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Europe's Asia pivot: a new balancing act?

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The year 2017 poses a number of existential dilemmas for Europe. On the regional front, several key domestic elections will likely determine the future direction of the European Union. The international situation also presents many equally significant challenges. As the Asia Pacific region spearheads the global recovery from the 2008 financial crisis, the European pivot to Asia stands poised to accelerate. A series of economic and security issues throughout the region present both opportunities and challenges for European member states; items on the agenda for 2017 include persistent trade imbalances, climate change, maritime security and the law of the sea.

With the rise in authoritarian governance worldwide and the push for regime neutrality within international institutions,[1] how should the EU and its democratic member states respond to a potentially volatile realignment of geopolitics in Asia? China's continuing economic rise, coupled with its uneven human rights record and territorial push into the South China Sea, poses a particular challenge for the European Union. This paper will examine the advantages and disadvantages of a heightened interdependence with Asian markets, as well as the security dimension of Europe's presence in the region, including its longstanding commitment to free navigation and fair allocation of resources according to international law.

I. CONTEXT: THE WORLD ORDER IN FLUX

1. Nathan A. J., *The Authoritarian "Big Five", China's Challenge*, taken from « *Authoritarianism Goes Global, The Challenge to Democracy* », edited by Diamond L., Plattner M. F. and Walker C., The John Hopkins University Press, 2016, pp. 23-39.

2. Barkin N. and Piper E., *China's Xi Positions Himself as Champion of Globalization at Davos*, The Huffington Post, 17 January 2017.
3. Nathan A. J., *The Authoritarian "Big Five", China's Challenge*, taken from « *Authoritarianism Goes Global, The Challenge to Democracy* », 2016.

4. Indeed, many officials in Beijing interpret US President Trump's semi-isolationist foreign policy as an unprecedented opportunity to expand Chinese influence on the world stage by encroaching on traditional American spheres of influence. Likewise, from the European perspective, Trump's semi-isolationism opens questions about the viability of the Atlantic alliance over the next few years, making it more urgent than ever to find alternatives and work more closely with other regions. See: Scimia E., *Will China and the EU team up against Trump?*, Asia Times, 7 March 2017.

5. Casarini N., *The European 'pivot'*, European Union Institute for Security Studies, March 2013.

China's influence on the world order is of increasing importance to Europe. The international community has been treated to seductive rhetoric from Beijing, where President Xi Jinping is working hard to position China as the new global champion of free trade and multilateralism.[2] Experts agree that China is seeking to portray itself as a responsible power on the world stage, in order to give credibility to its concept of "regime neutrality". The latter involves disconnecting good behavior on the international stage from domestic politics, therefore legitimizing authoritarianism and discrediting the notion that a liberal foreign policy necessarily emanates from a democratic regime.[3] This is arguably hypocritical, given China's poor human rights record, aggressive expansionism in the South China Sea, and State protectionism for parts of its internal market. Nonetheless, China's championing of globalization is understandable because the consensus on global free trade, ongoing since the 1980's, is under threat like never before with the rise of populist protectionism. Indeed, global free trade has allowed most of East Asia to enjoy unprecedented growth. Even now, when the Chinese economy has slowed to

single digit growth and the Party-State is attempting to shift China's manufacturing and services capacity towards the domestic market, the country remains vitally dependent on open international free trade to sustain its economic growth, on which the communist regime's legitimacy is based.

As a result, Chinese authorities have recently announced the acceleration of the "One Belt, One Road" policy. The latter represents a giant infrastructure investment project designed to connect China to all of Eurasia and reinforce its presence on key land and maritime trade routes. Under Xi Jinping, China appears determined to increase cooperation with Europe.[4] Therefore, this shifting global climate also represents an opportunity for Europe to enhance and consolidate its strategic pivot towards Asia. The EU responded to Obama's "pivot to Asia" by attempting to organize its own pivot through bilateral and multilateral trade deals with many countries in the region, as well as close cooperation with regional organizations such as the Association of Southeast Asian Nations (ASEAN). Over the last decade, the EU has succeeded in carving-out a non-negligible strategic presence in Asia.[5] By positioning itself as an indispensable partner for countries in the region,

Europe is increasingly present in the most economically vibrant region in the world.

II. THE ECONOMIC PIVOT

A significant aspect of the EU's balancing act towards Asia relates to economic policy. China, as Europe's biggest trading partner in the region, embarked on a strategic cooperation agenda with the EU in 2003. The 2020 EU-China Strategic Agenda for Cooperation is a fairly ambitious comprehensive agreement that includes a range of precise measures to enhance cooperation and dialogue between the EU and Asia's largest economic actor. China and the EU trade well over one billion euros per day, with a European trade deficit in 2016 of almost €175 billion affecting all member states except Germany and Finland.[6] EU imports from China are dominated by industrial and consumer goods: machinery and equipment, footwear and clothing, furniture, lamps and toys, for example. EU exports to China are concentrated on machinery and equipment, motor vehicles, aircraft, and chemicals, with a low percentage of services.[7] Nonetheless, tens of thousands of European jobs have been lost to low-cost competition from China, alongside the reduction of real wages for semi-skilled EU workers.[8] China has also engaged in a variety of other unfair trade practices, such as currency manipulation, technology theft and transfer, as well as the influence of State Owned Enterprises (SOEs) in all sectors, heavily impacting trade with the domestic economy. Moreover, China and the US compete with the EU for market share in all other Asian countries, a factor that could be mitigated by the signing of additional Free Trade Agreements (FTAs) in the region.

The EU's first strategic focus in Asia should be single-minded pursuit of the further opening of the Chinese market. The main problem is that China's trading relations with the rest of the world are still governed by the clauses of its 2001 accession to the World Trade Organization (WTO). The latter were designed when China was still a relatively poor country with a market of modest size; today, China has become the second largest economy (on a country basis) and the so-called "workshop of the world", yet it continues to benefit from

an obsolete WTO status as a developing country. China has been reluctant to change because it benefits from the status quo, allowing it to engage with the global economy on its own terms.[9] This involves a complex hybrid, which combines a free market economy in some sectors, along with substantial parts of the economy that are still state-owned. This "semi-protectionism" means that Western firms do not have the same level of access to the Chinese market compared with Chinese firms; the latter also benefit from much more favorable terms of access to Western markets. The EU should use a combination of carrots and sticks to encourage China to further open-up its economy. For example, Europe can rely on its significant voting rights within the WTO and use China's desire to be granted market economy status within the organization to extract concessions. [10] If China refuses to compromise, the EU could respond by expanding the number of items on their dual-use technology trade ban lists, and limit Chinese investment in technology start-up companies whose products may have eventual military implications. This should be enough to incentivize Beijing. However, such negotiations must be handled with great caution, as China may retaliate, and a full-blown trade war would be extremely damaging to both sides.

A second strategic focus for the EU in Asia should be the signing of additional FTAs with states small and large in the region. Indeed, the difficulties of moving forward with the Transatlantic Trade and Investment Partnership (TTIP) under Trump leaves the EU with no other option than to reinforce trade ties with Asia as a substitute. It is common sense for Europe to reinforce trade with the world's new economic powerhouse, in preparation for what some analysts predict could be the "Asian century".[11] Already, Asia as a whole is Europe's largest trading partner.[12] Following Trump's withdrawal from the Trans-Pacific Partnership (TPP), many Asian countries are also looking for alternatives to compensate for America's new protectionism. Over the last decade, the EU has enhanced its pivot to Asia, gradually building a web of partnerships. For instance, in addition to its strategic partnership with China, the EU has developed strong bilateral relations with Japan and India. Moreover, the EU has successfully concluded ambitious bilateral trade deals with Singapore,

6. Aegis Europe, Press Release: EU-China trade deficit massively unbalanced: €175 billion Euros, 8 March 2017.

7. Ibid.

8. The Economist, America and the World: The Piecemaker, November 12th - 18th 2016.

9. Dollar D., The future of US-China economic ties, The Brookings Institution, 4 October 2016.

10. Ibid.

11. Asia already represents one-third of the global economy and 45% of the world's growth, with China alone contributing 35% of global growth; these figures are predicted to increase substantially in the coming decades.

12. The Diplomat, The EU's Own 'Pivot to Asia': An interview with Fraser Cameron, 9 December 2016.

Vietnam, as well as South Korea.

Nevertheless, despite these impressive achievements, the EU's economic pivot towards Asia remains incomplete.^[13] Indeed, there are still many Asian countries with which the EU has yet to begin trade talks; moreover, a number of negotiations have stalled over the last few years. For example, EU trade negotiations with Malaysia, Indonesia, the Philippines and Thailand have been slowed by the EU's 'search for the perfect FTA'^[14], including European demands in terms of social and environmental protection. Likewise, initial hopes to launch ambitious trade discussions with Japan, as well as secure a bloc-to-bloc trade deal with ASEAN have so far failed to materialize. The same applies in the case of China, where the EU's priority had been to secure a bilateral investment agreement, although negotiations have not progressed much over the last few years. Therefore, the EU should redouble efforts to bring all ongoing trade negotiations with its Asian partners to conclusion over the next few years. Although the EU succeeded in establishing a "strategic partnership" with India, this has not included a free trade deal, since negotiations have stalled due to disagreements over the opening up of the services sector.^[15] Given that the US has no free trade agenda with India at the moment, the EU-India FTA could provide a considerable advantage for the EU in Asia, due to the vast potential of EU-India trade. According to one study, a Bilateral Trade and Investment Agreement with India would increase the EU's GDP by 2.2%, or €275 billion. In terms of jobs, an EU-India FTA could generate 2.2 million new jobs or 1% of the EU's total workforce.^[16]

Another significant aspect of the EU's strategic pivot towards Asia has to do with environmental policy, which forms part of the EU's overall economic balancing act. American President Donald Trump has made the decision to withdraw his country from the 2015 Paris accord, putting an end to the leadership role the US played in international climate change negotiations under Obama. This will open-up a vacuum, which will need to be filled. China has already announced that it seeks to continue its pivotal role in the United Nations Framework Convention on Climate Change (UNFCCC)

regardless of the attitude of the Trump administration. Chinese President Xi even confirmed in his first phone call with French President Macron his determination to protect the Paris accord.^[17] National self-interest is pushing China towards a greener future, as the country faces an urgent environmental crisis that is threatening its economic progress, with about 1.6 million people dying each year due to pollution.^[18] Beijing has already begun to implement one of the most ambitious environmental policy agendas in the world, becoming a global leader in renewable energies such as solar, wind or hydropower. China also seeks to rely on international climate change negotiations to enhance its position as a responsible power on the world stage and bolster its "soft power".^[19]

However, China will not be able to lead the international community on its own. Therefore, there is a need for EU-China joint leadership on global environmental issues.

As China is the first greenhouse gas emitter and the EU is the third, this may be sufficient to overcome disengagement from the US (the second largest emitter). Moreover, other major emitters, including India or Brazil, have also expressed their desire to continue efforts to implement and consolidate progress made during the latest Conferences of the Parties (COP21-22). The Trump administration's lack of interest provides Europe with an opportunity to enhance cooperation with China on environmental issues, reinforcing a key aspect of the EU's strategic "pivot to Asia". Europe is ideally positioned to achieve this, as it intends to "lead by example" by launching the world's most ambitious environmental legislation to implement the Paris accord, known as the "2030 climate and energy framework". The latter involves binding targets to reduce greenhouse gas emissions by at least 40% up to 2030 (from a 1990 baseline). This is to be achieved through a variety of policies, including modernizing the European Emissions Trading System by making it more energy efficient, with a target of at least 27% for renewable energies and energy savings, as well as completing the EU's internal energy market.^[20] This is intended to provide the background for an even more ambitious target, which aims to reduce

13. Twining D., *Europe's Incomplete Pivot to Asia, The German Marshall Fund of the United States*, 9 April 2015.

14. Khandekar G., *EU-Asia trade: in need of a strategy*, FRIDE, No. 13, January 2013, p. 3.

15. *The Diplomat*, *The EU's Own 'Pivot to Asia': An interview with Fraser Cameron*, 2016.

16. Khandekar, p.3.

17. BBC news, *Climate change: China vows to defend Paris agreement*, 9 May 2017.

18. Rohde R. A. and Muller R. A., *Air Pollution in China: Mapping of Concentrations and Sources*, Berkeley Earth, 2015.

19. *The Economist*, *The burning question: With or without America, self-interest will sustain the fight against global warming*, November 26th – December 2nd 2016.

20. European Commission, *2030 climate & energy framework*, 27 March 2017 (last update).

greenhouse gas emissions by at least 80% up to 2050. Nevertheless, while establishing a joint partnership with China is vital for safeguarding the Paris Accord, the EU should stop short of any sort of "special relationship" with China. This would risk legitimizing Beijing's concept of "regime neutrality" and contradict European democratic values. Thus, while working in close partnership with China on issues such as climate change, Europe should not shy away from criticizing, when appropriate, human rights abuses, including President Xi's increasingly authoritarian censorship of Chinese civil society.

III. THE SECURITY PIVOT

Over the last decade, the EU has sought to complement and consolidate its economic pivot towards Asia by establishing key security partnerships with countries and organizations in the region. For example, the EU is a prominent member of the Asia-Europe Meeting (ASEM), a biennial forum created in 1996 to bring together European and Asian leaders. Likewise, the EU is the largest contributor of financial assistance to ASEAN and also supports other organizations such as the South Asia Association for Regional Cooperation (SAARC).[21] Unlike the US, Europe has not had a significant military presence in Asia since the era of decolonization, thus it cannot match American armed presence in the area. Nonetheless, the EU has succeeded in positioning itself as a "soft security" actor and a valuable contributor in terms of its diplomacy. For example, the EU played an important role in brokering a peace deal to end the insurgency in the Aceh province of Indonesia, as well as in the Mindanao region of the Philippines, and contributed to improving the political situation in East Timor. Moreover, EU diplomacy has provided key support for the Northeast Asia Peace and Cooperation Initiative (NAPCI) process, launched in 2013 by South Korea.[22] The EU's support for NAPCI has allowed it to lead anti-piracy operations in the Gulf of Aden in cooperation with several Asian countries, as well as organize high-level seminars for ASEAN about maritime security. Furthermore, the EU and its member states were also influential in pushing for enhanced UN sanctions against North Korea following its nuclear testing.[23]

For all these reasons, the EU's growing strategic presence in Asia as a "soft security actor" makes it well positioned to act as a mediator should tensions escalate over a number of key flashpoints, including the situation in the South China Sea, Taiwan and North Korea. For example, the EU was already called upon to help resolve the 2008 crisis in Georgia following Russia's military intervention, a precedent that underlines the EU's potential.[24] While it can be interpreted as a weakness, the EU's lack of hard military power is arguably its greatest asset. This is because countries such as India or China do not view the EU as threatening in the same way as the US. China interpreted Obama's "pivot to Asia", for example, as a thinly disguised form of containment, since the economic aspect of the US pivot was accompanied by an impressive redeployment of the American war machine, including the patrolling of several US fleets in waters surrounding China. [25] By contrast, the EU relies on its economic clout as the world's largest single market to provide it with sufficient authority on the international stage, without threatening key interlocutors. Therefore, the EU's position as a "soft security actor" may provide it with key leverage to bring China and other Asian countries to the negotiating table should the need arise.

One of the main crisis points in East Asia is linked to competition over access to a set of islands and maritime claims in the South China Sea, the largest of which are the Spratly and Paracel Islands.[26] The main subject of the dispute is control over strategically important shipping lanes, which Chinese nuclear submarines rely on to reach the open sea, as well as fishing rights and potential exploitation of crude oil and natural gas in the seabed. China's economic rise has made it increasingly assertive in its maritime claims; over the last decade, Beijing has launched a policy of island building, establishing sophisticated infrastructure such as sea ports, airports and lighthouses that could potentially have a military purpose. Beijing regards the islands in the South China Sea as essential for controlling vital shipping lanes, as well as a symbolic issue linked to its rise in status as a great power. The US is bound by treaty to provide protection to a number of countries involved in the dispute such as the Philippines, and has an extensive network of military bases in the

21. European External Action Service, EU-Asia Security Factsheet.

22. The Diplomat, Northeast Asia, Trust and the NAPCI, 18 December 2015.

23. Ibid.

24. France, under the leadership of Nicolas Sarkozy, had relied on its turn at the presidency of the EU Council to lead diplomatic efforts to bring Putin and his Georgian counterpart to the negotiating table for a ceasefire and peace accord. See: Lefebvre M., *Russia and the West: ten disputes and an inevitable escalation?*, Policy Paper for the Robert Schuman Foundation, European Issue n°379, January 2016.

25. Cheng L., *Assessing US-China relations under the Obama administration*, The Brookings Institution, 30 August 2016.

26. There are many nations involved in the dispute, including China, Taiwan, Brunei, Malaysia, Indonesia, the Philippines and Vietnam. See: Steinberg B. and O'Hanlon M. E., *Can Donald Trump avoid a dangerous showdown in the South China Sea?*, The Brookings Institution, 20 January 2017.

region. Tensions escalated further after China openly disregarded a ruling by the Permanent Court of Arbitration in July 2016, where the tribunal rejected China's maritime claims to the islands and ruled in favor of the Philippines.[27]

Europe should adopt on a two-pronged strategy in the South China Sea. First, the EU can rely on its strategic presence in the region to try to ensure that the terms of the UN Convention on the Law of the Sea (UNCLOS) are respected by all relevant actors, as this is essential to its efforts in upholding international law. Despite China's shrill insistence that the Philippines violated the 2002 Bilateral Declaration of Conduct regarding South China Sea disputes, Manila had already tried to settle the Spratly dispute through bilateral discussions that excluded any third-party procedure.[28] Under UNCLOS section XV on the settlement of disputes, Manila did not explicitly ask for the Permanent Court of Arbitration to rule on whether China, the Philippines, or some other state holds or should hold sovereignty over any of the geological features or maritime zones of the South China Sea. According to the convention language, UNCLOS has no authority to make such judgments. Its purpose is 'to provide a legal order identifying the characteristics of the marine environment and the rights and responsibilities of nations regarding the use of that environment'.[29] China's categorical refusal to participate and rejection of the arbitration decision speaks more to the fundamental Sino-Western division over the application of international agreements to sovereignty issues, than to the content of the decision itself.[30]

Yet, there is a growing awareness in Beijing that its stance on the arbitration order is having a substantively negative impact on its prestige and influence in the region.[31] Consequently, Europe should take seriously China's claim that its building spree on shallow atolls is testimony to its efforts to 'safeguard navigation freedom and security' in the South China Sea.[32] For example, the EU could propose to mediate an agreement that would help limit the militarization of the sea. For China, this might involve limits on what types of weapons systems it can deploy on land-based platforms; for the US, this could include limitations on

American surveillance operations in waters sensitive to China. The EU could also propose a timetable for the negotiation of a code of conduct amongst the claimant nations, which would cover, for example, fishing rights or access to energy resources. Regarding fishing rights, the EU could propose that all fleets freely fish within certain caps designed to prevent overfishing that do not interfere with rival maritime claims. Finally, the EU could incite China to clearly state that the so-called "nine-dash line" is aimed only at delineating China's claims to islands and does not represent any claim to maritime rights. This could help to mitigate China's disregard of the Law of the Sea and appease some of the tensions in the region.

It is unlikely that the EU's position as a soft security actor will be as effective with respect to Taiwan. Since the end of the Chinese Civil War, Taiwan has been a self-governing entity detached from Communist rule in mainland China.[33] Nonetheless, Beijing has always wanted to reunite with Taiwan; thus, it has never recognized the de facto separation. It has insisted that diplomatic relations with a foreign country are contingent on the "one-China" policy, which involves recognizing the regime in Beijing as the only official representative for the whole of China. There is a risk that the current status quo over Taiwan could break down in the near future. The US is bound by the Taiwan Relations Act of 1979 to protect Taiwan from any military aggression from Beijing, and has been supplying the ROC with substantial military equipment as a deterrent since the 1980's. Gradually, public opinion in Taiwan is turning against reunification with the Chinese mainland, as the younger generation has become accustomed to democracy and independence. This has led many officials in Beijing to believe that reunification may have to take place before it is too late, by force if necessary.[34]

As in the South China Sea, the EU could exert quiet pressure on both Taipei and Beijing to encourage them to engage in broader dialogue. Since May 2016, the pro-independence Democratic Progressive Party (DPP) has held power in Taiwan; President Tsai Ing-wen has refused to officially endorse the "one-China" principle (even though she has accepted the status quo). Beijing

27. Phillips T., Holmes O. and Bowcott O., *Beijing rejects tribunal's ruling in South China Sea case*, *The Guardian*, 12 July 2016.

28. Swain M. D., « Chinese Views on the South China Sea Arbitration Case between the People's Republic of China and the Philippines », *China Leadership Monitor*, Issue 51, Fall 2016.

29. *Ibid.*, p.2.

30. *Ibid.*, p.1.

31. *Ibid.*

32. Li J., « Zhubi Reef lighthouse comes to life in South China Sea », *China Daily*, 7 April 2016.

33. The regime in mainland China is known as the "People's Republic of China", or PRC, while the regime in Taiwan is known as the "Republic of China", or ROC.

34. Bader J. A., *US-China relations: Time for China to step up*, *The Brookings Institution*, 12 January 2017.

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has responded by breaking-off diplomatic contact and launched a campaign to isolate Taiwan. Firstly, the EU should encourage Beijing to resume official contact with the government in Taipei and not base diplomatic relations on the outcome of elections in Taiwan. Moreover, the EU could try to convince President Tsai to soften her stance and be more flexible over the "one-China principle". Second, the EU could encourage the PRC to accept that the ROC join ongoing negotiations with 16 other countries over the Comprehensive Economic Partnership (RCEP). Likewise, Europe should rely on its influence within the Asian Infrastructure Investment Bank (AIIB), where several European countries are members (including Germany, France and Italy), to ensure that Taiwan has the opportunity to participate as an observer. This would help to reinforce economic ties between the PRC and the ROC, without Beijing losing face or sacrificing any core principles.

The most serious crisis point in East Asia probably has to do with the situation over North Korea. Since the signing of the Armistice in 1953 and the separation of the country, the North has been governed by a brutal dictatorial regime, which has been developing a clandestine nuclear program.[35] The situation has deteriorated substantially since the accession of Kim Jong-un in late 2011 as the new supreme leader. Over the last few years, North Korea has expanded its nuclear arsenal, conducting a variety of provocative missile launch tests. Pyongyang claims to be capable of carrying out a nuclear strike against Japan or South Korea. This has prompted US President Trump to react forcefully by inciting China, North Korea's only ally, to apply more pressure on the regime. As a result, Beijing has recently reduced its coal trading with North Korea, sending a clear signal that China is ready to assume a more proactive stance.[36] Trump has confirmed unwavering US support to key allies such as Japan and South Korea and reinforced US military presence in the region, including the deployment of the controversial THAAD missile defense system. The situation in the Korean peninsula could well escalate, since China sees the THAAD missile system as a provocative gesture. Indeed, US Secretary of State Tillerson underlined during a visit to South Korea that US patience with North Korea was running out and that it was considering

pre-emptive military action.[37]

Unlike the situation in Taiwan or the South China Sea, providing "diplomatic good offices" is not an effective strategy regarding North Korea. Indeed, mediation and good offices have already been tried by the US over the last two decades with little success. Instead, the EU should seek to work closely with the new President of South Korea to bring together all relevant actors in order to renew dialogue and help find possible solutions. South Korean President Moon Jae-in has been elected in part on a platform to improve dialogue with the belligerent north. First, the EU should seek to convene the US, China, South Korea and Japan to launch regularly scheduled closed-door negotiations on ways to bring about a future nuclear-free and unified Korea. The EU should encourage greater shared intelligence regarding North Korea's nuclear program and a broader dialogue on political and military coordination. Second, the EU should ask that Beijing accelerate its trade pressure on North Korea and follow-up its limited coal selling with more forceful measures. Third, Europe should rely on its influence within the UN system, including the Security Council, to push for greater sanctions against North Korea. The aim would be to force Pyongyang back to the negotiating table to avoid complete international isolation and economic collapse. The EU and its member states could also offer inducements such as upgrading diplomatic relations, or even perhaps a relaxation of the international economic embargo, depending on the level of cooperation from North Korea.

The pivot to Asia may well become one of the most important foreign policy transitions for Europe in the years to come. This pivot must contain an economic as well as a security dimension, since the two are complementary and mutually reinforcing. The EU should consolidate its network of bilateral trade deals in the region, bringing to conclusion ongoing negotiations and opening trade talks with new countries. Moreover, the EU should also consolidate multilateral cooperation with regional organizations such as ASEAN, SAARC, NAPCI, or the AIIB, as well as strengthen cooperation

35. The first successful North Korean nuclear test was in 2006, followed by several others in 2009, 2013 and 2016.

36. The Economist, China and North Korea: Shock and ore, February 25th – March 3rd 2017.

37. BBC news, Rex Tillerson on North Korea: Military action 'an option', 17 March 2017.

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with China within the UNFCCC to preserve the Paris accord. Reinforcing links with Asia is a sensible strategy, as the region is projected to continue its strong economic growth during the so-called "Asian century".

The EU's strategic presence in the region puts it in an ideal position to carry out this role. However, it will need to be flexible depending on the issue at stake and utilize a range of diplomatic tools. Likewise, establishing any kind of close "special relationship" with a country such as China would risk undermining core European democratic values given Beijing's poor human rights record, aggressive foreign policy and increasingly authoritarian domestic censorship. Moreover, this would allow China to legitimize its

concept of "regime neutrality" by dissociating domestic politics from good behavior on the international stage, a dangerous precedent. For all these reasons, the best policy for Europe should be to strike a delicate balance. This would involve pivoting towards Asia by reinforcing strategic presence in the region; at the same time, Europe must seek to preserve and extend democratic values to counter China's recent efforts to promote regime neutrality within the international system.

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