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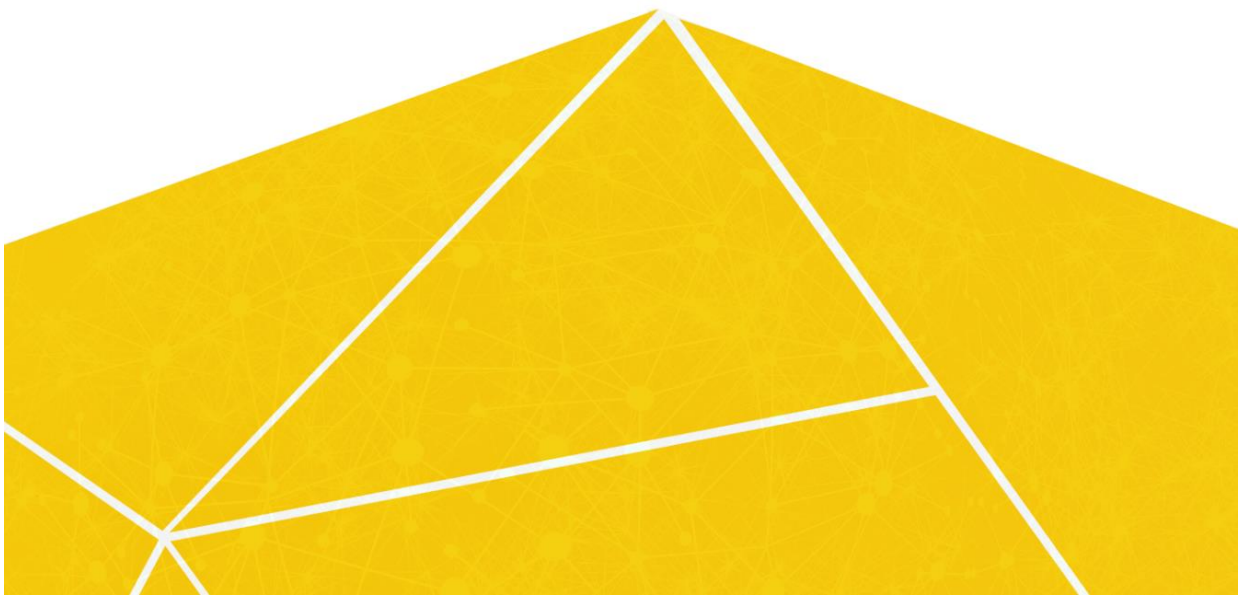
**THE EU APPROACH TO
COOPERATION IN THE INDO-PACIFIC:
FROM STRATEGY TO PRACTICE**

2021

PHASE 1

**CHIẾN LƯỢC
ẤN ĐỘ DƯƠNG - THÁI BÌNH DƯƠNG
CỦA CHÂU ÂU
VÀ QUAN ĐIỂM CỦA VIỆT NAM**

**EUROPEAN
INDO-PACIFIC STRATEGIES
AND PERCEPTION OF VIETNAM**



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Chapter 1

The EU Strategy for Cooperation in the Indo-Pacific The European Search for Strategic Autonomy in the US-China Conflict

Detlef Briesen/ Le Thu Trang

Introduction

This paper is about the *EU Strategy for Cooperation in the Indo-Pacific*. The strategy was announced to a wider audience by Commission President Ursula von der Leyen on 15 September 2021 in her *State of the Union Address* (Ursula von der Leyen 2021). The document, which had gone through a process of deliberation and adoption by the Council of the European Union, was made public one day later by the High Representative of the Union for Foreign Affairs and Security Policy, in particular to the European Parliament (European Parliament and Council 2021).

This mainly fulfilled a duty to inform, as the Parliament has limited competences in matters of foreign diplomatic relations with third countries. However, the document also deals with economic issues, which fall under the competences of the Parliament. Nevertheless, the publication of such a strategy is remarkable, which can only be assessed more precisely if the framework conditions for it are outlined:

- The history and basic structures of the European foreign and security policy.
- The current debate on the basic orientation of European foreign and security policy and, in particular, the efforts to achieve strategic autonomy/European sovereignty.
- The foreign and security policy challenges in the Indo-Pacific region and the concept of the Indo-Pacific itself.
- The European Union's relations with China and especially with the USA.

After outlining the framework conditions for the *EU Strategy for Cooperation in the Indo-Pacific* in a first section, the second part will briefly summarise and evaluate the content of the strategy. It will become apparent that the strategy is, despite all its obvious problems, a noteworthy document with which the European Union is attempting to break new ground in its foreign and security policy in several respects.

1. Framework Conditions for European Foreign and Security Policy

An independent European foreign and security policy has long been considered a pressing desideratum by convinced Europeans. However, its development has been blocked by a number of obstacles since the beginning of the European unification process in the 1950s. During the Cold War, the East-West confrontation mostly curtailed the possibilities for European institutions or individual Western European states to give greater prominence to their autonomy and sovereignty – with the notable exception of France (Bozo 2016).

Nor does this mean that the relationship between the sometimes-overpowering USA and its partners on the old continent could not have been soured at times. But even after the West's *victory* in the Cold War, there were initially no signs of any significant change; the European side, in its entirety and in its foreign and security policy concept, relied on a NATO that had expanded eastwards, additionally secured by bi- or multilateral security partnerships and dialogues, for example with Russia. However, the historical events of the last three decades have fundamentally called this approach into question; on the one hand, because the geopolitical and geo-economic rise of China has significantly shifted the global balance of power (which after 1989 had enabled a clear dominance of the *West* for a good decade); on the other hand, the question has increasingly arisen whether the *West* in the sense of an alliance of states that have a *value-based* consensus on issues such as foreign, security, economic and human rights policy still exists at all (Theisen 2017).

The EU has thus been facing a multiple dilemma:

- Firstly, being closely intertwined with the world power China, especially economically, with a simultaneous deep dissent on issues such as human and civil rights.
- Secondly, increasing irritation about the decision-making processes and actions of the other world power, the USA, especially in questions of foreign, human rights and economic policy and the increasingly apparent antagonisms with the Europeans.
- Thirdly, and finally, a hitherto inadequate foreign and security policy profile of its own.

1.1. Basic Structures of European Foreign, Security and Defence Policy: From the Pleven Plan to PESCO

To begin with, I would like to contradict a prejudice that is sometimes circulated: Europe has a common foreign and security policy, which however (and this is probably the problem so far) does not come in a single casting but is based on various multilaterally or supranationally founded treaties or measures. It is also necessary to explain the mechanisms of inter-European cooperation in foreign and security policy issues.

The European Union has a common policy area, in German *Gemeinsame Außen- und Sicherheitspolitik* (GASP), in French *Politique étrangère et de sécurité commune* (PESC) and in English *Common Foreign and Security Policy* (CFSP). In the following, the English abbreviation CFSP will be used. CFSP was established in 1993 after the Maastricht Treaty was concluded. It is not a genuine task of the European Union, but an intergovernmental cooperation mechanism of the governments of its member states. The basic principle is that important decisions on foreign and security policy may generally only be taken unanimously by all governments. A distinction can be made between decisions of the European Council or the Council of the European Union (Butler 2019).

The European Council (also EUCO, as European Council) is the European body of the heads of state and government of the European Union. They meet at least twice every six months, not to determine the day-to-day legislation of the EU, but as a superordinate institution to find compromises between the individual members and to give impulses for the further development of the EU. In the area of foreign policy, too, the EUCO has the function of giving the necessary impulses for development and setting the general political objectives and priorities. The European Council thus determines the strategic interests of the EU.

On the basis of these guidelines, the Council of the European Union (in its composition as the Council of Foreign Ministers, i.e. the Foreign Affairs Council) then formulates decisions on the CFSP in detail. This Council also decides unanimously, except in cases where it is only a matter of an implementing decision on a measure that has already been decided. Then a qualified majority is sufficient. Through the principle of unanimity also in the Council of the EU, the individual member states have, on the one hand, reserved for themselves very strong rights of participation; on the other hand, according to Art. 31 of the EU Treaty, the member states must support CFSP unconditionally, cooperate in solidarity and, above all, refrain from any action that could impair the efficiency of CFSP.

In consequence, this means that the EU's foreign and security policy is clearly limited by the principle of unanimity; on the other hand, as a result of Art. 24 of the EU Treaty, there is a whole series of objectives which de facto severely restrict the scope for nationally determined policies. These objectives have been laid down in Art. 21 of the EU Treaty.

Box 1: Consolidated version of the Treaty on European Union – TITLE V: General Provisions on the Union's External Action and Specific Provisions on the Common Foreign and Security Policy – Chapter 1: General provisions on the Union's external action, Article 21.

1. The Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.

The Union shall seek to develop relations and build partnerships with third countries, and international, regional or global organisations which share the principles referred to in the first subparagraph. It shall promote multilateral solutions to common problems, in particular in the framework of the United Nations.

2. The Union shall define and pursue common policies and actions, and shall work for a high degree of cooperation in all fields of international relations, in order to:

(a) safeguard its values, fundamental interests, security, independence and integrity;

(b) consolidate and support democracy, the rule of law, human rights and the principles of international law;

(c) preserve peace, prevent conflicts and strengthen international security, in accordance with the purposes and principles of the United Nations Charter, with the principles of the Helsinki Final Act and with the aims of the Charter of Paris, including those relating to external borders;

(d) foster the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty;

(e) encourage the integration of all countries into the world economy, including through the progressive abolition of restrictions on international trade;

(f) help develop international measures to preserve and improve the quality of the environment and the sustainable management of global natural resources, in order to ensure sustainable development;

(g) assist populations, countries and regions confronting natural or man-made disasters; and

(h) promote an international system based on stronger multilateral cooperation and good global governance.

3. The Union shall respect the principles and pursue the objectives set out in paragraphs 1 and 2 in the development and implementation of the different areas of the Union's external action covered by this Title and by Part Five of the Treaty on the Functioning of the European Union, and of the external aspects of its other policies.

The Union shall ensure consistency between the different areas of its external action and between these and its other policies. The Council and the Commission, assisted by the High Representative of the Union for Foreign Affairs and Security Policy, shall ensure that consistency and shall cooperate to that effect.

Source: *Official Journal* 115, 09/05/2008 P. 0028 – 0029. <https://eur-lex.europa.eu/legalcontent/EN/TXT/HTML/?uri=CELEX:12008M021&from=EN>.

In its fundamental orientation, CFSP is thus more uniform than it might appear at first glance. The high-ranking institution of a *High Representative of the EU for Foreign Affairs and Security Policy*, who also represents the EU vis-à-vis third countries and international organisations, also contributes to this. (Art. 27 EU Treaty). The High Representative also chairs the Council of Foreign Ministers and is Vice-President of the European Commission. In this function, he combines the foreign policy competences of both institutions. Subordinate to the High Representative is the European Foreign Service, which in turn should have coordinating links with the diplomatic services of the member states. Problems for CFSP arise less from debates on the fundamental issues mentioned above, but rather from the way in which European foreign policy can be defined for concrete fields of action or how concrete measures on foreign policy problems can be decided and implemented. For this is dependent on the coordination of *Foreign Affairs* between the European Council, the Council of Foreign Ministers and the High Representative.

In this context, however, it should be noted that there is another European Union policy area besides CFSP, the *Common Security and Defence Policy* (CSDP), in German *Gemeinsame Sicherheits- und Verteidigungspolitik* (GSVP), in French *Politique commune de sécurité et de défense* (PCSD). Although CSDP is part of the Common Foreign and Security Policy (CFSP), it is clearly distinguishable from it in institutional and regulatory terms. It was established in the Treaty of Nice in 2001 and received its final designation in the Treaty of Lisbon in 2007 (Treaty of Nice 2001). The treaty is supported by the national governments of the EU member states, the most important decision-making body is the European Council, where all major decisions must be taken unanimously (Smith 2017).

The CSDP is the latest phase of the numerous attempts to create a European defence community alongside or independent of NATO. In the early 1950s, after the founding of NATO, French Prime Minister René Pleven tried to bring about a treaty on a European Defence Community (EDC) between France, the Federal Republic of Germany, the Benelux countries, and Italy (Boniface 2020). This EDC was to be developed parallel to the Coal and Steel Community and maintain a European army under the umbrella of NATO. In 1954, the Western European

Union (WEU) came into being instead, with the inclusion of Great Britain, but it always stood in the shadow of NATO and only experienced a certain upgrading in 1992.

In the European context it was France that tried to develop stronger European core competences in the field of security and defence policy. This was curbed by the other power in the European core coalition, the Federal Republic of Germany. For many decades, it has mostly favoured the transatlantic component, i.e. close ties with the USA, in the relevant policy area. The accession of Great Britain to the EU in 1973 and the eastward enlargements in 2004/2007 each reinforced the role of the USA in Europe's security and defence policy against the phased disappointments, even snubs, of the Europeans by the USA. A certain low point was reached in 2003, however, when the USA justified its intervention in Iraq with accusations that were demonstrably false. This breach of international law led to the declaration of the European Security Strategy (ESS) in December 2003 by the European Council (Council of the European Union 2003).

Its key points are the fight against the following threats: Terrorism, proliferation of weapons of mass destruction, failed states and organised crime. Stability and good governance are the cornerstones of cooperation with the EU's immediate neighbours, and the fundamental goal is to strengthen an international order based on multilateralism. Europe and its eastern neighbours (especially Russia) are understood as a common security space. It is revealing in the document that the partnership with the USA is described as irreplaceable, but a dominance of the USA is rejected. Therefore, the strategy paper also mentions other security partners of the EU, in particular China, India, Canada and Japan.

The strategy was further shaped up in 2008 through the Report on the implementation of the European Security Strategy (RI-ESS) and again in 2016 through the Global Strategy for the European Union's Foreign and Security Policy (EUGS). Essentially, new focal points for action were included, such as cyber security and the implications of climate change.

The changes between 1992 and 2003 were no coincidence. The Yugoslavian wars that broke out in 1991 and lasted until 2001 already showed how incapable the European Community was of taking action in military crises. For this reason, among others, security policy became an essential competence of the newly founded EU in the Maastricht Treaty of 1992, albeit within the framework of the second, intergovernmental pillar of European cooperation. Since then, the EU has worked more closely with the Western European Union, but at the same time was not yet a military alliance. This took account of the concerns of the neutral member states on the one hand, but also of the obligations of the enlarged Federal Republic towards the USA on the other. From that time, the military component of the EU treaties has been

formulated in ever new EU basic treaties: in the Treaty of Amsterdam (1997), at the EU summits in Cologne and Helsinki (both 1999), Feira (2000) and Gothenburg and Laeken (both 2001). According to this, the EU was to fulfil the Petersberg tasks with its own defence component, for which the member states would provide contingents of soldiers, police officers and other personnel. The participation of states from outside the EU was also made possible and an attempt was made to place relations between EU and NATO on a new footing.

In the Iraq crisis of 2003, it became clear, though, that the measures taken so far had not been sufficient. In April of that year Belgium, Germany, France and Luxembourg unsuccessfully proposed the establishment of a European Security and Defence Union, which would include a mutual assistance pact and coordination of armament policy. Nevertheless, this initiative provided important impulses for CSDP, which finally came into force in 2009 with the entry into effect of the Treaty of Lisbon. CSDP as a form of common defence and security policy is based on a plethora of European institutions or crisis mechanisms that cannot be described in detail here. It is important to note that CSDP, like NATO, does not have its own armed forces or even an army, but rather draws on the national forces of the member states when necessary. To this end, an improvement of the military capabilities of the EU was already agreed in Cologne and Helsinki in 1999, for example through the establishment of so-called EU Battlegroups, in practice through a large number of military civilian missions of the EU outside the territory of the Union, above all on the African continent and its peripheral waters.

The latest step towards a European defence community is PESCO (Permanent Structured Cooperation). PESCO refers to a new phase of closer cooperation between member states of the European Union that want to organise themselves more strongly in the Common Security and Defence Policy (CSDP). The means to this end are very broad and range from the harmonisation of the structures of the respective armed forces to joint armament projects and the common training of units. PESCO is understood as a way to prepare a pan-European army and to arrive at a new military alliance, sometimes called European Defence Union (Deutscher Bundestag 2016).

PESCO only came into being at the end of 2017, following a decision by the foreign and defence ministers of 25 EU states. At that time, they informed the European Council that they wanted to coordinate their efforts in defence policy more closely. Denmark and Malta do not participate in PESCO, nor does the former EU country Great Britain. On the other hand, Canada and Norway are participating and, not without problems, the USA, because PESCO is generally seen as an answer to American unilateralism.

PESCO is legally secured by Articles 42 and 46 of the EU Treaty and the corresponding Protocol on Permanent Structured Cooperation. Since participation in PESCO is voluntary, a qualified majority in the EU Council was sufficient to establish the organisation. According to the founding protocol, countries interested in PESCO must fulfil two conditions:

- Enhance their defence capabilities through the development of national commitments and participation in multinational forces, in major European equipment programmes and in the activities of the European Defence Agency in the fields of defence capabilities development, research, acquisition and armaments, and
- have the capability to provide armed units as well as logistical support within 5 to 30 days for a duration of 30 to 120 days, should the need arise.

The European Defence Agency (EDA) regularly assesses the contribution of these EU countries. According to the Protocol on Permanent Structured Cooperation, cooperation can include the following areas, among others, whereby the respective SSC can be initiated by transforming existing projects and cooperation or by setting up new ones:

- Synchronisation of national force structures,
- increasing the operational capability of armed forces,
- bi- and multinational cooperation to minimise deficits in the EU capability development mechanism, and
- joint procurement programmes under the umbrella of the EDA.

1.2. Doctrines for European Foreign and Security Policy – Strategic Autonomy and European Sovereignty

The objectives of CFDP and CSDP are laid down in Article 21 of the EU Treaty. According to it, the Union must promote the rule of law and universal human rights in its external relations. At the same time, its foreign and security policy is determined by the principles of multilateralism; it is thus opposed to traditional great power policies pursued by the USA and China. At the core of this European multilateralism are interregional partnerships, such as those developed in recent decades with Mercosur (South America), ASEAN (Southeast Asia) and the African Union. Defining the goals of European foreign policy more precisely is a difficult undertaking, however, because these are not only disputed between the individual EU member states, but also between the various EU institutions. On the other hand, it is the member states themselves that are making increasingly high demands on the EU's security policy, which is reflected in joint actions: for example, with regard to the Sahel zone, cyber security and the fight against terrorism. Third countries or states with great power ambitions are trying to use this complex

situation to assert their interests against the EU or to weaken its internal cohesion. A unified EU foreign, security and defence strategy could reduce these external interferences. In this context, terms such as *strategic autonomy* in Germany or, especially in France, *European sovereignty* have been used more frequently in recent years (Lippert et al. 2019).

Acting autonomously or sovereignly as the European Union means having the capacity to set the necessary foreign, security and defence policy priorities itself. For this, the appropriate conditions must be in place – institutional, political and material. Strategic autonomy makes it possible to maintain or create sets of rules, especially multilateralism, in international politics and not to have to bow to regulations implemented from outside. The opposite of European autonomy or sovereignty would be to have decisions imposed on it from outside, from Russia, China and the USA. Autonomy, however, should not be confused with self-sufficiency; this is neither possible nor desirable in today's interdependent world. Accordingly, European autonomy and sovereignty are relational goals that can only be realised in cooperation with other international actors (Lippert et al. 2019).

In this context, the relationship with the USA plays a decisive role, which for (Western) Europeans had been shaped for many decades by the ideological-geopolitical construct of the *West*. However, a closer look since the 1960s has always shown how fragile this *community of values*, which was particularly emphasised by the FRG, actually was. Repeatedly, therefore, the European side considered how Europe (or the EU) could assume more responsibility for its own security and defence policy. Especially the ex- or implicit US unilateralism has always inspired debates in Europe about a more independent foreign, security and defence policy. On the other hand, in Germany as one of the most important EU states, wishful thinking has shaped the relationship with the USA – for example, hopes for improvement after the inauguration of newly elected US presidents. This was recently demonstrated very drastically in the way the USA diplomatically prepared and technically implemented its withdrawal from Afghanistan; or, particularly relevant to the topic chosen here, in the snubbing of France in the submarine crisis by the governments of Australia and the USA.

However, the crisis of international security policy is much broader than just a reformulation of relations within the *West*. Rather, the EU is confronted with a comprehensive crisis of the international system. For in normative terms, states with claims to great power such as Russia, China and even the USA, especially under President Trump, who has since been voted out of office, are calling essential principles of international politics into question. These include the national sovereignty of UN member states and the prohibition of violence and torture. As events in Eastern Europe or the Trump administration's attempt to buy Greenland from

Denmark show, there are even efforts to forcibly change the territorial order with military operations or at least with considerable political pressure.

More strategic autonomy/sovereignty for the EU is thus a very topical policy field, in the context of which three complexes of questions are of central importance:

- First: How can increased sovereignty/autonomy of the EU be institutionally secured?
- Second: What instruments must a future common European foreign, security and defence policy have at its disposal?

Third: How does the pursuit of autonomy/sovereignty affect other states, especially those with great power aspirations? (Lippert et al. 2019).

Firstly,

a largely open question is whether more European sovereignty/autonomy requires a restructuring of the already existing institutions or whether a more incrementalistic approach will suffice. In both cases, close coordination between the core European powers, Germany and France, will be essential. However, while France has never abandoned the goal of strengthening European sovereignty in recent decades, also in order to pursue its own national goals, such a clear departure would demand a great step for the Federal Republic of Germany with its transatlantic traditions.

Secondly,

on the other hand, the instruments on the way there, assuming political will or consensus, are relatively clear to name and can usually be achieved in about a decade: Changes in diplomacy, defence doctrine and policy, the development of military and civilian crisis management mechanisms, improvement of dependent capabilities in the field of intelligence, arms control and production, possible nuclear weaponization, etc.

Thirdly,

European sovereignty would also significantly change relations with the three great powers, the USA, China and Russia. The greatest changes will affect relations with the USA. On the one hand, there was a close security partnership with the USA, especially during the Cold War. On the other hand, however, it cannot be ignored that the USA has always been hostile to European attempts to achieve even a rudimentary independent security and defence policy. It is true that the USA has been demanding greater security policy efforts from European states for some time, but only as individual states, not collectively and above all only within the framework of a NATO dominated by the USA. Greater European autonomy/sovereignty has so far not been a goal supported by the US, as this would likely lead to a weakening of the US as a superpower.

Russia, on the other hand, as a neighbour of the eastwardly expanded EU, is ambivalent about an independent security and defence policy; on the one hand, it sees its dangers for its expansion of power in Eastern Europe, but on the other hand, it welcomes a more independent position of the EU in order to reduce the global influence of the USA. Increased European autonomy/sovereignty would certainly be in Russia's interest; at least as long as the EU's greater ability to act would not be directed against Russia.

The same applies to the third great power, China. Because of its close economic and technological ties with it, the EU should have no interest in being dragged into the emerging conflict between the People's Republic and the USA in the Indo-Pacific region. Conversely, this also applies to China, which cannot be interested in the USA and the EU taking the same side in the Indo-Pacific issue. The EU is of essential importance for the People's Republic: economically, technologically and politically. European multilateralism relativises American ambitions for global supremacy and contributes to China being in a better position to pursue its own goals vis-à-vis the USA and third countries. Therefore, on the one hand, China is the great power that has the strongest interest in increasing European autonomy/sovereignty. On the other hand, however, China also pursues a policy of selective reward or punishment towards individual EU states, which can be seen, for example, in their respective involvement in the Belt and Road Initiative (BRI) (Lippert and Perthes 2020).

On the whole, Chinese foreign policy has a considerable interest in the EU profiling itself as an independent global political actor in the future, which would make the clashes of interests between the EU states and the USA more obvious, a position that is also shared by Russia. Similar to the latter, China will not oppose the development of European autonomy/sovereignty as long as this is not linked to a tougher stance towards the People's Republic. Such a stance has not been in sight so far, as the EU can hardly build up actual counter-positions vis-à-vis China in the Indo-Pacific region. This brings us to the problem of the term *Indo-Pacific*.

1.3. *Indo-Pacific* or the Challenges of a Geopolitical and Geo-Economic Concept

Terms such as *Indo-Pacific* or *Indo-Pacific region* have found their way into foreign and security policy debates in the last ten years, especially in the USA, but also in China's middle or immediate, southern to eastern neighbouring countries as well as in France. *Indo-Pacific* has increasingly replaced the previously used, also geopolitical construct *Asia-Pacific*. In a certain sense, *Indo-Pacific* is a successor term to *Transatlantic*, which was used during the Cold War to express the solidarity of an imagined West across the North Atlantic. The term *Indo-Pacific* is not suitable as a comparable connecting space, created by centuries of comprehensive

interdependence between the countries on both sides of the North Atlantic, simply because of its size – the two oceans, the Indian and Pacific, alone cover about 50 per cent of the earth's surface area even without the adjoining land areas. The Indo-Pacific therefore has different geopolitical and geo-economic connotations, in particular:

- The Indian and Pacific Oceans as a traffic space or sea route through which a large part of world trade is conducted.
- The Indian and Pacific Oceans as part of a ring of containment by the USA against China, or as its essential space for expansion; both oceans thus as the central arena for the increasing rivalry between China and the USA.
- Indo-Pacific as a geopolitical and geo-economic counter-design to China's BRI.

Indo-Pacific is thus used above all as a projection surface for the antagonism between the USA and China, which has become increasingly acute over the last 20 years: in terms of world, regulatory and economic policy, economically, technologically, militarily, etc. The term is not solely descriptive but is based on political assumptions and objectives. Once introduced into the discourse of international politics, the term generates considerable effects. The short history of Indo-Pacific began in 2007 with a speech by the then Japanese Prime Minister Shinzo Abe in New Delhi, in 2011 the term is found for the first time in a statement by the US Secretary of State Hillary Clinton, since 2012 the Australian, since 2013 also the Indian government used it. A *pivot to Asia* or *rebalancing* doctrine had already emerged under US President Barack Obama, which envisaged a military-political link between the Indian and Pacific Oceans and aimed to use an Indo-Pacific Economic Corridor (IPEC) to comprehensively contain China (Heiduk and Wacker 2020).

The decisive breakthrough came in November 2017, when US President Donald Trump presented the vision of a *Free and Open Indo-Pacific* (FOIP) at the APEC summit in Danang Vietnam. Unlike the Obama administration, however, the Trump administration shifted the entire focus of its foreign policy doctrine from *Asia-Pacific* to the *Indo-Pacific*. This transformation was accompanied by a significant increase in American rhetoric against China, making the Indo-Pacific the main arena for a global political confrontation with China on the part of the US. Since the end of 2017, the FOIP doctrine has become a component of many Trump-administration documents, such as those of the Departments of Defence and Foreign Relations. At the core of this approach, which had been made binding for the entire US administration, was the goal of containing China through four instruments: respect for the sovereignty and independence of all states, peaceful conflict resolution, free trade and compliance with international law (U.S. State Department 2019).

Nevertheless, these are only very general goals, especially since the US administration under Trump has remained very vague both in the geographical delimitation of the Indo-Pacific region and in the formulation of basic principles and mechanisms for the implementation of FOIP. One buzzword Trump himself initially bandied about was *fair* trade relations to be established. By the end of the Trump administration, further principles had been added, which this administration declared to be the foundations of the international order: for example, the primacy of national sovereignty over international law, the peaceful resolution of conflicts and the unlimited freedom of air and sea navigation. Further interpretative guidelines for FOIP were provided at a later stage:

- Free means the freedom of all states not to be restricted in their sovereignty by other states (not even by supranational organisations such as the EU).
- Open, on the other hand, signifies that access to international waters, air and digital space, markets and trade must not be *unfairly* restricted.

It is also consistent with this that the USA should be allowed to invest in infrastructure throughout the Indo-Pacific region. This privilege of the USA is to be seen as countermeasures against those investments that China undertakes within the framework of BRI. Yet, even after the Biden administration took office, the focus of FOIP, which has been part of the National Security Strategy since 2017, was on intensifying the US military presence. There were three main areas of focus (Heiduk and Wacker 2020):

- Under the heading of operational preparedness, a comprehensive modernisation and repositioning of the US armed forces in the entire region.
- The intensification of "partnerships" with the previous allies of the USA in the Indo-Pacific region, especially with Japan and Australia, but also through the strengthening or development of bilateral military alliances with states in East Asia (South Korea and Taiwan), South Asia (especially India), Southeast Asia (especially Vietnam, Indonesia and Malaysia) as well as with the West Pacific Island states. The most important instruments are to be armament sales, military aid, training programmes and joint manoeuvres.
- To promote a defence networked region – this is the weak point of FOIP, which is mainly based on alliances of the USA with individual states. Since this de facto unilateralism has been criticised, especially in Southeast Asia, the Trump administration tried to incorporate already existing alliances into its concept, especially ASEAN. Until the end of the Trump era, however, the USA's lack of interest in a multilateral security structure for the Indo-Pacific region (let alone one that includes China and Russia) could hardly be concealed.

FOIP under the Trump administration was primarily a unilateral US defence policy initiative with two clear limitations:

- The other side of US foreign policy, the America-First Doctrine, generated in part considerable economic policy conflicts of interest with the *Indo-Pacific* states, especially since it was precisely the Trump administration that withdrew from the multilateral free trade agreement *Trans-Pacific Partnership* (TPP) initiated by Obama. For the countries concerned, everything indicated that the USA wanted to secure geo-economic priority for itself over the Chinese (and European) economies.
- FOIP can be seen as nothing other than an American attempt to install a counter-programme to BRI with a focus on defence policy. FOIP must therefore also be measured against its dimensions. BRI is estimated to be worth over 1,000 billion Dollars (1,000,000,000,000) and supports more than 2200 projects in 87 countries. As a result, China has established itself as a central player in development cooperation throughout Asia. The USA, on the other hand, offers the possibility of acquiring its armaments: F 18 and F 16 fighter aircraft, air-to-air missiles, air-to-surface missiles, anti-submarine and missile defence systems. The armed forces of those countries that acquire this military equipment thereby place themselves in an expensive security dependency on the USA. By contrast, the funds for development cooperation comparable to BRI were modest: 60 billion dollars were made available for the newly founded US International Development Finance Corporation (IDFC), an additional 1.5 billion dollars per year for the Asia Reassurance Initiative Act (ARIA), and 100 million dollars for Pacific Pledge, a programme for development cooperation with the Pacific states.

FOIP primarily expressed the following: the Trump administration also pursued an America-First strategy in the Indo-Pacific region, which was to be secured in terms of security policy through bilateral alliances and a few strategic partnerships, above all with Japan, Australia and India. Whether there have been significant changes in this programme since Joe Biden took office will be of interest below.

1.4. China and the Indo-Pacific

The adoption of the geopolitical construct *Indo-Pacific* by Donald Trump and the corresponding intensification of US rhetoric was greeted with restraint in China. As an interpretation, policymakers and academics settled on seeing it as a reaction to the country's increasing political, economic, and military power. Moreover, the Chinese side was aware of three contradictions in the US-led *Indo-Pacific Coalition* (Heiduk and Wacker 2020):

- FOIP was significantly underfunded compared to BRI and it was questionable whether the US could even raise the financial volume necessary for intensive engagement in the Indo-Pacific region. This lack of funding is seen as FOIP's greatest weakness from a Chinese perspective, apart from the fact that the US is no longer considered a serious competitor to China in Asia in terms of trade and investment.
- FOIP focused on military cooperation, especially within the Quad Alliance, but did not create a comprehensive multilateral alliance system with corresponding mutual obligations, such as NATO. Moreover, unlike in the Pacific, the US had no resilient position of power in the Indian Ocean at all.
- Chinese analysts identified economic conflicts of interest between the USA and the individual Quad members. The goal of Chinese policy therefore had to be to improve relations with the Quad state Australia and Japan. India in particular was identified as a weak point of the Quad, as the country was committed to the principles of non-alignment.

In principle, Chinese foreign policy assumed that the states in the region did not perceive China solely as a menace (as the US side claimed), but also as a partner for numerous joint development projects. China considered the actual defence policy threat to be the connection of the ASEAN states to a US-led containment system. Incidentally, Chinese foreign policy considered the economic war with the US, which has been escalating since 2018, to be the more significant danger to its interests.

China therefore has many ways to derail the US Indo-Pacific Doctrine – by splitting the Quad, improving bilateral relations with Japan, with ASEAN as a whole and with individual ASEAN states, and through the *Regional Comprehensive Economic Partnership* (RCEP), which created a gigantic free trade zone (Secretariat of Regional Comprehensive Economic Partnership 2021). Consequently, Chinese foreign policy since 2017 has been oriented towards improving relations with Japan and India. A similar attempt has not yet been made with Australia, but with ASEAN and its individual member states. In the meantime, there is a Code of Conduct for the South China Sea. It is questionable whether these measures actually change the perception of China in the most important ASEAN states. Overall, however, China has not reacted directly to the tightened US containment policy but has increased pressure on Hong Kong and Taiwan. From the Chinese perspective, the US has anyway pursued a dual strategy, confrontation and cooperation since the Nixon administration resumed relations. For the Chinese side, it is obvious that US policy has moved more in the direction of confrontation in recent years.

1.5. The Indo-Pacific under US President Joe Biden

The EU had high hopes that the ouster of the erratic Donald Trump would put European-American relations back on a reliable footing and revive old forms of cooperation. These expectations have already been disappointed after barely a year of Joe Biden's presidency. Biden's policy towards China has also by no means been placed on a new, cooperative basis. The campaign between Trump and Biden for the presidency already took place under explicitly anti-Chinese auspices: Trump described the Covid-19 disease as caused by a *China virus* – Joe Biden sometimes tried to outdo Trump in his China criticism. The escalation of bilateral relations was also driven by the Chinese: they knew about the failure of their cadres in Wuhan at the beginning of the epidemic, suppressed a debate in the country itself about the virus disease and, as a diversion of popular anger, went on a foreign policy offensive. This has culminated in the termination of Hong Kong's special status and, most recently, new threats against Taiwan. Despite, or perhaps even because of, the election of Biden, relations between the US and China have by no means eased; the EU should expect the Biden administration to adopt a perhaps even tougher foreign and economic policy line towards China. It will be more consistent than the erratic policy of the Trump administration, because a major result of Biden's assumption of power is, after all, the strengthening of a more professional, foreign and foreign economic policy (Braml 2021).

Washington's policy in this context can be characterised by two points in particular, which certainly form a common thread in US policy in the Indo-Pacific from Obama to Trump to Biden.

- *First, the isolation of China.*

There is a bipartisan consensus in the US that China must not only be isolated in terms of defence policy, but that its further economic rise in particular has to be blocked. From the US point of view, China must not be allowed to gain further importance, especially in the decisive key technologies – instead of integrating the competing superpower in terms of economic policy, the US is pushing for its decoupling. The People's Republic needs to be denied access to and control over current and future key technological industries as far as possible. This is very clearly demonstrated by the dispute over the 5G mobile technology of the Chinese provider Huawei, which the USA generally wants to prevent from being implemented. 5G is only one of the key technologies that, like big data and artificial intelligence (AI), will fundamentally change the framework conditions for economic, technological, and military competition between the major powers. The USA will therefore not let up in its efforts to cement its leading position vis-à-vis either China or Europe with regard to the control of key technologies. As a consequence,

this will bring about different technology standards in the USA and China, and European companies will have to decide in the future in which of the two markets they will operate.

- *Second, the ignoring of Europe.*

Beyond all the friendlier gestures of the Biden government compared to the Trump administration, there is no sign in the Indo-Pacific policy of the US to coordinate it with the Europeans. They are being presented with a *fait accompli* both as the EU and as individual states. Hardly anything illustrates this better than two significant events for 2021: First, the withdrawal of US troops from Afghanistan. This was negotiated by the Trump administration in Doha in February 2020 and implemented by Biden the following year – in each case without consultation with the Europeans. Secondly, the founding of AUKUS, an acronym for the three participating states Australia, United Kingdom and United States. AUKUS is a trilateral military alliance concluded between the above-mentioned countries in September 2021 (The White House 2021). The known object of the agreement is that Australia will be supported in the development and deployment of nuclear-powered but conventionally armed submarines by the other two contracting parties. Furthermore, this cooperation is to exchange knowledge in artificial intelligence, technology, and cyber topics. AUKUS is directed against China, which reacted to the agreement with indignation. However, the reaction of France, Australia's regional security partner, which had only signed a treaty with Australia in 2016, was even harsher. The French defence company Naval Group had been contracted to deliver twelve submarines with diesel-electric propulsion worth around 56 billion euros. The breach of this contract triggered a serious diplomatic crisis between the USA, Australia, and France, which recalled its ambassadors from Washington and Canberra for consultations. The international scandal surrounding AUKUS and the questionable involvement of the UK, which has only a marginal presence in the region, shows: The USA does not concede cooperation to the Europeans in Indo-Pacific politics.

2. European Solutions

Almost a decade passed before the EU or individual member states took up the doctrine of an Indo-Pacific security space. It was not until 2016 that France used the concept in an official paper, probably because it has territory and territorial waters in the Indo-Pacific. The adoption was the result of an expert discourse that had started because of the US initiatives under President Trump. The question arose whether Europe or its member states could profitably implement the concept. The bottom line, not only from this debate, was – the international order is changing significantly due to the rise of China and its claim to great power status. At

the same time, the USA is beginning to detach itself from the transatlantic partnership with the Europeans and to realign its policy globally. This presented European politics with a dilemma:

- On the one hand, Europe still has greater commonalities with the USA (e.g. in the political system and to a large extent also in the appreciation of human and civil rights),
- on the other hand, it has equally enormous interests in functioning economic relations with China.

This resulted in a difficult balancing act – between the two poles of a still prevailing similarity of the political system with the USA on the one hand, and on the other hand, the danger of damaging the valuable economic and development relations with China. The EU therefore could not avoid positioning itself in Indo-Pacific security policy. For France in particular, as a regional power in the Indo-Pacific, and for Germany, with its close relations with both the USA and China, a stronger commitment was seen as having no alternative. Moreover, in view of the size of the challenge, only a pan-European initiative came into question.

But what did commitment mean? In general, it could be assumed that neither the EU as a whole nor individual members would be able to build up a significant military potential in the region. Europe had to take a different path:

- First, it had to focus on those areas that China and the USA would neglect in their respective confrontational policies: Climate policy, good governance and non-traditional security issues.
- Second, it was advisable for the EU to establish itself in the Indo-Pacific as a neutral, stabilising factor, acting as a promoter of international order, cooperative security measures and free world trade against the great power rivalry between Washington and Beijing.

Another impetus for a necessary, independent European Indo-Pacific conception was the erratic policy of the Trump administration, which violated the international order in many ways. This was combined with the increasing efforts for European sovereignty/autonomy since the turn of the millennium. According to experts, three options were emerging for the EU on the Indo-Pacific issue (Heiduk and Wacker 2020):

- The EU generally avoids the term *Indo-Pacific* in its policy towards the region and, on the basis of its own norms and interests, tries to cooperate with China in the framework of BRI and with the USA in the sense of FOIP. This implies complex balancing acts between two poles: China's accusation of participating in US containment policy and American claims that the EU has sided with China for economic reasons.

- The EU adopts the term *Indo-Pacific* but re-functionalises it in the sense of equating French with European interests in the region. As a result, France's position, and thus indirectly Europe's position in the Indo-Pacific, would be strengthened. The problem here would mainly be an inner-European one or would lie in the continuity of French efforts since the 1950s to enhance its own great power ambitions in European terms.
- The EU defines its own security concept for the Indo-Pacific, focusing on the traditional norms of international regulatory policy. Here again, closer cooperation with states from the region would be possible on issues of infrastructure development, preservation of free trade and free movement of goods, and the creation of confidence-building measures. However, such a policy would be difficult to institutionalise and would require complex coordination measures within the EU itself.

Such considerations and the fact that the USA, even under Joe Biden, has maintained the polarisation of relations with Beijing apparently played a considerable role in the formulation of the *EU Strategy for Cooperation in the Indo-Pacific*. The exact genesis of the strategy has not yet been documented. The strategy was – surprisingly for parts of the public – presented by Commission President Ursula von der Leyen in her 15 September 2021 *State of the Union Address* (Ursula von der Leyen 2021).

However, the strategy had already been decided in the Council of the European Union on 19 April 2021 (Council of the European Union 2021) and was finally made public by the European Commission and the High Representative on 16 September 2021, the day after von der Leyen's speech. The *EU strategy for cooperation in the Indo-Pacific* contains a preamble. It identifies:

- First, the reasons for developing the strategy – the increasing strategic importance of a vast world region between the coast of East Africa and the Pacific islands, for Europe, for the international order and for global challenges.
- Second, the strategy's purpose – to build partnerships in the region to enforce a rules-based international order, address global challenges and secure long-term sustainable growth.
- Third, the international legal foundations of the strategy – promoting democracy, the rule of law and human rights, and enforcing internationally recognised universal commitments, in particular the Sustainable Development Goals of the 2030 Agenda and the Paris Agreement on Climate Change (European Parliament and European Council 2021).

The following sections present the key points of the strategy.

The EU's rationale for strengthening its engagement in the Indo-Pacific (European Parliament and European Council 2021)

It provides a detailed rationale for the strategy, noting that the EU is itself part of the region through France's territorial holdings in the Indian and Pacific Oceans. The following points are highlighted as central:

- The EU and the Indo-Pacific are closely intertwined and together form the economic centre of the world.
- Intense tensions have built up in the region due to the geopolitical dynamics of recent years, especially over disputed maritime territorial waters. This has led to a significant increase in regional military presence, with China's explicitly mentioned.
- More generally, there is mention of dangers to democratic principles and human rights from authoritarian regimes, and similar threats to regional stability from unfair trade practices and economic pressure. Only the crisis in Afghanistan is mentioned directly, as it poses a direct risk to European security.
- Strengthening cooperation with its partners in the region in bilateral, regional and multilateral contexts is described as essential for European security. This would go hand in hand with the need to increase Europe's strategic reach (in the sense of reach, meaning, impact, alignment), among other things to guarantee the security of its supply chains.

The EU guiding principles in its engagement with the Indo-Pacific (European Parliament and European Council 2021)

The EU commits itself to a policy based on principles and designed for the long term. This can be understood as a critique of Trump-era policies, as reference is made to the variety of inter- and supranational institutions and agreements that attempt to ensure a rules-based international order:

Sustainable Development Goals (SDGs), Paris Agreement on Climate Change, Convention on Biological Diversity, United Nations, Bretton Woods Institutions, African Union in the Western Indian Ocean, ILO and international humanitarian law including advocacy for democracy, human and civil rights. Special mention is again made of Afghanistan and of the Rohingya crisis.

The EU's approach to partnership and cooperation in the region (European Parliament and European Council 2021)

This section lists the many partnerships and collaborations with which the EU has already worked or intends to further develop. ASEAN is given a central position in this context.

Furthermore, bilateral Partnership and Cooperation Agreements (PCAs) are to be established with individual states such as Thailand, Malaysia and the Maldives. In addition, the EU announces that it will work more closely with communities of states or states that have already developed their own strategies for the region – in alphabetical order ASEAN, Australia, India, Japan, New Zealand, the Republic of Korea, the United Kingdom and the United States. With the Quad Group, the EU is not seeking closer defence collaboration, only cooperation on technology and vaccine development. A separate subsection is devoted to China, which is explicitly invited to intensify cooperation. However, at the same time, the differences on the human rights issue are addressed and the commonalities with other states that have similar concerns are emphasised.

For details of the extensive discussions, reference can only be made to the original document. The most important points are summarised here in key words:

- The strategic importance of the Indian Ocean for the movement of goods (gateway for Europe into the Indo-Pacific) and as a resource worth protection.
- The central role of ASEAN for EU in political, security, economic, environmental, climate and socio-cultural issues as well as connectivity.
- The intensification of cooperation with the Pacific islands states on the basis of a Partnership Agreement with the Organisation of African, Caribbean and Pacific states (ACP) that will succeed the Cotonou Agreement, in combination with an EU Economic Partnership Agreement.

The Seven Priority Areas for deeper EU involvement (European Parliament and European Council 2021)

The document concludes by identifying seven priority areas for action for the EU in the Indo-Pacific:

- Sustainable and inclusive prosperity;
- Green transition;
- Ocean governance;
- Digital governance and partnerships;
- Connectivity;
- Security and defence;
- Human security.

It is noticeable that security and defence is only one of several components of the EU's policy in the Indo-Pacific region. In this respect, the strategy is more similar to the Chinese BRI, but without directly mentioning it. In contrast, there is a considerable difference to the

predominantly military-oriented American FOIP. In this respect, due to its low military capabilities, the EU's approach is quite realistic. Nevertheless, the EU has announced measures to increase its military presence in the region, especially that of naval forces, according to an initial assessment of the EU Coordinated Maritime Presences (CMP) concept. The EU intends to define Maritime Areas of Interest in the Indo-Pacific and to develop this in cooperation with regional partners. Furthermore, regional capacities in maritime security issues are to be increased and partnership sought with ASEAN in particular. Non-traditional security problems, such as cybersecurity, terrorism and targeted manipulation of information, are also mentioned. A brief summary of the most important measures planned, published by the EU itself, can be found in Box 2.

Box 2. Highlights of proposed EU actions

- Engaging with Indo-Pacific partners to build more resilient and sustainable global value chains by diversifying trade and economic relations, and by developing technological standards and regulations that are in line with our values and principles.
- Completing EU trade negotiations with Australia, Indonesia and New Zealand; resuming trade negotiations and starting investment negotiations with India; completing an Economic Partnership Agreement with the East Africa Community; assessing the possible resumption of trade negotiations with Malaysia, the Philippines and Thailand, and the eventual negotiation of a region-to-region trade agreement with ASEAN.
- Concluding Partnership and Cooperation Agreements (PCA) with Malaysia and Thailand; starting PCA negotiations with the Maldives, and bringing the EU's upcoming Partnership Agreement with the African, Caribbean, and Pacific (ACP) to full fruition.
- Concluding Green Alliances and Partnerships with willing and ambitious Indo-Pacific partners to fight against climate change and environmental degradation.
- Strengthening ocean governance in the region, including increasing the EU's support for Indo-Pacific countries' fisheries management and control systems, the fight against IUU fishing and the implementation of Sustainable Fisheries Partnership Agreements.
- Expanding the network of digital partnerships with Indo-Pacific partners, as well as exploring the possibility of new Digital Partnership Agreements.
- Stepping up implementation of the Connectivity Partnerships with Japan and India; supporting partners in establishing an appropriate regulatory environment and facilitating the mobilisation of the necessary funding to improve connectivity on the ground between Europe and the Indo-Pacific.
- Strengthen cooperation on research and innovation under 'Horizon Europe'; explore the association to this programme of eligible likeminded Indo-Pacific partners such as Australia, Japan, Republic of Korea, New Zealand and Singapore.
- Exploring ways to ensure enhanced naval deployments by EU Member States to help protect the sea lines of communication and freedom of navigation in the Indo-Pacific while boosting Indo-Pacific partners' capacity to ensure maritime security.

- Reinforcing support to healthcare systems and pandemic preparedness for the least-developed countries in the Indo-Pacific region, enhancing collaborative research on communicable diseases in the context of the Horizon Europe research programme.

Source: Joint Communication to the European Parliament and the Council. The EU strategy for cooperation in the Indo-Pacific.

https://eeas.europa.eu/sites/default/files/jointcommunication_2021_24_1_en.pdf. 17.

3. Summary

It is hardly possible to take stock of a European strategy for the Indo-Pacific region today. The author's own point of view is not irrelevant for this purpose too: I assume that increased European sovereignty/autonomy is an unavoidable necessity. This is not meant to establish Europe as a belligerent superpower, but at least as one that can better assert its interests against today's great powers, the USA, China and Russia: through sustained commitment to a rule-based international order, to the rights of people and nature, to fair and transparent framework conditions for trade and, if necessary, through traditional defence policy within the framework of multilateral treaties. Because: On a global scale, even the former European superpowers Germany, France or (from outside the EU) Great Britain are too small to act as global players. However, European interests must be safeguarded. The repeated affirmations over many years that Europe have a much stronger contribution to make to its own security must be addressed with concrete measures. This demand is based on the conclusions that need to be drawn from developments since the collapse of the Soviet Union and the end of the Cold War:

- Europe is still an economic giant, but in terms of world politics it remains a second-class actor. If the EU does not want to be marginalised in the justified representation of the interests of its member states in the coming decades, action must finally be taken now.
- This is all the more important because the global centre of power has shifted from the polarity of the transatlantic and Eastern European area to the Indo-Pacific. Political power is following the economic centre of gravity shifts.
- In general, the world is undergoing rapid geopolitical and geo-economic change: old superpowers such as the USA are losing importance, others such as Russia are rising again, and new ones are emerging, in particular the People's Republic of China.

The most important factor for Europe is not even the rise of China as a world power (this has been predicted since the 1970s), but the increasing estrangement with the USA. The presidencies of George W. Bush, Barack Obama, Donald Trump and now Joe Biden may be assessed differently in their individual foreign policies – in the balance of the bilateral

relationship they have (so far) all been disappointing for Europe in their own way. Many of the positive attitudes of the political classes in Europe towards the USA date back 30 years to the Cold War. The EU's overall strategy for the Indo-Pacific, which is the focus here, is therefore an interesting indicator:

- for the EU's changing relationship with the USA,
- for the contours of a European China policy,
- for the relevance of the Indo-Pacific for the European Union and its member states and not least
- for the aspirations for European sovereignty/autonomy.

If one looks more closely at the alternatives of the European side outlined earlier (based on the analysis of the SGP already mentioned above), the compromise character of the concept is striking in three respects:

With regard to equidistance:

The EU does not act equidistantly, it uses the term Indo-Pacific. However, it emphasises its own norms and interests and at the same time declares its willingness to cooperate with all actors in the region in terms of security and economic policy. The marginal role of the USA in the strategy paper is striking – this is a remarkable occurrence. More important to the EU than China and the USA are the states in the region themselves, and in particular the ASEAN alliance.

With a view to equating European Indo-Pacific interests with those of France:

The concept by no means equates French with European interests. The strategy paper nevertheless recognises France's position as the only EU state with territorial possession in the region. Cooperation with other actors in the Indo-Pacific region is thus structured, but not dominated, by France's position there: through diverse forms of cooperation in economics, technology, transport, development, environmental protection, and so on. The concept is a pan-European one, the central point of which is the confrontation between the USA and China, and which seeks ways to take a third position in this conflict, which in turn is in the interest of France in particular, but also of Germany.

With regard to the autonomy of the European strategy for the Indo-Pacific:

The EU has defined its own security concept for the Indo-Pacific, focusing on the norms of international governance, environmental protection, freedom of the seas and trade, and especially (this also explicitly directed against China) human rights. The concept is to be realised by intensifying cooperation with those powers that also do not want to take either the Chinese or the American side unilaterally. The EU strategy is one of the third powers, especially in the

envisaged cooperation with ASEAN. In this way, the EU is indeed taking up a position of its own, which clearly distinguishes it from both China and the USA and their respective approaches.

In this respect, the concept is certainly a remarkable step, as the closing of ranks with the USA, most recently executed in the declaration of the NATO defence case after 9/11 and the intervention in Afghanistan, has in fact been omitted. The EU does not side with the USA, but also makes its divergences with China explicit. It remains to be seen to what extent this strategy paper will be translated into reality.

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Chapter 2

French Indo-Pacific Strategy

Nguyen Thi Hanh

Introduction

In recent years the term “Indo-Pacific” has been widely mentioned among columnists, scholars, and politicians in the US, France, Australia, India, Japan, and Indonesia regarding a vast space combining the Indian Ocean Region (IOR) and the Western Pacific Region (WP), linked by the South China Sea, to serve countries’ military, diplomatic, and economic goals. Although the Australians have been using the term ‘Indo-Pacific’ earlier, it was formally introduced and explained in an academic paper entitled ‘Security of Sea Lines: Prospects for India-Japan Cooperation’, published in the January 2007 edition of Strategic Analyses journal of the Institute for Defence Studies and Analyses (IDSA), New Delhi. The Indo-Pacific idea was then used in Prime Minister Abe’s remarks addressed at the Indian Parliament, speaking of the “Confluence of the Indian and Pacific Oceans.”

The label Indo-Pacific is replacing Asia-Pacific as a US-centric framework for regional order. In the contest to define Asia conceptually, the geographical expansion has strategic objectives: managing China’s rise while also engaging the US’ allies in an inclusive region. China’s increasing assertiveness and the launch of the “String of Pearls” strategy in 2005 for its growing naval presence have concerned many countries, particularly the US, India, Japan, and the ASEAN states. The term came to the fore under Trump’s presidency as the US administration initially extend the “Asia-Pacific” to the “Indo-Asia Pacific,” encompassing Indian and Pacific oceans and incorporating New Delhi – an opponent of China – into the region-wide security architecture (Khurana 2017).

As the Indo-Pacific has been more strategically and economically important, countries around the world are developing new plans to justify their intervention, while regional countries try to manage the new dynamics.

France was involved early in the Indo-Pacific. Since the 1990s, France has engaged in high-level bilateral and multilateral dialogues such as the South Pacific Defense Ministers' Meeting or the Indian Ocean Naval Symposium; and developed military partnerships via joint maritime exercises. Paris' strategic partnerships with New Delhi and Canberra represent the fruitful outcome of its long-standing diplomatic efforts.

During the Cold War, France sought to provide India with arms sales options (e.g., fighter aircraft and submarines) to reduce India's military reliance on the Soviet Union. After the Cold War, Paris became a major defense partner of New Delhi and subsequently promoted a strategic relationship between the two. France was also one of very few supporters of India's nuclear weapons program, as President Jacques Chirac "described India's exclusion from the global nuclear order as an anomaly that needed to be rectified." (Sood 2019).

As a result of steady moves, Paris ultimately officially embraced the "Indo-Pacific" concept in 2018, making France the first EU country to adopt this notion (Morcos 2021a). "Launched by the President Macron during his Garden Island speech in Sydney in May 2018, France's strategy for the Indo-Pacific has become one of its priorities for international action." (Ambassade de France en Australie 2021).

Although France's interests – in the name of Indo-Pacific strategy were not new, they reflect a more comprehensive vision of the Indo-Pacific rather than a mere change in terminology. For some researchers, it is considered part of so-called the French pivot to Asia, or France's return of its past grandeur. Firstly, French strategy wields its possessions and historical insights in the Indian Ocean and Pacific Oceans to identify itself as a legitimate resident and democratic power rather than an outdated colonial power. Secondly, geopolitics enable France to project its naval force into the Northern Indian Ocean, South China Sea, and Western Pacific, thereby defending French interests and assets (territory and population, territorial waters, and exclusive economic zones), reaffirming freedom of navigation and multipolar order, and gaining credibility. Also, from another view, what triggered the change in terminology and added weight to France's interest in the Indo-Pacific region is undoubtedly China's arrogance which is perceived as a threat to multilateralism and the international rules-based order. To implement the strategy, the French strengthened bilateral and multilateral partnerships especially in terms of security and defense; and gave way for naval deployment.

Following Macron's visit to Australia, the former director of the Australian Office of National Assessments, Allan Gyngell, argued that "the Indo-Pacific does not exist. Like Asia-Pacific or Asia itself, the Indo-Pacific is simply a way for governments to define an international environment suited to their policy objectives in particular circumstances." In other words, the Indo-Pacific is not a predefined geographical area "in which the national strategies fit." Instead, it is the states' strategies that define and make use of the Indo-Pacific (Grare 2020). The chapter, therefore, seeks to unveil the policy motives and roles of France in the region, adopting major theories in international relations (realism, liberalism, and constructivism). By using foreign policy analysis, the article then clarifies France's strategic implications as well as its practice. The article also points out the distinctions of the French approach to the Indo-Pacific compared with Europe and the US. Moreover, the inclusion of Vietnam as France's important partner and recent positive developments in their relationships will be part of the research.

1. Drivers and roles of the French Indo-Pacific strategy

1.1. Realism approach: A *realpolitik* move

A legitimate resident power protects its national interest and exerts its influence

Under Macron's administration, French's Indo-Pacific policy has been built on shared geography and long-standing bilateral partnerships in the region and placed more emphasis on 'French interests'. Given the geographical features, France already considers itself a '**resident power**' in the region and works to promote its interest. Unlike other European state members, France is the only country that still had territories in the region, "spanning the eastern coast of Africa (Mayotte, Scattered Island, and La Réunion) to the French Southern and Antarctic territories and the South Pacific (Vanuatu, New Caledonia, Wallis & Futuna, and French Polynesia) to the Clipperton islands off the coast of Central America." For the French Ministry for the Armed Forces, the Indo-Pacific has a geostrategic coherence, inherited from a long history. Important maritime routes run from Indonesia to Madagascar, from Oman to Singapore, from Japan to Australia, and from China to Polynesia, and connect the largest demographic and economic bodies of the twenty-first century (Ministère des Armées, n.d). Besides this, the region is also home to 1.6 million French citizens. Over 90% of France's EEZ is located in the Indian and Pacific Oceans, making up the second-largest worldwide (Wacker 2021).

Notably, France maintains a strong military presence in the Indo-Pacific including 7,000 personnel, 15 warships, and 38 aircraft – larger than that of all other twenty-six EU member states combined (Rej 2021; Le Corre 2021). According to the official strategy, France already managed "a network of 18 defence missions led by defence attachés, accredited in 33 countries,

and about 15 liaison and cooperation officers,” to “ensure geographical coverage that can monitor protection and security for French citizens and French territories.” (Ministère de l’Europe et des Affaires étrangères 2021). In recent years, the French Navy’s operations have escalated with frequent patrols and joint drills, amplifying France’s ambition to be a real and committed player in the region.

France claims its national boundaries and assets beyond Europe, extent to both oceans through ‘overseas departments’ (*départements d’outre-mer*), ‘overseas collectives’ (*collectivités d’outre-mer*), and ‘overseas territories’ (*territoires d’outre-mer*). This is reiterated in the remark by President Macron in May 2018 that France “*is a great power of the Indo-Pacific across all these territories, New Caledonia, Wallis and Futuna, French Polynesia but also Mayotte and Reunion and the Southern and Antarctic Lands.*” (Élysée 2018). Also, Paris cited that its overseas department (Réunion, Mayotte, New Caledonia, Polynesia) elect representatives to the National Assembly and Senate – to show that France is not a colonial power but a **democratic legitimate power** in the Indo-Pacific.

A delicate ‘puissance d’équilibre’ (balancing power)

It is also argued that one of the reasons for French’s increased commitment is China’s rise. Instead of an inflexible position on China, France opts for a “balanced approach” using its military and diplomatic prominence.

France shares the US’ worry about China’s growing military capacity and unilateralism that may pose a threat to French interest in the long term. Many official documents and remarks published or delivered since Macron’s presidential inauguration have warned against the hegemonic ambition of Beijing. In a speech on November 4, 2018, he stated “in this part of the globe China is building its hegemony... we have to work with China... But if we don’t organize ourselves, it will soon be a hegemony which will reduce our liberties, our opportunities which we will suffer.” (Congressional Research Service 2021). During his first state visit to China in 2018, he made clear that the Belt and Road project “cannot be those of a new hegemony, which would transform those that they cross into vassals”, suggesting Europe should be cautious about its trade relations with China (Rose 2018). In return, Chinese commentators criticized the launch of France’s Indo-Pacific strategy for “following US footsteps to contain China”. However, France does not intentionally seek any hostility that may discourage China from negotiations in the region and Europe. Unlike the US strategy which tends to be both confrontational and over-militarized, the French perspective is neither to antagonize nor contain China. France inclines to a stable, rule-based multipolar order, the free movement of people and goods which are

shared by most countries in the region (Nicolas 2019). At the height of Sino-American competition, France was wise enough not to be deeply involved in the systematic rivalry between Beijing and Washington, as well as to avoid any possible marginalization in the shift towards the region.

It was not until the turbulence and death tolls caused by the Covid-19 pandemic that Macron spoke against China. In April 2020, he raised concern about China's handling and transparency over the pandemic. In July 2020, Paris resumed its calls for an independent, international investigation into China's treatment of the Uyghur minority. In August 2020, France banned Huawei from supplying 5G equipment, pledging to completely remove Huawei tech from French telecom networks by 2028 (Swanström, Duggal, and Panda 2020).

Boosting military collaboration also served as part of France's efforts to challenge China's sweeping unilateral maritime claims in the region and reassert the freedom of navigation. At the 2016 Shangri-La Dialogue, Defense Minister Le Drian mentioned security arrangements with "our partners, in particular India, Australia, the United States, Singapore, Malaysia, and Japan." The absence of China from Le Drian's listing of "partners" was apparent. Speaking at the 2019 Shangri-La Dialogue, Defense Minister Florence Parly stressed France's willingness to protect its sovereign interests in the region and ensure stability against the great-power competition by using its military assets and multilateral mechanism. But she also shared a firm stance towards China's South China Sea militarization, noting that the French navy would continue to navigate more than twice a year in the sea. The decision to moor the Charles de Gaulle aircraft carrier in Singapore during the 2019 Shangri-La Dialogue also emphasizes the military component in France's strategy (Ministre des Armées 2019).

Besides this, France values the security cooperation with key allies and is willing to share the burden in security matters. It continues to carry out its regular naval operations via joint military exercises, training, and submarine patrols. For example, the 2018 Jeanne D'Arc five-month mission – "the deployment took place in the Indo-Pacific region, a crucial area for France and its strategic interests" (Ministre des Armées 2018) – involved a particularly extended stay in South China Sea waters during June 2018, carrying out Freedom of Navigation Operations (FONOP) near the Spratly Islands, and being tailed there by Chinese vessels (Scott 2019). The French Navy's deployment has been particularly intense in the Indo-Pacific in the past few years. Noteworthy annual events are the La Pérouse exercise in the Gulf of Bengal, the Croix du Sud exercise in New Caledonia, and the regular participation of French armed forces in bilateral and

multilateral exercises (the Varuna exercise with India, and the Pitch Black exercise organized by Australia).

Following the foundation of the Quad, in 2018, Macron revealed his vision of a 'Paris-Delhi-Canberra Axis' – a new grouping that acted as a balance to China's aggressiveness. Macron chose to unveil France's Indo-Pacific strategy during his speech at the Garden Island base in Sydney, signaling that Australia would become one of France's key partners in its endeavor (Pajon 2021). Meanwhile, India is the world's second-largest market for international arms exports. And Macron has even previously expressed his desire to replace the United Kingdom as India's 'gateway' to Europe (Swanström, Duggal, and Panda 2020). Later, on September 9, 2020, India, France, and Australia inaugurated a trilateral dialogue to ensure a "peaceful, secure, prosperous, and rules-based Indo-Pacific" (Ministry of External Affairs 2020). The cooperation will certainly bring economic benefits, for example, reducing reliance on the Chinese market and creating a three-way economic synergy among the partners. Also, defense will be the trilateral's central focus for the promotion of stability and maritime freedom in the region where Chinese naval presence has grown in recent years. China has also established a naval base in Djibouti (a French-speaking country) and regularly sends warships, submarines, and intelligence-gathering vessels to the Indian Ocean. In response to the security risks, France continues to organize or take part in significant exercises with the Indian and Australian Navy, including the biggest ever live fire and anti-submarine Varuna exercises with India (including their aircraft carrier, held off Reunion in 2018) in the Arabian Sea; another live fire and anti-submarine Operation Perouse quadrilateral exercises with the Australian and Japanese; or the biannual Kakadu exercises hosted by Australia (Scott 2019). In addition, the trilateral framework accelerated their links in technology- (radar systems and armed vehicles) and intelligence-sharing. For India and Australia, a greater French engagement will help ease the pressure and improve the combat readiness for their forces. Although the political grouping led by France is still in progress to align their strategic vision, it seems to be trustworthy and attractive to small and middle Asian states in the region as they all aim to diversify their partnerships beyond the US-China competition.

Undoubtedly, France has employed its offshore resources and measures to fully resume its role as a regional power and protect its sovereign interests, ensuring the security of its citizens and actively contributing to maritime stability.

1.2. Liberalism approach: strengthening partnerships and institutional setting

- *A credible partner*

Since the Covid-19 outbreak, France may find its chance to reinforce important axes limited as other countries chose sides between Beijing- and Washington-led groupings. However, it is actively striving to bolster strategic partnerships rather than withdrawing from the region. “France may not be able to engage as widely, but it is likely to engage more deeply” (Paskal 2021).

In terms of economic connectivity, about 18% of French imports came from the Indo-Pacific and about 14% of French exports went to that region in 2019. Trade with the Indo-Pacific represents more than a third of French trade in goods outside of the EU and is dynamic (Ministère de l’Europe et des Affaires étrangères 2021).

In terms of defense, the French strategy is based on strategic partnerships and arms agreements with countries that share similar values and interests such as Australia, India, Japan, South Korea, Indonesia, New Zealand, and Singapore. France’s military collaboration is characterized by arms cooperation, enhanced information sharing, or joint maritime drills. Recent important arms deals include India’s decision to purchase 36 Rafale jet fighters or Australia’s contract with French shipbuilder Naval Group to manufacture 12 submarines (Morcos 2021a).

France’s areas of cooperation are diverse. Section four in the official strategy states four pillars comprised of security and defense; economy, connectivity, research, and innovation; multilateralism and the rule of law; climate change, biodiversity, sustainable management of oceans; many of which overlap with those of its partners and allies. However, the insistence on environmental protection on the regional agenda partially distinguishes the French approach from those of its partners. It covers not only climate change and biodiversity out of moral conviction and preserving the success of the Paris Agreement but also handles maritime environmental threats, for example, “redrawing maps, displacing populations, creating new hotbeds of tension, and affecting critical infrastructure” (Grare 2020).

- *A proponent of multilateral frameworks and multipolar order*

Paris is a strong advocate of multilateralism as a pillar for the stability of the Indo-Pacific. French-centered mechanisms have contributed to regional architecture. France has run the annual *Conférence de coopération régionale de l’océan Indien* (“Conference for Indian Ocean Regional Cooperation”) since 2012, which gathers officials from Reunion, Mayotte, and other pro-France

territories. France established its functional framework, the France-Oceanic Summit (FOS), which held meetings in 2003, 2006, 2009, and 2015. It is also a founding member of the Indian Ocean Commission (IOC) established in 1982, which brings together independent Indian Ocean states. Notably, the so-called “Paris-Delhi-Canberra axis” initiated by President Macron in 2018 held its first trilateral dialogue virtually in September 2020 (Scott 2019).

A creative aspect of French policy has been to seek entry to regional dialogues through its accepted presence and legitimacy. It joined many regional fora such as the South Pacific Defense Ministers’ Meeting, the Indian Ocean Rim Association, Japan’s Pacific Islands Leaders Meeting (PALM), and the Shangri-La Dialogues. France actively supports the increased power of the IOC, especially during the 2021/2022 French presidency. Since obtaining full membership of the Indian Ocean Rim Association (IORA), it has developed joint projects with India, Australia, and Indonesia, relating to the combat against illegal fishing, the blue economy, maritime safety, and Covid-19 response. Paris also links with like-minded partners, namely the Pacific Quadrilateral Defense Coordination Group with Australia, New Zealand, and the United States; or strengthens partnerships with ASEAN members by co-hosting the first ASEAN-France Development Partnership Committee (AF-DPC) Meeting in March 2021. Through various groupings, France longs to enhance regional cooperation on issues ranging from maritime security to sustainable development (Morcos 2021a).

In the meantime, France is also sailing towards the “Quad Plus” since France and the four Quad members joined hands for the La Pérouse naval drill in the Bay of Bengal from April 5 to 7. This group conveys a greater regional coalition of democracies and high-level cooperation on specific challenges such as illegal maritime activities, disaster relief, and increasing Chinese military presence for a free and open Indo-Pacific (Morcos 2021b; Chaulia 2021)

1.3. Constructivism approach: a defender of established norm-based order throughout history

French legacies in the Indo-Pacific should be taken into consideration. Through social interactions dating back to the colonial era, France did contribute to the establishment of codes of conduct and legal order in the region (especially in Indochina). The understanding gained from the long history of interaction also paves the way for the French to actively and positively intervene in the region today.

France’s legal system and modern cartography provide an authentic basis for Vietnam to protect its sovereignty and the potential resolution of contemporary conflicts. As early as 1885, after the Sino-French war about Tonkin, the border with China has been precisely

delimited by military topographers and ratified by bilateral agreements in 1886, thus rejecting the Chinese Empire's concept of the delineated border over the vaguer notion of unprecise margins (Journoud 2016). When China seized the Paracels by force, the Vietnamese stated claims against China after 1974, using universally accepted concepts such as proximity, or actual and continuous occupation and valid evidence inherited from the French. Today's negotiations between China and Vietnam, as well as with other countries with claims in the South China Sea, still relied on the treaties signed by France at the end of the 19th century, and, most importantly, on the archives, maps, and treaties kept at the French National Library, the Ministry of foreign affairs archives, and the archives of the Ministère d'outre-mer (Niquet 2018).

Following historical insights from the colonial and immediate post-colonial period, France takes a rigid stance on territorial disputes in the South China Sea, in which any settlement must adhere to international law and avoid the use of force or unilateral decisions that may change the status quo. In an official document adopted by the French Ministry of defense in 2018, the Spratlys are described as "claimed" by Brunei, China, Malaysia, the Philippines, Taiwan, and Vietnam while the Paracels are "occupied by China and claimed by Vietnam" (Ministère des Armées 2018), which reaffirms its own stance on maritime sovereignty in a region where France, as a former colonial power, played a major role in border definition (Niquet 2018).

2. France's actions in the region

2.1. Naval deployment

French Defense Ministers have raised the South China Sea as a security threat for regular ongoing freedom of navigation deployments at annual Shangri La Dialogues: Le Drian in 2016, Sylvie Goulard in 2017, and Florence Parly in 2018 and 2019.

France has fulfilled its commitment to the region through joint maneuvers with naval forces and regular excursions by warships into the South China Sea near the artificial islands created by China. France's naval deployments in the Indo-Pacific are accompanied by aircraft carrier Task Force 473 centered around the Charles de Gaulle nuclear aircraft carrier, and the Jeanne d'Arc helicopter carrier. In early April 2019, during a trip from Japan to the Philippines, frigate FS Vendémiaire might have annoyed the Chinese with its transit through the Taiwan Strait, leading Beijing to dis-invite France from its naval review taking place at Qingdao later in the month. Over the past few years, French naval activities have expanded eastwards into the

South China Sea, Taiwan Strait, and the Western Pacific. The 2018 Jeanne d'Arc five-month mission paid a one-month visit to the South China Sea and carried out FONOP near the Spratly Islands. Recently, the French Navy signals intelligence (SIGINT) ship Dupuy de Lôme (A759) has conducted a rare transit through the Taiwan Strait (Vavasseur 2021).

The French navy is also a frequent participant alongside other Indo-Pacific forces in regional exercises, for example, the Komodo multilateral exercise organized by Indonesia, the biannual Kakadu hosted by Australia, the biannual Southern Katipo hosted by New Zealand, and the Rimpac exercises hosted at Hawaii by the US (Scott 2019).

2.2. Deepening cross-continent collaborations

- *Franco-Indian partnership*

Given the formation of new US-centric groupings such as QUAD and AUKUS, France feels the need to build up a network of reliable partners in the region on its own. Following his predecessor, President Macron has advanced its security partnerships with such outstanding players as Australia, India, and Japan, as well as bilateral agreements with Indonesia, Malaysia, New Zealand, the Philippines, Singapore, and Vietnam, making France by far the most deeply connected European country in the Indo-Pacific today (Grare 2020).

Bilateral ties between France and India are especially warmed up. Both countries' leaders meet annually for a bilateral summit. At the most recent one held in Paris in August 2019, Macron invited Indian Prime Minister Narendra Modi to attend the G7 summit in the French city of Biarritz, where the two countries agreed on joint roadmaps on cybersecurity and digital technology. Within Macron's visit to India in March 2018, he reaffirmed that "we are with India for freedom of navigation in the Indo-Pacific." (Le Quintrec 2018)

They share a complementary economy and an eagerness to employ the full potential of their bilateral ties. Their cooperative agenda has extended to a lot of issues including trade, civil nuclear power, energy policy and climate change, maritime security, and outer space. In terms of commerce, French exports to India reached €4.23 billion in 2020, in which France mainly provided airplanes, other powered aircraft, and different types of machines (Embassy of India 2021). Regarding security and defense, as France and India both have grave concerns about the growing Chinese presence in the Indian Ocean, they already set up a regular maritime security dialogue; the most recent one took place in New Delhi in November 2019 (Brattberg and Le Corre 2019). In addition, France has expanded its defense exports to India, including an \$8.8

billion deal in 2016 to supply thirty-six Rafale fighter jets, the first of which were delivered in October 2019 (Ministère de l'Europe et des Affaires étrangères 2021). A new level of maritime cooperation has been achieved as both countries approved the Joint Strategic Vision of India-France Cooperation in the Indian Ocean Region, which was facilitated by the Reciprocal Logistics Support agreement between their two forces, paving the way for increased French use of Indian bases in the Indian Ocean. This logistics support agreement was supplemented with the arrival of the anti-aircraft destroyer FS Cassard at Mumbai in January 2019 (Scott 2019). Besides bilateral links, they also seek support from other countries for ocean governance (preparation of a roadmap is in progress) via regional Indian Ocean organizations (IORA and IOC).

- *Franco-Australian partnership*

Paris and Canberra have long shared common values and have fought together on many battlefields. French New Caledonia even shares a maritime border with Australia in the Southern Ocean and the Coral Sea.

Macron's remarkable visit to Canberra and his announcement of the French Indo-Pacific strategy have symbolized enhanced relations between France and Australia. During the visit, the Vision Statement signed with the Australian Prime Minister comprised a specific section on "Indo-Pacific cooperation", involving "undertaking cooperative maritime activities in the Indo-Pacific in the years to come," and "passage exercise opportunities with the Charles de Gaulle Carrier Group and Australian participation in Jeanne d'Arc Mission future deployments in the Indo-Pacific region." (Australian Government Department of Foreign Affairs and Trade 2018).

Both countries are deeply concerned by China's mounting adventurism across the region and an active Franco-Australian defense cooperation would act as a counterbalance to China. In particular, the two navies regularly organize training for scenarios such as rescue operations and armed conflict. The French-led exercise Croix du Sud, held every two years, is the largest humanitarian assistance and disaster relief exercise in the South Pacific, involving naval forces of Australia, New Zealand, Japan, and the United States. Both countries' navies have also fought against illegal maritime activity across the Pacific, from piracy to illegal fishing (Morcos 2021b). Moreover, Australia and France currently have a Status of Forces Agreement – which sets out how the forces of each country should operate together – but are making room for greater access to their mutual militaries. French naval ships can now maintain a permanent presence at Australian naval bases or deploy troops through Australian training bases (Galloway 2021).

However, until very recently, Canberra's brutal termination of the \$90-billion defense deal with France to supply 12 submarines, and the new AUKUS alliance between Australia, the

UK, and the US, came as a shock for Paris and resulted in a deteriorating Franco-Australian partnership. The September 15 incident was described by Foreign Minister Jean-Yves Le Drian as “a stab in the back”, which leads to a French revision in their relations with key allies. In the absence of credible regional security architecture, France may find its way to Europeanize the strategy and pivot to other emerging players, for example, ASEAN states, Japan, and South Korea.

- *Franco-Japanese partnership*

France regards Japan as a natural partner since they both claimed themselves as Pacific citizens and share concerns over the East China Sea. French links with Japan have been a fruitful development with the Indo-Pacific at the heart of their strategic partnership. Their recent 2+2 Foreign and Defence Minister's mechanism (initiated in 2014) has emphasized France's military presence and cooperation with Japan in both oceans. A maritime dialogue mechanism between the two countries was also agreed upon in July 2018, followed by an accord on cooperation between the French Navy and the Japanese Maritime Self-Defense Force signed in September 2018. France, for the first time, joined Japanese-US joint ground exercises staged in southwestern Japan to simulate regaining control of remote islands from enemy forces in May 2021, with an eye on China and North Korea (The Asahi Shimbun 2021).

Recently, in a meeting between President Macron and Prime Minister Yoshihide Suga in Tokyo on the sidelines of the Olympic opening ceremony, they came up with a joint statement that pledged to “actively work together... on priority areas such as maritime security, climate change, environment, and biodiversity.” It remains unclear whether Japan will join France's ‘Indo-Pacific axis’ as the French grouping is still in progress. Also, while the French stance is away from anti-China and escalating tensions in the region, Japan, a traditional US ally, tends to be involved in a direct confrontation with China.

- *France-ASEAN partnership*

France has also re-entered Southeast Asia and the South China Sea dynamics with “strategic partnerships” signed with Indonesia in 2011, Singapore in 2012, and Vietnam in 2013. In March 2016, the French frigate FS Provence, while crossing the Indian Ocean, conducted anti-submarine warfare (ASW) exercises with the Malaysian Navy in the South China Sea, which was repeated with the dispatched French frigate FS Auvergne in October 2017. In March 2018, the first meeting of the joint France-Philippines defense cooperation committee was held, with discussions on maritime security, and the friendly port call of the frigate FS Vendémiaire. A year later, France sent the aircraft carrier Charles de Gaulle to the region (“Opération Clemenceau”)

following French Defense Minister Parly's commitments in the 2019 Shangri-La Dialogue to protect freedom of navigation and counter sweeping territorial claims in the region (Scott 2019). Notably, the first ASEAN-France Development Partnership Committee (AF-DPC) Meeting took place virtually on March 4, 2021, marking a formal and promising partnership between the two sides. The meeting set out key areas of cooperation, for example, the Post-Pandemic Recovery Framework, human rights, cybersecurity, and blue economy (ASEAN 2021). A closer relationship with ASEAN countries, many of which have maritime disputes with China, is also a French move against China's hegemony, and to strengthen its political presence in one of the most vibrant cooperation frameworks in the region.

In addition to the enhancement of established bilateral cooperation, France's moves place more focus on maritime security – which is France's primary concern when entering the region. Regarding a realistic view, as the third-largest arms exporter worldwide, France sees the benefits of maritime collaborations with major arms contracts: sales of advanced nuclear-delivered Rafale Fighter Jets to India, conventional attack submarines to India, and Australia, and La Fayette frigates upgrades to Taiwan (Babones 2021). Also, as the largest and most powerful naval force in the world, France is taking responsibility for preserving multilateralism and international rules-based order in and beyond French overseas assets.

3. Vietnam as an important partner in France's masterplan

Vietnam and France have a long-standing historical relationship. Contemporary ties were formalized in 1973 since the post-colonial period, but it was not until recently that there was an overall acceleration, with the two sides proclaiming a strategic partnership in 2013.

French ties with Vietnam have been bolstered since the initiation of the French Indo-Pacific strategy, expanding into the area of security. According to the official strategy, Vietnam was mentioned as France's main partner in ASEAN, alongside Indonesia and Singapore. As France's former colony and current strategic partner, Vietnam facilitates a greater French presence in the region, especially freedom of navigation operations, while Hanoi views an improvement in relations with Paris as part of its foreign policy objective of engaging multiple major powers and diversifying strategic partnerships, particularly the five permanent members of the United Nations Security Council. The Vietnam-France Defense Policy Dialogue was first held in November 2016 and followed by the second one in January 2018. Defense discussions gained fruitful results, with a new Joint Vision statement for 2018-2028 maritime cooperation and calls for open sea lanes and legal compliance (Scott 2019). Both sides had agreed to further cooperate in areas discussed such as training, military medicine, maritime security, aviation

security and safety, peacekeeping operations, and defense industrial cooperation. France also mentioned the increasing visits by French vessels in support of FONOP and Vietnam's maritime defense (Parameswaran 2018). In subsequent ministerial-level meetings, Vietnam was regarded by French counterparts a "key partner for our interests in South-east Asia and the Indo-Pacific region" ("Déplacement du Premier ministre, Édouard Philippe, au Vietnam" n.d.). Besides this, there might be something going on behind the scenes, for example, whether Vietnam could be a potential market for French arms.

Indeed, the French did walk the talk. There have been more warships touring in the region since the signing of joint declarations. From May-June 2019, the anti-aircraft frigate Forbin conducted a week-long visit to Vietnam where both countries' navy crews exchanged practice sessions. In February 2021, the French minister of defense announced that a French nuclear attack submarine accompanied by a ship has completed a patrol in the South China Sea. Following that, another French frigate docked at Cam Ranh port for helicopter repairs in March. The visits deliver an affirmative message in support of freedom of navigation in the air and at sea, which is long recognized in international law, and against any assertive behaviors in the region.

Other areas of cooperation have also achieved positive outcomes. Overall, bilateral trade has intensified with an average annual growth of 15%. In 2017, Airbus sold 40 aircraft to Vietnamese airlines, while Alstom, along with Colas Rail and Thales, signed a contract for €190 million for the construction of a metro system. Transport and infrastructure, along with the agri-food industry continue to be the focus of French investors (Shira 2018). Particularly, increasing French investment is believed to help reduce Vietnam's reliance on Chinese investment and create favorable conditions for the two countries' businesses.

Conclusion

For France, defending its national interests and preserving its maritime sovereignty and rules-based order are uppermost when entering the region. Its official Indo-Pacific strategy also emphasizes the role of a "mediating, inclusive and stabilizing power" in the region. Aside from echoes of the colonial era, France has 8,000 troops and a modern nuclear-powered aircraft carrier to back its plan.

French strategy is not necessarily the result of political chance. It reflects a realization of the potential threats that China's rise and the Sino-American rivalry will harm France's interests, leverage, and status, as well as an effort to prevent possible marginalization in gravity toward Asia.

France is the first EU country to embrace the notion of Indo-Pacific and launch a regional strategy. The French plan tends to be independent of European counterparts since they do not share equal interests in the region. As Europe is being too soft and the US too tough on China, France has decided its own path, taking a strong stance towards China but not seeking confrontation. Unlike the German and Dutch strategies, which seem to be adaptations to the strategic pivot, French policies are “based on shared geography and long-standing, carefully cultivated, bilateral relationships” (Paskal 2021). On the other hand, France serves as a bridge between the EU and the Indo-Pacific and tries to harmonize the EU strategy with its own. It has promoted the increased presence of the EU in regional fora, for example, the establishment of a strategic partnership with ASEAN in December 2020. Alongside Germany and the Netherlands, France has contributed to the drafting of the European Union’s Indo-Pacific strategy. It engaged other European naval forces in maritime patrols, for instance, ships from Italy, Portugal, and Denmark accompanied the Charles de Gaulle on its mission in 2019 (Morcos 2021a).

The French defense mechanism across the Indo-Pacific through its naval deployments and naval diplomacy may not be fully operational because of financial constraints on defense budgets, and shipbuilding programs at home. Furthermore, the production of a second aircraft carrier was canceled in 2013, leaving France dependent on the only one left, the nuclear-powered aircraft carrier Charles De Gaulle, which limited the French deployment capability (Scott 2019).

It is no wonder that France’s remarkable presence helps unfold the region’s geopolitical dynamics and challenges the Chinese hegemony. The strategy also portrays France as a responsible and prestigious power and paves the way for deeper interventions in the region.

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Chapter 3

Germany's Indo-Pacific Perspective

Dang Hoang Linh

Introduction

The Indo-Pacific is emerging as a hub of global power and wealth. In Cornwall in June, the Indo-Pacific discussion was heated. "A free and open Indo-Pacific is essential to each of our futures," said US President Joe Biden. "The Indo-Pacific is the epicentre of strategic competition," said Australian Prime Minister Scott Morrison, a guest at the G7. "Nowhere," said Australian Foreign Minister Marise Payne, "is change happening more rapidly than in our region, in the Indo-Pacific".

The Indo-Pacific – a vast region stretching from the east coast of Africa to the Pacific Island nations – is assessed as an increasingly important strategy for many countries around the world, including Germany. More than half of the world's population is in countries around the Indian and Pacific Oceans. Many countries in the region such as China and India have experienced rapid economic growth in recent decades. The Indo-Pacific region currently accounts for more than 50% of global GDP, and strategic competition for influence in the region is intensifying. The region's economic, demographic, and political strength makes it a vital part of addressing global challenges and shaping the international order.

The growing geopolitical power structures in the Indo-Pacific also have a direct impact on Germany because the economies of the Indo-Pacific, and Europe are cooperating closely together through global supply chains. Many of the major freight routes pass through the Indian Ocean, the Pacific Ocean, and the South China Sea. If there was a conflict in the region, the consequences would not only adversely affect security and stability there, but this would also have repercussions for Germany. That is the reason why the German government wants to expand connectivity with countries in the Indo-Pacific region in many different fields.

Germany's strategy intends to strengthen engagement with the Indo-Pacific region to build sustainable partnerships, intensify an equitable international order, accelerate to address global challenges, and lay the foundation for prosperous economic recovery in the post-pandemic period. After the cabinet approved the policy guidelines, Foreign Minister Heiko Maas assessed that: "Our prosperity and our geopolitical influence in the coming decades will depend on how we work together with the countries of the Indo-Pacific region. That, more than anywhere else, is where the shape of the international rules-based order of tomorrow will be

decided. We want to help shape that order – so that it is based on rules and international cooperation, not on the law of the strong”.

For analyzing this paper, the author mostly relied on secondary data, which was collected through different books, journals, authentic internet sources, grey literature, and websites. To analyze this issue, specific aspects were considered to elucidate the overall objective of the study.

The article examines the implications and intervention of Germany for the evolving Indo-Pacific regional order within the framework of an officially published strategy of 2020. Assembled from a range of updated international documents and reports, it provides an analysis of the dynamics and policies facing Germany’s economic, diplomatic, and security role in the Indo-Pacific. By exploring the motivations and strategies of Germany’s rise as a major influence in the region, this program aims to help policymakers, Vietnamese leaders, and businesses to develop stronger relationships with Germany and wider Indo-Pacific partners.

The research will also contribute useful content to academicians, scholars, foreign policy, security, decision-makers, and strategic influence on borders.

The writing consists of three main parts. The first part, the dynamics of Germany’s Indo-Pacific strategy from an economic and security perspective, and Germany’s leadership role in guiding European policy development. The second part, the meaning of Germany’s Indo-Pacific strategy includes European action, multilateralism, the rules-based order, United Nations Development Goals, human rights, inclusivity, and equal partnerships. The third part is about Vietnam’s role in Germany’s regional policy on a bilateral basis and within the framework of the Indo-Pacific strategic cooperation.

1. The motivation of Germany’s Indo-Pacific strategy

1.1. Potential for economic cooperation

1.1.1. Development Potential

- *Commercial development*

In terms of geo-spatiality, the Indo-Pacific is understood as an interconnected area between the Indian Ocean and the Pacific Ocean. Its expanse ranges from the western coast of the United States to the eastern shores of Africa. Many different definitions are depending on the actors and views on the geographic positioning of each country to a considerable extent.

Indo-Pacific countries account for 65% of global GDP, more than 50% of global trade traversing through its waters, 64% of global energy production, and 70% of global energy consumption (EIRP 2021). The region is also a center for global technological innovation including the world's top three governments ranked by funding energy research, demonstration, and development (China, the United States, Japan) and three of the four top major economies in government funds by share of GDP distributed on research spending, i.e., South Korea, the United States, and Japan (EIRP 2021). The Indo-Pacific region is of vital importance to not only Germany but also Europe.

As an export-oriented economy, Germany needs to develop a strategy to enter the Indo-Pacific region because the region is emerging as a potential important trading partner of Germany. In recent years, German exports globally have grown by an average of about 3% annually, and exports to the Indo-Pacific region have increased by about 7%. According to Rashmi Banga, Senior Economic Affairs Officer in UNCTAD, "Around 15% of Germany's global exports are directed to the countries in the Indo-Pacific region, of which about half of the total exports are directed to China. On the import side, the Indo-Pacific region contributes around 19% of the global imports of Germany, of which around 52% are from China. China is, therefore, a major trading partner to Germany in the Indo-Pacific region".

With this strategy, Germany aims to strengthen trade and investment links with all countries in the region, with a particular focus on India, ASEAN, Japan, and South Korea. Links within the framework of Germany's Indo-Pacific strategy have become even more essential in the context of the country's increasingly expanded strategies and markets for post-pandemic economic recovery. Moreover, how the German government stimulated growth in the Covid-19 period, in which these programs temporarily prioritized some partners of energy and economics over others, could have significant and lasting implications.

- *Labor cooperation*

In terms of population, more than half of the world's population resides in the Indo-Pacific region – spanning across South and Southeast Asia, East Asia and the Pacific, and Russia, as well as the United States, Canada, and other Pacific Rim nations in the Western Hemisphere. From a global perspective, the region has a well-educated young population and an abundant workforce. With the world's largest economies having Indo-Pacific coastlines – such as China, Japan, the US, and India, which also own 20 of the 33 megacities in the world (The Federal Government 2020) with considerable economic growth rates in the recent decades – countries in the region have become increasingly important partners in international cooperation.

Labor sources from the Indo-Pacific region are considered a potential compensating workforce for Germany's aging population. The region's proportion of the young population (20-39 years old) is much higher than the global average, while Germany is currently one of the top "super-old" societies in the world. Germany's population aged 65 and over is foreseen to grow 41% to 24 million by 2050, almost a third of the total population. At the same time, the population aged 15-64 will shrink by 23% – from around 53 million in 2015 to around 41 million in 2050 (FP Analytics 2015). An aging population is putting pressure on the country's pension system and makes it difficult for local companies to hire workers and expand production.

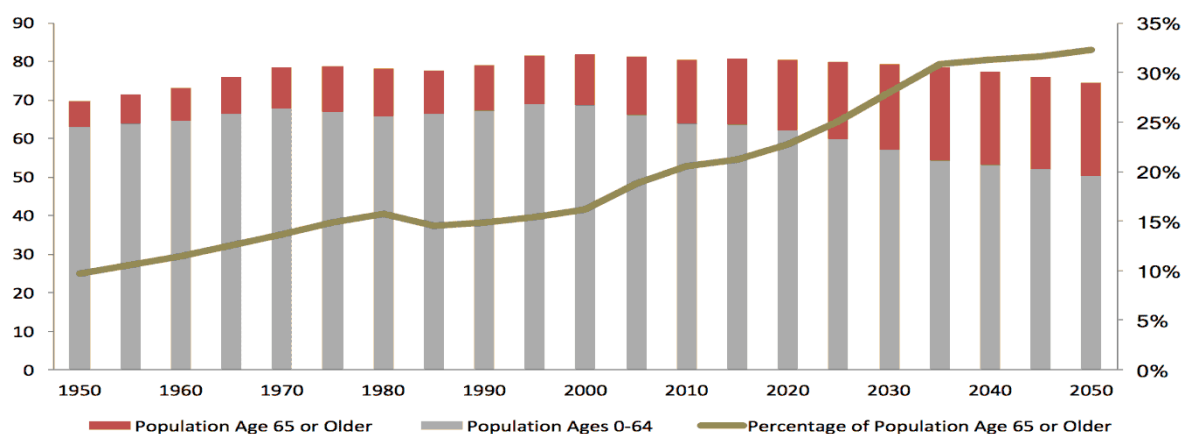


Chart 1.1. Population by Age Group (in Millions) and Percentage of Population Age 65 or Older

Source: UN Population Division

Against the backdrop of an aging society and the shortage of skilled workers in Germany, the Indo-Pacific strategy solved this problem by strengthening the new Skilled Immigration Act that took effect on October 3, 2020. This act eased the visa processing services to facilitate skilled laborers and students to relocate abroad for training or employing purposes.

1.1.2. Opening trade routes

The interconnection and interdependence of the two oceans are the results of increasing globalization that has broken down old boundaries and opened new avenues for transportation. Maritime shifting accounts for more than 90% of global foreign trade, with a substantial portion of the main international trade routes going through the Indian Ocean and the Pacific (OECD 2020).

In terms of topographical features, this area includes many “bottlenecks” on sea routes of strategic significance, vital to world trade, such as the route through the Strait of Malacca (between the Indian Ocean and the Pacific Ocean) and Bering (between the Pacific and Arctic oceans). Approximately 25% of the world’s maritime trade and more than 70.000 cargo ships are estimated to travel through the Strait of Malacca each year (Xiaobo Qu and Qiang Meng 2012).

The Indo-Pacific region is deemed the center of the globe geo-politically and economically due to its crucial sea lanes, and the world’s most populous countries are driving high energy and consumption demand on its rims. The shipping lanes in the Indian Ocean play a critical role in transporting gas, oil, and goods around the world, from the Middle East to Australia and East Asia. The shifting lines in the region not only impact German trade but also Europe as the countries are interconnected through global supply chains.

The region is also known for its fierce competition for geostrategy and natural resources, and the risk of emerging strategic hotspots. Therefore, taking advantage and ensuring security for this essential transportation route of the world economy is of particular concern to countries, including Germany.

1.1.3. Opening markets

- *Commercial market*

The share of South Asia, Southeast Asia, and East Asia, as well as Australia and New Zealand in German goods trade, has increased steadily, amounting to around 20% or just under €420 billion in 2019 (The Federal Government 2020). Millions of German jobs also depend on or are related to these trade and investment relationships.

The German automakers’ car sales in China have continuously recorded growth and surpassed other markets in recent years. According to a study conducted by the German Center for Automotive Research (CAR), China accounted for 38% of global car sales of Germany’s largest automakers such as Volkswagen, BMW, and Daimler in 2020 (Xinhua 2021).

However, because of the US-China trade war and the Covid-19 pandemic, Germany seeks to diversify its foreign trade policy to not only focus on the Chinese market but also pursue deeper economic relations with the Indo-Pacific region. As Germany continues to trade closely with China, the Indo-Pacific strategy will be a complement, not a substitute, in German economic policy.

- *Technology market*

The Indo-Pacific Strategy is in sync with Germany's Digital Strategy 2025 as it aims to strengthen cooperation with Indo-Pacific countries in the field of research and to place Germany at the forefront of artificial intelligence (BMW 2016). Digital connectivity is becoming more popular than physical connectivity as increased machines are designed in intelligent ways to connect the marketplace between manufacturers and consumers.

Germany is keen on protecting its economic interests against the impact of China-US trade tensions and US sanctions on Huawei Technologies. Through the Indo-Pacific strategy to diversify alternative suppliers to Huawei and accelerate 5G deployment, Germany will strengthen ties with leading Asian equipment suppliers such as Samsung Group of South Korea or NEC Corporation of Japan.

In addition, the Indo-Pacific region can be considered Germany's potential growth market for the export of digital goods and services and a significant investment destination, because the region is in the process of digital transformation, and Germany is one of the major digital technology providers in the world.

1.2. Security perspective

1.2.1. Traditional security

In terms of traditional security, Germany's Indo-Pacific Strategy is considered the result of two main elements:

- *Germany's internal affairs*

The Indo-Pacific is considered a critical geo-strategic region, impacting Germany's national security and its global influence. The region includes nuclear powers like China, India, and Pakistan, as well as North Korea, which has a decades-long nuclear weapons program. Militarily, seven out of the strongest armies in the world belong to this region, including the US, China, India, Japan, South Korea, Pakistan, and Australia (Statista 2021). Thus, the Indo-Pacific Strategy serves as an instrument for Berlin to protect the interests of its market and citizens, conserve the balance of power, and safeguard maritime security and freedom.

- *Germany's outside affairs*

The ongoing conflicts between North and South Korea, as well as between mainland China and Taiwan, are a legacy of the Cold War in the Asia Pacific. These regions of intense political conflict pose a major potential threat to stability in East Asia in the near future. Another potential source

of conflict is the dispute that has arisen in the South China Sea, especially on the Spratly Islands. These islands are crucial for strategic security, commercial shipping, fishing resources, major sea lanes, and hydrocarbons. Six governments – Vietnam, Malaysia, Philippines, Brunei, China, and Taiwan – have all asserted their sovereignty in the disputed area. This has resulted in some low-level military confrontations between the claimants. The dispute is unlikely to be resolved anytime soon.

China's political, economic, and military expansion into the Indo-Pacific region is facing strong resistance from many countries including the US, India, Japan, and Australia. The region is currently considered a crucial geopolitical strategic focal point. The parallel appearance of China's "Belt and Road Initiative" and the US Indo-Pacific Strategy will possibly bring about tensions, especially in hotspots, such as Taiwan, the East Sea, and the Korean peninsula. Moreover, the confrontation between China's "Belt and Road Initiative" and the US Indo-Pacific Strategy in the region will make the military race more complicated.

In addition to open rivalries between countries, there are many and smoldering internal and cross-border conflicts, refugee movements, and regional and international terrorist networks that can threaten the free trade flow and global stability.

As a result of both internal and external elements, Germany has found it necessary to intensify relations with its Indo-Pacific allies and promote its interests and maintain its influence in this region.

1.2.2. Non-traditional security

- *Adaptation benefits to tackling climate change*

Rapid economic growth in the Indo-Pacific region has promoted countries to achieve prosperity in recent decades. However, high population growth and rising emissions in the region are putting pressure on both the planet's ecosystems and the global climate. Many countries in the Indo-Pacific region are facing environmental degradation that can lead to social upheaval: environmental hazards can negatively affect people's livelihoods; intense conflict within or among countries over scarce resources; and environmental degradation can force people to migrate irregularly (WB 2021).

Migration has been one of Europe's top security concerns, including Germany's, for decades. The German government's policy towards immigration is relatively open due to labor shortages and an aging population. Germany consistently ranks as one of the top five most popular destinations for immigrants in the world (MPI 2021). As of 2019, about 13.7 million

people located in Germany, or around 17% of the population, are first-generation immigrants (BpB 2021).

For the benefit of future generations, the goal must be to ensure that growth in the Indo-Pacific region is compatible with environmentally and socially sustainable exploitation of natural resources, sustainable maintenance, and the addressing of challenges of the urbanization process. No country in the world is immune to the effects of climate change.

- *Digital transformation and connectivity*

Prosperity and economic growth are increasingly intricately linked to the connectivity of regions and the expansion of key technologies. To enhance Germany's competitiveness, ensuring technology security must be considered when cooperating with the Indo-Pacific region.

The Indo-Pacific is one of the fastest-growing regions in terms of internet usage and digital connectivity in the world. The region accounts for over half of the world's internet users, and these users are primarily young and mobile users: more than 90% access the internet with their phones. The vibrant digital ecosystem promoted by fintech and e-commerce applications is booming especially during the pandemic: Malaysia, the Philippines, Thailand, Indonesia, and India spend the most time online on mobile phones in the world. This digital transformation has the potential to spur enormous economic growth while creating high-value German export opportunities.

However, according to a 2018 report by the Centers for Strategic and International Studies and McAfee, given the vague current legislation governing cybercrime, e-governance, and e-commerce, many systems lack network and digital infrastructure security, causing economic losses in the region of up to \$300 billion per year. Lack of digital skills and low technology adoption for small entrepreneurs and businesses also cause them to be vulnerable to cyberattacks. Only about 16% of small- and medium-sized enterprises in Southeast Asia are digitally integrated (USAID 2019). According to the Asian Development Bank, Asia needs to invest \$2.3 trillion in the telecommunications sector by 2030 to maintain the region's growth momentum. As the region's annual investment falls far short of this need, government reforms and foreign investment are crucial drivers for Asia to overcome technological constraints to stabilize growth and development.

Nowadays, social networking is becoming increasingly popular, and communication is also a critical foreign policy and diplomatic strategy in the Indo-Pacific region. Authoritarian actors, attackers, instigators, and conspirators can leverage digital communications as

instruments to manipulate and adversely spread propaganda through civil societies. Germany is countering the significant spread of misinformation and cybercrime in the region by increasing the availability of fact-based information through its Indo-Pacific strategy.

- *The effects of Covid-19 on regional security*

The impact of Covid-19 is not only about health but also an economic crisis that slows down global economic growth and increases unemployment and poverty. The disparity and inequality within societies are now more considerably unfolded. Even more developed countries like Germany have encountered significant loss, while less developed ones have been damaged harder and will take longer to recover.

In terms of economic impacts, Germany's economy shrank by 5% in 2020 due to Covid-19 and social distancing measures after 10 years of continuous growth (FBR 2021). The Covid-19 pandemic has reduced global energy demand by 5% in 2020, cut off 8% and 7% oil and coal, and caused a decline of 3% in natural gas, and a slight increase in renewable energy demand (IEA 2020). Future energy demand will depend heavily on current international efforts to weather the pandemic and resume the pre-Covid-19 economy.

In terms of social impacts, the pandemic put labor migration on a halt, and the European Commission has urgently issued "Guidelines on seasonal workers in the EU in the context of the Covid-19 outbreak" (EC 2020). In addition, member countries have been implementing support for industries that rely heavily on foreign workers. For instance, harvest laborers from neighboring countries were initially prohibited from entering Germany. However, the Federal Minister of Agriculture later agreed to allow 40,000 foreign harvest workers to enter Germany in April and May 2020.

In terms of political impacts, Covid-19 has been exacerbating disparities within and among countries in the Indo-Pacific region. This trend is accelerating in the coming period as governments both combat the surging wave of new Covid-19 variants and spur economic growth for a post-pandemic world. The weak limitations of the political regime in the Covid-19 era will be exposed more than before. Surveys indicate that Prime Minister Suga's popularity has dropped significantly amid the complicated spread of the Delta variant during the Tokyo 2020 Olympics, and he has decided to withdraw from the elections on September 29, 2021. Australia is another country of key concern in this regard, with Prime Minister Scott Morrison's popularity rating at its lowest level since the start of the pandemic because of growing public discontent over harsh social restriction measures and costly vaccination strategies (Morning Consult 2021).

The Covid-19 crisis has caused significant economic damage, social unrest, and impaired health worldwide. This is important for all countries because insecurity, especially in poor countries, can translate to instability for the rest of the world. And, more importantly, due to its super-contagious nature, the Covid-19 crisis will never be defeated until it is truly under control everywhere. In 2020, Germany's presidency of the Council of the EU appealed that Europe could overcome the pandemic only through close cooperation with all relevant international partners and actors (EC 2020). Strategies launched during the Covid-19 pandemic to revive economies will have important and lasting implications for the achievement of the Paris Agreement and the Sustainable Development Goals (SDG).

1.3. German leadership in the EU

1.3.1. Germany's diplomatic and economic weight

After the peaceful reunification in 1990, the Germans concentrated their resources on economic development. Today, with 82 million inhabitants, Germany is the largest and most important market in the EU. In 2020, Germany achieves a GDP of more than \$380 billion with a per capita income of \$45,723, making it the economic locomotive of the EU.

Germany is the second-largest development donor in the world after the United States and the largest aid provider to the EU in the Development Assistance Commission. According to preliminary data, Germany has donated \$28.4 billion, equivalent to 3% of GNI in 2020, to mobilize ODA capital to respond to the Covid-19 pandemic. The year 2020 was the second time Germany has achieved its goal of contributing 0.7% of GNI to the global pandemic response, including through the EU, COVAX, and the WHO, while the first was in 2016 due to the country responding to the high influx of refugees. Within Germany's ODA portfolio in 2019, 16.9% of funds came in the form of non-grants, while the rest was provided in the form of grants (OECD 2021).

1.3.2. The importance of Germany in resolving international conflicts

Germany is considered a member state with heavyweight influence in the EU and usually implements in tandem with France. Chancellor Angela Merkel has been internationally accredited for making significant efforts to hold the EU in past crises. There have been instances where German leadership has shown a forceful and single-minded leading role in the bloc, such as during the Eurozone crisis, or the rotating presidency of the EU Council amid the Covid-19 crisis. In addition, there are other cases in which Germany has made efforts to organize,

negotiate, and propose necessary diplomatic solutions to EU problems, such as the “leading from behind” in the migration crisis.

In the EU’s development policy, Germany plays a critical role as an intermediary, successfully achieving cross-border deals. This role is especially evident during Germany’s 2020 EU presidency, the new agreement between the EU and the countries of Africa, the Caribbean, and the Pacific, and most notably the new Global Europe Financial Instrument (or more popularly known as the Neighbourhood, Development, and International Cooperation Instrument). Germany is recognized as a reliable partner and is respected by peers in the region.

1.3.3. Germany’s actions to drive European policies

The EU and the Indo-Pacific established an interconnected relationship. The EU is one of the largest trading and investment partners in the Indo-Pacific region. The Indo-Pacific and Europe together account for more than 70% of global trade in goods and services, as well as more than 60% of foreign direct investment flows (EC 2021).

Building on the fact that France initiated the Indo-Pacific strategy in 2018, Germany and the Netherlands initiated the same in September and October 2020, respectively, and an India-Pacific strategic vision is reasonable and consistent for many EU members. In April 2021, with the strong initiatives from France, Germany, and the Netherlands, the EU launched the “EU Strategy for Cooperation in the Indo-Pacific”. This signifies that the pursuit of this long-term strategy has reached a unified consensus by EU member states to become the economic and political center by creating a strong position for member countries in the Indo-Pacific region. The EU mainly approaches the Indo-Pacific region through trade and investment interests. Germany, the EU’s leading economic power, also encourages close cooperation as a priority with China by adopting a policy of “change through trade”.

Germany and the EU are synchronized and parallel on the issue of FTAs, but the FTAs undertaken by Germany seek higher benefits and standards than the EU. Therefore, Germany’s move with the Indo-Pacific strategy does not create the possibility of complicating the relationship between Germany and EU member states. An EU-wide Indo-Pacific strategy would be a function of Germany’s economic diversification by strengthening supply chains, expanding markets, and cutting tariffs to increase trade liberalization.

2. Significance of Germany's Indo-Pacific Strategy

2.1. European Action

By acting in a unified and coherent way, the EU and its member states can better protect their interests and position themselves. In its Global Strategy 2016, the EU is focusing its attention on a stronger security policy commitment, development, and trade policy as well as the implementation of the EU-Asia connectivity strategy. These policy guidelines are also intended to contribute to the formulation of Europe's Indo-Pacific approach strategy.

To enhance the role of the EU in cooperation with ASEAN, Germany will expand the EU's security commitment in the ASEAN Regional Forum Security Policy Conference and support the participation of specific projects.

2.2. Multilateralism

In its policy, intending to strengthen the role of the EU in relations with ASEAN, the Federal German Government supports the rapid upgrading of EU-ASEAN relations to a strategic partnership. During Germany's presidency of the Council of the EU, on December 1, 2020, the EU and the ASEAN upgraded their relations from a "dialogue" to a "strategic partnership" after six years of negotiations (Vladyislav Makszimov 2020).

On December 9, 2020, Germany attended the ASEAN Defense Ministers Meeting Plus (ADMM+) at the ministerial level as a guest for the first time (Sylvia Börner, 2020). During this meeting, Germany reaffirmed ASEAN's key role in regional security policy and the security importance of the Indo-Pacific region for Germany and Europe. Among the EU member states, Germany is one of the largest bilateral donors to ASEAN. Since September 2020, the German Federal Foreign Office has supported the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre) in its work on disaster risk reduction capacity building in the region (Joerg Hager 2020). Thereby, Germany makes efforts to help countries overcome humanitarian crises in the region such as the Rohingya refugee crisis in Rakhine (Myanmar). In November 2020, Germany announced it would contribute €5 million to the ASEAN Covid-19 Response Fund (Thai An 2020). This is the first time Germany has supported ASEAN's healthcare sector – and Germany is also the largest donor to the fund.

At the EU-India Summit on May 8, 2021, both sides said they were resuming talks on a free trade agreement after eight years of stalemate (Ankita Dutta 2021). Germany pledged to support the negotiations on investment protection and geographical indications. Negotiations on the EU-Australia free trade agreement are also underway. After 11 rounds of negotiations,

the 12th round is planned for October 11-22, 2021 (European Parliament 2021). The negotiations on the EU-New Zealand free trade agreement are also making satisfactory progress. The 11th round of negotiations for an EU-New Zealand free trade agreement took place from June 28 to July 8, 2021, by video conference (New Zealand Foreign Affairs & Trade 2021). In 2021, negotiations on a free trade agreement with Indonesia have also resumed after a period of hiatus (European Parliament 2021). This is increasing the chances of signing the EU-ASEAN free trade agreement.

During Germany's presidency of the Council of the EU, negotiations with China on the Comprehensive Agreement on Investment (CAI) were politically concluded in late December 2020. Under this agreement, China will commit to abolishing forced technology transfer and must establish joint ventures to a certain extent. However, following China's sanctions in March 2021, the European Parliament suspended the CAI ratification process and forced China to continue with the lifting of these sanctions (Damian Wnukowski 2021).

2.3. The rules-based order

Germany is committed to being ready to enforce regional rules and norms such as the United Nations Convention on the Law of the Sea (UNCLOS). On June 30, 2021, Germany and Vietnam launched the Group of Friends of the UNCLOS (Minh Vu 2021). The Group of Friends aims to provide a forum in which issues and challenges related to the law of the sea can be discussed. There are more than 100 countries, including the US, Russia, and China in this forum. In addition, Germany is strengthening maritime security in Southeast Asia and working to prevent conflicts. In other areas such as the environment, pandemic response, human rights, arms control, and labor and trade, Germany stands ready to promote the implementation of regional or international regulatory frameworks and structures.

Intending to maintain the law of the sea in the East Sea, Germany, along with France and the UK, submitted a joint Note Verbale to the United Nations on September 16, 2020 (Dipanjan Roy Chaudhury 2020). Germany raised its position; upholding the integrity and universality of the United Nations Convention on the Law of the Sea, with rules and principles to which all maritime claims in the South China Sea must abide; respecting the provisions of UNCLOS on the peaceful settlement of disputes, on the exercise of freedoms of the high seas, in particular the freedoms of navigation and overflight, and the right of innocent passage.

On August 1, 2021, the Federal Republic of Germany became a member of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP 2021). The maritime branch of the Federal Police has taken on behalf of Germany the tasks of

solving or preventing piracy cases approved by this regime thanks to the rapid exchange of information and advisory services to the coastal countries concerning capacity building.

2.4. United Nations Development Goals

The Federal German Government is committed to the implementation of the 2030 Agenda with the 17 Sustainable Development Goals of the UN. In Vietnam, the German Academic Exchange Service (DAAD) established one of the four new Global Centres for Health and Pandemic Prevention in May 2021 (Le Ha 2021). The center's purpose is to prevent and support the treatment of infectious diseases. In June 2021, the DAAD in India inaugurated the Global Water and Climate Adaptation Centre, which is one of four global centers for climate and environment (Asian Institute of Technology 2021). The purpose of the center is to research global challenges in water security and climate change adaptation. Regarding education, the intergovernmental agreement on the expansion of the Vietnamese–German University was signed on September 23, 2021 (VGU 2020). Therefore, the VGU will be developed into a research university following the German model. This is a key project of the bilateral partnership between Vietnam and Germany in the field of science.

Regarding climate change and environmental protection, Germany has approved funding for many projects of the International Climate Initiative since September 2020 (Platform for Redesign 2020). In which, partners in the Indo-Pacific region will be supported in the fight against climate change. In April 2021, the German government approved the decision to join the International Solar Alliance (ISA) initiated by India and France (Kerstine Appunn 2021). Germany will strengthen close cooperation with India in climate protection, climate change mitigation, and renewable energy while supporting India's goal of sharing international responsibility for sustainability issues. Germany also participated in the Southeast Asia Energy Transition Partnership (ETP). The agreement, which was launched on November 20, 2020, aims to support and accelerate the sustainable energy transition in Southeast Asia (Agence Française de Développement 2020). In June 2021, intending to promote innovation green hydrogen, Germany and Australia reached an agreement on the establishment of the Australia-Germany Hydrogen Accord (Vera Eckert 2021). This agreement will contribute to the enhancement and trade of hydrogen and its derivatives between both countries.

2.5. Human Rights

The Federal German Government is committed to promoting human rights and the rule of law worldwide by providing financial support to human rights projects, including the Asia-Europe Foundation (ASEF) to develop human rights campaigns and civil society cooperation between

Europe and Asia in journalism, human rights, and arts. Thanks to the increase in the Federal Foreign Office's project funding for human rights work approved by the German Bundestag, it is also able to support many civil society human rights projects in the Indo-Pacific region. These projects provide legal assistance to human rights activists, protect women and girls against sexual and gender-based violence, and support the re-integration of former child soldiers and tackle human trafficking.

2.6. Inclusivity

The Federal German Government supports comprehensive cooperation initiatives in the region, especially considering emerging global challenges such as climate change, non-traditional security, pandemics, and others. During the patrol and training mission taking place from August 2021 to February 2022, the German frigate Bayern will visit the Indo-Pacific region (Bundeswehr 2021). With this mission, Germany is contributing to the effort to maintain the rules-based international order. An important part of this mission is to monitor UN Security Council sanctions on North Korea. In this regard, Germany is coordinating with other countries on maritime surveillance activities within the framework of the Indo-Pacific Maritime Security Exchange. Furthermore, Germany will contribute to Union and EU obligations, and support Sea Guardian (NATO) and Operation Atalanta (EU). Port visits conducted throughout the region are an expression of the comprehensive approach taken by Germany's Indo-Pacific policy.

2.7. Equal Partnerships

The federal policy emphasizes strengthening relationships with regional partners. Germany has conducted joint foreign and defense policy consultations at the ministerial level with both Japan and Australia (so-called 2+2 format). After years of negotiations, the Japanese-German Agreement on the Security of Information was signed in March 2021. Based on this agreement, the two countries can exchange confidential government data to strengthen cooperation in high technology, military activities, and facilitate foreign trade in sensitive industries. The Foreign and Defense Ministers of Germany and Japan met for the first time in April 2021 for their first joint consultation (Federal Foreign Office 2021). The Declaration on an Enhanced Strategic Partnership between Germany and Australia was signed on June 10, 2021 (Federal Foreign Office 2021). The newly established Regional German Information Centre in Singapore began operations in August 2021 (Stefan Talmon 2021). Its objective is to use hard facts to combat misinformation about foreign policy and security developments in the region.

3. Vietnam in Germany's policy on the Indo-Pacific region

3.1. Vietnam-Germany relations

After more than four decades with many difficulties since the establishment of diplomatic relations, the relationship between the Socialist Republic of Vietnam and the Federal Republic of Germany shows a strong and persistent vitality thanks to comprehensive cooperation in politics and foreign affairs, economy, and culture. Germany has always been Vietnam's leading partner in the European Union in politics, diplomacy, economy, trade, investment, culture, education, and science and technology. Germany welcomes and supports Vietnam's Doi Moi and international economic integration policy and encourages German enterprises to strengthen economic cooperation with Vietnam.

3.1.1. Political relations

Vietnam and Germany officially established their diplomatic relation on September 23, 1975 (Hoai Ha 2020). In 2011, Vietnam and Germany became strategic partners, creating an important turning point in the relationship between the two countries. In December 2019, the two countries approved a new Strategic Action Plan to orient their relationship towards mutual interests and reflect changes in framework conditions, especially the strong economic rise of Vietnam (Heiko Maas 2019). Over more than 45 years, the Vietnam-Germany relationship has been developing more actively, extensively, effectively, and comprehensively.

The close cooperation between the two countries in the political-diplomatic field is demonstrated through the regular exchange of delegations at all levels, especially high-level ones, creating a driving force for cooperation. Some of the most recent visits were made by the Prime Minister Nguyen Xuan Phuc (July 2017), the Deputy Prime Minister, and Foreign Minister Pham Binh Minh (February 2019) to Germany; as well as German delegations visiting Vietnam, including German Foreign Minister Frank-Walter Steinmeier (October 2016) and Federal Economy Minister Peter Altmaier (March 2019). In addition, cooperation mechanisms have been effectively established and implemented such as the Strategic Operational Group, the Macroeconomic Dialogue, and the Political Consultation between the Foreign Ministries of the two countries.

The year 2020 marked an important milestone as both Vietnam and Germany took on important positions in multilateral forums as the two countries jointly hold the role of non-

permanent members of the United Nations Security Council for the 2020-2021 term, and Vietnam held the ASEAN Chair, while Germany holds the rotating EU Chair in the second half of 2020. With these positions, both sides had favorable conditions to expand and deepen the cooperative relationship. At the same time, it promotes connectivity between the two regions, establishing the ASEAN-EU Strategic Partnership and contributing to the resolution of crises at the multilateral level.

Recently, Vietnam and Germany agreed to jointly build a strategic action plan during 2022-2023, focusing on the exchange of high-level visits and fostering dialogue mechanisms and cooperation.

3.1.2. Economics relations

- *Trade*

Bilaterally, Vietnam and Germany signed the Agreement on Avoidance of Double Taxation on November 16, 1995, effective from November 20, 1996. Accordingly, Germany and Vietnam enterprises are taxed only once, either in Germany or in Vietnam on import and export, and investment. Regarding Vietnam's import turnover from Germany, the number from 2010 to 2019 has increased twice, partly showing that Vietnam's demand for importing commodities from this market has increased gradually over the years (*see Table 3.1*).

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Exports to Germany	2.37	3.37	4.09	4.74	5.17	5.71	5.96	6.36	6.87	6.55
Imports from Germany	1.74	2.2	2.38	2.95	2.61	3.22	2.86	3.17	3.82	3.7
Total	4.11	5.57	6.47	7.69	7.78	8.93	8.82	9.53	10.69	10.25

Table 3.1. Import and export turnover of Vietnam and Germany in 2010-2019 (unit: billion USD)

Source: General Department of Customs

However, it is easy to see the considerable fluctuation from year to year. The most prominent growth during this period was 26% in 2011; while in 2013 and 2015 both increased by 24%. The

reason is that Vietnam's imports from Germany are usually machinery and equipment with high value, therefore, these commodities easily make significant effects on Vietnam's import turnover from Germany.

On June 30, 2019, the EU and Vietnam officially signed an FTA taking effect on August 1, 2020. The EU-Vietnam Union Free Trade Agreement (EVFTA) marks an important milestone not only in terms of trade, but also labor, environmental standards, and sustainable and inclusive development goals. Specifically, the EVFTA will remove more than 99% of tariffs on commodities traded between the two sides. Vietnam will eliminate 65% of import tax on EU exports, with the rest gradually eliminated over the next 10 years. The official effect of the EVFTA creates an important motivation for strengthening trade relations between the two countries.

The two countries' trade relations have shown more optimistic signals since the EVFTA took effect. The imports and exports of Vietnam and Germany reversed, growing strongly compared to last year. In the first nine months of 2020, Vietnam exported \$4.9 billion to Germany, and its import turnover was \$2.4 billion (Kieu Linh, 2020). These are positive signals, especially in the context of a sharp decline in global trade due to the negative impacts of the pandemic.

- *Investment*

Germany ranks 18th among foreign investors in Vietnam with approximately 300 enterprises and 360 projects in various sectors such as logistics, chemicals, renewable energy, and smart infrastructure (Oanh Nguyen 2020). The total investment amounts to more than \$2.3 billion, creating around 40,000 quality jobs in Vietnam. Numerous large German enterprises are present in Vietnam, including Mercedes-Benz, Deutsche Bank, Bosch, Siemens, and Messer. German businesses are increasingly interested in the Vietnamese market. During 2017-2020, the number of new projects invested in Vietnam, as well as the investment capital of German enterprises, continuously increased at a stable rate with a total of 86 new investment projects with the total capital increase from more than \$1,94 billion to more than \$2,2 billion by the end of 2020 (Foreign Investment Agency 2021), despite the difficulties in relations between the two countries as well as the context of the pandemic.

3.1.3. Cooperation in other fields

Over the last three decades, Germany has provided Vietnam with official development assistance of more than \$2 billion (Hoang Ha 2021) while sharing its experience in growth models as well as renewable energy exploitation, environmental protection, and vocational

training. This support helps Vietnam complete the Millennium Development Goals ahead of schedule and implement the Sustainable Development Goals.

Education and science are key areas of cooperation between Vietnam and Germany. The Vietnam–Germany University was established and is now capable of educating 12,000 students. The teaching of Vietnamese and German in schools has been encouraged, as well as cultural and sports exchanges, which have brought people from both sides closer. Moreover, many cultural, academic, and scientific institutions such as the DAAD, the Goethe Institute, the Vietnamese-German University, and the Central Agency for German Schools Abroad (ZfA) are remarkable in Vietnam. More than 100,000 Vietnamese have worked or studied in Germany, building a unique bridge between the two countries, and sustaining and increasing mutual interests. Germany also has assisted several vocational training schools in Vietnam by renovating equipment, providing expert support, and support programs to improve the training quality following vocational training standards in Germany. A remarkable example is the training of skilled mechanics between Bosch Vietnam Co., Ltd. and LILAMA2 Technical & Technology College in Dong Nai.

In terms of energy and environment issues, Germany supports Vietnam to pursue growth, while protecting natural resources, preserving biodiversity, and keeping up with the goals of the Paris Climate Agreement and the 2030 Agenda for Sustainable Development. Gas power is being planned by the Vietnamese government at major industrial centers, such as the gas-fired power center in Ninh Thuan province, with the participation of Siemens. This is expected to be the first model to develop clean energy centers in Vietnam using imported liquefied gas, allowing Vietnam to not only develop sustainable energy infrastructure but also ensure environmental protection.

In the context of the pandemic, Germany and the EU have supported vaccines for Vietnam through the COVAX initiative. By September 2021, Germany has delivered about 2.5 million doses of the AstraZeneca vaccine. The second shipment of 2.6 million doses vaccines from Germany arrived in Ho Chi Minh City on September 28, following a batch of 852,480 doses that arrived in Hanoi on September 16 (Minh Nga 2021). Germany would also support Vietnam with medical supplies comprising 75 ventilators, 15 patient monitors, and 20,000 oxygen meters (Vietnam News, 2021). Moreover, authorities and people of 16 German states donated one million test kits to the Vietnamese Government to fight the pandemic. Germany's donation is the biggest among the European Union countries.

3.2. The role of Vietnam in Germany's regional policy

In the "Indo-Pacific Strategy" framework, both Germany and the EU hope to expand relations with ASEAN countries and other Asian nations. In such a context, Vietnam has a good chance to present itself as a reliable and attractive partner and a bridge connecting the ASEAN region with the world. Germany appreciates Vietnam's role and status in implementing Germany's Indo-Pacific policy guidelines to strengthen economic, trade and investment, sustainable development, and security-defense cooperation between Germany and the region. Vietnam will serve as a bridge to connect Germany and the Indo-Pacific as the European country aims to engage deeper with the region. Vietnam also welcomed the robust and constructive role of Germany in the region based on its support for the vital role of ASEAN and the promotion of rule of law and cooperation in the region.

In terms of investment, alongside India, the Vietnamese market continues to be regarded by German businesses as the most potential throughout the Indo-Pacific region. With German businesses expanding operations in Asian countries outside of China, the Vietnamese market boasts the potential to become a regional manufacturing hub, with goods produced in the nation that can supply the entire ASEAN market and the whole of South Asia. Moreover, Germany is interested in the EU-Vietnam Investment Protection Agreement (EVIPA). This agreement, after taking effect, will provide effective regulations relating to investment protection and solutions to be implemented to settle investment disputes.

Both countries have regularly sought a common voice in the settlement of regional and global challenges. Vietnam and Germany have worked closely and supported each other at regional and international forums such as ASEAN, the EU, ASEM, and the UN. Both sides have shared common viewpoints and visions on multilateralism, order, and stability on the foundation of law, as well as the observation of international law and environmental protection.

Conclusion

The shift of geopolitical power structures in the Indo-Pacific region affects the entire European region in general and Germany in particular. As a result, tensions in these regions have implications for Germany. Through the Indo-Pacific strategy, Germany wants to increase its influence with countries in the region related to climate change and human rights, as well as the enhancement of cultural, educational, and scientific exchanges.

The German government believes that in the 21st century, economic and political forces are increasingly shifting to the Indo-Pacific region, where the world's three largest economies

are the US, China, and Japan. At the same time, 20 of the 33 megacities in the world are in the region. Therefore, through the Indo-Pacific strategy, Germany wants to shape policies that highlight interests, principles, and initiatives in key areas of action as well as make recommendations to regional partners. Berlin's policy is to diversify relations in all aspects and strengthen relations with ASEAN countries, Australia, and India through the signing of more free trade agreements.

The purpose of this orientation is to build a strategic framework with many political solutions for the region and to form connection points to strengthen cooperation, including in security policy, with partners in the Indian Ocean-Pacific. In addition, as the rotating chair of the European Union, Germany also wants to make its orientation the basis for the common strategy of the EU for the Indo-Pacific region.

Germany has achieved many remarkable results in strengthening strategic partnerships, as well as diversifying and strengthening economic ties and cooperating to solve global issues such as climate change. In the coming time, Germany needs to be more active in policy implementation as well as make adjustments to suit the current context.

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Chapter 4

The Netherlands' Perspective on the Indo-Pacific Region

Bui Hong Hanh

Introduction

In November 2020, the Netherlands published a document titled *Indo-Pacific: Guidelines for Strengthening Dutch and EU Cooperation with Partners in Asia*. Following France and Germany, the Netherlands became the third member state of the European Union (EU) to issue a strategy on the Indo-Pacific. The Netherlands perceives the Indo-Pacific as a territory from Pakistan to the islands in the Pacific Ocean. Its focus lies on the countries surrounding the Indian and Pacific Oceans, the South China Sea and the East China Sea, the shipping routes across the Indian Ocean, and the Pacific Ocean connecting Europe with Asia and Oceania (Maaïke Okano-Heijmans 2019).

The Netherlands' strategy consists of three main parts: *Part 1 – Towards a European vision of the Indo-Pacific*: the Netherlands and the EU need to strengthen their economic and political interests and develop a special Dutch and EU vision of the Indo-Pacific region, which plays an increasingly important role in the world facing a shifting balance of geopolitical and geo-economic power; *Part 2 – Elements of a European vision of the Indo-Pacific* including security and stability, working with partners in the Indo-Pacific region, sustainable economies and trade, international legal order, and effective multilateralism, sustainable connectivity, global challenges of climate and the Sustainable Development Goals (SDGs) of the United Nations; *Part 3 – The Netherlands and the Indo-Pacific* asserts the Netherlands' strategy within the European vision and its concerns in this region.

The article will focus on (1) the Netherlands' favored areas of cooperation, (2) its motives and role in the EU's common strategy on the Indo-Pacific, and (3) the Netherlands' perspective on the role of Vietnam in the Indo-Pacific strategy.

1. The Netherlands' favored areas of cooperation

The Netherlands' favored areas of cooperation (The Netherlands' Government 2021) mentioned in the *Indo-Pacific: Guidelines for Strengthening Dutch and EU Cooperation with Partners in Asia* are essentially the Netherlands' proposals on elements of the EU's vision of the Indo-Pacific.

1.1. Security and stability

There are four primary areas: (i) promoting safe navigation and maritime security by supporting building capabilities in the international law of the sea and exploiting cooperation opportunities in defense and security. Through the EU, the core members, such as Germany and France together with other like-minded countries, and the Netherlands actively promote international law, including the condemnation of violations in the UNCLOS and the South China Sea. The Netherlands is supposed to participate more frequently at an appropriate level in relevant meetings on strategic issues in the Indo-Pacific region, including the annual Security Summit: Shangri-La Dialogue in Singapore by the International Institute for Strategic Studies (IISS) and the annual Raisina Dialogue in India; (ii) cybersecurity will be strengthened in cooperation and dialogue with countries in the Indo-Pacific region to deal with the increase of cyber threats from organizations and governments that do not share the consensus on international standards and values applied to the digital field; (iii) supporting non-proliferation and disarmament alongside with partners within the framework of the Nuclear Non-Proliferation Treaty, Non-Proliferation and Disarmament Initiative (NPDI), Proliferation Security Initiative (PSI), and other arms export control regimes; (iv) strengthening cooperation with the region on countering both bilaterally and multilateral international mixed threats against foreign interference.

1.2. Sustainable economies and trade

The Netherlands, together with the EU, aims to make the value chain more reliable by reducing its one-sided strategic dependence and diversifying the suppliers from the Indo-Pacific region. The Netherlands will work towards sustainable trade and investment relations with Indo-Pacific countries, especially in economic-favored countries (such as China, South Korea, India, Australia, Japan, and five members of ASEAN). The Netherlands will also support the EU's negotiations on free trade agreements with countries in the region.

1.3. Effective multilateralism and the international legal order

The Netherlands is willing to work with Indo-Pacific countries to promote effective multilateralism and the international legal order. In particular, it will engage in public diplomacy and other activities relating to the law of the sea, cyberspace, trade, and climate change in line with the priorities of promoting the international legal order that was jointly adopted by the network of Dutch representative missions in Asia. The cooperation will be conducted via seminars, consultations, dialogues, and courses on various issues, including the improvement of the capacity of ASEAN member countries in negotiations on the law of the sea and the Code of Conduct in the South China Sea, as well as negotiations at the United Nations, agreements

on voluntary and non-binding standards of conduct for countries, the development of a system of confidence-building measures in the digital sector, and building cyber capacity. The Netherlands will also work with its partners – such as Singapore and Australia, the Permanent Court of Arbitration, the Clingendael Institute/the Netherlands Institute for the Law of the Sea (NILOS) – on initiatives and activities within the region on the above issues while consulting with Australia and other countries of common interest in the region on the developments in the South China Sea.

1.4. Sustainable connectivity

Following the EU Connectivity Strategy, the Netherlands will focus on a digital strategy covering a range of topics from cybersecurity and internet regulation to innovation, artificial intelligence, e-commerce, cross-border data transmission, privacy, and national digital sovereignty. It will also join the EU initiatives to strengthen Europe's strategic sovereignty, in particular the current discussions on striking a balance between the diversification of supply and value chain, strengthening global and multilateral free trade systems, and participating in the implementation of the European Green Deal.

1.5. Global challenges: climate change and the SDGs

The Netherlands will deepen the cooperation with other countries, including Small Island Developing States (SIDS), on climate action and the SDGs and work more closely with Indo-Pacific countries to advance international climate policy as well as a national policy to achieve climate goals, and promote sustainable and green energy solutions to accelerate the energy transition.

In addition, the Netherlands has defined a framework for cooperation with other democratic partners in the Indo-Pacific. In terms of security and stability, the Netherlands, as a NATO member, supports its partnership with Australia, New Zealand, South Korea, and Japan in the Indo-Pacific. These are also the main partners of NATO's operations. For example, Australia, New Zealand, and South Korea provided troops for NATO missions, while Japan supported several stabilization projects in Afghanistan. In terms of democracy, the Netherlands as a member of the Human Rights Council will coordinate its intervention measures as much as possible with Indo-Pacific countries, striving to engage in open and vital dialogues with Indo-Pacific governments on human rights and strengthen civil society in those countries.

Besides this, the Netherlands will continue to promote relations with this region at bilateral and multilateral levels with Australia, India, Indonesia, Japan, South Korea, New Zealand, Singapore, Malaysia, and Vietnam. In terms of multilateralism, the Netherlands wants to join the Treaty of Amity and Cooperation in Southeast Asia to emphasize its commitment to closer cooperation with ASEAN and continue to participate in the Asia-Europe Meeting (ASEM), as well as make an annual financial contribution to the Asia-Europe Foundation (ASEF).

Furthermore, according to a survey published in September 2021 (European Council on Foreign Relations 2021) by an international consulting organization, the Netherlands focuses on the three security areas, maritime, cybersecurity, and counterterrorism, rather than ocean sustainability. Regarding the connectivity priorities for the EU's Indo-Pacific strategy, the Netherlands attaches importance to digital and transport infrastructure, energy/climate change, and person-to-person connections. Regarding the trade agreements, the three most critical issues are environmental standards, climate protection, and social standards. Regulations on state-owned enterprises are not as important.

In general, five priority areas for the cooperation of the Netherlands are all included in the framework of the EU Strategy for Cooperation in Indo-Pacific announced in September 2021. The EU's strategy sets out seven specific priorities: sustainable and inclusive prosperity, green transition, ocean governance, digital government and partnerships, connectivity, security and defense, and human security. These issues show the EU's and the Netherlands' increasing interest in maritime security and non-traditional security. Partnerships with countries in this region should focus primarily on promoting the interests of the Netherlands and the EU in the international legal order, democracy, and human rights, as well as sustainable trade, security and stability, safe navigation and maritime security, climate change, universal healthcare, and poverty alleviation.

2. The Netherlands' motives in the Indo-Pacific Strategy

The Netherlands' motives in the Indo-Pacific Strategy, as well as in the promotion of the EU's strategy, will be examined in three dimensions: (a) primary features of the Netherlands' foreign policy; (b) objectives of the Indo-Pacific Strategy; and (c) the Netherlands' role in the EU's common foreign policy.

2.1. Major features of the Netherlands' foreign policy

After geographical discoveries centuries ago, coastal countries like the Netherlands were perceived as a prime position that set a premise for the formation and development of

capitalism. Accordingly, the first bourgeois revolution in human history broke out there, and the Netherlands became the first capitalist state in the world. This revolution promoted the Netherlands to develop and integrate into the international market and become a world center of trade and credit. Its historic ties with the Indo-Pacific region were established via the Dutch East India Company (VOC), which played a significant role in the trade route with the East, its colonies in Indonesia, and the favor of the feudal government of the Tokugawa shogunate in Japan. The Netherlands was the only Western country that was allowed to trade with Japan, which reversely promoted the Dutch study movement in Japan. During this period, the Netherlands quickly developed into a maritime nation, occupying the sea with a fleet of cargo ships, dubbed the *Sea Beggars*. This historical factor shows its motive in actively participating in the Indo-Pacific region, not only to maintain traditional relations and influence with several countries in the region but also as a maritime state with national interests in cooperation with this region.

Throughout the two world wars, the Netherlands declared neutrality rooting in a policy of *neutrality in international affairs* dating back to 1830 due to Belgium's secession from the Northern Netherlands. However, this neutral stance which had not been recognized in the Constitution of the Netherlands was a response to the current context to minimize the damage to the Netherlands. During World War I, Dutch neutrality was based on the nation's strategic position between the German Empire and German-occupied Belgian territory along with the British patronage. As soon as World War II broke out in 1939, the Netherlands continued to declare neutrality. Even so, the Netherlands was still inevitably invaded and dragged into war. After the end of World War II, the Netherlands joined the North Atlantic Treaty Organization (NATO) and the EU. Its bloody historical experiences have shaped the modern foreign policy of the Netherlands. Recently, the Netherlands has taken a stronger and more proactive stance on the emerging challenges, especially in terms of humanitarian aid, international law, and military strategies.

The Netherlands' approach to international affairs and relations show both the character of a small country but also its interests. Small countries in international affairs are often perceived at a disadvantage in terms of power, state capacity, access to international markets and natural resources, etc. compared to larger countries. These factors limit their ability to either play a vital role in regional and global politics or shape the dynamics of the international system and rules governing international cooperation, trade, and diplomacy. Small states generally gather into alliances through which individual states can leverage the collective bargaining power of a larger bloc. In addition, they pursue a specialization in trade,

diplomacy, and security activities. Therefore, by promoting the EU's Indo-Pacific Strategy as well as their own strategy, the Netherlands and the EU will benefit from closer cooperation – both bilaterally and through the EU – with countries in the region, especially those with democracies and open market economies that are committed to effective multilateralism and recognize a proper international legal order for their benefits. Furthermore, the EU, the largest market in the world with an estimated \$90 billion in annual investment in the Indo-Pacific (roughly equivalent to the total FDI inflows within Europe itself), is one of the largest investors and sponsors in the region. For its part, the Netherlands is one of the five largest European investors and donors. About a third of its GDP is obtained through trade. In 2010, exports of goods and services amounted to 72.6% of GDP (The Netherlands' Ministry of Foreign Affairs 2021). The economic influence of the Netherlands and the EU creates an active role in this region.

Besides the characteristics of a small country, the Netherlands has asserted itself as an experienced actor in international and regional affairs. Hardly do small states play a broad diplomatic or security role in international affairs; however, the Netherlands has proved itself as an exception. The governments of the Netherlands have developed a series of enduring strategies to deal with new economic, ecological, and humanitarian crises by conducting foreign policy with a variety of state and non-state organizations. It is considered the most basic factor of the Netherlands' geopolitical strategy. The cohesion in multilateral organizations (especially those in Europe and the North Atlantic region), helps promote and expand international relations to reaffirm its position. In addition, hosting a longstanding international legal center in The Hague, the Netherlands is a staunch supporter of the strengthening of international law principles through the EU. Moreover, its history as a post-colonial state inspires the foreign policy of the Netherlands to maintain public accountability for its non-European overseas territories, a motivation to work more proactively in its relations with countries in this region.

The Netherlands favors an integrated approach to the international policy when perceiving issues of peace and security, good governance and human rights, trade, poverty, environment, and migration. Its current policy considers international relations neither necessary nor useful. Instead of pressing its will on others, the Netherlands adopts an international focus to exploit opportunities offered by a changing world to promote prosperity and well-being as well as to face challenges. Additionally, to face the outside threats, the Netherlands has prepared global conditions conducive to security and favoring the environment and healthcare that promote freedom. Only if the Netherlands participates at a global level and pursues an active foreign policy, can the nation influence international developments that directly involve its interests. Given a momentous change on the world stage,

it is necessary to be more proactive, not less (The Netherlands' Ministry of Foreign Affairs 2021). Therefore, after the announcement of the Indo-Pacific Strategy of the US, a transatlantic partner, the Netherlands quickly became the third member of the EU to declare the promotion of relations with the region.

2.2. Objectives of the Netherlands' Strategy on the Indo-Pacific

Following two other core members of the EU, the Netherlands is the third member to promote the Indo-Pacific Strategy, coinciding with its interests and the common interests of the EU. Accordingly, the Netherlands pushes the EU to establish an Indo-Pacific strategy that plays a vital role in the EU's foreign and defense policy goals and implements this by pursuing economic interests as well as addressing regional threats to EU strategic interests such as climate change and the environment. The new strategy, therefore, consists of international security, cyber and maritime security, as well as global value chains, health, poverty, migration, human rights, and the rule of international law.

The Netherlands' political driving force behind the Indo-Pacific concept is a recognition of the region's economic and geopolitical importance, deemed to enhance the EU's acting ability. According to a survey published in September 2021 by an international think-tank (The Netherlands' Ministry of Foreign Affairs 2021), the Dutch government considers security a priority in the EU's Indo-Pacific strategy due to the degree of inter-relevance of its geopolitics to this region. Therefore, the EU should invest more in maritime security, cybersecurity, and counterterrorism. The Netherlands supports this potential maritime security pillar of this strategy by contributing to freedom of navigation operations, regulating arms exports, and enhancing humanitarian assistance and disaster assistance. In addition, the Netherlands may send warships to the region and fund its bilateral cooperation programs as well as EU programs. In economics, the Netherlands' most crucial factors are free trade agreements with the region that include environmental, climate, and social standards. Within the framework of the EU's connectivity strategy, the Netherlands focuses on the digital sphere, addressing a range of issues including cybersecurity, innovation, artificial intelligence, e-commerce, transnational data transmission, privacy, and digital sovereignty.

The Netherlands is also willing to join EU initiatives to strengthen Europe's strategic autonomy by participating in discussions to balance supply diversification and value chains and strengthening multilateral and global free trade systems. The Netherlands agrees on the implementation of the European Green Agreement at the international level in cooperation with Indo-Pacific partners. Its Connectivity Action Plan, which is essential to counterbalance China's

Belt and Road Initiative, is considered an alternative to a strategy of direct competition. With the signing of free trade agreements in the region, the Netherlands expects the EU to promote negotiations with Australia and New Zealand and further expand agreements with India and ASEAN. In the technology sector, it focuses on innovation and commercialization, followed by data governance, research and development cooperation, and responsible use of artificial intelligence.

2.3. The Netherlands' role in the EU's common foreign policy

Firstly, the Netherlands is an exceptionally mid-range EU country. As one of the six founding members, it is essentially an ardent supporter of the EU's comprehensive integration which can be seen in the similarity in viewpoints and approaches of the two strategies of the Netherlands and the EU. Importantly, the Netherlands and the EU both agree on their willingness to recognize the Indo-Pacific as a political unit. In terms of major economic, geostrategic, and energy interests, the Indo-Pacific region is under threat due to the great powers' competition for influence. In response, the countries in the region have been looking for economic, political, and security policy anchors, which require a strategic approach beyond trade and investment, towards basic orientations based on mutual interests and a range of integrated policy tools. By taking a more proactive approach to countries in the region that share common interests and values and by collaborating and proactively shaping development in the Indo-Pacific, the Netherlands, and Europe, in general, become more effective actors in this region. In addition, the Covid-19 crisis promoted several geopolitical trends, asserting the need for international cooperation to combat pandemics, minimize the adverse economic consequences caused by them, and enhance the growth of the region and the world.

Overall, the Netherlands, as well as the EU, has shown a new stage in geopolitical thinking. They protect their interests and strengthen their strategic position as a balancing power while avoiding choosing sides between great powers. At the same time, the Netherlands supports the EU in assisting other countries in the region to maintain the ability to act autonomously, reduce tensions between major powers, and offer an alternative to China and the US, especially when facing differences in economic policies and digital governance. The Netherlands and Europe share beliefs and both support strong political, economic, and cultural links with the United States. In such context, the adoption of the Indo-Pacific Strategy asserts strategic autonomy of the EU and the Netherlands, while emphasizing the importance of the transatlantic alliance.

Secondly, the Netherlands hopes to maintain an EU in which the major member states are no longer the decision-makers of common foreign policy. Like Belgium and Luxembourg, it protects its right to national self-determination in foreign policy by its close engagement with NATO and its transatlantic relations. It even allows the United States to leave nuclear weapons on its territory. This explained why the Netherlands was not enthusiastic to support the development of the European defense policy. However, this view has changed in recent years. The Christian Democratic Party and other progressive parties in the Netherlands have shown more concern for the EU's common defense policy as the US and the UK have previously expressed clearer support for the issue. The Netherlands' interest in security and defense development is also governed by the national defense budget and military strength; therefore, in terms of security cooperation, the country still supports NATO activities while formulating the EU's common security and defense policy.

The approaches of the Netherlands and the EU in engaging with the Indo-Pacific region are not in conflict; however, they are not entirely similar. For example, both the Netherlands and the EU call for effective (rules-based) multilateralism and are inclusive, but their specific approaches and actions show different priorities. The Netherlands calls for closer cooperation with like-minded democracies and countries with open market economies, stating that "Partnerships will take different forms in different countries depending on the extent of shared interests and the degree of like-mindedness." (The Netherlands' Government 2021). Meanwhile, the EU states that this "renewed commitment to the region is inclusive of all partners wishing to cooperate with the EU", and that the EU is to "build its cooperation according to specific policy areas where partners can find common ground based on shared principles, values or mutual interest." (European Commission 2021). What is more, the EU will deepen its engagement in the Indo-Pacific, especially with those partners that have announced their Indo-Pacific approaches.

Thirdly, Brexit can be either an opportunity for the Netherlands to assert its role more strongly alongside other key members such as Germany and France or urge for the remaining EU member states to cooperate more closely in building a foreign position in security and defense. To assert its position, the Netherlands was the first member of the EU to review the Chinese strategy a few years ago and issued a notification on Chinese policy in May 2019, shortly after the publication of the EU-China Strategic Outlook.

On the one hand, since 2014 France has demonstrated its commitment to the Indo-Pacific region mainly through military exercises. For example, it sent the aircraft carrier Charles

de Gaulle to the region in joint exercises with the navy of India in March 2019, while enhancing security cooperation with India, Australia, and Japan (Naval Today 5/3/2019). Although these activities were largely symbolic, they demonstrated a shared commitment to the rules-based international order. After the UK left the EU, France was the only EU member state with a military presence in the Indo-Pacific region. In addition, at the meeting of the Franco-German Council of Ministers in October 2019, the foreign ministers of the two countries agreed on several measures that they intend to promote together, including a commitment to jointly strengthen the strategy of connecting the EU with Asia, as the countries aim at developing a European strategy for the Indo-Pacific region. They commit to promoting EU unity on EU-Asia policy (Naval Today 5/3/2019). Besides France with its clear strategic position, several other member states such as Germany, Italy, and those involved in French military exercises in the Indo-Pacific (such as Austria, Portugal, and Denmark), as well as EU institutions have also begun to engage with the Indo-Pacific concept. Moreover, how the UK positions itself in this region after withdrawing from the EU, will also have a significant impact on the strategic positioning of the EU and its member states. In that context, the Netherlands, a country with maritime advantages, needs to quickly position itself in the Indo-Pacific strategy, thereby demonstrating its importance to the EU.

On the other hand, the Netherlands needs to either reaffirm its position in the EU and international affairs or promote stronger cohesion of the EU, especially with France and Germany. This can be seen when examining the literature on the Indo-Pacific Strategy in these three countries. Despite significant differences in status, the involved governmental institutions, and the length, details, and structure of the strategies, as well as France's favorable starting point as a permanent power in this region (Gudrun Wacker 2021), the three countries reached a consensus when assessing the main trends in the Indo-Pacific and its importance for Europe as well as the core goals to be achieved by each country. All three countries share goals either by strengthening the role of the EU and each other or preventing military conflicts in the region. They agree that a unipolar or bipolar regional order is certainly not a European interest and that everything needs to be well-prepared to maintain a rules-based order where states do not have to stand on their own. They all want to strengthen partnerships with countries in the region, in which ASEAN is considered a central partner of the EU. Increasing their contribution to security and stability in the region will help protect the economic interests of the three countries and the EU in general. These are the core bases for the EU to discuss and agree on the common Indo-Pacific Strategy.

3. The Netherlands' perspective on the role of Vietnam in the Indo-Pacific Strategy

The Netherlands' perspective on the role of Vietnam in the Indo-Pacific Strategy is examined in two dimensions: (i) Vietnam as a member of ASEAN and (ii) the Vietnam-Netherlands bilateral relationship.

(i) As a member with a significant voice and role in ASEAN, Vietnam is considered an important bridge between external actors and ASEAN. In other words, strengthening relations with ASEAN is an opportunity to increase relations with Vietnam, while the perception of the importance of ASEAN is involved with the enhancement of Vietnam's role. In 2019, the concept of the Indo-Pacific region was mentioned for the first time in the *EU-Japan Partnership on Sustainable Connectivity and Quality Infrastructure*. At that time, France, among all EU member states, was the only country to use the term Indo-Pacific and presented a corresponding strategic concept, and even initially participated in this concept after the *Vision of Free and Open Indo-Pacific* was initiated by Japan and the US under President Donald Trump. Meanwhile, the EU and other member states were so confused that they could not completely agree with France's concept to protect their territory, citizens, and economic privileges in the Indo-Pacific.

In June 2019, ASEAN, after certain hesitation, expressed its stance on the Indo-Pacific in the *ASEAN Outlook on the Indo-Pacific*. Among various approaches to the Indo-Pacific in international relations, the Netherlands, as well as the EU, have found ASEAN's view most relevant. In particular, the Netherlands perceived ASEAN's adoption of the *ASEAN Outlook on the Indo-Pacific* as a proper tool to interact with the region without politicization or confrontation. The *ASEAN Outlook on the Indo-Pacific*, emphasizing the multilateral security cooperation, effectively provides a link for corresponding ideas of Europe. In this regard, the European approach is close to that of ASEAN. ASEAN's statement makes it easier for Germany and the Netherlands to overcome their hesitation in using the term Indo-Pacific.

The EU member states, despite their difference in prioritizing partners, agree on the reference to the rules-based international order and improvement of active connectivity with ASEAN and its multilateral forums. Such a unified idea stems from not only the similarity of approaches to the Indo-Pacific region but also the relationship between the EU and ASEAN and their mutual trust. The strong partnership with Europe has always been warmly welcomed by ASEAN because it promotes ASEAN's pursuit of the dual goals of centrality and regional peace. In addition, ASEAN also expects the EU to act as a regulatory force in US-China relations in the region and strengthen its position towards ASEAN by engaging in the region both bilaterally and multilaterally. Both parties have promoted ASEAN-EU relations as a strategic partnership while

EU members successfully enhanced their relations with ASEAN. For example, the UK recognized ASEAN as its dialogue partner.

For its part, the Netherlands in its Indo-Pacific Strategy has called on the EU to promote comprehensive relations with ASEAN. It recognizes ASEAN's key role in regional affairs and perceives ASEAN as a model for the regional cooperation framework that greatly contributes to regional peace and stability. In June 2015, at a meeting with the Secretary-General of ASEAN, Le L. Minh, the Netherlands' Ambassador to ASEAN, and Rob Swartbol conveyed the national message that reaffirms its commitment to strengthening closer relations and cooperation with ASEAN. The Netherlands will seek to strengthen its practical cooperation with ASEAN, especially in trade, investment, education, science, and technology on a bilateral basis with ASEAN member states and within the ASEAN-EU framework (ASEAN 2021).

This view is followed up and promoted in the *Indo-Pacific: Guidelines to strengthen Dutch and EU cooperation with partners in Asia*. Accordingly, ASEAN and its member countries are among the priority areas for the cooperation of the Netherlands. Under the framework of cooperation with democratic and like-minded partners, the Netherlands announced its participation in the *Treaty of Amity and Cooperation in Southeast Asia (TAC)* to confirm its commitment to closer cooperation with ASEAN. In terms of sustainable economic and trade, the Netherlands prioritizes relations with ASEAN member countries such as Malaysia, Singapore, Indonesia, Thailand, and the Philippines. In terms of effective multilateralism and the international legal order, ASEAN and related issues are mentioned in five out of the seven goals.

(ii) Vietnam's position and role are specifically defined by the Netherlands in the framework of cooperation with democratic and like-minded partners in Asia: "The Netherlands will deepen its partnerships with countries such as Australia, India, Indonesia, Japan, South Korea, New Zealand, Singapore, Malaysia, and Vietnam through practical cooperation on issues where we share common interests, and through annual consultations." (The Netherlands' Government 2021). Thus, Vietnam, as an ASEAN member, is considered one of the independent and important partners, among other countries in the region.

This strategic orientation is based on the good bilateral relations between the two countries. The Kingdom of the Netherlands was one of the first Western countries to establish diplomatic relations with Vietnam on April 9, 1973. The relationship flourished in the early 1990s with many visits and exchanges of delegations between the two countries' senior leaders, creating a basis for strengthening the friendship and good cooperation in all aspects. On April

9, 2019, the two parties agreed to build a comprehensive partnership with the desire to deepen cooperation between the two countries. Previously, Vietnam and the Netherlands had built a strategic partnership in climate change adaptation and water management; as well as and sustainable agriculture and food security.

This development is also the result of the Dutch foreign policy adjustment from focusing only on the European region and transatlantic partners to gradually expanding to other regions, especially countries with the market and economic potentials and the ability to promote democratic and liberal values. According to the Netherlands Institute of International Relations, the Dutch Foreign Relations Index (DFRI) in the last two decades has shown an improvement of the Netherlands' relations with other countries that open more cooperation opportunities. The total number of partners has doubled to 30 countries since 1996. There are also fewer dissimilar states, most of which are in Africa. Many countries in the European vicinity, the Middle East, and the former Soviet Union are potential partners in the future. Populous Asian countries such as Vietnam and Indonesia are also approached more actively. In the list of 20 countries with the largest increase in total relevance between 2007 and 2018, Vietnam occupies the seventh place (Tim Sweijs and Koen van Wijk 2021). Vietnam is also considered one of the notable rising countries in the Netherlands' foreign relations. The relevance of Vietnam has increased almost five times and is now comparable to European countries such as Portugal or Greece. This shows that Vietnam's position and role are highly evaluated and tend to increase, especially as the strategies of countries, major powers in general, and the EU are moving towards the Indo-Pacific region. Besides this, Vietnam's strategic position in the region and proximity to China, as well as its role in the South China Sea issue, will help enhance Vietnam's role in the Indo-Pacific Strategy, especially when the Netherlands wants to demonstrate its pioneering position in establishing international legal order related to the law of the sea and maritime security.

The Netherlands is the third member of the EU to announce the Indo-Pacific Strategy, which moved the EU in September 2021 to officially announce its common Indo-Pacific Strategy. This shows the role as well as the desire to assert the position of the Netherlands as an important member of the bloc. Moreover, the Netherlands and the EU also want to assert their role in the international arena through this Indo-Pacific Strategy. As partners of the Indo-Pacific region, ASEAN and Vietnam will be significantly affected by these moves. Increasing the presence of the EU as well as its member countries in the Indo-Pacific strategic region is expected to bring stability, peace, and mutual development especially in the post-Covid-19 era.

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Chapter 5

Vietnam's Perception of European Engagement in the Region

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Introduction

Over the last two years, European policy has transitioned rapidly, from barely even using the term Indo-Pacific to reaching an EU-wide consensus that “the economic and political weight of the region makes it a key player in shaping the international order” and that Europe needs to quickly reassess its engagement strategy. The strategy’s opening paragraphs make clear that the “futures of the EU and the Indo-Pacific are inextricably linked given the interdependence of the economies and the common global challenges”. A significant question for the success of European efforts is how and to what extent the strategies of the EU and its member states are perceived in the Indo-Pacific region and what expectations are associated with EU activities. After three decades of high-speed growth unlocked by economic reforms and active diplomatic policy, Vietnam has emerged as one of the newest regional powers. Given the increasingly significant role of the country and the feasibility of research conducted in Vietnam, the country is selected as a case to answer the above question. This chapter focuses on Vietnam’s perception of Europe’s evolving engagement in the Indo-Pacific region.

Chapter 5 focuses on (1) the role of Southeast Asia and Vietnam in the EU’s and its member states’ Indo-Pacific strategies, (2) the EU-Vietnam relations, and (3) Vietnam’s perception of the EU’s Indo-Pacific strategy.

1. The role of Southeast Asia and Vietnam in the EU’s Indo-Pacific strategy

1.1. The EU’s Indo-Pacific strategy

For a long time, the EU has been present as an economic actor in Asia and the broader Indo-Pacific. Until 2020, the EU did not engage with the idea of the Indo-Pacific or define its policy priorities for the region. Not until members like France, Germany, and the Netherlands have all started embracing the notion of the Indo-Pacific and integrating the region in their security strategies did the EU adopt the Indo-Pacific as a strategic concept.

Indo-Pacific is home to three-fifths of the world’s population and produces 60% of global GDP. The region includes seven G20 members and ASEAN. It also contributed two-thirds of pre-

pandemic global economic growth and is at the forefront of the digital economy. With its dynamic development and strategic-political importance, this region increasingly plays a key role in shaping the new world order.

The EU's relations with the Indo-Pacific region are based on historic, cultural, and commercial ties and decades of significant cooperation and assistance. The EU is the top investor, the leading provider of development cooperation, and one of the biggest trading partners in the Indo-Pacific region. The concept of the "Indo-Pacific" first emerged within the region and reshaped the previously dominant "Asia-Pacific" narrative, mainly as a way to articulate the regional countries' requirements for prosperity vis-à-vis China and their reliance on the US security guarantee. The Trump administration appropriated the concept and gave it a distinctly anti-China connotation. Until last year, the EU had not engaged with the idea of the Indo-Pacific on a broad conceptual basis. The Union fears that doing so would indicate alignment with the US and would alienate China. Not until the Union's members, i.e., France, Germany, and the Netherlands, drew up national Indo-Pacific strategies in recent years, did the EU embrace the Indo-Pacific as a strategic concept. The EU's efforts to find a more decisive approach to the region led to the release in April 2021 of the European Council's conclusions on the EU Strategy for Cooperation in the Indo-Pacific, which paved the way for the union to adopt an official strategy.

The EU has bilateral partnership and cooperation agreements (PCAs) with many of its partners in the region and has finalized negotiations for a new PCA with the African, Caribbean, and Pacific (ACP) countries. The bloc intends to conclude new PCAs with Thailand and Malaysia and to start negotiations with the Maldives in the near future. The EU will also aim to deepen its engagement with partners that already have Indo-Pacific approaches of their own – ASEAN, Australia, India, Japan, New Zealand, the Republic of Korea, the United Kingdom, and the United States. The EU would also be interested in engaging with the QUAD4 on issues of common interest such as climate change, technology, and vaccines.

After the initial proposal of a joint strategy in April 2021, the EU formally released its Indo-Pacific strategy on September 16, 2021, detailing its approach to the region. The EU Strategy for Cooperation in the Indo-Pacific builds on the April 2021 proposal and reflects the EU's growing stakes in the stability of the Indo-Pacific by:

- Outlining the EU's rationale for strengthening its engagement in the Indo-Pacific;
- Presenting the EU's principles guiding its engagement with the Indo-Pacific;
- Setting out the EU's approach to partnership and cooperation in the region, and

- Detailing how the EU will pursue this vision in cooperation with partners.

(European Commission 2021)

In this context, the EU will:

- Deepen its engagement and reinforce its role as a reliable partner, bringing added value to long-standing relations with all its partners in the region.
- Reinforce cooperation with multilateral and regional organizations such as ASEAN, as well as international financial institutions to promote effective rules-based multilateralism in the Indo-Pacific region.
- Undertake crisis management, conflict prevention, and resilience-building initiatives.
- Work together with member states through a Team Europe approach with concrete initiatives at country and regional levels (European Commission 2021).

The central theme of the “EU Strategy for Cooperation in the Indo-Pacific” is the diversification and expansion of strategic partnerships beyond China, Japan, South Korea, and India, and interregional ties with ASEAN. In doing so, the EU outlines seven priority areas for the Indo-Pacific where it aims to uphold a ‘rules-based international order’ and ‘fair environment for trade and investment’. These priority areas include sustainable and inclusive prosperity; green transition; ocean governance; digital governance and partnerships; connectivity; security and defense; and human security (European Commission 2021).

The strategy represents a fundamental step towards the formation of a joint EU policy in the most dynamic and consequential region of the world, bringing in significant resources to address vital challenges such as climate change, the openness of sea routes, connectivity, and development. Collectively, the EU and its member states can deliver on many of their commitments, due to the comprehensive and flexible nature of the strategy. However, the EU will have to navigate a set of challenges on how to mobilize its potential and pursue its strategic goals.

1.2. The role of Southeast Asia and Vietnam in the EU’s Indo-Pacific strategy

1.2.1. The role of ASEAN in the EU’s Indo-Pacific strategy

In the last decades, the ASEAN has increased its centrality from both an economic and a geopolitical point of view. In 20 years, ASEAN GDP has risen from \$600 billion to \$3000 billion (Pozzi 2021). If this tremendous trend continues, its rapid growth will step up ASEAN purchasing power, allowing for a dramatic increase in trade flows. As of today, EU and ASEAN bilateral

exchanges in goods per year are worth more than €200 billion, confirming a solid positive trend (Pozzi 2021). The economic growth of Southeast Asia has increased its importance as a commercial partner not only for Europe but also for China and the US. However, its relevance widened also from a geopolitical point of view. During the German presidency of the Council, the EU focused on the Asia-Pacific region, improving relations with ASEAN. In December 2020, the EU and ASEAN became strategic partners, building on principles such as multilateralism and free trade to strengthen their bond. In addition, an important FTA between the EU and Vietnam entered into force recently, eliminating duties on almost all goods traded between the two sides. The Portuguese presidency is also currently pushing for a “Global Europe”, committing to “effective multilateralism and the geopolitical positioning of the EU as a global player” (Pozzi 2021). In line with the council, right after the in-principle agreement on the EU-China Comprehensive Agreement on Investment (CAI), the European Parliament approved, during the January Plenary, a resolution on connectivity and EU-Asia relations, advocating for “a regional EU-ASEAN free trade agreement”. The idea of a regional Free Trade Agreement (FTA) between the EU and ASEAN is not new for the European Commission that started talks in 2007. However, negotiations were suspended in 2009 to pursue a strategy of bilateral FTAs with ASEAN countries.

As the title of the EU Strategy for Cooperation in the Indo-Pacific suggests, the promotion of cooperation stands at the core of the EU’s approach to the Indo-Pacific. This applies not only to Europe’s long-standing friends and allies that share its values, but also cooperation with regional multilateral mechanisms such as ASEAN or newly emerging important partners such as Vietnam. In the EU’s strategy, the ASEAN region is described as “an increasingly important partner for the EU” and enjoys a prominent position. This is reflected – among others – in the expressed commitment to enhancing ASEAN-centered mechanisms within the regional architecture, realizing the EU-ASEAN Strategic Partnership concluded last December, and extending the geographic scope of its CRIMARIO II (Critical Maritime Routes in the Indian Ocean II) activities from the Indian Ocean into South and Southeast Asia aimed at contributing to safer sea lanes of communication with the EU.

The EU recognizes ASEAN as a natural partner, given its centrality in the regional institutional architecture and its leading role in promoting region-wide consultation and institutions such as the ASEAN Regional Forum and the East Asia Summit. Working closer together with ASEAN would give the EU an inroad into managing tensions in the region, as well as establish itself as a trustworthy mediator (Tiberghien-Römer 2021). Moreover, supporting the ASEAN-led regional architecture also makes strategic sense from an EU standpoint, because

strong relations with several partners, especially a multilateral mechanism like ASEAN, may support EU member states' posture against China's political influence. Europe favors a multilateral approach to foreign policy – as opposed to the bilateral one Beijing prefers.

1.2.2. The role of Vietnam in the EU's Indo-Pacific strategy

During a seminar organized by the Diplomatic Academy of Vietnam in October 2021, the EU Special Envoy for the Indo-Pacific region reaffirmed that Vietnam is a like-minded and reliable partner of the EU in the region in the long term (Do Hoang 2021). Vietnam is also the country with the most comprehensive bilateral relationship with the EU in Southeast Asia. As an active member of ASEAN and the second country of the Association signed a trade and investment agreement with the EU, Vietnam is believed to be an important partner of the EU's Indo-Pacific strategy in general and a bridge for the EU to develop its partnership with ASEAN. After 35 years of implementing the Doi Moi policy, Vietnam has achieved many achievements in all aspects, especially in the economic field. *The Economist* (UK) in August 2020 ranked Vietnam among the top 16 most successful emerging economies in the world. According to the World Bank's data in 2019, with average GDP growth of 6.8% in 2016-2019, Vietnam was in the top 10 fastest growing countries (Vuong Tran, Quang Hieu 2020). Despite being affected by the pandemic, Vietnam still maintained a positive growth rate in 2020. Besides remarkable achievements in the development process, geo-strategic and geo-economic positions in Southeast Asia and the East Sea also make Vietnam an important partner in the eyes of many major actors in the region. Along with other Southeast Asian countries, Vietnam is located at an important traffic route of the busiest shipping and trade routes in Asia. The country is also located at the lifeline of the regional economy, where there are strong and dynamic economies, playing a key role in providing logistics services to countries in and outside the region. Therefore, Vietnam is considered one of the independent and important partners by both the EU as a bloc and many of its member states.

To further clarify the role of Vietnam in the strategies for the Indo-Pacific region of the EU's member states, typical examples of Vietnam's role from the perspective of France, Germany, and the Netherlands are analyzed.

In its official Indo-Pacific strategy, France mentions Vietnam as its major partner in ASEAN, along with Indonesia and Singapore. The relations with Vietnam facilitated France's greater presence in the region. Since France initiated the Indo-Pacific strategy, the relationship between the two countries has been consolidated and expanded into the security sector. Defense discussions have been fruitful, with a new Joint Vision Statement for Maritime

Cooperation 2018-2028 and calls for open sea lanes and compliance with the law. The two sides agreed to further cooperate in the areas of training, military medicine, maritime security, aviation security and safety, peacekeeping operations, and defense industry cooperation.

Germany gives Vietnam a key role in its Indo-Pacific policy guidelines. Vietnam will act as a bridge for Germany to enter the Indo-Pacific region, thereby helping Germany strengthen cooperation relations in economy, trade and investment, sustainable development, and security defense with the region. The Vietnamese market is considered one of the most potential markets for Germany in this region. With the trend of German businesses expanding their operations in countries outside China, Vietnam is considered a potential destination. Therefore, it can be said that Vietnam is one of the principal factors in Germany's strategy for the Indo-Pacific.

In its Indo-Pacific perspective, the Netherlands defines Vietnam as a like-minded partner in Asia. It is provided that the Netherlands will strengthen its partnership with regional countries, including Vietnam, through practical cooperation on issues of common interests and annual consultation. Thus, Vietnam is considered by the Netherlands as one of the independent partners and is equally important as other countries in the region.

2. The EU-Vietnam relations

Vietnam and the EU established their official relationship in 1990, right after the end of the Cold War. In 1996, the EU and Vietnam endorsed a Framework Cooperation Agreement defining the legal foundation of a new partnership. From a joint humanitarian program of receiving over 100.000 Vietnamese "boat people" in the beginning, today the bilateral cooperation extends to many key areas such as trade, environment, energy, science and technology, good governance, as well as peace and security. Every year, more than 250,000 Vietnamese tourists visit Europe. It has also become a destination for more than 15,000 students from Vietnam. The EU is now one of the biggest partners for development cooperation with support of around €250 million.

The year 2019 marked a milestone of bilateral relations as the EU and Vietnam signed a Framework Participation Agreement, a military-to-military agreement that allows Vietnam to participate in missions and operations under an EU flag. As a key ASEAN country, Vietnam has gained a prestigious status in global peace and security. Strategically, for the EU, the agreement provides yet another concrete example of its increasing role as a security player in the region. The agreement gives the EU its first FPA partner in Southeast Asia and its fourth in the Asia-Pacific region (after Australia, New Zealand, and South Korea). For Vietnam, it reinforces Hanoi's

approach of strengthening ties with a range of major powers, including the EU, despite challenges that EU-Vietnam ties continue to face on issues such as human rights.

Operationally, the agreement also opens the door to more concrete EU-Vietnam security cooperation in some areas. The FPA provides a legal basis to facilitate Vietnam's participation in EU-led Common Security and Defense Policy (CSDP) and civilian and military crisis management operations, which is a component of what has been previously characterized as a "defense and security cooperation partnership." And while the shape of Vietnam's participation is not yet clear – Mogherini indicated there was already interest by Vietnam in one of the EU's training missions in Africa – both sides have been messaging the component as an important example of a shared commitment of a rules-based multilateral approach to international peace and security.

Of course, one should not overstate the significance of the FPA. It is just one part of the wider defense relationship, and it is still unclear how it will actually be implemented. And while this does constitute a gain for EU-Vietnam ties, it does not change the fact that there continue to be limits on how far both sides can push security collaboration due to a range of factors related to issues such as their capabilities and the differences in domestic systems. Nonetheless, the signing of the FPA merits attention, both in terms of the EU-Vietnam relationship as well as the broader region (Prashanth 2019).

On June 30, 2019, Vietnam signed a trade agreement and investment protection agreement with the EU. In doing so, the country became the second member of the ASEAN, following Singapore, to conclude a major trade agreement with the EU. The deal has important implications not only for Vietnam's relationship with Europe but for the EU's wider role in Southeast Asia.

In February 2020, the EU Parliament ratified a free trade agreement (EVFTA) and an investment protection agreement (EVIPA) with Vietnam. Members of the European Parliament voted in favor of the agreements in Strasbourg. On June 8, Vietnam's National Assembly approved the agreements overwhelmingly, with 457 members of parliament voting for the FTA and 462 for the IPA. The EVFTA came into force on August 1, 2020. At the most basic level, both agreements will support jobs and growth between Vietnam and the EU. Both agreements will gradually reduce most tariffs, regulatory barriers, red tape, and promote opportunities for EU entrepreneurs to do business and invest in Vietnam.

It took over eight years and a dozen dialogues for both sides to negotiate the EVFTA. Nicolas Audier, chairman of EuroCham in Vietnam, welcomed the voting results: "The EVFTA is

now more important than ever, as trade wars and a global pandemic disrupt normal business operations on an unprecedented scale. Free, fair, and rules-based trade is the best roadmap to economic growth, and Vietnam will now have privileged access to an EU consumer market of around 500 million people who will be keen to do business with and invest in a strong, secure, and prosperous nation at the heart of Asia” (EuroCham 2020).

Such agreements illustrate the strength of EU-Vietnam relations, and the opportunities Europe sees in the Southeast Asian country. The EU achieves a long-term goal to widen its influence and expansion in ASEAN markets by targeting Vietnam, and European entrepreneurs will have better access to one of the fastest-growing economies in Southeast Asia.

As the provisions of the World Trade Organization (WTO), the EVFTA is a comprehensive and beneficial agreement for Vietnam and the EU. The agreement is to “eliminate 99% of its import duties over 10 years and the EU will do the same over seven.” Vietnam will lift 49% of its import duties on EU exports and phase out the rest over 10 years. Vietnam can also take advantage of institutional reforms and bilateral cooperation mechanisms and reaffirm to investors that the country is the regional center for attracting investments in technology, human resources, and labor productivity.

3. Vietnam’s perception of EU’s and its member states’ Indo-Pacific strategy

Based on the analysis of the EU’s Indo-Pacific strategy, the relations between the EU and Vietnam, and the current regional context, it can be said that the EU’s Indo-Pacific strategy is good news for Southeast Asian countries and the rest of the Indo-Pacific region. The most important reason is that it adds a strong normative dimension to the Indo-Pacific system. Vietnam’s position is not different from that of other countries in the region. As a small and developing country, Vietnam prefers cooperation and multilateral efforts contributing to the stability and peace of the surrounding region. By emphasizing the normative dimensions of a rules-based and peaceful order and promoting the centrality of the ASEAN, the EU’s strategy is to receive a positive perception from Vietnam.

However, it will take time to implement the EU’s Indo-Pacific strategy. It will then be possible to identify the perspectives and perceptions of regional countries like Vietnam of that strategy. However, based on the current context, as well as from the assessment of concerns of related parties, it can be concluded that Vietnam initially welcomed the EU’s strategy for cooperation in the Indo-Pacific region due to the following three main reasons: The strategy means more opportunities for the development of existing relations between the EU and

Vietnam; The EU will contribute to the containment of China's aggression; and the strategy offers an opportunity to alleviate the rivalry between the US and China.

3.1. The strategy means more opportunities for the development of existing relations between the EU and Vietnam

In the region, Vietnam, the country with the most comprehensive bilateral relationship with the EU in Southeast Asia, is the EU's trusted and like-minded partner in the long term. Along with the ratification and implementation of the EVFTA, the birth of the Indo-Pacific Strategy can be seen as an opportunity for Vietnam and the EU to further develop the good relationship between the two sides, moving beyond commercial partnerships to other strategic dimensions.

After the EU officially announced the Strategy on Cooperation in the Indo-Pacific, the spokesperson of the Ministry of Foreign Affairs of Vietnam, Le Thi Thu Hang, at a regular press conference on the afternoon of September 23 said, "Vietnam highly appreciates the EU's role and positive contributions to peace, cooperation, and development in the region. [...] On the basis of the Vietnam-EU comprehensive partnership and cooperation, Vietnam is ready to coordinate with the EU to implement cooperation frameworks of mutual interest, [...] promote ASEAN's centrality, the Asia-European partnership, the ASEAN-EU strategic partnership, [and] contribute to maintaining peace, stability, and prosperity in the region" (Hung Cuong 2021).

In an interview, an expert on international relations and diplomacy of Vietnam emphasized that Vietnam always welcomes initiatives to promote regional cooperation and stability, based on the foundation of international law. Vietnam hopes that the EU's Indo-Pacific strategy will be a driving platform to help promote bilateral relations, which have achieved many achievements in the past 31 years.

For the EU, Vietnam plays the role of a bridge to help the bloc open talks with other countries in the Indo-Pacific region and Southeast Asia. For Vietnam, strengthening ties with the EU is part of its foreign policy objective to engage multiple major powers and diversify strategic partnerships.

Features of the EU's approach outlined in its strategy demonstrates its pioneering position in establishing the international legal order, including emphasizing the promotion of cooperation; prioritizing to address global issues such as climate change, biodiversity loss, the economic impact of the pandemic, gender equality, green partnerships, and sustainable ocean governance; while expressing a desire to take the lead in addressing transnational security

challenges such as cybersecurity, piracy, and trafficking; and asserting the protection of maritime supply routes as its vital strategic interest. Furthermore, the EU's emphasis on 'normative dimensions of a rules-based and peaceful order' could bring several tangible gains to stability and multilateralism, which would benefit Vietnam.

3.2. The EU contribution to containing China's aggression

Although not explicitly singled out, China is an inevitable factor in each priority area. The EU states an approach of 'cooperation not confrontation' and a 'multifaceted' engagement with China to maintain a peaceful role in the region. China is a key partner in the fight against climate change, and a net security provider in maritime transnational challenges such as illegal, unreported, and unregulated fishing and counter-piracy operations. However, the EU strategy also outlines how it will 'continue to protect its essential interests and promote its values', pushing back through 'restrictive measures... where fundamental disagreements exist'. The strategy warns that tensions around contested territories and maritime zones, such as in the South China Sea and the Taiwan Strait, "may have a direct impact on European security and prosperity." This position is even more pronounced when considering that no other individual Indo-Pacific strategy has explicitly outlined these tensions. The approach resonates within the countries that are being exposed to the risks of continued engagement with China like Vietnam.

It will be hard for the EU to ensure Chinese cooperation in the absence of a resolution on pre-existing disputes. And although how the EU manages to simultaneously collaborate and compete with China remains a big question, the presence of a strategy of the EU mentioning these issues is already welcomed from the Vietnamese point of view. The South China Sea dispute is currently the most serious national security challenge for Vietnam due to China's increasing assertiveness there over the past 10 years (Lee 2021). Vietnam is diversifying its strategic relations and trying not to rely on any single partner to counter China in the South China Sea. Vietnam has grounds to hope that, with the presence of the EU's Indo-Pacific strategy, issues related to territorial disputes or freedom of navigation at sea will be discussed by multilateral mechanisms and according to the rules of international law.

3.3. The strategy offers an opportunity to alleviate the rivalry between the US and China

US-China comprehensive competition has been playing out on an increasingly global scale. The competition's primary focus is the vast Indo-Asia-Pacific region, and it is centered in Southeast Asia. The United States and China each possess comparative advantages in the region. Beijing's advantages are predominantly economic and diplomatic, whereas Washington's are more

multifaceted. In that context, ASEAN and individual member states would not want to choose sides. Like its ASEAN peers, Vietnam also wants to maintain a balance between the two powers.

The EU's positive approach of 'cooperation not confrontation' is welcomed by all partners who are wary of picking sides in the looming US-China rivalry. Especially for ASEAN states and Vietnam, any EU attempt at bridging differences with potential adversaries would help dilute great-power competition and provide room for maneuvering between the two rival superpowers. Although neither China nor the United States is mentioned explicitly in the EU document, the rivalry between the two countries looms large over the bloc's approach to the Indo-Pacific. The headline goals of the new EU strategy, agreed by ministers on April 19, highlight the 'intense geopolitical competition' underway in the region between the United States and China. The European Union would recognize that to make a difference in the Indo-Pacific, it must work to lower the temperature, not add to it. The European Union can do so by encouraging a broader, more inclusive, and nuanced conversation in the region that is not dominated by hard security ideas.

Overall, what Vietnam and ASEAN as a region require is help from all the major powers. Surviving and recovering from the ravages of the Covid-19 pandemic will be the focus for Southeast Asia for the near future – a need that will be met more effectively by careful cooperation rather than wasteful competition. This is also true for Vietnam. Therefore, the presence of the EU in the Indo-Pacific offers an opportunity to alleviate the region's complex realities like the rivalry between the US and China.

Conclusion

As a member of ASEAN and with an important geo-strategic and geo-economic position, Vietnam is considered a like-minded partner for the EU. The relationship between the EU and Vietnam has lasted 31 years and has witnessed great progress in recent years, especially the signing and ratification of the EVFTA and EVIPA. Although it takes time to evaluate the practical implementation of the EU strategy for cooperation in the Indo-Pacific, Vietnam has a positive perception of the EU's and its members' approach to the region. The strategy will bring about grounds for developing the existing partnership between the EU and Vietnam. The EU's activities in the Indo-Pacific are expected to contribute to the containment of China's aggression and would alleviate the rivalry between the US and China. The presence of another multilateral actor in the region is hoped to intensify the stability and prosperity of this emerging region.

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