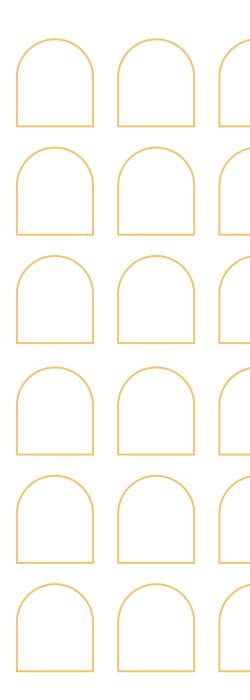


## **POLICY BRIEF**

# The shaky foundations of the Indo-Pacific and the role of the EU

The concept of the Indo-Pacific has recently attracted significant worldwide attention. While a decade ago the regional demarcation was familiar perhaps only to ecology researchers and historians, now major Western powers speak of the 'Indo-Pacific' rather than the 'Asia-Pacific' or 'East Asia' in their security strategies, diplomatic notes and official speeches. The Indo-Pacific has emerged as the centre of contemporary Asian security, and a hub of contacts designed in many ways to check the rise of China's regional ambitions. However, for many of its proponents the Indo-Pacific is not just a basis for regional security architecture but a basis for broad comprehensive cooperation encompassing security, economics and trade, development, technology, climate change and others. But is this so? Is the Indo-Pacific really a viable regional concept on which deep close cooperation can be built? How should the EU navigate the changing regional landscape? We argue that the Indo-Pacific has yet to become a meaningful regional demarcation. Still in its infancy, the contours of the Indo-Pacific remain limited to the geopolitical domain, and its actual feasibility and implications beyond geopolitics warrant careful inquiry. This, however, opens the door for the European Union to help shape the new region in the role of a normative leader.



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### Indo-Pacific beyond geopolitics

The Indo-Pacific came to life with the late Japanese Prime Minister Shinzo Abe's seminal speech 'the Confluence of the Two Seas' to the Indian parliament in August 2007. Abe believed that the twoseas region has special conditions for "freedom and prosperity," in which Japan and India have the ability - and responsibility - to nurture and enrich the regional setting. In the same year, Abe helped to initiate the so-called Quadrilateral Security Dialogue (Quad), adding the United States and Australia to the mix and forming the origins of Indo-Pacific geopolitical entente. The Quad was designed to facilitate intelligence sharing and political and military coordination between the four members, and promote coordinated military exercises. Soon after the informal organisation was formed in 2007, it effectively ceased to exist due to a profound lack of enthusiasm in basically all four of its members. Even Japan, once a Quad leader under Abe, became disengaged once PM Yasuo Fukuda came to power. The reasons for this loss of will varied, but the perceived anti-Chinese element in the pact together with unclear aims of the alliance surely played significant roles. However, in 2017, all four members agreed to revive the organisation, leading to the announcement of a 'Shared vision for the Indo-Pacific' in 2021. The vision defines rulesbased maritime order as key to achieve security in the region. Several other regional actors, including Vietnam, New Zealand and South Korea, now participate in the Quad+ format, marking an evolution from Abe's initial idea.

The geopolitical necessity for cooperation is clear. All the Quad members, and many other Asian countries, feel threatened – or at least discomforted – by the unprecedented rise of China's power and assertiveness. Linking themselves in a balancing entente surely makes sense – it relieves the pressure on individual states, boosts deterrence potential visar-vis China and allows them to share information, plan defence strategies and carry out exercises and the like. But many of these nations – including the European Union, which came up with its own Indo-Pacific strategy in 2021 – have a much greater ambition regarding the Indo-Pacific.

Japanese Prime Minister Fumio Kishida envisions the Indo-Pacific as "encompass[ing] elements such

as creating free and just cooperation in fostering economic growth, harnessing multi-layered connectivity across the region, sustaining respect for the rule of law, fostering equal partnership while keeping cultural diversity among participating nations and addressing the issues of the global commons." In many ways, the Indo-Pacific is seen as a successor of the Asia-Pacific, a carefully crafted comprehensive regional reconfiguration that started in the late 1980s and oversaw the emergence of several significant regional institutions, including the Asia Pacific Economic Community (APEC), the ASEAN Regional Forum (ARF), the East Asian Summit (EAS) and several others.

Unlike the Asia-Pacific, however, the Indo-Pacific is a much murkier concept. Indeed, the members of the organisations mentioned above also include several members that could hardly be framed as Asian-Pacific, such as Russia (APEC), the EU (ASEM), Pakistan and Bangladesh (ARF). However, this was only possible due to the largely intergovernmental and functional provision of these organisations. There is no clear vision for comprehensive regionalism - top-down politically-led institution building - which would mirror the Indo-Pacific platform. The existing institutions that could provide this foundation, such as the Trans-Pacific Partnership (TPP, now CP-TPP) and the Quad, are either exclusively mini-lateral or neglected by several key members including India and the United States. Other existing regional institutions such as the India-led South Asian Association for Regional Cooperation (SAARC) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) suffer from similar disadvantages and can hardly function as a basis for a stable regional order. The Association of Southeast Asian Nations (ASEAN) has provided significant institutional momentum over the last two decades, by expanding its narrow territorial focus to include countries such as China, Japan and South Korea in its ASEAN+ format. Even this cooperation, however, fails to deeply engage South Asian countries. And, most importantly, ASEAN has an ambiguous stance towards the Indo-Pacific. While generally supporting multilateralisation of regional security, it sees the concept as a threat to the idea of 'ASEAN centrality,' which has helped to foster regional understanding and diffuse tensions in past decades.

Economics could perhaps function as a better founding bloc for the regionalisation of the Indo-Pacific, similarly to how it helped to construct the Asia-Pacific. Indeed, the Indo-Pacific encompasses some of the most dynamic global economies with a majority of the world population, significant trade volumes and a great outlook for future growth. However, even in terms of investment, intra- (and inter-) regional trade and the complementarity of economies, the Indo-Pacific lags behind more robust regional groupings like the European Union, and also the Asia-Pacific. Unlike the Asia-Pacific, there is significantly lower intra-regional trade intensity and density, and the same can be said about intra-regional (as well as foreign) investment levels. Much of this can surely be attributed to the liberalisation of the Asia-Pacific, which has been ongoing for three decades now and has been facilitated by the APEC, but several factors may complicate economic coordination among the Indo-Pacific countries. The relative closeness of South Asian economies, their high divergence in terms of economic performance and structure, and diverging preferences in extra-regional trade (South Asian economies are much more closely linked to other regions including the Middle East than East Asian economies), to name but a few. Indeed, the Indo-Pacific is said to encompass Western Asia too, but the connections among these regions, which the strategy presupposes, remain limited.

Another factor that is often brought up in discussions on the Indo-Pacific is its cultural closeness. Indeed, there are some socio-cultural and perhaps historical elements that could be built upon to craft regional cooperation. These include, for example, the history of colonialism, several religious concepts and schools (such as India-originated Buddhism), the ideas of social hierarchy and community as the founding bloc of society (rather than the individual). During recent periods in Asia's history, these have been used in attempts to foster regional organisation, usually vis-a-vis Western influence (Japan's Great Sphere of Co-Prosperity and discourses on Asian values are some examples). However, while these ideas might have been prominent at certain points in time, once the tide of history turned against Asia – as was apparent with, for instance, Japan's defeat in World War Two and the Asian economic crisis in 1997 - these discourses swiftly disappeared and no meaningful cooperation inclusive of all regional states was ever formed. The Association of Southeast Asian Nations comes perhaps closest to a culturally-based regional grouping, but the idea of building an identity or community across the Indo-Pacific has probably never crossed the minds of its main proponents.

#### The role of the EU in the Indo-Pacific

In short, the political, economic and cultural foundations on which the Indo-Pacific would stand, are shaky and weak. This does not mean that the regional concept is doomed to fail. There is always the chance that regionalism (a top-down political strategy) or regionalisation (bottom-up market-driven expansion) can integrate the region in the long run. The European Union can play a vital role in this process. Security-wise, the EU can gain credibility among small and medium-sized Asian countries by supporting the rule-based order building up in the region. Economically, the EU can engage more actively in fostering connectivity cooperation to develop both physical and digital infrastructure that strengthens intra-regional and inter-regional economic integration. The EU can also play a vital role in promoting sustainability, climate-related cooperation and technology transfer between regions.

But the EU's role can be even broader. The Union is built on the ideas of inclusive multilateralism and economic integration, and it develops its foreign relations on the basis of these normative ideas. Promoting these in the Indo-Pacific can put the EU in the position of a normative leader. The EU's experience could be useful in engaging the elephant in the room - China. Beijing has been anxious about the Indo-Pacific, and especially the US position, seeing it as a hostile concept developed as an anti-Chinese alliance. The EU's unique position as a clear member of the Western allied bloc dedicated to fostering rule-based order, but also a constructive actor capable of engaging China, could help diffuse these anxieties while making sure that other Asian countries feel secure at the same time. Were this to take place, the impact of the Indo-Pacific could transcend from the geopolitical concept it is now to a meaningful practical framework for structuring international cooperation in Asia.

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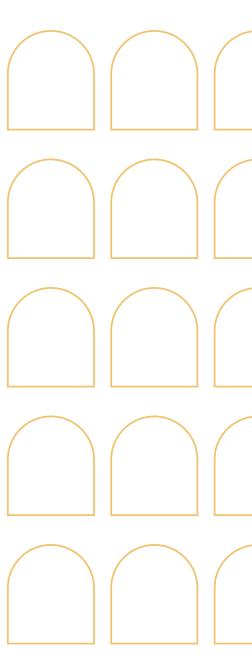


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