

Approaching East Asia: the EU's Foreign Policy towards China and Japan

*Georgios Zacharias**

Abstract: Why is the East Asia region so important for the European Union? What are its interests and what challenges does it face? How it approaches its main strategic partners in the region, the People's Republic of China and Japan? The current paper is trying to answer these questions providing an analysis of the foreign policy of the EU in the region as it has formed throughout the last decade. It focuses mainly on a brief review of the literature and the research progress which has been accomplished so far with the purpose of identifying new challenges, weaknesses and factors that need to be included in future research. In the first part, there will be an effort to describe the interests, priorities and challenges of the Union. In the second part, there will be an analysis and description of the EU foreign policy towards its two major partners in East Asia, highlighting the main elements of their bilateral relationships. Lastly, there will be an effort to provide the future trends and possible actions to be taken by the EU, in order to further consolidate its presence in the area via a multifaceted strategy as presented at the EU Global Strategy of 2016.

Keywords: European Union, China, Japan, International Relations, Diplomacy, Foreign Policy.

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Introduction

The engagement in East Asia is undoubtedly of paramount importance for the European prosperity and interests. It is also true that the Asia-Pacific region was not always a priority area for the external relations of the EU.¹ The Union was mainly focusing on their bilateral relationship with the US, Russia and its neighbors in the Middle East. Nevertheless, the majority of its strategic partnerships are formed with countries located in the Asia/Asia Pacific region, including two of the world's biggest economies, the People's Republic of China and Japan.²

The EU Global Strategy, adopted in June 2016, seems to fully acknowledge the importance of it. It declares the need for a "direct connection between EU and Asia" and especially with major players in East and South East Asia which "expect the European Union to play a major role, including as a global security provider" other than being a simple economic actor.³ Nonetheless, the EU began to take action towards cooperation in

1 Takako Ueta, "EU Policy toward Asia and the Pacific: A View from Japan," Robert Schuman Centre for Advanced Studies 15, (March 2013): 1, <https://www.eui.eu/RSCAS/Publications>.

2 Ibid, 1-2.

3 "A Global Strategy for the European Union's Foreign and Security Policy", European Union External

* Sciences Po Paris. E-mail: geozach96@yahoo.gr.

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East Asia long before the adoption of the Global Strategy. Since 1994, when the ASEAN Regional Forum was established with the Union as a founding member, more agreements took place in order to consolidate the European Union's presence in East and South East Asia. These include among others, the adoption of the "Europe-Asia Strategy" in 2001 and more importantly, regarding the sub region under discussion on this paper, the adoption of an EU policy in East Asia in 2012.⁴

It is also beyond question that the EU has significant interests in the region and numerous challenges to confront as well. As a result, the top priority of the EU was always to preserve and protect its economic interests through a soft, preventive and mainly economic diplomacy, with the main objectives to be the economic expansion and development of the Union, the maintenance of freedom of navigation, the non-proliferation of weapons of mass destruction (WMDs), conflict resolution and dealing with security threats such as piracy and terrorism.⁵ However, in order for the Union to pursue its interests in the region, current policies are not enough. At the very moment, the perception of the EU by numerous countries in the Asia Pacific, including its strategic partners, is of an EU incapable of demonstrating "hard" power in the region. The geographic limitations, the unwillingness of the EU member states to acquire a common stance towards the EU's foreign policy goals and the absence of military presence in East Asia are some of the reasons the Union is only perceived as a huge economic actor but as a negligible political one. This is also the main reason that the EU is still not participating in the East Asia Summits, the primary strategic and security forum in the region. Asian countries are not relying to the EU for their security and they seem to have different approaches towards international relations. The EU is advocating "soft power" approaches where countries in the region are holding a more realistic "hard power" approach especially regarding the expansionism of China in recent years. The EU, as mentioned in the Global Strategy of 2016, need to demonstrate a new strategic profile and be considered a strong, considerable, political and security actor in the area, shifting its priorities towards East Asia and the Indo Pacific.⁶

Deepening security and economic cooperation with its partners in East Asia is a strong prerequisite for the above objectives to be accomplished. In order for this accomplishment to take place, the way EU approaches and engages with China and Japan, the two biggest economies of the region and strategic partners of the Union, is pivotal. The purpose of the current paper is to highlight these objectives, interests and challenges the EU faces, trying to implement its foreign policy in East Asia. More specifically, the current paper will focus on the bilateral relationship of the EU with China and Japan. It will be an effort by

Action Service, last modified June 28, 2016, 3, http://eeas.europa.eu/archives/docs/top_stories/pdf/eugs_review_web.pdf.

4 Antonio Missiroli, "The EU and the World: Players and Policies post-Lisbon," *EU Institute for Security Studies* 1, no. 1, (2016): 140.

5 Ueta, "EU policy," 6-7.

6 European Union External Action Service, "A Global Strategy," 8-9.

the author to demonstrate the current strengths and weaknesses of these two relationships, responding to the questions of why are so important for the EU, how the latter approaches them and what are the challenges that need to be surmounted. In the conclusion part, the findings of the research will be briefly demonstrated, along with possible trends and actions the Union should follow in the future so as to further consolidate its presence in the region.

EU Interests and Priorities

The East Asia region is of paramount importance to the EU's core interests. This has been highlighted during both the "Guidelines on the EU's foreign and security policy in East Asia" of 2012, as also at the EU Global Strategy of 2016. All the previous years there have been numerous policy papers issued by the EU Commission and the Council regarding the EU Strategy in Asia, giving extreme importance at the sub region under discussion as the "home of some of the world's largest and fastest growing economies."⁷

Thus, the EU is highly dependent on Asia due to its importance in the global trade. The whole region accounts for 35% of EU exports (618 billion Euros) and 45% of EU imports (774 billion Euros) according to the Commission's Joint Communication of September 2018. More specifically on the East Asia region, the EU is maintaining four out of its ten Strategic Partnerships with China, Japan, South Korea and India. In economic terms and regarding the amount of bilateral trade conducted each year, China is the 2nd largest trading partner after the US; the ASEAN members collectively constitute the 3rd one; while Japan and South Korea are among its top 10 larger trading partners worldwide.⁸

EU is in the mean time a major provider of foreign direct investment (FDIs) in respective countries of the region, such as China and South Korea, accompanying the investments with a strong advancement in interpersonal contacts and especially the tourist sector. For instance, more than 4 million Chinese tourists in 2011 have visited the European Union with their numbers augmenting each year contributing vastly to the overall European budget.⁹ Strong financial links between East Asia and the EU market and businesses are also created through the free trade agreements (FTAs) that are being negotiated or are in place. Significant commercial opportunities have been advanced through them with the examples of the FTAs with Japan and Singapore being in place since 2019 and South Korea in 2015, being also the largest investor of the latter since 1962.¹⁰

7 "Guidelines on the EU's Foreign and Security Policy in East Asia", Council of the European Union, accessed April 12, 2020, http://eeas.europa.eu/archives/docs/asia/docs/guidelines_eu_foreign_sec_pol_east_asia_en.pdf.

8 David Kang, "China, Hegemony, and Leadership in East Asia," in *Responding to China's Rise: US and EU Strategies*, ed. Vinod Aggarwal and Sara Newland (Switzerland: Springer International Publishing, 2015), 28.

9 Ibid, 30.

10 Maria Garcia, "Fears and Strategies: The European Union, China and their Free Trade Agreements in East Asia," *Journal of Contemporary European Research* 6, no. 4 (2010): 498.

The East Asia region is conjointly a large market of military technology and arms sales for the EU states. Throughout the last decade the military expenditures of the countries located in the Asia Pacific have augmented by 5% and during the period of 2007 to 2017 the numbers have risen by 47% regarding the Southeast Asian countries.¹¹ The region has become a central market for the EU arms producers, exporting vast amounts of military hardware including transfer of technology agreements as well. Such examples of the EU involvement in the region are the technological transfers to China; the military equipment provided to all domains to South Korea since 1980 by implementing the EU-South Korea Framework Partnership Agreement; new arms trade with Japan after the alteration of its respective policies since 2014.¹²

In addition to the above, the South and East China Seas are of huge geopolitical importance as they constitute international transport corridors and important Sea Lines of Communications (SLOCs). Approximately 60% of global shipping by volume takes place in the area including more than the ¼ of the EU international trade especially crossing through significant “choke points” such as the Straits of Malacca and Taiwan.¹³ As a result, protecting these transport corridors equals the protection of the EU trade, the European Markets and provides safety of investments in the area. Nevertheless, the vulnerability of the SLOCs and the possibility of a conflict in the aforementioned maritime areas, due to the expansion of the Chinese claims, have raised security concerns between the EU member States. A possible Chinese militarization and interruption of the freedom of navigation in the area under could provoke heavy damages to the European markets as well as huge trade deficits jeopardizing the EU investments in the region.¹⁴

Of course, the economic interests of the EU as briefly presented above, are in strong alignment with its ambitions of becoming a strong security and political actor in the region and subsequently a global one. Fostering and enhancing the security cooperation with its partners in East Asia have been highlighted thoroughly in the EU Global Strategy of the 2016. In practice, the EU political engagement includes the conduction of dialogues with its regional counterpart, both formally and informally and in bilateral and multilateral fora.¹⁵ These include several actions taken such as the bilateral Strategic Partnership Agreements which have been signed with several countries of interest as mentioned before; a stronger engagement at the ASEAN Regional Forum (ARF), in which the EU was a founded member in 1994; the further commitment in the Europe- Asia Meeting (ASEM) processes, a formal forum assembling the ASEAN members along with China,

11 Felix Heiduk, “European arms exports and the South China Sea conflict,” in *Guns, Engines and Turbines: the EU’s Hard Power in Asia*, ed. Eva Pejsova (Belgium: Bietlot Press, 2018), 15-23.

12 Heiduk, “European arms,” 22.

13 Missiroli, “The EU and the World,” 140.

14 Nicola Casarini, “Visions of North-East Asia: China, Japan, Korea and the EU,” EU Institute for Security Studies, June 20, 2014, <https://www.iss.europa.eu/content/visions-north-east-asia-%E2%80%93-china-japan-korea-and-eu>.

15 Missiroli, “The EU and the World,” 142.

Japan, South Korea and its European counterparts. More specifically, the EU has expanded its engagement in the ARF, the only formal security forum including 27 states, by providing the region with its expertise in crisis management, humanitarian relief and other agendas including cyber and maritime security.¹⁶

The EU also participates in the multilateral security dialogues and activities of the Council for Security Cooperation in Asia Pacific, as well as in the Treaty of Amity and Cooperation in 2012, aiming at promoting peace and cooperation in South East and North East Asia. These actions were an effort of the EU to counterbalance its absence of military presence in the region.¹⁷ The latter has always been a severe disadvantage of the EU in order to establish its presence as a security actor in the region. Specifically, the only EU member with operational military presence in the region is France, a fact that cannot be perceived as a collective EU engagement in military and strategic terms.¹⁸ At the same rational, the most recent EU involvement was in the South Korea's framework of the Northeast Asia Peace and Cooperation Initiative (NAPCI), aiming at cooperation at the fields of energy, environment, disaster management and trust building.¹⁹

All the above measures can be considered EU efforts in order to actively be involved in regional security issues and safeguard its interests especially in East Asia. With the above engagement in multilateral security fora, the main objective is to counter traditional and nontraditional security threats, such as piracy, terrorism and radicalization, illegal human and drugs trafficking and other disasters. Its foreign policy also focuses on the non-proliferation of nuclear weapons and the North Korean security threat as well as the maritime challenges and territorial disputes in East and South East China Seas in order to achieve stability, development and stable markets and investments in the region.²⁰

The EU approach towards China

The EU-China bilateral relationship is continuously growing through the years and since their official establishment in 1975. As stated at the Joint Communication of 2019 regarding the strategic outlook of China, the two partners are “linked by an enduring relationship” being “two of the three largest economies and traders in the world.”²¹ China

16 Ibid, 146.

17 Nicola Casarini, “Security developments in East Asia: what implications for the EU,” EU Institute for Security Studies, February 15, 2011, <https://www.iss.europa.eu/content/security-developments-east-asia-what-implications-eu>.

18 Ibid.

19 Michael Reiterer, “The European Union in the Asia-Pacific: strategic reflections,” in the *The European Union in the Asia-Pacific: Rethinking Europe's Strategies and Policies*, ed. Weiqing Song and Jianwei Wang (Manchester: University Press, 2019), 15-56.

20 Mercy Kuo, “What the EU Thinks of the US ‘Indo-Pacific’ Strategy,” *The Diplomat*, January 31, 2018, <https://thediplomat.com/2018/01/what-the-eu-thinks-of-the-us-indo-pacific-strategy>.

21 “EU-China: A Strategic Outlook,” Joint Communication to the European Parliament, the European Council and the Council, last modified March 12, 2019, 2, <https://ec.europa.eu/commission/sites/beta-political/files/communication-eu-china-a-strategic-outlook.pdf>.

is also referred to the document as a “key global actor” and a “strategic partner.”²² The cornerstone of the relationship can be considered to be the EU Strategy on China of 2016 which clears the objectives and challenges towards the latter, and develops a strategic concept for the future. As it is declared within it, the EU shall focus on strengthening its relationship with China, “involve in its reform process,” promote “fair conditions of competition” and “respect for the rule of law and human rights.”²³ As it is obvious, the EU is trying to conceptualize the relationship with its East Asian partner through a multifaceted approach.

Nevertheless, the above framework is not the only one addressing the EU-Chinese relationship. Since the EU-China Trade and Cooperation Agreement of 1985, many initiatives have taken place fostering the latter. These include for instance: the EU-China Comprehensive Strategic Partnership announced in 2003, aiming at addressing pressing security and economic issues, political affairs and people to people exchanges; the EU-China 2020 Strategic Agenda for Cooperation (2013); the EU’s China Strategy Paper in 2016; and the Bilateral Investment Agreement of 2013 along with the initiation of the High Level People to People Dialogue (in 2012).²⁴ The purpose of the above initiatives was mainly the further engagement of the two partners in the areas of economic cooperation (including bilateral trade, direct investments, technological innovation and connectivity) as well as political and security issues, including the non proliferation of Nuclear weapons in North Korea, “effective multilateralism”, human rights and “upholding the rules based international order.”²⁵ Even if the cooperation and certain goals have been achieved and the economic relations have grown rapidly, challenges still exist both in economic and political aspect.

Regarding the economic relationship, the interdependence between the two partners is rather obvious. As presented by the quantitative analysis of their trade relations by Jitaru and Popescul (2017), there appears to be a very strong link between EU-China imports, exports, trade and investment and the total EU GDP.²⁶ As it is also stated together they are accountable for the one third of the World GDP, more than the one fourth of the world’s population, being also accountable for “more than two fifths of the global exports and imports.”²⁷ Thus, the EU-China agreements on pivotal economic sectors have created a large volume of trade and interdependence between the two partners. Providing the latest

22 Ibid, 1.

23 “Elements for a new EU Strategy on China,” Joint Communication to the European Parliament and the Council, last modified June 22, 2016, 3, http://eeas.europa.eu/archives/docs/china/docs/joint_communication_to_the_european_parliament_and_the_council_-_elements_for_a_new_eu_strategy_on_china.pdf.

24 Ueta, “EU policy,” 10.

25 Joint Communication, “A Strategic Outlook,” 3.

26 Loredana Jitaru and Lorenta Florentina Popescul, “Economic relations EU-China - the mechanism that the European Union outlines the position of the economic actor,” *Centre for European Studies* 9, no. 3 (October 2017): 263, <https://ideas.repec.org/a/jes/wpaper/y2017v9i3p255-271.html>.

27 Ibid, 257.

figures, China is currently the EU's second largest trading partner, ranking 1st as an EU partner regarding the volume of imports, with a total trade value of 560 billion Euros in 2019.²⁸

In addition to the above, since 2013, the EU and China have launched negotiations regarding a bilateral investment agreement, which ideally will enhance and rebalance their relationship by lifting market access barriers to EU, clarifying a set of unified investment rules extending the cooperation to new areas. These include green economy, knowledge transfer, advanced technologies as well as standards, innovation and connectivity mainly via the Investment Plan for Europe and the EU-China Connectivity Platform.²⁹ To further pinpoint the importance of the economic relationship, since 2012 the EU has been the number one destination for Chinese foreign direct investment (FDIs), leading to more mutual investments that are vastly growing.³⁰

Meanwhile, the EU faces some severe challenges as also mentioned before. In the economic section of the relationship, there appears to be severe burdens regarding several issues. First of all, there is a vastly unbalanced trade. There is a growing trade deficit with the latest figures showing a difference of 163, 5 billion Euros in 2019 between the respective imports and exports.³¹ Secondly, the Chinese investment practices are accused of not being transparent, including "financial dumping practices and violations of the WTO's regulations."³² Other impediments to the business opportunities in China that damage the mutual economic development are bureaucratic constraints and different existing regulations between the EU and China regarding mainly the intellectual property rights and cash subsidies to the Chinese companies.³³

In addition to the above, the political and security challenges arose as China became a global actor. Even if they do not perceive each other as a security threat and the EU follows the "One China Policy" aligning with Beijing, it also calls on the latter to respect the rule of law and the international rules. The accusations of human rights abuses, environmental issues and territorial disputes are of great concern for the EU and they constitute severe impediments at their relationship, creating limitations at expanding the cooperation between them. As a result, the two partners seem to be divided over political values, perceptions of the International Law and the aggressive behavior of China towards its neighbors.³⁴ The EU arms embargo that is maintained since the Tiananmen violent repression of 1989 is also a burden until now.

Regarding the territorial disputes, the EU is more than worried regarding their evolution

28 "European Union, trade in goods with China," European Commission, accessed April 22, 2020, 1, https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_china_en.pdf.

29 Missiroli, "The EU and the World," 162.

30 Jitaru and Popescul, "Economic Relations," 261.

31 European Commission, "Trade in goods with China," 3.

32 Jitaru and Popescul, "Economic Relations," 257.

33 Ibid, 262.

34 Missiroli, "The EU and the World," 162.

in the future. Possessing significant shipping/trade and investment interests in the South and East China Sea, where territorial disputes take place between China and Southeast Asian states in the first one and Japan in the latter, the EU is mainly dealing with China through declarations in order to ensure freedom of navigation in the maritime area. In addition, the constant conflict between PRC and Taiwan, endanger the economic interests of the EU in the Asia Pacific, where the latter represents also one of the largest trading partners of the EU with significant ties established.³⁵ As a result, high tensions in the disputed areas triggered by the Chinese claims, could lead to financial losses of the EU industries and markets. The militarization of the South China Sea, the artificial islands building, the denial of the ICJ's arbitration regarding the case against Philippines are some of the security and political issues that the EU needs to take into consideration when approaching China.³⁶

Lastly, it must be noted that creating a common EU Strategy towards China is also a problem by itself. There is no doubt that there is a lack of unity in the way EU member states approach China. Each one of them has its own individual policy and bilateral agreements with the latter according to their countries' interests.³⁷ Therefore, the approach towards Beijing and its political values differ as well between member states. In general, according to the Lisbon Treaty, the EU members shall promote its core values in its external relations: democracy, rule of law and human rights. Nevertheless, member states approach the political ideology or human right violations of Beijing differently. In some countries such as Hungaria, Romania, Portugal or Greece, where Chinese investments in sensitive economic sectors have taken place, their overall stance towards the different political values of China remain passive or sometimes even counteractive. Other countries on the other hand, such as Germany or Sweden, have vocally expressed their concerns and they are creating cooperative projects in China in order to promote and strengthen western values.³⁸

Because of the above fragmentation the EU Commission's Joint Communication regarding China is highlighting the need for the EU members to "ensure consistency with EU law and policies" when dealing with China and that "neither the EU nor any of its Member States can effectively achieve their aims with China without full unity."³⁹ The European Commission's approach of course is correct and the matter is crucial. Beijing, even without any conscious effort, can proceed to "divide and rule" tactics thanks to the

35 Alex Berkofsky, "The EU's Relations with China, Japan and North Korea: Implications for the EU's Role and Engagement in Asian Security," in the *Perspectives for a European Security Strategy towards Asia*, ed. Gustaaf Geeraerts and Eva Gross (Brussels: VUB Press, 2011), 130.

36 Kang, "China, Hegemony, and Leadership in East Asia," 32.

37 Jitaru and Popescu, "Economic Relations," 262.

38 Björn Jerdén and Tim Rühlig, "Europe's Divided Approach to China and Human Rights," *The Diplomat*, March 25, 2019, <https://thediplomat.com/2019/03/europes-divided-approach-to-china-and-human-rights/>

39 Joint Communication, "A Strategic Outlook," 2.

huge range of the bilateral agreements between it and the member states, undermining the EU's negotiation efforts and its position as a global actor.⁴⁰

The EU-Japan relationship

The bilateral relationship between the two actors is becoming more profound through the years as Japan is historically the most reliable partner of the EU. Both parties perceive each other as advocates of democracy and human rights, using diplomacy and soft power in order to settle their differences.⁴¹ In general, the bilateral relationship is well established in both political and economic terms. Since the establishment of the EU delegation in Tokyo in 1974, the first ministerial meeting in 1984 and the Hague Declaration of 1991 which initiated the official cooperation in the areas of economy, security and political issues, the relationship is advancing rapidly.⁴² The "Action Plan for the EU-Japan Cooperation" took place almost a decade after the Hague Declaration in order to further promote collaboration in peace and security and cultural exchange, as well as the Economic and Trade Partnership and the announcement of Japan as a strategic partner of the EU.⁴³

Besides the Treaties signed since then, with the most important recent signing of the Strategic Partnership Agreement in 2018, the two partners are extremely important to each other in economic terms. For the EU, Japan was ranked 6th (in 2019) as a trade partner with a total trade volume worth 123, 9 billion Euros with a relatively fair balance between imports (62,8 billion) and exports (61,1 billion).⁴⁴ For Japan the trade relationship is also of paramount importance since the EU is Japan's third largest destination of its exports after US and China, mainly in machinery and transport equipment.⁴⁵ The most recent trade agreement between the two partners which entered into force in February 2019, known as the Economic Partnership Agreement, advanced the economic relationship even further. The aforementioned Agreement removed "tariffs and other trade barriers...in order to prevent obstacles to trade", "saving European companies 1 billion euro in duties every year."⁴⁶ It is true that this advancement in the trade relationship is crucial for the future of both partners as it removes tariff barriers and custom duties allowing the bilateral trade to get boosted by approximately 36 billion euro the following years.⁴⁷ Lastly, the two

40 Michael Smith, "EU-China relations and the limits of economic diplomacy," *Asia European Journal* 12, no.1 (January 2014): 41, <https://doi.org/10.1007/s10308-014-0374-x>.

41 Jérôme Legrand, "EU-Japan cooperation on global and regional security - a litmus test for the EU's role as a global player?" *European Parliament*, (June 2018): 5, <https://doi:10.2861/86451>.

42 Ueta, "EU policy," 8-9.

43 Ibid, 9.

44 "European Union, Trade in goods with Japan," European Commission, accessed April 22, 2020, 2, https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_japan_en.pdf.

45 "Japan exports to European Union," Trading Economics, accessed April 22, 2020, <https://tradingeconomics.com/japan/exports-to-european-union>.

46 "EU-Japan trade agreement enters into force," Press Release, European Commission, last modified January 31, 2019, https://ec.europa.eu/commission/presscorner/detail/en/IP_19_785.

47 Ibid.

partners have advanced their cooperation in providing Official Development Assistance (ODA). Together as official donors, they accounted for about 60% of the total assistance in 2016.⁴⁸

In political and security terms the bilateral relationship is also advancing. Aligning with Japan, the EU is against the proliferation of the Weapons of Mass Destruction and maintains pressure in the North Korea through the UN Security Council's sanctions including assets freezes and entry denials of individuals.⁴⁹ They also complement each other in the security challenges towards China and Russia. The EU holds a more soften approach towards China trying to mitigate the tensions with Japan when in need and the latter does the same regarding Russia with which the EU holds a tougher stance.⁵⁰ This strategic cooperation has of course expanded in other areas as well. For example, the Japanese Self Defence Forces have engaged with the EU in the anti-piracy operation *Atalanta* in 2014 in the Gulf of Aden. They have also engaged together in peacekeeping/building missions under UN mandates, in economic and political projects in Africa, as well as in missions in Iraq and Afghanistan.⁵¹ It is also worth noting that the two partners are heavily dependent on their biggest ally, the US, regarding security issues and Japan is also the longest standing partner of NATO, cooperating through formal agreements in the areas of information gathering/sharing, anti-piracy missions, cyber security and disaster relief.⁵²

The EU-Japan political dialogues also include their common challenges and interests in the Asia Pacific. These include the importance of maintaining open and safe the Sea lanes of Communications in East and South China Seas, as they are pivotal for the wealth of both partners; dealing with traditional security threats internationally and regionally, such as terrorism in the Asia Pacific region; advancing cooperation through the economic agreements on energy and food security.⁵³ Similar challenges that characterize both partners such as a rapidly ageing population, natural disasters and cybercrimes have been included as mutual areas of interests in the Strategic Partnership Agreement.⁵⁴

Nevertheless, even if the bilateral relationship seems ideal, challenges exist. It is also true that these challenges are potentially more eager to be resolved or mitigated in contrast with the challenges in the EU-China relationship as mentioned above. The common perception of sharing the same values and the advanced political cooperation,

48 "Aid spending by Development Assistance Committee (DAC) donors in 2016," Factsheet, Development Initiatives, last modified April 12, 2017, <https://devinit.org/publications/aid-spending-by-development-assistance-committee-dac-donors-in-2016>.

49 Legrand, "EU Japan Cooperation," 6.

50 Ibid, 11.

51 Missiroli, "The EU and the World," 165-7; Ibid, 10.

52 Enrico D' Ambrogio, "The EU-Japan Strategic Partnership Agreement," European Parliamentary Research Service, *European Parliament*, last modified January 22, 2019, 2, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2018/630323/EPRS_BRI\(2018\)630323_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2018/630323/EPRS_BRI(2018)630323_EN.pdf).

53 Missiroli, "The EU and the World," 166.

54 D' Ambrogio, "The EU-Japan," 2.

elements that the EU has not yet acquired with China, can facilitate any processes to find solutions. The first main challenge though is rather inherent and it is a matter of perception. Japan is not considering the EU a strong political actor that can contribute in security and political issues in the East Asian region. In the dialogues concerning the North Korea's missile program for example, Japan considers the EU more as a facilitator of the process providing venues and logistical support, rather than a true mediator.⁵⁵ This perception and willingness of accepting the EU only as an external economic actor is generally spread in the region and it characterized the Japanese approach as well.⁵⁶

Another challenge to the relationship is the neutrality policy which EU follows regarding territorial disputes in the region.⁵⁷ As a general rule, the EU is calling for respect of the International Law and the UNCLOS since, as mentioned before, safe and open Sea lanes are of paramount importance for the Union. Nevertheless, in an effort to find a balance between its two major economic and strategic partners, China and Japan, the EU has not taken sides in the Senkaku/Diaoyu dispute between the two.⁵⁸ Tokyo has applied pressure to the EU in order to achieve its support in the maritime dispute, nevertheless, the latter stays reluctant and discrete.⁵⁹

In conclusion, the EU policy towards Japan faces some challenges but the bilateral interests are a priority. As mentioned before, EU approaches Japan as an equal developed country, with same values and interests which can lead to a common understanding of the global challenges and opportunities. The economic part of the relationship is more advanced than ever and the political dialogue continues with strong bases. Though, the perception of Japan and other Asian countries towards the EU as a strong economic but anemic strategic and political one is difficult to change. In addition, the discreet and careful diplomacy of the Union in order to maintain a balanced approach towards Japan and China, provoke inherently side effects such as the discomfort of its Japanese partner, nonetheless, they can be overwhelmed.

Conclusion

The EU interests in East Asia, as described in the first part of the paper, are such that an economic interdependence with its partners prevails. The main core interests and strategies the Union must follow for the years to come, have very concretely described, for the first time in such extent, in the EU Global Strategy of 2016. The EU is seeking to protect and maintain its interests through stable and transparent markets and investments, mainly with the two economic giants and Union's Strategic Partners in the Asia Pacific,

55 Legrand, "EU Japan Cooperation," 6.

56 Guy Banim and Eva Pejsova, "Prevention better than cure: the EU's quiet diplomacy in Asia," *EU Institute for Security Studies* 33, no. 1 (May 2017): 4, <https://doi.org/10.2815/288488>.

57 Legrand, "EU Japan Cooperation," 8.

58 Ibid, 8.

59 Missiroli, "The EU and the World," 166-7.

China and Japan. This protection of interests includes cooperation in more aspects other than the economic one as it has been acknowledged by the Union's leadership. Traditional and modern security threats must be addressed as well as challenges of political nature with its two aforementioned partners. Besides the above, the current changes in the global political landscape need to be further researched in order for the EU to participate more effectively in the East Asian affairs. For example, the UK's withdrawal and the effect of Trump administration in the US-China relationship shall be further examined regarding their long term consequences, in order for the EU to better safeguard its interests in the region.

Regarding the People's Republic of China, there is indeed a lot room for improvement. The main challenges are both of economic and political nature as mentioned before. Based at the profound economic cooperation and the excessive dependence of China to foreign investments, including the Belt and Road Initiative that engage EU member states, there is enough space to deal with the problems of the EU-China relationship. However, this would be impossible to happen without unity of the member states. A common strong stance must be achieved in every aspect on the ways to deal with China. In order for that to take place member states must agree to form a clear, common foreign policy as a Union towards China with a common approach towards the political issues of the latter and not holding a divided and diverse stance. This is not the case today but it does not mean that it will never will.

Regarding the bilateral relationship with Japan, even if there no such challenges of political nature as exist with China, such as human rights violations or excessive maritime claims which could halt the improvement of the relationship, still there is the issue of perception. As explained above, Japan do perceive the EU as an economic superpower but far less as a strong political and security actor that could have any influence in the East Asian region. It is true that the EU lacks political and military engagement in the area since the only EU member state with presence in the Asia Pacific is France. Nevertheless, the EU still can utilize its diplomatic leverages, pressure various actors in case of crises, advance cooperation in the defense sector (e.g. in cyber security) and take advantage of the US isolation policy in order to be a more active player in the region.

To sum up, the EU needs to become a stronger power in the East Asia region. Perceptions of the Union being just an economic/trade actor and less of a security/political one need to change in order to be more effective and proactive on safeguarding its interests. It is possible that trends in the near future are that the trade policy and preventive/soft diplomacy will be the main foreign policy tools of the EU in order to deal with the challenges in the region. Nonetheless, the issues regarding the effectiveness and cohesion of its foreign policy and its weakness to be perceived as a multifaceted actor will still exist unless further integration and cooperation between the member states take place. Being a more of a "soft" power at the time being is not of course equal to inactiveness and

ineffectiveness regarding the protections of the Union's interests. But it does appear to have certain limitations in its potential choices and actions that could possibly jeopardize the perseverance of its interests in the future, if a further multifaceted engagement fails to arise.

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