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## An Under-Exploited Asset: The EU's Quiet Contribution to Stability in the South China Sea

In their separate visits to Brussels late last year, Philippine President Benigno Aquino and Vietnamese Prime Minister Nguyen Tan Dung had one major issue on their respective agendas: the South China Sea. Bypassing Europe seems no longer an option for Southeast Asian heads of state in their quest for outside support in their maritime disputes with China. This is a good call: the European Union has particular assets of interest to the many countries involved in South China Sea disputes. It is time for the United States to realize this, as well.

Since the 2003 publication of its security strategy to guide its greater role on the world stage, the EU claims to have developed a distinct security identity of its own. Over the years, a lot has been done to achieve this goal, which includes, among other things, a follow up document entitled “Common Security and Defense Policy” (CSDP), as well as the nomination of a High Representative to streamline and oversee the EU's external affairs.

Reflecting on its place in the contemporary international system, the EU has proven no less aware than the US of the importance of the Asia-Pacific region for its security and prosperity. Europe's trade with its 20 Asia-Europe Meeting (ASEM) partners amounted to almost 900 billion euros in 2012 (more than \$1.1 trillion) – a figure that is poised to expand in coming years, thanks to a series of free trade agreements (FTA) that are under negotiation. Aside from trade and finance, the EU has gradually stepped up its political and security engagement with Asia, seeking a place and role commensurate to its unique characteristics as a supranational organization.



Since 2007, the EU has built up an “enhanced partnership” with the Association of Southeast Asian Nations (ASEAN), for which it signed two Plans of Action (PoAs) – one in 2007, the second five years later in Brunei. Within this framework, dialogue and cooperation, over maritime security for instance, is developing fast. In 2012, Brussels also adopted guidelines for its foreign and security policy in East Asia, which include the deepening of strategic talks and partnerships with Asian counterparts and the pursuit of a comprehensive Partnership and Cooperation Agreement (PCA) with China. As of today, the EU is quietly engaged in various discussions and negotiations with nearly all East Asian countries. These multipronged efforts substantiate the EU's own, toned down “pivot” to the Asia-Pacific.

Much like the US, the EU has come to realize the difficulties of maintaining the momentum for such a “pivot” in times of strained public budgets and bursting crises closer to home. And yet, as tensions rise in the South China Sea, Europe's diplomatic contribution should not be downplayed. First, while the EU can adequately be described as a “political dwarf” in Asia, it remains an “economic giant” with real leverage power. Europe has major economic stakes in the stability of the South China Sea, where most of its trade to and from East Asia transits, and is highly sensible to those stakes. This fact was acknowledged by Philippine President Aquino during his visit to Brussels in September, when he called on the EU to use its status as the “first export market of China” and take a stand on South China Sea issues. Second, the EU's de facto “three no's and four yes's” position on the South China Sea forms a potential asset valuable to all stakeholders, and to the US in particular.

While there is no such thing as a EU strategy for the South China Sea, various initiatives have been taken by the EU on a policy core that can be schematically equated to a “three no's and four yes's” position: yes to support multilateral initiatives for peace and stability; yes to diplomatic and peaceful solutions to conflicts among parties; yes to play a co-mediator role based on international law; yes to transfer best practices and ideas based on the EU's experience; no to military intervention; no to a leading role in diplomacy; no to singling out one particular stakeholder. These positions are based on a realistic assessment of what the EU is, what its capabilities are, and where its legitimacy and added-value lie. ASEAN has therefore naturally emerged as the EU's privileged interlocutor in the region.

## EU-ASEAN dialogue and South China Sea stability

Greater engagement between the EU and ASEAN on this basis can have a positive impact on stability in the South China Sea. Let there be no mistake: EU-ASEAN cooperation is severely constrained by both parties' internal dissensions and lack of strategic vision, not to mention by tough budgetary constraints. Still, the EU can indeed bring to the ASEAN table two things other external partners can't, or at least not on the same terms: the first is its normative clout. The second is its experience in ensuring a level playing field for international negotiations.

On the one hand, norms are an important facet of the South China Sea disputes. Contending parties frame their respective claims in distinct normative contexts. The main illustration is that, whereas China resorts to a concept of "historical waters" and historical legitimacy to back its expansive maritime claim, ASEAN states such as Vietnam, the Philippines and Indonesia oppose those claims based on the United Nations Convention on the Law of the Sea (UNCLOS). Interpretations of states' rights and obligations under UNCLOS, and its applicability to the South China Sea context, diverge from one actor to another. From the stance of ASEAN, given the power discrepancy with China, having the EU defend the validity of existing rules and procedures and their usefulness in dispute management in the South China Sea is a major asset. In fact, as all claimants seek the moral high ground, no one can bypass the EU.

On the other hand, recent developments in the South China Sea, including the dispatch of a Chinese oil rig in the Paracels and the various construction works ongoing in the Spratleys, point to an uneven commitment to the status quo – or the lack thereof – by some, if not all, parties. Without an agreed baseline, any negotiations will rest on fragile grounds. ASEAN and China have been engaged in substantial talks since the conclusion of the 2002 Declaration of Conduct (DoC), but the prospects of seeing these negotiations lead to a much-awaited Code of Conduct (CoC) seem remote. The EU's experience in dealing with such long and complex processes puts it in a good position to act, upon request, as facilitator or convenor. It has the legitimacy to do so not just by virtue of its experience, but also because it is a signatory to the Treaty of Amity and Cooperation in Southeast Asia (TAC).

## OPTIONS FOR US POLICY

No "rebalancing" effort, no national strategy on the South China Sea – if there is to be one – can dispense with an Asian linchpin. On the South China Sea, the US must engage its Asian partners on their own terms, and accompany the overall shift of political resources and attention towards conflict management and barriers to escalation that the shifting balance of naval power has generated. This evolution grants universally agreed principles of international law, such as UNCLOS, and specific capabilities (in maritime security, biodiversity conservation, hydrological surveys, etc.) an unprecedented importance. The EU contributions – actual and potential – are therefore far from negligible. As a matter of fact, rising tensions in the area are making the positions of Brussels and Washington more complementary than ever. Brussels is equally concerned about freedom of navigation in the area, but it does not conduct large-scale military activities in regional EEZs, and it has ratified UNCLOS. Its "soft power" approach also puts it in a good position for any mediation purposes (in support of, or in parallel with, ASEAN). Lastly, the EU supports the US-guaranteed security system in East Asia and promotes the rule of law as the mainstay of regional stability.

Three policy steps should be taken by the US administration to foster greater EU engagement in the South China Sea, and greater collaboration. The first is to acknowledge the relevance of the European "four yes's and three no's" position on the South China Sea as a useful addition to the US' own posture. In so doing, the US administration would substantiate its claim that its rebalancing policy is non-confrontational and inclusive. The second is to encourage the EU to come up with a coherent strategy vis-à-vis Asia in a global perspective, i.e. in light of the many other issues confronting the transatlantic partnership (instability in the Middle East, Ukraine, Africa, etc.). This would send a clear signal that Washington is not afraid of, nor is it trying to curtail, the EU's strategic autonomy. By extension, it would convey a positive message to sovereignty-cautious ASEAN and China. To ASEAN, it would strengthen its image of benign power. To China, it would appear less bent on old-style containment. And last, to retain its deterrent hedge, President Barack Obama's administration should keep the momentum on its rebalance by deepening its various alliances and partnerships in the region, and ensuring continued military supremacy. It should also be more consistent in public and military diplomacy.

The reshuffle of the European foreign policy elites provides a good opportunity to bring the transatlantic partnership to another level. Foreign policy personnel in Brussels have been made aware of the need for greater contingency planning by the many crises they have recently had to face. There is hope that the EU will indeed forge a more realist and coherent foreign policy under its new chief Federica Mogherini. On this basis, there is one thing that requires immediate attention from the Obama administration: the implementation of the 2012 [joint EU-US communiqué on the Asia-Pacific region](#).

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