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Playing the Long Game in the South China Sea: The Potential and Limits of ASEAN-EU Cooperation

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In the South China Sea (SCS), as indeed the wider Indo-Pacific, the European Union is facing a deepening strategic rivalry between China and the United States. In the SCS, China has been able to create physical realities in defiance of international law through the construction of artificial islands in the attempt to sustain its claims to the disputed Spratly and Paracel archipelagos as well as expand its military projection deep into international waters. The US is still the predominant security player in the Indo-Pacific, but its military presence has an increasingly hard time shoring up American power in the SCS. The security dilemma between the great powers is threatening rules-based multilateralism, which runs deep in the veins of the EU and to a great extent defines its international posture.

The EU has responded to this challenge through a variety of measures, insisting on the respect for international law in the SCS and calling out China more vociferously for its incursions into exclusive economic zones of littoral states in recent years. While the EU's position is still taken into account by regional players, it is not strong enough to shape policy outcomes according to its own interests.

In line with its Indo-Pacific Strategy, the EU should double down on efforts to address the issues that constrain international regimes in the SCS in a wider regional context. This would be aimed at levelling out the bipolar playing field within the extended nine-dash line (the term with which China refers to the perimeter of the

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portion of the SCS it lays claim to)¹ into a more multipolar space in which it could conceivably play a greater role in shaping the rules. To that end, the EU should deepen its trade and capacity-building relations with the Association of South-East Asian Nations (ASEAN) and other regional actors through a series of economic, digital and security partnerships. This would allow both regional organisations to also widen their cooperation without getting dragged into China–US rivalry.

Code of Conduct

On the diplomatic front, progress has been made by ASEAN and China towards agreeing on a Code of Conduct (CoC) for the SCS, but the process has been slow, constantly frustrated by incidents at sea that have repeatedly provoked discussions to avert open conflict and possibilities of a great power clash in South China Sea.

When assuming the 2023 ASEAN Chairmanship, Indonesia vowed to expedite negotiations but, as the year draws to a close, the parties have only agreed on the so-called "Guidelines to Accelerate Negotiations for the Code of Conduct" and completed the second reading of the negotiated CoC text.² The latter resulted in an agreement on the easiest parts of the text such as the preamble and some basic principles, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS).³ While this is not insignificant common ground, it had already been agreed in principle before 2023.

In August, the Chinese Ministry of Natural Resources published the 2023 version of China's "standard map" adding a new dash to its existing nine-dash-line to include the east of Taiwan. See Ma Zhenhuan, "2023 Edition of National Map Released", in *China Daily*, 28 August 2023, https://www.chinadaily.com.cn/a/202308/28/WS64ec91c2a31035260b81ea5b.html. Chinese officials and scholars have asked people not to exaggerate the publication of the map, but the fact that the map was released with increasing incidents at sea and just before the ASEAN Summit and its related summits, including the high-level East Asia Summit – under Indonesia's chairmanship took place in Jakarta has prompted strong diplomatic responses from ASEAN member states. Run-ins between China and the Philippines have continued beyond the summit.

² Indonesia Ministry of Foreign Affairs, *ASEAN-China Agree on Guidelines to Accelerate Negotiations for the Code of Conduct in the South China Sea*, 13 July 2023, https://kemlu.go.id/portal/en/read/4956/berita/asean-china-agree-on-guidelines-to-accelerate-negotiations-for-the-code-of-conduct-in-the-south-china-sea.

See Ian Storey, "The Code of Conduct for the South China Sea: Movement in Lieu of Progress", in *Fulcrum*, 20 July 2023, https://fulcrum.sg/?p=24712.

The slow progress achieved so far has prompted criticism directed against ASEAN's decision-making mechanism (i.e. consensus defined as unanimity) and led some analysts to accuse the bloc of being "outdated" and "weak" to manage conflicts.⁴

While some of the criticism may be over the top, there exists a genuine desire among ASEAN member states' to keep great power rival at bay in addressing disputes in the South China Sea.⁵ Recent incidents including water canon attacks, vessels collisions, and China's newly published map are unlikely to change such a desire.⁶ The Philippines, despites these incidents, emphasised that it is not at war with China. Governments in Southeast Asia still think that investments from, and the market size of, China are instrumental to their development policy priorities, particularly economic growth and industrial modernisation. But Beijing's actions in the South China Sea present a greater threat than the lure of economic development. ASEAN countries would welcome more international players to help manage the disputes, without however having to choose sides between the US and China.

The potential and limits of ASEAN-EU cooperation

Given the EU's commercial interests over trade routes passing through the SCS, and thus the stability and openness of these international waters, ASEAN would do well in engaging with the European Union in a shared quest to defend international law, democracy and free enterprise in the Indo-Pacific as a wider region.

But there are limits to this inter-institutional cooperation. ASEAN has noticed increasing military presence of Europe in the region, in particular with French, German and Dutch frigates making port calls. 7 Rather than immediately relying on

⁴ See, e.g., Richard Heydarian, "ASEAN's Silence amid South China Sea Confrontation Is Deafening", in *Nikkei Asia*, 31 August 2023, https://asia.nikkei.com/Opinion/ASEAN-s-silence-amid-South-China-Sea-confrontation-is-deafening; and Michael Vatikiotis, "ASEAN Is Quietly Coming Apart at the Seams", in *Nikkei Asia*, 28 August 2023, https://asia.nikkei.com/Opinion/ASEAN-is-quietly-coming-apart-at-the-seams.

⁵ See Zachary Paikin et al., "The South China Sea and Indo-Pacific in an Era of 'Multipolar' Competition: A More Targeted EU Response?", in *JOINT Research Papers*, No. 14 (February 2023), https://www.jointproject.eu/?p=1499.

⁶ See, e.g., Enrico Dela Cruz and Karen Lema, "Philippines Says Chinese Coastguard 'Intentionally' Collided with Its Boats", in *Reuters*, 23 October 2023, http://reut.rs/3QbYNES.

⁷ For these and other examples, see Zachary Paikin et al., "The South China Sea and Indo-Pacific

external hard power to alter the balance of power in the South China Sea, ASEAN member states are more interested in capacity-building efforts supported by the EU.

What is getting clearer with China's actions in the South China Sea is that military deployments and lawfare are used to show that Beijing is ready to play the long game. ASEAN and its member states may be interested to improve their capabilities to enable them to engage in the long game too, especially to complement the organisation's lack of progress in the CoC negotiation process. In this respect, regional experts have called for procuring more capable vessels and aircraft, enforcing existing maritime legal provisions or creating new ones in line with international law, enhancing economic resilience against dependencies on China exports, and building more bilateral common frameworks among ASEAN maritime states.⁸

The EU's approach to ASEAN already includes some initiatives in the realm of maritime security (e.g. CRIMARIO and IORIS), counterterrorism and cyber security. On the economic front, the EU has launched the Global Gateway initiative to promote infrastructure development, boasted partnerships with Thailand and Malaysia, and initiated free trade talks with Indonesia. The EU Fund for Sustainable Development and Team Europe initiatives may be instrumental in addressing the green and circular economy agenda in the region.

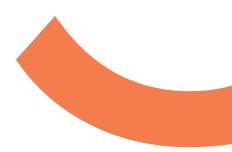
This agenda might look as having little potential impact to deal directly with China's confrontations and not in line with the EU's Indo-Pacific strategy that eventually requires more coordination with the US. However, cooperation with the EU nevertheless represents a third way – rather independent from China and US – which is much more preferred by the ASEAN countries in dealing with the contentious issues in the South China Sea. ASEAN countries need the EU as an alternative source of defence equipment supplies, fishing rights initiatives and

in an Era of 'Multipolar' Competition", cit.

Andreas Aditya Salim, "China's Fluctuating South China Sea Dash Lines", in *The Jakarta Post*, September 2023, https://www.thejakartapost.com/opinion/2023/09/06/chinas-fluctuating-south-china-sea-dash-lines.html; and Collin Koh Swee Lean, "What One More Dash in the South China Sea Tells Us about China's Game", in *Channel NewsAsia*, 19 September 2023, https://www.channelnewsasia.com/commentary/china-south-china-sea-map-ten-dash-line-3777486.

financial assistance to build coastguard ships, coastal development, protection of marine environment and combatting human trafficking and transnational crime.

In so doing, the EU can build a South China Sea policy as a specific subset of its longer-term aspirations of becoming a significant actor in the Indo-Pacific. Having a clear South China Sea policy would allow the EU to strategically invest in cooperation with ASEAN and level up its member states capacities to counter China's long game.

















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