In Europe, the COVID-19 pandemic triggered a process of re-evaluation of the risks attached to globalization, interdependence, and dependence, especially with regard to Asia and China. The EU’s role in Asia and the Indo-Pacific in particular needs to be understood in terms of a new-found assertiveness on behalf of the EU in relation to China’s regional and global strategic ambitions within a post-pandemic environment. In the evolving new strategic context, the EU and its Member States have the opportunity to provide a new rationale for EU–Asia relations in order to meet global and transregional challenges.
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|| Prof. Dr Sebastian Bersick

The EU in a Changing Global Strategic Context

Europe and the international system are currently experiencing a fundamental transition. The social order of the international system with its liberal tenets is being challenged and undergoing change. The international role of the USA is in flux, the multilateral system is under threat, and the rise of other global players – in particular the People's Republic of China (China) – and the impact of the related changes on the structure and nature of power relations in the evolving new international political economy, both in regional contexts and at the global level, can be observed. Three recent developments exemplify this ongoing trend: the new military and technological alliance between Australia, the UK, and the USA (AUKUS); the Quad's pledge to provide the COVID-19 vaccine to the Indo-Pacific; and China's application to accede to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). A further and perhaps most striking example is the new Indo-Pacific Strategy of the EU and the geopolitical drama that overshadowed its launch on September 15, 2021, when the leaders of Australia, the United Kingdom, and the USA informed the world that they intended to establish a new strategic alliance for the Indo-Pacific, AUKUS. The new alliance will arguably co-shape, if not transform, regional and global politics as it symbolizes the decline of the transatlantic world of the 20th century and the rise of the Indo-Pacific and Asia-centred world of the 21st century, as a new political and economic centre of gravity. Yet a geopolitical reading of Asian affairs oversimplifies the international relations and the political economy of the region, which is characterized by processes of political divergence and economic convergence. The former are structurally reinforced by a missing regional security system. The latter is characterized by processes of regional economic integration such as the Regional Comprehensive Economic Partnership (RCEP) and CPTPP, which demonstrate that multilateral regional economic integration is a model chosen by Asian governments to counter the unilateral policies of the USA and the dysfunctionality of the World Trade Organization (WTO). China's membership of the RCEP and its application to join the CPTPP are also examples of Beijing's strong interest in participating in regional economic integration. The economic dimension also highlights the EU's lack of a role in the ongoing processes of regional economic integration in Asia, both in the context of RCEP and CPTPP.

Within an uncertain global landscape where there exists not only fierce and sometimes unfair competition but also stealth protectionism, exerted in part in reaction to COVID-19, vital questions of global and regional governance as well as security are raised. We are moving at a rapid pace towards largely uncharted territory when it comes to the related implication for the EU's international role in the face of the increasingly proactive behaviour on the part of Asian actors, and especially China. A case in point is the
Chinese Belt and Road Initiative (BRI), which is accompanied by a much more assertive foreign policy and power projection not only in China's immediate neighbourhood but in Europe as well as globally. In 2016, in its Global Strategy, the EU had already declared that it would “pursue a coherent approach to China’s connectivity drives westwards” and “also develop a more politically rounded approach to Asia” (European External Action Service [EEAS], 2016). Two years later in September 2018, Brussels presented the EU–Asia Connectivity Strategy: “Connecting Europe and Asia. Building blocks for an EU Strategy”.

According to this document, the EU is promoting an approach to connectivity that is “sustainable, comprehensive, and rules based”. This means that connectivity “has to be economically, fiscally, environmentally and socially sustainable in the long run [...]. Connectivity is about networks, and the flow of people, goods, services and capital [...]”, and “internationally agreed practices, rules, conventions and technical standards, supported by international organizations and institutions, enable interoperability of networks and trade across borders” (European Commission, 2018). The Connectivity Strategy is a crucial starting point in strengthening the EU’s actions in the region and creating a relevant framework for action. Yet, since its drafting and publication, the world has changed quite dramatically, especially due to the advent of the Trump administration, SARS-CoV-2, and an ever more assertive China. The COVID-19 crisis in particular has clearly highlighted the challenges of a global, interconnected world – from the disruption of supply chains to digital and economic security. The ways in which the EU supports multilateralism and a rules-based international order through norms of good governance and liberal values, and the rationale in relation to which the EU promotes its role in the global agenda are being tested, by great powers, such as the USA, Russia, and China. With regard to China, the ongoing changes are the most profound. Arguably the most important change is the impact that the COVID-19 pandemic has had on China’s international role, because the structural differences between the political systems of China and, for example, Europe increase the propensity for conflict in international affairs. In March 2019, the EU started to characterize China as an actor that is “simultaneously” “a cooperation partner”, an “economic competitor”, and a “systemic rival promoting alternative models of governance” (European Commission, 2019, p. 1). The EU’s perception of China as a “systemic rival” constitutes a major change in EU–China relations, and the deterioration of those relations has progressed further since then. This ongoing development may cast doubt on the fundamentals of the EU–China comprehensive strategic partnership and even raises the question as to whether it is still accurate to argue that the EU and China do not pose a strategic threat to each other. Meanwhile, the contestations between the EU and its now 27 Member States and China are increasing in number and scope: market access, wolf warrior diplomacy, mask diplomacy, 5G technology, the South China Sea, respect for international law, Taiwan, Hong Kong, Xinjiang – to mention just a few examples from the growing list of contentious issues. A further area of competition and contestation is technology and digitalization and the newly emerging field of cyberdiplomacy where cooperation exists, but alongside competition and conflict, for example, in relation to what the internet is, how it should be governed and by whom. A case in point relates to regional economic integration. On the occasion of the 17th China-ASEAN Expo in Nanning in late 2020, Chinese President Xi Jinping broached to ASEAN the concept of a “China–ASEAN digital port to promote digital connectivity and build a digital silk road” (Zhou, 2020).

All these developments add complexity to EU–Asia relations. In addition to the already challenging need to deal with the global
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power shift from the transatlantic to the Indo-Pacific, it must be recognized that the EU possesses only limited agency, limited actorness; it is neither a nation nor a federal state, and too often does not speak with “one voice”. But the more complex EU–Asia relations become, the more the EU is challenged to adopt policies vis-à-vis Beijing and Asia. This is mainly because the deepening of strategic uncertainty is occurring not only in relation to the question of China’s behaviour, now that China has risen, but also in relation to US behaviour. The EU is currently refraining from bandwagoning in terms of Washington DC’s China policy, as demonstrated by its beginning the ratification process for the Comprehensive Agreement on Investment (CAI) in December 2020 without coordinating with the incoming Biden administration. However, the EU lacks the military capabilities to safeguard its interests in a stable Indo-Pacific. Europeans are relying on the hard power capabilities of the USA in the region for their own economic security and prosperity.

When the new US administration took office in January 2021, European expectations that the USA and Europe could team up were high; it was hoped they would coordinate their China policies within a strategic context impacted by non-traditional security threats like pandemics and climate change as well as competition for technological leadership between the USA, China and Europe. France and Germany called for a transatlantic “New Deal” in order to adopt the European–American partnership “to global upheavals”. According to the foreign ministers Jean-Yves Le Drian and Heiko Mass: “We must work together to deal effectively with China’s growing assertiveness, and also to maintain necessary avenues of cooperation with Beijing to face global challenges such as the COVID-19 pandemic and climate change” (Le Drian & Maas, 2020).

However, European and in particular the French expectations for a rejuvenation of EU–US relations and Europe’s role in Asia after the Trump years were brutally disappointed when Australia, the UK, and the USA decided to establish the AUKUS alliance in the Indo-Pacific without involving Paris and Brussels. In light of recent decisions by the Biden administration with regard to Afghanistan and the Indo-Pacific region, it might very well turn out to be a strategic miscalculation to expect that the USA and the transatlantic relationship can deliver on the challenges and opportunities that the EU is facing with regard to Asia. Such outcomes in the Indo-Pacific in the 21st century should not overly depend on Washington DC intensifying coordination across the Atlantic. In many ways, the principle of self-help, as Realism calls it, has regained practical relevance in global affairs. For the EU to play a role according to its interests and norms, more agency is needed. Within the changing strategic context, connectivity needs to be understood as a tool for the shaping of the international order, especially in a post-pandemic environment and with like-minded partners. An example on the bilateral level is the EU–Japan “Partnership on Sustainable Connectivity and Quality Infrastructure” that was signed in September 2019 and the EU–India Connectivity Partnership of May 2021.

COVID-19 and increasing regional and global uncertainties

Nearly two years after the COVID-19 pandemic started to spread in China in late 2019, countries all over the world are still fighting the virus and its impact on the social, economic, and political structure and overall fabric of their societies. Although tremendous scientific progress resulted in the form of fast development of vaccines, the immediate threat to global public health is far from over. In early September 2021, a global total of 222,596,491 cases and 4,596,869 deaths have been officially recorded by Johns Hopkins University (International Monetary Fund [IMF], 2021). No country, whether so-called developed or developing, has yet managed to fully escape the virus. In the case of Germany,
for example, a fourth wave is unfolding that is described as a “pandemic of the non-vaccinated” (Winter, 2021), while countries applying a “zero covid strategy” like Australia and China are struggling with the economic costs that the related strict measures entail.

While the reasons for failure and success in the fight against COVID-19 vary depending on time and place, the mutating nature of the virus as well as a combination of political, economic, social, and cultural factors are important elements within any explanation, as this project demonstrates, with its publications of eight individual country studies on the fight against COVID-19 in China, Viet Nam, Thailand, South Korea, India, the Philippines, Mongolia, and Kyrgyzstan. Meanwhile, the virus is still circulating and it is not only countries in Asia but also those in Europe that are dealing with its impact and ongoing related uncertainties.

The year 2020 and the impact caused by the coronavirus pandemic on world affairs has been described “as a comprehensive crisis of the neoliberal era” that comprises the environmental dimension, the domestic social, economic, and political as well as the international order and which resulted in “by far the sharpest economic recession experienced since World War II” (Tooze, 2021, p. 22). Yet in mid-September 2021, the fight against COVID-19 might have reached a potential turning point, at least in Europe, with 61% of the adult population in the European Union being fully vaccinated. An increasing number of countries like the UK, Denmark, Sweden, the Netherlands, and Germany are ending or easing pandemic-related restrictions. In Germany, the government expects that in spring 2022 the pandemic could be overcome (tagesschau.de, 2021). At the time of writing, in the autumn of 2021, the European “vaccination-led model” is considered “the most successful amid delta’s onslaught and one that is likely to be increasingly followed across the world” (Tam, 28. September 2021). This is a remarkable achievement considering that in the EU, health was a Member State competence, and an “unprepared” European Commission initially “treated vaccines as a trade matter rather than an emergency negotiation, preferring lower prices over timely deliverables” (Maio, 2021), resulting in a too-slow procurement of COVID-19 vaccines. Overall, the EU’s fight against the pandemic is framed within a global and multidimensional context, in line with the European Green Deal, based on values that pertain to human rights, gender equality, democracy, good governance, and the rule of law, and relates to health, social, economic, humanitarian, security, and political impacts. The EU makes use of the “Team Europe” approach, which brings in the EU, its Member States, and diplomatic networks as well as financial institutions like the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) (Council of the EU, 2021).

However, the expectation that the fight against COVID-19 in Europe will be won with the help of vaccines might ultimately be self-defeating, given the fact that vaccination rates in other parts of the world are worryingly low. In Africa, only 3.8% of the adult population is fully vaccinated, in Asia 34%, in Latin America 36% and in the USA 45% (EEAS, 2021). According to the United Nations Development Programme (UNDP), 60.18% of high-income countries but only 3.07% of low-income countries have been vaccinated with at least one dose as of September 15, 2021. The resulting vaccination gap signifies what Josep Borrell, the High Representative of the European Union for Foreign Affairs and Security Policy/Vice-President of the European Commission, describes as a global situation of “widening inequalities and increasing poverty” (EEAS, 2021). On a global level, the health situation remains precarious and life threatening. According to the International Monetary Fund (IMF), “vaccine access has emerged as the principal fault line along which the global recovery splits into two blocks: those that can look forward to further normalization of activity later this year (al-
most all advanced economies) and those that will still face resurgent infections and rising COVID death tolls” (IMF, 2021). No less worryingly, the risk that the virus mutates further is linked to a far too slow global vaccination rollout.

**COVID-19 and the role of the EU in Asia**

The COVID-19 pandemic has also had a decisive impact on the area of diplomacy and international relations, especially in the case of the European Union and its international role. One of the biggest challenges faced by the EU in terms of its role in Asia and beyond involves successfully readjusting its relations with China. The reasons for such challenges are found not only in the EU’s own approach, but also in the US’s approach to China and the considerable deterioration of US–China relations since the Trump administration took office in 2017.

According to Josep Borrell, “[...] Europeans have to deal with the world like it is, not as they want it to be. Therefore, we have ‘to learn to speak the language of power’. [...] The Covid-19 pandemic has made our environment more challenging and this learning process more necessary and urgent” (Borrell Fontelles, 2021, p. 13). Most importantly, COVID-19 made apparent the dependence on foreign markets and entities and the related security risks. In Europe the COVID-19 pandemic triggered a process of re-evaluation of the risks attached to globalization, interdependence, and dependence, especially with regard to Asia and China. In the 2021 State of the Union Address by Ursula von der Leyen, President of the European Commission, she described a situation where “autocratic regimes” use the increasing importance of the Indo-Pacific for Europe’s prosperity and security “to try to expand their influence” (von der Leyen, 2021), meaning that a more assertive EU policy is needed to emphasize Europe’s interests and values and to defend them against China. This sets EU–Asia relations on a new trajectory. The necessity for increased European agency, strategic autonomy, and new instruments is forming part of a newly evolving narrative of the EU’s global role that aims to “deepen trade links, strengthen global supply chains and develop new investment projects on green and digital technologies” in the Indo-Pacific (von der Leyen, 2021). The evolving new role of the EU in the Indo-Pacific and Asia is regarded as a model for the EU’s future global role. According to von der Leyen, it is “a template for how Europe can redesign its model to connect the world” that will be augmented by a soon-to-be-published new EU connectivity strategy called “Global Gateway”. The launch of this strategy needs to be understood in terms of a new-found assertiveness on the part of the EU in view of China’s regional and global strategic ambitions within a post-pandemic environment.

From the very beginning of the COVID-19 health crisis and pandemic, China was at the centre of developments. It was here that the new coronavirus was first detected in November 2019, and it was because the virus could not be contained that it spread across the globe. Some of the related virological and epidemiological causal chains are still unknown, because no conclusive scientific explanation of the origin of COVID-19 has been presented so far. The resulting opacity led to a situation that became increasingly politicized. In the case of the USA, President Trump harnessed the pandemic politically, calling COVID-19 the “China virus” and accusing the Chinese government of not doing “more to stop the spread of the disease” (Karp & Davidson, 2020). In the case of Australia, with Prime Minister Scott Morrison calling for an “independent assessment of how this all occurred” (Karp & Davidson, 2020), the political fallout of the pandemic contributed to further serious deterioration, not only to China–Australia relations but also to the evolving geopolitical and strategic architecture of the Indo-Pacific.

In the case of the EU, the pandemic reached Europe at a time when the EU had already
started a process of re-evaluating and redefining its relations with China. This process accelerated in the changing strategic context of a global economy hit by COVID-19. In the course of the pandemic, relations between the EU and Asia have changed. China is increasingly regarded not merely as an economic partner and competitor but as a systemic rival and even a threat to the EU’s economic security and values, as the EU’s new Indo-Pacific Strategy makes apparent. This is a remarkable qualitative change in the EU’s approach to China, with important implications for the EU’s relations with the region overall.

EU–China relations have come a long way since the establishment of a strategic partnership in 2003 and what was then regarded as an “emerging new axis” (Shambaugh, 2004) in the early 2000s to the application of sanctions by the EU and counter-sanctions by China in March 2021. In 2019, the EU developed a China policy based on the three-sided approach of cooperation, competition, and rivalry. In 2021 the new Indo-Pacific puts the EU’s China policy into a broader perspective, emphasizing the EU’s strategic assertiveness by formulating what can be called a “3P” policy that aims to “protect its essential interests and promote its values while pushing back where fundamental disagreements exist with China, such as on human rights” (European Commission, 2021). The explicit emphasis on the need to push back against China is indicative of the EU’s changing perception of threat and the new-found assertiveness on the part of the EU in its approach to China.

In addition, the EU has started to categorize state actors in the region according to their appropriateness in terms of forming so-called connectivity partnerships, a new process that aims at strengthening relations with so-called like-minded partners. What the two groups of “like-minded partners” and “connectivity partners” have in common is that they exclude China. This development clearly shows how EU diplomacy is developing new tools to strengthen EU–Asia relations well beyond the already existing strategic partnerships in Asia, which include China, India, Japan, the Republic of Korea, and, since December 2020, the ASEAN.

Whereas the 2018 EU strategy on Europe–Asia connectivity understands international relations as mainly a function of economic interdependencies and the associated interest in a global liberal world order, the new Indo-Pacific Strategy is a function of the new perception of a threat from China and the related policy shift that regards China as a partner, competitor, and systemic rival. In a broader strategic perspective, it is part of the role change that the EU Commission is performing under the leadership of Ursula von der Leyen, that is, to play the role of a geopolitical actor. The EU Indo-Pacific Strategy offers a strategic re-evaluation and compared to the pre-COVID-19 understanding of the strategic environment, a rather radically new outlook of EU–Asia relations: the strategy is based on a new post-pandemic understanding of the EU’s more assertive role in global affairs and in the Indo-Pacific in particular.

The COVID-19 pandemic is changing the fundamentals of EU–Asia relations because it continues to influence how China is perceived by the EU. In many respects, China’s so-called rise is no longer considered only as an economic opportunity but is increasingly perceived as a threat that needs to be countered. COVID-19 has accelerated this development. The pandemic has effectively become a catalyst in a process that is leading to fundamental changes in the perception of China as a threat by Brussels and most EU Member States, for four main reasons: (1) China’s strong economic rebound may result in more Chinese economic and political clout internationally while a post-pandemic economic downturn in Europe could lead to Chinese acquisitions in critical sectors of the economy; (2) the apparent Chinese victory in the “war against COVID-19” has strengthened the legitimacy of Xi Jinping and that of...
the Chinese Communist Party (CCP) domestically; (3) China’s increasingly comprehensive global outreach and goal for global leadership in key industrial and technological sectors is no longer framed in Europe as mere competition but is understood as a “systemic rivalry” between political systems with democratic value systems on the one hand and authoritarian value systems on the other; (4) the Chinese government’s COVID-19 pandemic-related “wolf warrior diplomacy”, “vaccination diplomacy”, “mask diplomacy”, and “disinformation efforts” also contributed to a re-evaluation of China–EU relations and the need for a readjustment of EU–Asia relations. In terms of their threat potential, these factors can be mutually reinforcing “as the Chinese leadership argues that its country’s rapid recovery from [COVID-19] proves the advantages of its system over Western democracies” (Reiterer, 2021, p. 2). Thus the systemic rivalry becomes reinforced.

Towards a new rationale for EU–Asia relations

In the wake of the COVID-19 pandemic, the quality of EU–Asia relations is undergoing a process of change. The pandemic has functioned as a catalyst to accelerate and reinforce a transformation of the EU’s approach towards Asia, namely the securitization of EU–Asia relations. The resulting new quality of the EU’s policy vis-à-vis the region is defined by a change of geographic focus (Indo-Pacific), a new distinction between the partners in the region (so-called “connectivity partners”) as “core Indo-Pacific partners” (EEAS, 2021, p. 12), and a broader agenda that is no longer driven mainly by the prospect of cooperation and competition with China but also by the risks and perceived threats attached to cooperation and competition and the systemic rivalry which ultimately results from the actors’ different political systems.

In the evolving new strategic context of a post-pandemic global environment, the EU has the opportunity to provide a new rationale for EU–Asia relations in order to meet global and transregional challenges. The rationale would be based on the EU’s need to strengthen and deepen relations with Asian economies relative to its relations with China. Such a new rationale would aim at engaging all economies in Europe and Asia and take the form of a political project: to jointly work towards a future Comprehensive Asia–Europe Free Trade Agreement. Such a political project would, inter alia, entail (1) multilateralizing existing bilateral Free Trade Agreements (FTA) between the EU and Asia (EU–South Korea, EU–Japan, EU–Singapore, EU–Viet Nam), (2) facilitating ongoing negotiations in the areas of trade with like-minded countries such as Australia, India, and Indonesia, (3) providing new momentum for ASEAN and the EU to move towards a region-to-region FTA, and (4) providing economic incentives to all economies interested in joining the project.

In order to start the political project of multilateral economic integration between Europe and Asia, the Asia–Europe Meeting (ASEM) could provide practical utility. ASEM has the advantage that cooperation between its now 53 members has already been practised for 25 years, and it includes not only the EU and its Member States but also the ASEAN Secretariat, all ASEAN countries, and, among others, Australia, China, India, Japan, and Russia. ASEM could thus provide an institutional environment for an inclusive multilateral dialogue about the project’s objectives and political purpose. The informal character of ASEM would serve as an advantage as it facilitates frank discussions among the leaders. However, if ASEM was to take up such a new function, strong political leadership by the EU would be needed. Otherwise the old stereotype of ASEM being a mere “talk shop” would be proven, because previous cooperation within ASEM has so far hardly resulted in tangible results, for instance with regard to the issues of trade liberalization and investment facilitation. Because of the problems inherent in collective action and the lack of political will, ASEM still remains a rather
low-key forum in comparison to other international fora such as the Asia-Pacific Economic Cooperation (APEC), the BRICS, the Shanghai Cooperation Organization (SCO), and the G20. Indicative of ASEM’s perceived bounded utility was the postponement of the ASEM summit in 2020 because of the COVID-19 pandemic, while leaders’ meetings of APEC, BRICS, SCO, and G20 all took place online.

By offering a new rationale for engagement and integration in the area of trade and investment, the EU would thus follow a policy of re-multilateralization as opposed to its current rather bilateral approach to EU–Asia affairs. Such an overall policy approach should send a strong signal to China and Xi Jinping’s signature foreign policy project, that is, the Belt and Road Initiative, as Europe would present a new narrative, a new story of its role in Asia and beyond, namely that of a co-leader in multilateral connectivity – in contrast to China’s conception of bilateral connectivity in the framework of the BRI under the leadership of Beijing.

The COVID-19 pandemic brings to the fore the need and opportunity for the EU to develop a new narrative of trade and a new rationale in its approach to Asia and China in particular. A political project that aims at gradually integrating Asian and European economies could serve that purpose by creating new markets and enabling development for all based on rules and norms jointly agreed on between all participating economies within the framework of a Comprehensive Asia–Europe Free Trade Agreement.

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