

THE EUROPEAN UNION

THE SECURITY ENVIRONMENT

The European Union. Europe is not a state. It is a regional grouping of states organized by and around the European Union (EU), formerly the European Community (EC). The EU has recently been expanded to include fifteen members—Sweden, Finland and Austria are the newcomers—and has developed into a major center of gravity for the whole continent up to, and even beyond, the boundaries of the former Soviet Union.

Within the international relations system, the EU represents both more and less than the sum of its fifteen member states. External relations are still basically determined in respective national capitals, rather than in Brussels, and national policies beyond the realm of the EU still often compete with each other. Policy differences are based in part on different assessments of national interests and in part on distinctive foreign policy styles. The United Kingdom (UK) and France tend to define their foreign policy roles outside Europe in terms of traditional Great Powers. Germany, the third major player, has developed a rather different approach—that of a *civilian power* which strongly emphasizes multilateralism, international institutions and the rule of law. The following analysis primarily focuses on these three major countries. On the other hand, the EU already has evolved a common external economic policy, and may be in the process of developing a substantive common foreign and security policy. In this sense, the EU already has become more than the sum of its member states and in the future may well develop more and more elements of a common (or at least closely coordinated) foreign and security policy. The term *Europe* is used throughout this paper to describe the EU and its three most important member countries.

Security Interests and Involvements in the Asia Pacific. Apart from a few vestiges of Europe's former colonial empires and influence, Europe does not have direct security stakes and commitments in the region. Rather, European interests are predominantly economic. Those economic interests are, however, quite substantial and are growing rapidly. European trade with East and Southeast Asia now easily surpasses its trade with the United States and represents more than three times the value of total trade with Eastern Europe. However, in terms of foreign direct investment (FDI), Europe has fallen back to the point where it accounts for only about 10 percent of total FDI in East and Southeast Asia. The problems inherent in that weak position have now been

recognized in Europe, and there are signs of a major push for a stronger European FDI presence in the Asia Pacific.

While economic interests dominate European policies towards the Asia Pacific region, those interests have implications in the security realm as well. First, a growing European awareness of the economic importance of the Asia Pacific region has given rise to a number of efforts by the EU, by governments and by the private sector to enhance Europe's presence and profile in the region. Counted among those efforts have been the EU's *New Asia Strategy*, formally passed by the European Council in December 1994, the German government's earlier *Asia Concept* of 1993 and the determination by German industry, in particular, to push more strongly into the region, symbolized by the formation of an Asia Pacific committee of German industry. Those efforts, in turn, have led to the recognition that EU involvement in the region is to be taken seriously, Europe can not confine its activities to trade and investment alone—it also needs to show its flag(s) politically. Hence the expression of interest in a more substantive security dialogue with the region, which comes across clearly in the documents cited above, as well as in the growing number of high-level political visits to the region by senior European statesmen. The most important expression of this new European commitment to a closer relationship with East Asia has been the Asia-Europe Meeting (ASEM), which brought together 15 heads of state and government (or, in the case of four countries, their representatives), as well as their foreign and economics ministers, and the President of the European Commission from the European Union, with their opposite numbers from the seven ASEAN members as well as from China, Japan and the Republic of Korea in early March 1996 in Bangkok. The ASEM process will continue both at the summit level (with the next meeting planned for 1998 in London) and at the level of ministers and senior officials.

Second, with the demise of the Soviet threat the meaning of security has begun to change and broaden. The concept of security in Europe, as elsewhere, now increasingly encompasses non-military threats—e.g. international terrorism, ecological disasters—and economic issues. It has also become increasingly global in nature—e.g. proliferation of weapons of mass destruction, drugs, global environmental changes. The Asia Pacific region in many ways constitutes an integral part of those new dimensions of international security and thus increasingly appears on the European security agenda.

Third, the EU is built on a fundamental, qualitative transformation of inter-state relations, a transformation which has substituted the rule of law for the old paradigm of balance of power. Over time, however, this internal transformation

will be stable only if Europe's international environment itself changes in this direction. It has already done so in the context of the transatlantic security community binding together America and Europe, but beyond that many questions arise. Europe thus has a high stake in efforts to transform international relations themselves into a system with more rules and institutions and less balance of power and war. Such efforts will be bound to fail, however, if they do not find support in the Asia Pacific region. Thus Europe has an interest both in regional stability and transformation in the Asia Pacific region itself, as well as in cooperation between the two regions with regard to issues of global governance.

Fourth and last, Europe has important partners in the region and may share some of the region's security concerns out of a sense of solidarity with those partners. One obviously has to recognize that the effective reach of such solidarity is limited, but it would also be wrong to completely dismiss this dimension. The UK's participation in the Korean Energy Development Organization (KEDO) for example, is probably best understood in terms of the close political relationship between Britain and Japan.

In sum, while Europe has no direct and vital security stakes in the Asia Pacific, there are a number of direct but important European security concerns. Those may be summarized as follows:

- Concerns about threats to international security—e.g. a nuclear North Korea, China as a Great Power.
- Concerns about the international order—e.g. the viability of the WTO and the UN; and
- Concerns about threats to social security in Europe stemming from the region—e.g. drugs, global environmental changes.

Given the nature of Europe's interests and stakes, its geographical distance and its relative lack of power resources in the region itself, the EU's responses to security threats in the region inevitably will have to be supportive in nature. In other words, Europe will, in general, follow its partners in the Asia Pacific region rather than lead them or maintain an independent security role. Its own postwar experiences, as well as the logic of European integration and the nature of its involvement in the Asia Pacific, will also argue for supporting multilateral endeavors wherever possible and promising. Indeed, where Europe acts as one, or at least in close coordination, it will almost be bound to favor multilateral approaches—as witnessed by the long-standing dialogue between the EU and

ASEAN and European involvement in the ASEAN PMC, the ARF, CSCAP, and most recently in ASEM. Europe's own experiences with multilateral security cooperation and arms control/disarmament, both positive and negative, may be additional (if intangible) assets in such contexts.

It is another matter whether European countries will be able to act in close concertation. Individual countries may well feel obliged to pursue their own, national agendas unilaterally, even in competition with other European countries. France's determination to go ahead with nuclear testing in the South Pacific against strong misgivings and outright opposition from other EU members, let alone the outcry in the region itself, clearly underlines this. It is difficult, however, to see how such unilateral national actions, or even European unilateral moves, could do anything but hamper effective security arrangements for the region. At best, European unilateralism is thus likely to be ineffective, at worst it may damage security in the region.

DEFENSE POLICIES AND ISSUES

Defense Policies. In recent years, Germany, France and the UK have all been upgrading the importance of their economic and political relations with the Asia Pacific region, and have intensified bilateral relations, including security consultations. In Germany, the government has formally established the *Asia Concept* as the framework for closer relations with the region—the only such regional policy framework ever passed. The commitments expressed in this document have been given substance by a number of high-level visits in the region by the Chancellor, the Foreign Minister and the Minister of Defense (as well as others). Overall, security issues have played a minor but significant role in those bilateral discussions. France in recent years has fundamentally restructured its policies towards China and Japan. Under intense pressure from mainland China, Paris had to accept an end to arms sales to Taiwan and has since tried to regain its share in the lucrative mainland markets by towing Beijing's line. Meanwhile, the UK has been awkwardly trying to straddle the line between its commitment under the agreement to return Hong Kong to Chinese sovereignty by 1997 and its obligations towards the people of Hong Kong and their future. Its relations with Japan, however, are the best of any European country and the UK is working hard on upgrading relations with South Korea. Lastly, the European Union has passed both the *New Asia Strategy*, which among other things argues for a stronger and more substantive security dialogue with Asia, as well as documents laying out new strategies towards Japan and China, which aim at substantially upgrading and developing those two relationships.

Defense Presence. Europe's direct military presence in the Asia Pacific region has shrunk to a few remnants. In Hong Kong, the UK will maintain a small force of 1,900 (a 1,400-strong Gurkha infantry brigade, three Peacock patrol craft and a Wessex helicopter squadron) until 1997. Formally, Britain retains membership in the Five Power Defense Agreement but has phased out any direct military presence in that region. France's military presence in 1995 numbered about 8,000 men, divided between New Caledonia, Polynesia and the Pacific Naval Squadron. The latter consists of three frigates, some patrol vessels, reconnaissance aircraft and support ships. Nuclear testing is perhaps the most significant—and to many the most objectionable—security activity undertaken by France in the region. After completion of its most recent and final round of nuclear tests in the South Pacific, 174 out of a total of 191 French nuclear tests had taken place there. The nuclear tests site, however, has already been disbanded, and in all likelihood will no longer be used. Even so, France retains considerable strategic interests in the South Pacific, as its possessions there underwrite one of the largest single maritime claims to exclusive economic exploitation of ocean surface.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

In recent years, Europe has increasingly become aware of the importance of Asia Pacific for its own future. This awareness, and the consequent determination to upgrade Europe's presence and profile in the region, has been distributed somewhat unevenly, with the three major countries, and generally Northern and Western Europe, in the vanguard. Southern Europe has been lagging behind. Still, a number of initiatives have been taken not only at the level of the three most important countries, but also by the European Union as a whole.

Peacekeeping Activities. Europe (France in particular) has played a significant role in efforts to settle the civil war in Cambodia. Important numbers of French, British and German soldiers have participated in the UNTAC operation in Cambodia.

Participation in Multilateral Fora. Europe has also been involved in the aforementioned multilateral regional security activities both at the official and at the NGO level—ASEAN PMC, ARF. Europe is represented in those fora by a troika of the foreign ministers of the past, the present and the incoming presidency country of the EU, and by a member of the European Commission. Several European Union member countries, as well as the EU itself, also financially participate in the Korean Energy Development Organisation (KEDO),

which serves to underpin North Korea's abolition of its military nuclear options. In CSCAP, a European group has been formed under the name of ESCSAP to ensure participation in all CSCAP activities.

Arms Transfers. Europe is involved in the security of Asia Pacific as a major supplier of arms. According to data supplied by the United States Arms Control and Disarmament Agency, from 1991 to 1993 Western Europe sold a total of \$1.750 billion worth of arms, or about 16.5 percent of total East Asian arms imports (\$10.635 billion) during that period of time. A breakdown by supplier countries shows Germany as the most important arms exporter to East Asia (\$615 million) followed by the UK (\$520 million) and France (\$335 million). This contrasts sharply with the general attitudes and policies of those three countries towards arms sales. While the UK and France basically have pursued commercial export-oriented policies towards arms, German policy has traditionally been rather restrictive—e.g. no arms to be supplied into areas of tension.

There are several special factors which explain Germany's importance as an arms exporter to the region. First, as a result of unification Germany acquired large arms deposits from the former GDR, but also found itself under stringent obligations to reduce total levels of military equipment as a result of conventional arms control agreements in Europe. Germany has thus tried to reconcile huge stockpiles and severe cutback obligations by exporting surplus arms liberally. One large arms sale resulting from this (agreed to in 1994 and thus not included in the data given above) was the sale of much of the former East German navy to Indonesia. Second, Southeast Asia is not considered an area of tensions, apart from Cambodia, and therefore has been able to contract for German arms. Third, data for German arms sales also reflect exports of military equipment produced jointly with France and other European countries. Recipient countries may procure such arms from France, but they will contain a large German component.

There have as yet been no common European approach to arms transfers and, given strong national traditions and military-industrial competition between French and British interests, such an approach will be difficult to achieve. For the foreseeable future, arms exports are therefore likely to remain the prerogative of national policy. It should also be noted, however, that defense budget pressures have put military industrial establishments in Western Europe under strong pressure to rationalize and that transnational military-industrial co-operation may therefore increase.

Although global in nature, the UN register of conventional arms transfers, set up at the joint initiative of Japan and the EU, is also of relevance to the Asia Pacific region.

Overseas Development Assistance (ODA). Lastly, Europe indirectly tries to contribute to the stability of the region through its provision of substantial development assistance. From 1976 to 1991, European ODA to East and South-east Asia totaled about \$11.7 billion. That was about half of Japan's ODA (\$25.6) but almost three times the level of American ODA (\$4 billion) for the same period. In South Asia, European ODA during those years totaled \$18 billion, considerably larger than the combined total of ODA provided to the region by Japan and the United States.