Chapter 5

European Union and Major European Countries' Indo-Pacific Engagements

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I. Introduction

In March 2019, the European Union (EU) published the EU-China-A Strategic Outlook, which positions China as a partner for cooperation and negotiation, an economic competitor, and a systemic rival. This positioning remains the EU's stance toward China to date. However, as relations between Europe and China continue to deteriorate between 2020 and 2021, there seem to be more calls to see China as a competitor and rival than as a partner. The EU-China Comprehensive Agreement in Investment (CAI) is particularly representative of this turn of events. On March 22, 2021, the EU sanctioned four Chinese officials and the Public Security Bureau of the Xinjiang Production and Construction Corps over human rights issues in Xinjiang, prompting China to retaliate by sanctioning several members of the European Parliament, members of individual states' parliaments, and EU institutions and think tanks. On May 20, the European Parliament decided to freeze consideration of the CAI because of China's counter-sanctions and the Hong Kong issue.

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¹ "EU-China–A Strategic Outlook," European Commission, March 12, 2019, https://tinyurl.com/33y87m3c.

The term "Europe" is used in this chapter to refer to the European Union, its member states, and other non-EU member states, such as the post-Brexit United Kingdom.

^{3 &}quot;European Parliament Resolution of 20 May 2021 on Chinese Countersanctions on EU Entities and MEPs and MPs," European Parliament, May 20, 2021, https://tinyurl.com/yjbdc54n.

While economic and trade interests remain the central axis of EU-China relations, the differences in human rights and institutions are becoming more pronounced. Strategic competition between the U.S. and China and the return of multilateralism in U.S. foreign Policy are the external conditions for changes in bilateral relations. The deterioration of EU-China relations has led the EU and central European countries to strengthen their engagement with the Indo-Pacific region, as evidenced by the publication of several Indo-Pacific policy documents and related practices. However, due to geographical constraints, Europe's attention and involvement in Indo-Pacific affairs are still primarily political and symbolic.

II. Factors for the Deterioration of European-China Relations

The following factors generally influence the changes in the relationship between Europe and China:

1. Increasing Divergence between Europe and China

Europe's concern for politics and security is increasingly more severe than its pursuit of economic interests. Over the years, the EU has complained that China has made limited progress on reforms to liberalize market access, reduce subsidies to businesses, stop forced technology transfers and protect intellectual property rights. These grievances and frustrations have gradually turned into an argument for concrete action against China. In this atmosphere, China's persecution of the Uighurs in Xinjiang, its disdain for the Sino-British Joint Declaration and the erosion of Hong Kong's human rights, the rule of law and autonomy, its expansion in the South China Sea, and its threat of force against Taiwan, directly challenge the EU's self-proclaimed identity as a "normative power." In April 2021, Ursula von der Leyen, President of the European Commission, and Josep Borrell, High Representative for Foreign Affairs and Security Policy and Vice-President of the Commission, sent a letter to the European Council regarding an internal report, stating that there are fundamental differences between Europe and China on "the economic system, the management of globalization, democracy, and human rights,

and cooperation with third countries," which make it difficult to maintain the differentiation between commercial interests and political considerations.⁴

In addition, the threats of China in infrastructure, cyber security, and emerging technologies are becoming increasingly apparent. In addition to European concerns about Huawei's involvement in its 5G build-out, on July 19, 2021, and in response to the hacking of the Microsoft Exchange server, the EU High Representative for Foreign Affairs and Security Policy also issued a statement to urge the Chinese government to address malicious cyber operations originating from its territory. China has responded to these and other European concerns and criticisms with threats and "wolf warrior diplomacy." In March 2021, the French Foreign Ministry summoned Chinese Ambassador Lu Shaye for threatening French parliamentarians and humiliating scholar Antoine Bondaz. In April, Chinese Ambassador Gui Congyou threatened Swedish journalists, prompting opposition parties in Sweden to demand his expulsion from the country. The Chinese embassy responded forcefully.

Finally, China's actions during the COVID-19 pandemic, such as denying the origin of the pandemic, opposing international investigations, promoting the superiority of its system, and criticizing the West's handling of the pandemic, have also exacerbated the confrontation between the two sides. A Pew Research Center survey of nine European and five other democracies shows that negative perceptions of China increased significantly in most countries during the pandemic, reflecting the structural change in Europe-China relations.⁷

Stuart Lau, "EU Slams China's 'Authoritarian Shift' and Broken Economic Promises," *Politico*, April 25, 2021, https://tinyurl.com/ack9m8hj.

^{5 &}quot;China: Declaration by the High Representative on Behalf of the European Union Urging Chinese Authorities to Take Action against Malicious Cyber Activities Undertaken from Its Territory," *Council of the EU*, July 19, 2021, https://tinyurl.com/vy6kwttv.

^{6 &}quot;France Summons Chinese Ambassador Over 'Unacceptable' Tweets," France 24, March 23, 2021, https://tinyurl.com/3xt74vj5; Hannah Somerville, "China's Embassy in Sweden Under Fire Over 'Threats' to Journalist," Euronews, April 12, 2021, https://tinyurl.com/y4zuauze.

Laura Silver, Kat Devlin and Christine Huang, "Unfavorable Views of China Reach Historic Highs in Many Countries," *Pew Research Center*, October 6, 2020, https://tinyurl.com/68w3v8tv. Nine European countries are Belgium, UK, Denmark, France, Italy, Germany, the Netherlands, Spain and Sweden; the remaining five countries are Australia, Canada, Japan, South Korea and the United States.

2. U.S.-China Strategic Competition and the Biden Administration's Return to Multilateralism

The U.S.-China relationship also affects the Europe-China relationship. After taking office, the Joe Biden administration has continued the Trump administration's position that the U.S.-China relationship is a "strategic competition" and has re-emphasized multilateralism. In June 2021, Biden attended the Group of Seven (G7) Summit, the NATO Summit, and the U.S.-EU Summit in the United Kingdom to deliver the message that "America is back" and was welcomed by Europe.⁸

The June 13 Communiqué of the Carbis Bay G7 Summit criticized China by name, saying the group would collectively challenge China's non-market policies and practices; called on China to respect human rights and fundamental freedoms, especially in Xinjiang and Hong Kong; reaffirmed a free and open Indo-Pacific, and emphasized peace in the Taiwan Strait, East China Sea, and South China Sea.⁹

The June 14 NATO Brussels Summit Communiqué asserted that "China's growing influence and international policies" could be a challenge for NATO allies to address together, and called China's stated ambitions and arbitrary behavior a "systemic challenge" to the "rules-based international order" and NATO's security. This is the first time that NATO refers to China in a communiqué as a security threat, although it retains room for cooperation with China on issues such as climate change. ¹⁰

The U.S.-EU Summit Statement of June 15 stated that the U.S. and Europe have similar approaches to China, which encompasses cooperation, competition, and systemic challenges, and that they will consult and cooperate closely. The U.S. and EU expressed severe concern about situations in East Sea and South China Sea and reiterated the importance of peace and stability in the Taiwan Strait. The Statement

^{8 &}quot;G7 Summit: Biden Says America is Back at the Table," BBC News, June 14, 2021, https://tinyurl.com/dc6u r83a; Stephen Collinson, "Biden Pushes China Threat at G7 and NATO, But European Leaders Tread Carefully," CNN, June 15, 2021, https://tinyurl.com/4nmekmkt.

^{9 &}quot;Carbis Bay G7 Summit Communiqué: Our Shared Agenda for Global Action to Build Back Better," G7 UK 2021, July 13, 2021, https://tinyurl.com/4fxaad5n.

^{10 &}quot;Brussels Summit Communiqué," North Atlantic Treaty Organization, June 14, 2021, https://tinyurl.com/553t k8k9.

also reserves room for constructive engagement with China, focusing on issues such as climate change and nuclear non-proliferation.¹¹

3. No European Consensus on China's Positioning

Europe increasingly views China as a competitor and rival rather than a partner, but it has some reservations about its position on China based on economic and trade interests and diplomatic autonomy. At a press conference on June 10, 2021, French President Emmanuel Macron argued that NATO must "know who our enemies are and where" and that China is not yet a priority compared to Russia, while at the G7 summit, he stressed that "the G7 is not a club hostile to China." Germany is key to the conclusion of negotiations on the EU-China Investment Agreement. At the NATO summit, Chancellor Angela Merkel argued that "China is our rival in many questions but also our partner in many aspects." In a video conference with Chinese Foreign Minister Wang Yi on July 9, Borrell said that the two sides have very different views on Hong Kong and Xinjiang, but that Trump's claim of economic decoupling is not the EU's intention and not in its interest. Borrell also revealed that he would review the EU's strategy toward China, which some analysts suggests is the result of pressure from China and some EU member states to remove the description of China as a "systemic rival."

III. Europe's Indo-Pacific Engagement

The deterioration of relations between Europe and China has contributed to Europe's concern about the Indo-Pacific situation and the strengthening of its engagement with the region. The following is a brief overview.

^{11 &}quot;U.S.-EU Summit Statement," The White House, June 15, 2021, https://tinyurl.com/5ff7k4py.

Michel Rose, "NATO Needs to Know Who its Enemies Are, Says Macron," *Reuters*, June 11, 2021, https://tinyurl.com/2bem9v5s; Stephen Collinson, "Biden Pushes China Threat at G7 and NATO, But European Leaders Tread Carefully," *CNN*, June 15, 2021, https://tinyurl.com/4nmekmkt.

Hans von der Burchard, "Merkel Pushes EU-China Investment Deal over the Finish Line Despite Criticism," Politico, December 29, 2020, https://tinyurl.com/4a962xzp; Stephen Collinson, "Biden Pushes China Threat at G7 and NATO, But European Leaders Tread Carefully."

¹⁴ Stuart Lau, "EU Mulls Review of China Policy, Again," *Politico*, July 29, 2021, https://tinyurl.com/kc4yzpm8.

1. Germany's Policy Guidelines on the Indo-Pacific Region

Germany published the Policy Guidelines on the Indo-Pacific Region in September 2020. 15 The report advocates that the meaning of the Indo-Pacific varies depending on how countries and international organizations view China. For Germany, it does not have a territory in the Indo-Pacific region and, as a trading nation, it takes the Indo-Pacific as an economic space where peace and security are important to protect German economic interests. Therefore, Germany expresses its concern about China's hegemonic by engaging with regional organizations and countries, but still wants to balance between regional security on the one hand and trade and economic interests on the other. On August 1, 2021, Germany joined the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) to ensure the freedom and security of trade routes. 16 On August 2, frigate Bayern sailed to East Asia to monitor the United Nations sanctions on North Korea, to demonstrate the relationship between the EU and the Association of Southeast Asian Nations (ASEAN), and to enhance security cooperation with Japan and Australia. Defense Minister Annegret Kramp-Karrenbauer called it a demonstration of Germany's values and interests, as "for our partners in the Indo-Pacific, it is a reality that sea routes are no longer open and secure, and that claims to territory are being applied by the law of might is right." ¹⁷

However, Policy Guidelines on the Indo-Pacific Region does not take a confrontational stance toward China and makes little mention of the role of the United States. The fact that Frigate Bayern initially sought to dock in Shanghai but was rejected by China, and that it refrained from entering within 12 nautical miles of Chinese-claimed features in South China Sea and passing through the Taiwan

^{15 &}quot;Policy Guidelines on the Indo-Pacific Region," German Federal Foreign Office, September 2020, https://tinyurl.com/2ucbohjv.

^{16 &}quot;International Cooperation to Combat Piracy: Germany Accedes to the International Agreement ReCAAP," German Federal Foreign Office, August 1, 2021, https://tinyurl.com/e4h9xjnb.

^{17 &}quot;German Warship Sets Sail for Indo-Pacific Region," Deutsche Welle, August 2, 2021, https://tinyurl.com/3svnc25c.

Strait indicate an intention of avoiding provoking China. 18

2. The UK's Integrated Review¹⁹

On March 16, 2021, the UK published Global Britain in a Competitive Age: Integrated Review of Security, Defense, Development and Foreign Policy (hereinafter referred to as Integrated Review). The UK distinguishes between Russia and China in the security context, viewing the former as an "acute threat" and the latter as a "systemic competitor." The Chinese threat includes an authoritarian system, very different values, and a danger to Britain's economic security. This means that the Chinese challenge may be comprehensive but not urgent, and the UK adopts a competitive and cooperative stance towards China.

The Integrated Review reaffirms the UK's goal of joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and becoming an ASEAN dialogue partner. The report reaffirms the dispatch of the carrier strike group led by HMS Queen Elizabeth to East Asia, which was later implemented on April 26. A similar idea was proposed in late 2019 but was reportedly canceled due to Chinese pressure. The deployment underscores that the UK values the Indo-Pacific region more than China; HMS Richmond, a frigate of the carrier strike group, passed through the Taiwan Strait on September 27, sending a message that the Strait is international waters.²¹

The UK has also strengthened its security and diplomatic relations with regional states. On February 3, 2021, the UK and Japan held a 2+2 meeting at the foreign and defense minister's level between both sides to reaffirm their commitment to a "free and open Indo-Pacific," a "rules-based international order," and freedom

¹⁸ Jens Kastner, "German Frigate Heads to South China Sea; Seeks to Dock at Shanghai," *Nikkei Asia*, August 18, 2021, https://tinyurl.com/3zzhdjf8; Liu Zhen and Finbarr Bermingham, "China Denies Request for German Frigate to Make Port Call in Shanghai," *South China Morning Post*, September 15, 2021, https://tinyurl.com/ss3v58ma

This section is partly adapted from Jun-Yi Lee, "The Defence and Diplomacy Trends and Limitations of the UK's General Review of Consolidation," *Defence and Security Bi-Weekly*, Vol. 25, April 1, 2021, pp. 9-14.

²⁰ Global Britain in a Competitive Age: Integrated Review of Security, Defence, Development and Foreign Policy (London: Cabinet Office, UK, 2021), https://tinyurl.com/arcfhvpr.

²¹ Kari Soo Lindberg and Cindy Wang, "UK Warship Transits Taiwan Strait for First Time Since 2019," *Bloomberg*, September 27, 2021, https://tinyurl.com/3mpbae4z.

of navigation and overflight in the South China Sea.²² In terms of engagement with ASEAN, then Foreign Secretary Dominic Raab visited Indonesia and Brunei from April 7 to 9. The UK also invited Brunei to participate in the G7 foreign ministers' meeting being held in May, demonstrating the importance of ASEAN.²³ On July 20, Defense Secretary Ben Wallace announced the UK would permanently deploy two offshore patrol vessels to the region as a demonstration of its Indo-Pacific engagement.²⁴ On September 15, the UK, U.S., and Australia announced the establishment of the Australia-UK-U.S. Security Partnership (AUKUS). The UK aimed to demonstrate its technological prowess and create jobs by helping Australia develop nuclear submarines. This also indicates its commitment to security and stability in the Indo-Pacific region.²⁵

3. The EU's EU Strategy for Cooperation in the Indo-Pacific

The Council of the European Union adopted Council conclusions on EU Strategy for Cooperation in the Indo-Pacific on April 19, 2021, based on which the EU Commission proposed to the European Parliament and the Council on September 16 a Joint Communication. However, the focus of these two documents is somewhat different. The former only mentions China in one place (i.e., the EU-China Comprehensive Agreement on Investment) and does not mention Taiwan, but focuses more on the political and security aspects. For example, it claims that geopolitical competition has increased tension in trade and supply chains as well

^{22 &}quot;Japan-UK Foreign and Defence Ministerial Meeting 2021: Joint Statement," GOV.UK, February 3, 2021, https://tinyurl.com/28extu44.

^{23 &}quot;Foreign Secretary Visits South East Asia to Usher in 'New Era' of UK-Indo Pacific Security Cooperation," GOV.UK, April 7, 2021, https://tinyurl.com/ayvmf3tt; "Foreign Secretary's Meeting With Chair of ASEAN, Brunei Foreign Minister II Dato Erywan, 5 May 2021," GOV.UK, May 5, 2021, https://tinyurl.com/sm2fk97n.

^{24 &}quot;Britain to Permanently Deploy Two Warships in Asian Waters," Reuters, July 21, 2021, https://tinyurl.com/9667krbm.

^{25 &}quot;Remarks by President Biden, Prime Minister Morrison of Australia, and Prime Minister Johnson of the United Kingdom Announcing the Creation of AUKUS," *The White House*, September 15, 2021, https://tinyurl.com/24pf8ujt; Alex Therrien, "Aukus: Truss Defends Security Deal Amid Criticism," *BBC News*, September 19, 2021, https://tinyurl.com/4x86cm4m.

^{26 &}quot;Council Conclusions on EU Strategy for Cooperation in the Indo-Pacific," European Council, April 19, 2021, https://tinyurl.com/wkyd2snb; "Joint Communication to the European Parliament and the Council: The EU Strategy for Cooperation in the Indo Pacific," European Commission, September 16, 2021, https://tinyurl.com/mdtsaid5.

as the technological, political, and security spheres, while universal human rights are being challenged. This affects the EU's interest, and prompts it to act as a global actor and engage with the Indo-Pacific region, with the goal of sustaining the "rules-based international order" and constructing a level playing field and a favorable environment for the EU

In contrast, the Joint Communication covers a wide range of issues, including shared values and principles, open and fair trade, the U.N. Sustainable Development Goals (SDGs), climate change and biodiversity, multilateral and regional organizations, civil society, inclusive economic growth and connectivity, and demographic trends. However, this relatively downplays the priority of China and regional security issues. For example, while it is concerned about China's show of force and rising tensions in South China Sea, East Sea, and the Taiwan Strait, it does not propose concrete actions. Of its seven priority areas, security and defense are only the sixth.

In terms of engagement with the Indo-Pacific region, the EU has declared its intention to deepen relations with countries already having an Indo-Pacific policy or strategy and has emphasized the role of the ASEAN. To this end, the EU upgraded its bilateral relationship to a "strategic partnership" in December 2020, and Borrell visited Indonesia and ASEAN headquarters from June 1-4, 2021, to emphasize the link between the EU and ASEAN.²⁷ However, the EU's involvement in Indo-Pacific security remains to focus on softer maritime security issues and relies on the actions of its member states. Both documents state that the EU will assess the applicability of its Coordinated Maritime Presences concept to the Indo-Pacific region to highlight its presence. The concept works by member states voluntarily deploying their maritime and air assets in waters of interest to the EU.²⁸

²⁷ Josep Borrell, "EU, ASEAN Natural Partners With Common Agenda," *Jakarta Post*, June 13, 2021, https://tinyurl.com/yf9jjrwk.

^{28 &}quot;Factsheet: Coordinated Maritime Presences," European External Action Service, January 2021, https://tinyurl.com/68y28wpv.

4. Other Countries' Actions

France launched its annual military exercise "Jeanne D'Arc 2021" (ARC21) on February 18, 2021, to implement the French Indo-Pacific strategy and enforce the UNSC sanctions on North Korea. France held its first amphibious exercise with India and its first joint army exercise with the U.S. and Japan in Kyushu, Japan.²⁹ On August 30, France and Australia established the "2+2 Ministerial Consultations" between the foreign and defense ministers from both sides, and their joint statement emphasized their concern for peace in the Taiwan Strait and their support for Taiwan.³⁰

The Czech Republic, Slovakia, and Lithuania have defied Chinese pressure to strengthen their relations with Taiwan. Between June and July 2021, each country announced a donation of vaccines to Taiwan.³¹ Diplomatically, Czech Senate President Miloš Vystrčil led a delegation to Taiwan in August and September 2020, and Lithuania agreed on July 20, 2021, for Taiwan to set up a representative office under the name "Taiwan."³² The Czech and Lithuanian moves led to strong protests and countermeasures from China and further internationalized the Taiwan issue.

²⁹ Xavier Vavasseur, "French Amphibious Ready Group Set Sails for The Indo-Pacific," *Naval News*, February 21, 2021, https://tinyurl.com/3cs25h4v.

³⁰ Inaugural Australia-France 2+2 Ministerial Consultations," *Minister for Foreign Affairs*, France, August 30, 2021, https://tinyurl.com/224s6f5s.

Ye Suping, "Czech's Vaccine Presidential Office to Taiwan: True Friends in Adversity," China Central News Agency, July 27, 2021, https://tinyurl.com/5hx7njdk; Wu Ruiqi, "Slovakia Donates 160,000 Doses to Taiwan AZ Vaccine Arrives for 2nd Dose Booklet Inoculation," Central News Agency, September 26, 2021, https://tinyurl.com/b3rfzps; Ye Suping, "Czech's Vaccine Presidential Office to Taiwan: True Friends in Adversity", China Central News Agency, July 27, 2021, https://tinyurl.com/5hx7njdk; Wu Ruiqi, "Slovakia Donates 160,000 Doses to Taiwan AZ Vaccine Arrives for 2nd Dose Booklet Inoculation", Central News Agency, September 26, 2021, https://tinyurl.com/b3rfzps; "20,000 Doses of Vaccines Donated by Lithuania are Scheduled to Arrive in Taiwan on July 31," China Central News Agency, July 28, 2021, https://tinyurl.com/ys8zbdjn.

^{32 &}quot;An Important Speech in support of Taiwan's Anti-Wolf War from the Czech Republic to All European Countries," Central News Agency, September 22, 2020, https://tinyurl.com/kuam6rsb; Zhong Youzhen, "Ministry of Foreign Affairs: Lithuania The Idea of Firmly Defending National Dignity and Freedom is Admirable," China Central News Agency, August 10, 2021, https://tinyurl.com/3xvckhux.

IV. Restrictions on Europe's Indo-Pacific Engagement

Europe has increased its interest in the Indo-Pacific region, but its actual influence may be limited.

First, geography makes Europe concerned with its own security more than that in the Indo-Pacific. Russia remains the primary security concern in Europe, and even if Britain, France, and Germany sent warships to patrol the Indo-Pacific region, these measures are likely to be more symbolic, sending the message that the international order is determined by countries collectively rather than by China alone. As for the impact of the Australia-UK-U.S. Security Partnership on the UK's military deployment in the region, this remains to be seen. A more likely development would be for the UK to assume more responsibility for European security to strengthen its influence in the EU, while other EU countries would strengthen their security and defense in the quest for "strategic autonomy," thereby reducing their dependence on the U.S. and allowing more room for U.S. deployment in the Indo-Pacific.

Secondly, the primary way for Europe to exert influence in the Indo-Pacific region is to strengthen relations with regional countries and organizations, in particular the ASEAN. Given the geopolitical and economic importance of the ASEAN, this is a logical choice. However, as the ASEAN decision-making process emphasizes on consensus, it is not easy for it to develop a common position on political and security issues. China can also influence the ASEAN agenda through coopting some of its member states. Hence Europe's role in engaging with the ASEAN may be limited.

Finally, the EU and European countries all maintain a stance of competition while cooperation toward China. This stance presumes a dominant position on the part of Europe in the EU-China relationship. While this may satisfy their perceptions, it is questionable whether they have the capacity to do so. The different threat perceptions of China in Europe also affect collective actions.

³³ Alex Wilson, "UK to Bolster its Indo-Pacific Presence With Offshore Patrol Vessels, Littoral Response Group," Stars and Stripes, July 21, 2021, https://tinyurl.com/32hb35yy.

V. Conclusion

The relationship between Europe and China took a significant turn for the worse between 2020 and 2021, as Europe's growing discontent and suspicion of China strengthened its engagement with the Indo-Pacific region. The EU and European countries emphasized competition and cooperation with China, but competition seemed more predominant than cooperation. The "rules-based international order" has become the basis for their involvement in the Indo-Pacific region and has deepened their relations with regional countries and organizations. These claims and practices negate China's position that Xinjiang, Hong Kong, and Taiwan are internal issues, while the South China Sea territorial disputes are to be negotiated between China and any one of the disputants. In this regard, while Europe's impact on security and peace in the Indo-Pacific region is limited, and the military presence of the United Kingdom, France, and Germany in the region is primarily symbolic, their engagement with the Indo-Pacific remains meaningful.

The "internationalization" of Taiwan issues by the U.S. and Europe, as well as the Taiwan-friendly behavior of some EU countries, are all beneficial to Taiwan. Therefore, Taiwan should argue that the Taiwan Strait situation is a litmus test for the "rules-based international order." In practice, Taiwan should pay attention to possible programs of European security cooperation in the Indo-Pacific region, especially those seeking to maintain and promote maritime security.