorism, proliferation of weapons of mass destruction (WMD), regional conflicts, failing states and organised crime while also embracing a comprehensive security notion that underlines the impact of energy security, environmental degradation, mass migration and resource conflicts over scarce resources such as water and secure food. Certainly, Europe comes with historical baggage to the region: countries like the United Kingdom, France, Portugal and Germany are part of the colonial history of many Asian countries; a more rhetorical than real policy approach of the European Union and some of its Member States in previous years have shaped a perception that the "tyranny of distance" prevents a meaningful and credible engagement of Europe in the region. This perception has manifested itself among other things by low level European participation in ASEM meetings or a perceived lack of strategic assessment of the region in the debate about the lifting of the EU's arms embargo on China although European companies are the major arms suppliers to Asian countries. However, the European Union and its Member States have vested interests in the region in view of coping with today's global traditional and non-traditional security challenges. Especially with the EU still being the main market for Asian export-driven economies and vice versa, major trade interests are at stake.



In the EU's general approach to promote "effective multilateralism", the EU aims to work with its Strategic Partner countries – of which three are major Asian actors, China, India and Japan - as well as through international fora and missions. Being realistic about capabilities of the European Union and its Member States, what Europe can bring to the table in a credible and sustainable fashion will have to focus on complementing the existing architecture and initiatives. The EU and its Member States can thereby act as a source of inspiration (not a model), expertise and technology respectively as a partner in implementation:

- Experience and expertise in setting up and sustaining multilateral fora to avoid military escalation between hostile entities and to establish conflict resolution processes (CSCE Process, EU institution building)
- Provision of multilateral legitimacy with the EU being the only major actor in the region without territorial claims and support for capacity building
- Expertise and technology in addressing non-traditional security threats in multilateral approaches as well as in challenges such as maritime security, humanitarian assistance, disaster relief and peacekeeping

#### *Historical lessons*

In recent months, the situation in Asia-Pacific has been likened to Europe in the 20<sup>th</sup> century. Former Australian Prime Minister and Foreign Minister Kevin Rudd compared the complex strategic environment in East Asia to the Balkans a hundred years ago, which were "riven by overlapping alliances, loyalties and hatreds" (Rudd 2013), increased militarism and nationalism, leading eventually to a major war that could be triggered by a single event, the assassination of the Austrian Archduke Franz Ferdinand and his wife by an individual. Also Yoon Young-kwan, a former South Korean Foreign Minister, draws parallels to European history by pointing to the impact of great powers' relative decline vis-à-vis an emerging new actor, comparing Great Britain's relative power decline in the late 19th century and Germany's rise to today's US and Japanese relative power decline vis-à-vis China (Tharoor 2013). Yet beyond these cautionary tales for flexing military muscles over territorial claims, European history has more constructive lessons to study: On the one hand, the avoidance of a clash of superpowers on European soil and the management of cooperation between two hostile sets of states of different political systems on one continent as facilitated during the Cold War by institutions such as the Conference on Security and Cooperation in Europe. On the other hand, history might also provide lessons about



how to integrate a reunified and hence substantially strengthened great power (Germany) in a regional context. Certainly, no continent is identical to another, nor is one country identical to another, yet it might be possible to draw general lessons about conflict prevention and the accommodation of rising great powers.

#### *Capacity building and adding multilateral legitimacy*

The increasing tension in the region over territorial disputes takes place against the background of China's rise and the foreboding of an escalation of those conflicts into a major confrontation between China and the US respectively through a clash between China and one of the US' allies in the region- essentially a bilateral escalation. ASEAN and regional integration plays a central role to diffuse bilateral escalation into multilateral debates. The European Union has been supporting the integration processes that ASEAN is spearheading by e.g. assisting ASEAN through the ASEAN-EU Programme for Regional Integration Support Phase II (APRIS II) and the ASEAN Regional Integration Support from the EU (ARISE). Also individual EU Member States have been active in supporting ASEAN like e.g. the German government's support for the ASEAN Secretariat. The Bandar Seri Begawan Plan of Action to Strengthen the ASEAN-EU Enhanced Partnership, agreed upon in 2012, lays out a rich list of areas to foster cooperation in and the European contribution to pressing needs in the region. The European Union as the only major actor without territorial claims nor military alliances in the region can offer capacities in terms of assisting in discussion for setting up cross-packages of traditional and non-traditional threat responses (e.g. in the area of maritime security, peacekeeping and disaster relief) while also adding multilateral legitimacy and institutional capacity to contribute to the sustainability and effectiveness of multilateral initiatives.

#### *Expertise, experience and technology in non-traditional security fields*

Particularly in the field of new, non-traditional security challenges such as food, water and energy security as well as maritime security, humanitarian assistance and disaster relief, the Europeans can assist with experiences, expertise and technology. This can be advanced through institutional-to-institution exchanges (such as ASEAN-EU), within multilateral institutions such as the ASEAN Regional Forum (ARF) as well as between individual EU Member States and individual Asian respectively ASEAN Member States: Focusing on the water-food-energy nexus, in the field of water security for instance, Europe can provide legal and institutional models that resolve water disputes and promote the cooperative management of shared water resources in Asia-Pacific and

exchange expertise on water resources management, as seen in the Indonesia-Netherlands Water Challenge (HWC Indonesia) or the German Water Partnership with, among others, Vietnam<sup>7</sup>. The Lower Mekong Initiative provides opportunities for cooperation between the United States, affected ASEAN states and European countries. At the 9<sup>th</sup> ASEM Summit in Laos in 2012, Asian and European countries already agreed on the Danube-Mekong Cooperation Initiative. The Danube River Commission (ICPDR) is an example of how to manage a transboundary resource that crosses several countries. It started with first with negotiations over navigation rights and today encompasses the full spectrum of water management. In the areas of maritime security respectively disaster relief, humanitarian assistance and conflict resolutions, European states have been active in exchanging views and expertise bilaterally with Asian countries such as China, Thailand and Myanmar as well as engaging in EU initiatives.

### **Challenges to European contributions to the region**

In times of the on-going economic and financial crisis in Europe where the highly developed EU Member States face the painful tasks of structural reforms, any engagement in Asia-Pacific faces constraints in terms of budgets as well as capabilities, military and non-military ones. Also a common strategic outlook on the region is still far from being achieved, yet finally underway with the EU's East Asian Guidelines and several national and multinational papers such as the German "Gestaltungsmächtekonzept" ("New Players Concept"<sup>8</sup>) or the "Future Group" of several European foreign ministers heading in the right direction. Policies and initiatives are still bedevilled by the continuing division of competences in European foreign and security policy between the Member States' and the supranational EU level. Four years after the Lisbon Treaty came into existence, the role, competences and impact of the European External Action Service is still not completely fleshed out and the question is still up if the Europeans and its EEAS will be able to deliver on the new policies – the same questions that the US pivot is facing from Asian-Pacific stakeholders. Although the tyranny of distance and the EU's traditional rather regional outlook as an emerging global actor still exacerbate difficulties of finding a common momentum, there is increasing activity on the Member States, the public-private as well as on the supranational European level towards the Asia-Pacific region. Memories of the colonial past of European Member States seem to play less and less a role in the region, and credible and sustainable engagement in the region seems to be welcomed. It will be crucial for any European

<sup>7</sup> For more information on Holland Water Challenge, see <http://www.hollandwaterchallenge.nl>; More information on the German Water Partnership can be found on <http://www.germanwaterpartnership.de/index.php?lang=en>.

<sup>8</sup> The full title of the concept in English is "Shaping globalization – expanding partnerships – sharing responsibility".

contribution to the region to respond to actual needs voiced by actors in Asia-Pacific, to focus on coordination and being complementary to other initiatives as well as to prove that the European interest is sustainable and reliable.

## Conclusion

In sum, although the Asia-Pacific region and Europe are different from the outset, be it population, political systems, geopolitics, and cooperation has long been hampered by the tyranny of distance, manifold areas for cooperation open up in responding to challenges that both sides face respectively where they can benefit from each other's experience, expertise and technology. Asia-Pacific needs to address and manage the scarcity of resources, the impact of climate change, ageing populations and increasing tensions over resources, territories and influence, spurred by ever growing expenditures on arms and defence and against the background of on-going historical hostilities and a lack of trust. Given shared interests, the magnitude of the challenges ahead and spurred by the US' pivot to Asia, there is new interest in European contributions to the efforts of countries in Asia-Pacific to keep the region stable and peaceful, that is central to economic growth, production and trade and to any successful responses to address today's traditional and non-traditional challenges. The paper has sketched out challenges and opportunities facing the Asian century including traditional and non-traditional challenges and outlined areas for cooperation between Asian and European states as well as between regional institutions such as ASEAN and the European Union. Given the perception in the region of a lack of sincere and sustainable European engagement in regional issues, it will be crucial that the European Union and its Member States pay particular attention to assist in areas where European support is complementary and closely coordinated with other actors in the region as well as sustainable and credible. The magnitude of challenges Asia-Pacific is facing combined with the worldwide impact of conflicts and crises in this globalised world show that the time for declarations is over and the time for more humble words and more concrete action has come.

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