





CSDS POLICY BRIEF • 14/2021 • SPECIAL EDITION

The Geopolitics of Multilateralism: What Role for the EU in the Indo-Pacific?

By Luis Simon | 16 September 2021

The European Union (EU) has traditionally identified the promotion of multilateralism as a core tenet of its external action, and of its engagement in the Indo-Pacific region more specifically. In his visit to Jakarta in June 2021, High Representative of the Union for Foreign Affairs and Security Policy/ Vice President of the European Commission Josep Borrell highlighted the EU's commitment to "inclusive forms of multilateralism" in the Indo-Pacific. He specifically referred to ASEAN as "the nucleus around which inclusive forms of regional cooperation are built". In doing so, he recognised the merits of ASEAN's approach to regional cooperation - illustrated by the ASEAN Regional Forum - as a way to bring around the table all relevant regional stakeholders, notably China and the United States. Even as he highlighted the EU's commitment to "working with democratic, like-minded partners" in the region, Borrell insisted in the EU's interest in "promoting multilateral cooperation and deepen[ing] regional integration including China". He praised ASEAN's commitment to inclusive multilateralism, and "willingness to diversify their partnership away from just the Quad [Quadrilateral Security Dialogue] or Sino-centric groupings", as he warned against the logic of rival geopolitical blocs.

To be sure, the EU recognises that global geopolitical tensions and competing visions on the international order are likely to make multilateral fora less and less effective. Moreover, Brussels is no stranger to the tension between multilateralism and other values it holds dear, and has even linked multilateral governance to liberal democratic principles. This may well explain the EU's increasing emphasis on bilateral relations with like-minded powers, including Having said that, Brussels in the Indo-Pacific. remains strongly wedded to the idea of advancing inclusive forms of multilateralism that bring all relevant great powers together around shared global rules and norms. This marks a contrast with the Biden administration's instrumental and flexible approach to multilateralism, which leads it to prioritise more exclusive forms of multilateral cooperation. How do these tensions project into the EU's emerging strategy towards the Indo-Pacific?

As the Indo-Pacific becomes the epicentre of great power competition, and China and the United States increasingly look at international institutions through a competitive prism, is the EU's commitment to inclusive forms of multilateralism in the region sustainable? Relatedly, as the democracy versus autocracy cleavage gets bound up with the process of geopolitical competition, is inclusive multilateralism compatible with the EU's own pledge to stand up for democratic rights and work with likeminded partners in the region? This brief aims to provide some context to these underlying tensions, and feed into the EU's evolving strategic outlook towards the Indo-Pacific. Whereas discussions on multilateralism often refer to the global level, there is also a vivid debate around the future of multilateralism in different regions. The EU is in fact often seen as an example of multilateralism in the European region and is itself committed to the promotion of multilateralism both globally and in the world's different regions. There is indeed a consensus that the EU is itself

Multilateralism versus minilateralism

The concept of multilateralism, often used by the EU and in policy circles more broadly, is a slippery one. Even though it has been widely discussed in the International Relations literature, there is no commonly agreed definition. Robert Keohane defined multilateralism as "the practice of coordinating national policies in groups of three or more states, through ad hoc arrangements or by means of institutions". Notably, such a broad definition encompasses initiatives that are exclusive in nature, either because they are precisely aimed at balancing against other states or because it is deemed that smaller groupings of "like-minded" states make for more efficient forms of international governance. Multilateralism can be confined to one policy domain (eg, security) or be broader in scope. In this vein, some scholars have <u>referred</u> to the fact that collaboration between a subset of actors that dominate a given policy field would be sufficient to see progress in that context. Others have referred to more exclusive initiatives, like alliances or economic blocs, as "minilateral" rather than multilateral. At the same time, the notion that alliances like NATO or political-economic blocs like the EU are multilateral is rather widespread.

On the basis of the above considerations, we can refer to "inclusive multilateralism" as a collective approach to international governance that oversees the development of institutions and norms that include all – or at least the most relevant – states in a given geographical setting. We can thus distinguish between inclusive and exclusive approaches to multilateralism. The latter, minilateralism, may even involve a large number of states, but typically exclude significant others (notably great powers) whose presence would otherwise be deemed relevant because of their importance in the context of the policy field or region in question.

regions. The EU is in fact often seen as an example of multilateralism in the European region and is itself committed to the promotion of multilateralism both globally and in the world's different regions. There is indeed a consensus that the EU is itself a multilateral enterprise. Yet, the fact that certain important, albeit geographically peripheral, actors such as Russia or Turkey are excluded from the process of European integration raises questions about the EU's suitability as an example of inclusive multilateralism in Europe. Such exclusion may be understandable, in that participation in the EU is conditional on the adoption of liberal democratic standards. Thus, the Organization for Security and Co-operation in Europe, which includes Russia as well as Turkey, would arguably constitute a clearer example of inclusive multilateralism in Europe, even if it is confined to the area of security, and regardless of how impotent it is. Again, this illustrates the tension between inclusive multilateralism and effectiveness, as well as certain key values (such as democracy).

The EU has vowed to develop a more systematic approach towards the Indo-Pacific region, and has identified the promotion of (inclusive forms of) multilateralism as an overarching principle of its regional strategy. However, as it tries to develop a coherent regional approach, the EU will need to grapple with the emerging tension between inclusive forms of multilateralism on the one hand, and the intensifying Sino-American competition and democracy versus autocracy cleavage on the other.

Multilateralism, geopolitics, and institutions

Discussions on the future of multilateralism – whether regionally or globally – can hardly be separated from the balance of power. International orders are often created and maintained by powerful states and coalitions forming around them. Since World War II, the United States has systematically invested in the development of an international order that was perceived to further its broad interests, not least in the context of its great power competition with the Soviet Union. With the exception of the United Nations system, most other pillars of the multilateral order were rather exclusive in nature, a more exclusive nature (eq, Comprehensive and allowing the United States to systematically leverage key fora to its advantage. Such logic applied to the so-called international economic order, namely the International Monetary Fund (IMF), the World Bank, and the General Agreement on Trade and Tariffs/World Trade Organisation (WTO) during the Cold War era, all of which were dominated by the If anything, multilateralism and great power United States and its allies and excluded the Soviet Union. It applied even more starkly to the security domain, notably in the two core regions of Europe and East Asia. Security therein was articulated around alliances (ie, NATO in Europe and the huband-spokes system in East Asia) led by the United States and primarily aimed at balancing the Soviet Union, its satellite states, and partners.

Unlike during the Cold War period, the primary great power competitor of the United States today (ie, the People's Republic of China) takes active part in the institutions that make up the so-called international economic order. Relatedly, and with some exceptions, existing US-led security alliances are not (yet) explicitly aimed, let alone adequately adapted, to balancing the People's Republic of China, not least as many US allies (both in the Indo-Pacific and beyond) value highly their economic and political ties with China, and want to avoid antagonising that country. Overall, its pragmatic strategy of selective engagement provides Beijing with a platform to lure other countries into its orbit, or at least away from the United States. China may have thus come to the conclusion that integrating into, and selectively supporting, the existing international order is the best way to <u>upend</u> an institutional infrastructure that has for so far advanced US interests. In contrast to the Soviet Union, China appears to be mounting a challenge to the (US-led) international order from within.

As Sino-American competition continues to intensify, these two powers are thus increasingly looking at international institutions and norms as competitive arenas. This is certainly true at the global level, as institutions like the WTO or the World Health Organization are being hijacked by Sino-American suspicion and accusations. It is arguably even truer of the Indo-Pacific, which is the epicenter of Sino-American competition. The proliferation economic and security interdependence may of multilateral economic and trading initiatives of well provide an incentive for inclusive forms of

Progressive Agreement for Transpacific Partnership, Belt and Road Initiative) and the strengthening of minilateral security fora (eg, the Quad, the US-Japan-Republic of Korea trilateral, etc.) bear witness to this trend.

competition have become even more entangled following Joe Biden's arrival in power. Biden's predecessor, Donald Trump, framed the US relationship with China as a naked state-on-state power contest (ie, US vs. China), and saw the multilateral order as a liability, as it accused China of corrupting existing multilateral institutions and norms and using them to its advantage. The Biden administration, however, sees multilateralism as a potential asset in a context of "extreme competition" with China, not a liability. It is also casting the China challenge as part of a broader normative struggle between democracy and autocracy, and not just a naked interstate (ie, US vs. China) contest.

Indeed, while the Biden administration may be formally committed to multilateralism, its emphasis on democracy and values entails a de facto prioritisation of exclusive forms of multilateralism. This clashes with the more inclusive approach to multilateralism that the EU champions, where everybody fits in, including China. Washington's growing interest in the G7 format, its stated support for the D10, a group of 10 leading democracies, and its references to a technology alliance including democratic countries are clear illustrations of that trend. And so is the renewed emphasis on the Quad as a key framework for US policy in the Indo-Pacific.

To be sure, the development and resilience of certain multilateral institutions at the global level (eg, United Nations, IMF, WTO, etc.), and the commitment of other parties to them (such as the EU, Japan, Australia, Canada, etc.) may prevent a full meltdown of inclusive multilateralism in light of mounting Sino-American competition. However, this is less likely to happen in the Indo-Pacific, not least given the absence of strong and inclusive multilateral anchors, and the centrality of Sino-American competition therein. Growing multilateralism in the Indo-Pacific. However, as Sino-American competition continues to intensify over the coming decade, we are likely to witness the continuing hollowing out of inclusive regional multilateral fora, and a progressive rebalancing towards more exclusive ones, with initiatives like Upon arriving in office, Biden himself pointed to the Quad, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the Regional Comprehensive Economic Partnership, or the Belt and Road Initiative gaining even more prominence in the security and economic realms respectively. This would be further compounded should values become central in the intensifying competition between the United States and China, even as experts continue to debate the merits of linking those two concepts.

Which way forward for the EU?

An important question is whether the EU has the power to pursue inclusive multilateralism in the Indo-Pacific with the actors it deems relevant to the region, if some of these actors are not willing to play by the same rules. Put differently: Does it (still) make sense to strive for regional institutions and norms that include both China and the United States (as well as other relevant regional players)? Relatedly, how can the EU, if at all, reconcile its commitment to inclusive forms of multilateralism with its emphasis on democracy and co-operation with like-minded partners? An increasingly popular proposition in the United States is that the two cannot be reconciled, due to the intensifying geopolitical and ideological competition. This proposition, however, is resisted by the EU.

Indeed, a consensus may be emerging in EU circles that reconciling inclusive multilateralism on the one hand, and democracy and prioritisation of like-minded partners on the other, is possible by disaggregating different policy fields, and pursuing (inclusive) multilateralism in some areas (eg, the fight against climate change), and accepting the reality of exclusive multilateralism or bilateralism in some others (chiefly security). Such approach, however, raises further questions. Thus, for instance, how should the EU treat those problems that straddle different policy areas, such as the so-called technology-security nexus? Former

Huawei as something economic, but we do not, Europe!") comes to mind. Relatedly, is it possible to exempt entire policy domains from the logic of great power competition?

the potential of co-operating with China in some areas, notably the fight against pandemics or climate change. The former soon turned out to be conventional wisdom, in light of the recent spat between the Biden administration and China around the origins of COVID-19. Only climate change appears to be the last man standing. But as Sino-American competition continues to intensify, and even turns "extreme", it may prove increasingly difficult for these two powers not to apply a competitive lens to every global issue, climate included. This does not mean that the competition lens will frame everything they do, but it probably means it will be present in everything they do. Thus, when the United States or China look at challenges that are allegedly of common interest and require co-ordinated responses, they will probably think not only about common gains but also about relative gains, ie, who gets to benefit more. Ultimately, any strategy to fight climate change, global pandemics, or other common problems requires far-reaching economic and political adjustments, and such adjustments are likely to trigger questions about who gets to lose or win more. Even if Washington and Beijing try to compartmentalise, and ensure challenges like climate change are kept in the co-operation box, that may prove impossible in a context of "extreme competition" or "democracy versus autocracy". This will surely complicate the EU's efforts to pursue inclusive forms of multilateralism even in individual policy areas.

To be sure, the EU is unlikely to simply abandon its commitment to inclusive forms of multilateralism, whether in general or in the context of specific policy areas. However, mounting geopolitical and ideological competition may compel Brussels to adopt a strategic approach towards the Indo-Pacific that puts co-operation with like-minded countries front and centre, and thus prioritises exclusive approaches to multilateralism or even bilateralism. In this regard, the EU's decision to engage with the Quad on issues like climate change, technology President Trump's old warning ("You may think of and vaccines represents an encouraging step. The Quad involves four go-to partners for the EU in the Indo-Pacific, and the fact that this grouping is now broadening and deepening its agenda, and may potentially emerge as a referent for all things Indo-Pacific, means it might make much sense for the EU to engage with it more systematically, whatever the institutional modalities. On the other hand, however, engaging with the Quad sends a negative signal to China, and may be seen by some in Brussels as undermining the EU's attempts to preserve a broader and more inclusive conception of multilateralism, where everyone fits in.

It can be argued that multilateralism is part of the EU's DNA, in that the EU itself is a multilateral entity. However, one needs to be careful when projecting that idea externally. After all, as already argued, in an internal EU context, multilateralism is neither fully inclusive nor unconditional; it does not come above everything else. Other core values (such as democracy and an economic level playing field) stand as preconditions for multilateralism within Europe. This would seemingly undermine the notion of placing the promotion of inclusive forms of multilateralism at the centre of EU foreign policy, not least in a context whereby many multilateral institutions and norms are increasingly bound up with great power competition, and as the notion of inclusive multilateralism (ie, one encompassing China and Russia) clashes openly with other core democratic values.

European values (like democracy or economic openness and reciprocity).

The EU's approach to the Indo-Pacific walks a fine line between preserving links with China and appealing to a broad and inclusive conception of multilateralism on the one hand, and prioritising cooperation with like-minded partners and values on the other. Trying to preserve inclusive multilateral institutions and norms is certainly important, but it should not come at any cost. To be sure, some tensions have already come to the fore through instances like the ratification of the EU-China Comprehensive Agreement on Investment, frozen on normative grounds following EU concerns about the human rights situation in China. References to the link between digitalisation and democracy, and the need to prioritise technological co-operation with like-minded partners also show that the EU is increasingly recognising potential frictions between an expansive conception of multilateralism and other core values. Thus, the joint Commission-EEAS communication's emphasis on democracy, human rights, and working with like-minded partners like the Quad constitutes an encouraging sign. This may well be the way forward for the EU in the Indo-Pacific: Keep multilateralism in play, but turn towards more exclusive and selective multilateral groupings whenever the former clashes with liberal



ABOUT THE AUTHOR

Luis Simon

Prof. Luis Simon is Director of the Centre for Security, Diplomacy and Strategy (CSDS) of the Brussels School of Governance and Director of the Brussels office of the Elcano Royal Institute.

His research interests include the evolution of U.S. geostrategy and its impact upon the transatlantic relationship, European geopolitics and security, the future of NATO, and changing geostrategic dynamics in Asia and their implications for Europe.

luis.simon@vub.be



This brief has been prepared with the financial assistance of the European Union. The views expressed herein are those of the research team and therefore do not necessarily reflect the official position of EU institutions.

Editor's note: This brief resulted from working with the EU in the context of the **EU's Indo-Pacific strategy**, issued on 16 September 2021, and is published like four others as a special edition of the CSDS Policy Brief.

The **Centre for Security, Diplomacy and Strategy (CSDS)** seeks to contribute to a better understanding of the key contemporary security and diplomatic challenges of the 21st century – and their impact on Europe – while reaching out to the policy community that will ultimately need to handle such challenges. Our expertise in security studies will seek to establish comprehensive theoretical and policy coverage of strategic competition and its impact on Europe, whilst paying particular attention to the Transatlantic relationship and the wider Indo-Pacific region. Diplomacy as a field of study will be treated broadly and comparatively to encompass traditional statecraft and foreign policy analysis, as well as public, economic and cultural diplomacy.

The **CSDS Policy Brief** offers a peer-reviewed, interdisciplinary platform for critical analysis, information and interaction. In providing concise and to the point information, it serves as a reference point for policy makers in discussing geo-political, geo-economic and security issues of relevance for Europe. <u>Subscribe here.</u> The CSDS Policy Brief is a discussion forum; authors express their own views. If you consider contributing, contact the editor Prof. Michael Reiterer: <u>michael.reiterer@vub.be</u>.

Follow us at: Twitter <u>@CSDS_Brussels</u> LinkedIn <u>CSDS Brussels</u> <u>http://csds.brussels-school.be</u>







The Brussels School of Governance is an alliance between the Institute for European Studies (Vrije Universiteit Brussel) and Vesalius College. Visitor's address: Pleinlaan 5, 1050 Brussels, Belgium Mailing address: Pleinlaan 2, 1050 Brussels, Belgium

info_bsog@vub.be www.brussels-school.be