Capability and Ambition Mismatch in the Indo-Pacific:
A Middle Power Strategy for the EU

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In the Indo-Pacific century, a colourful assortment of both traditional and emerging middle powers in the region have led to middle powers re-emerging to the forefront of the academic debate. This essay argues that by analysing the strategies of prevailing middle powers in the region, the EU can improve its own approach in the Indo-Pacific, and settle on one better suited for its capabilities. The overlooked potential of middle powers is evident, in particular in the Indo-Pacific, where they could become a driving force for the future order by managing both the US and China, being the determinants of whether the status quo will be broken or solidified. The EU’s interest in the Indo-Pacific is undeniable as the region is home to four of ten biggest trading partners of the EU, thus its waterways being quintessential for EU trade. The EU has its own Indo-Pacific Strategy, published in 2021, along with a High Representative.

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As the EU looks to play a role in the Indo-Pacific, we argue that conceiving of the EU as a middle power is helpful way to do so because it matches the EU’s experience, behaviour and capabilities. European middle powers lack a robust military presence in the region, especially compared to India and the US, and are less willing to commit more military might as Russia is in its close proximity is regarded more of a threat than China. Thus, an alternative approach is needed. Middle powers, which frequently utilize multilateral solutions to international problems, provides a viable alternative.

The Indo-Pacific provides many opportunities for middle power diplomacy, as the EU Indo-Pacific Strategy notes, through focusing on infrastructure, connectivity, economic development and non-traditional security issues (human assistance and disaster relief, illegal fishing, anti-piracy, climate change), a grouping of middle powers could bring less of a security-centric focus on the region. As seen above, many of these are also part of the EU’s focus in the Indo-Pacific.

This paper will take a closer look at prevailing middle power strategies in the Indo-Pacific and how the EU can model its own strategy. The EU is itself not a middle power, but an organisation of middle powers, that could de facto function as a middle power while seeking to expand its influence in the region. Besides the EU Indo-Pacific strategy, several of its member states have further published their own national Indo-Pacific strategies. The EU’s current Indo-Pacific strategy is focused on strengthening the existing multilateral rules-based order.

3 Valenti.
with key principles being respect for democracy, human rights, the rule of law as well as promoting a level-playing field and an open and fair environment for trade and investment. However, the singular European Indo-Pacific strategies should be framed under a combined approach to amplify effectiveness, which is why the focus of this paper is on the EU’s role as a middle power in the Indo-Pacific.

There are many take-aways for the EU in its attempt to develop a strategy for the EU in the region. We argue that the EU could model its role in the Indo-Pacific on the examples of Australia, South Korea and Indonesia, through seeking independent relations with China and the US. When modelling its strategy, the EU should not limit itself on taking examples from only liberal democracies, but instead focus on those countries which support a rules-based system. However, European capabilities do not match their ambitions: European navies have shrunken over the past years and have shifted towards lighter classes with limited defences. Aside from France, all EU countries’ naval forces are limited in their capabilities in enhancing and maintaining a naval presence, particularly beyond the western Indian Ocean. Matching its capabilities better with its ambitions as well as going its independent path in balancing the US and China, will allow the EU to further gain strategic autonomy.

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2. Why is middle power a useful concept to consider the role of the EU in the Indo-Pacific?

First of all, the EU is neglected by both China and the US as a potential presence or game changer in the Indo-Pacific because the emphasis tends to go to Europeans (lack of) military capability. Individual European middle powers are usually not part of the American outlook in the Indo-Pacific.\(^{10}\) However, as European middle powers start to voice stronger interest in the stability of the region, they should be regarded as potential players. Collectively, as the EU, the interest in the Indo-Pacific could be moved more to a higher priority. The interest of EU member states in the region is evident in the deployment of the German frigate Bayern\(^{11}\) and the Dutch frigate Evertsen\(^{12}\) to the Indo-Pacific. Individual deployments of Member States have been highly welcomed in the region, particularly that of the Bayern, giving meaning and significance to a naval presence in the region. If middle powers in the EU are interested in a strategy for the Indo-Pacific, the EU as a political entity could further aggregate and mobilize this capacity.

Second, a projected middle power strategy in the Indo-Pacific might be less of an aggressive stance towards China instead of aligning fully with the US. Not aligning with the US and instead choosing an independent path should also not be seen as Europe turning its back on its American partner in the region, but much rather as an innovative way of approaching China in the region, choosing an ambassadorial role. By pursuing a middle power strategy, the EU could offer an alternative to regional states beyond either the US or China. The independent stance the EU is taking on the Indo-Pacific from the U.S. is evident in the conceptualisation of the region itself, defining it as a much larger area from the east coast of Africa to the Pacific Island States, while the American definition vaguely states it as an area from India to Australia.\(^{13}\) Contrary to the American Indo-Pacific strategy which deems China a ‘strategic rival’, ambiguity remains in Europe on how to approach China: while France intends to prevent

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10 Samaranyake, “European Middle Powers in the Indo-Pacific amid Great-Power Strategic Competition.”
the emergence of a new hegemon, Germany also sees the potential of regional economic cooperation with China. The EU Indo-Pacific Strategy further focuses on multifaceted engagement with China, and has described the country as a partner, competitor and systemic rival, which could be interpreted as either an inconsistent narrative or realising different potential in its relationship to China.\footnote{EU Strategy for Cooperation in the Indo-Pacific, European Commission, September 18, 2021, \url{https://ec.europa.eu/commission/presscorner/detail/en/QANDA_21_4709}.} This suggests that Europe does intend to shape its relationship with China independently from the US.

Third, Europe does not stand a chance to become a great power in the Indo-Pacific, as it is not a resident power, and lacks great power capabilities like coercive strength, thus a middle power approach would be significantly more reasonable.

Fourth, due to its intergovernmental nature, the EU is hardly equipped for a grand strategy, as it focuses on norms and rules, and much less on power and interests.\footnote{Jean-Yves Haine and Cynthia Salloum, “Europe: A Strategy for a Regional and Middle Power,” The US Army War College Quarterly: Parameters S1, no. 2 (May 18, 2021), \url{https://doi.org/10.55540/0031-1723.3067}.} As a political entity, the EU is not necessarily equipped to either aspire nor project a great power status, but should much rather focus on establishing itself as a regional power back home, while projecting a middle power status outwards into the Indo-Pacific.
3. Middle power theory and the neo-middle power diplomatic approach

There is a lack of consensus on how to classify a middle power as there are both traditional and emerging middle powers. Middle powers are generally defined by capability and behaviour; this essay will focus on middle power behaviour, as the lack of EU capabilities has already been clearly discussed and stated above. Analysing how the EU fits into the framework of middle power definitions, suggests further areas in which it can still develop its ‘middlepower-ness’ and thus, its approach to the Indo-Pacific.

The behaviour of a middle power is meant to reflect their aims and includes their stabilising role in the international system through i.e. multilateralism. Middle powers seek multilateral solutions to international problems. Specifically, this refers to the preference of middle powers to work through multilateral institutions or ad hoc coalitions with like-minded states instead of unilateral interest pursuit. Another example is through niche diplomacy which is considered an appealing method for states lacking capacity of diplomatic resources across different regimes, to effectively concentrate resources on a policy area where they are most likely to generate change. Due to lack of resources relative to great powers, middle powers tend to either follow greater powers or multilateral efforts on functional niches selected through national interest and likelihood of gathering influence. Generally, they follow a normative order in a rules-based structure.

Stephen Nagy presents the idea of neo-middle-power diplomacy through which middle power foreign policy actively intends to shape regional order by aligning collective capabilities and capacities. This diverges from traditional middle power diplomacy through moving beyond the existing international institutions and normative rules like human security. In particular, within maritime security this refers to SLOCs transporting imports and exports.

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21 Nagy.
but also energy. Nagy’s neo-middle power approach seeks to also include areas of cooperation like maritime security, surveillance and joint transits. Neo-middle power diplomacy in practice seems most likely in the areas of maritime security, digital economy and economic cooperation, of which primarily maritime security is of significance to the EU. Nagy further suggests ways in which neo-middle power diplomacy should be pursued: through actively seeking alignments with partners in the region based on a convergence of interests, the focus on cooperation in key areas based on synergy of respective comparative advantages based on capabilities, not capacities.

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22 Nagy.
24 Nagy.
4. Middle power strategies in the Indo-Pacific

Middle powers have the potential to be the determinants of shaping the future of the Indo-Pacific through counterbalancing both the US and China. Their possibilities in their framework of action generally lie between informing the debate around the region’s future and security, reinforcing or weakening the prevailing great powers’ grand strategies or even creating a third pole in the region, if they manage to create a united front. 25

Projecting a middle power strategy could be a way to manage both American and Chinese interests in the region, taking an example from other middle powers in the region like South Korea, Australia and Indonesia 26 , which all follow different models and will be explore more in this chapter. Currently, Australia remains a faithful ally to the US, South Korea acts like a bridge between China and the US, while Indonesia is set out to become a regional leader. 27 These three examples highlight different approaches to maintaining a presence and defending interests in the region, however, they do not represent a way of balancing or providing an alternative to the US and China. Moreover, they indicate how the EU can shape its path independently as well and how these will shape the U.S.-China strategic competition. Following South Korea’s strategy suggest how the EU can shape its path independently: focusing on the centrality of ASEAN (as Indonesia does as well), strengthening ties with like-minded middle powers and on soft power initiatives like health and environmental policies, less so on hard security matters.

Australia

Australia has long been hailed a middle power and is both influential on a global stage but also a significant actor in the Indo-Pacific. 28 The country remains split between security and trade and respective relations with China and the US, which are becoming increasingly difficult to maintain, especially since the COVID-19 pandemic. 29 Australia has a hand full of formal agreements through both defence treaties and alliances, but is also incorporated into mini-lateral initiatives like the QUAD and AUKUS, aligning itself lately more clearly with the US, due to its regional vision of a rules-based order. 30 Australia has been following a multilateral and

26 Abbondanza, 409.
30 Abbondanza, 410–11
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**South Korea**

South Korea has generally been classified as a middle power since the 1990s, but manoeuvres in a more high-threat strategic environment than Australia, thus, following a much more ambiguous middle power strategy. South Korea’s New Southern Policy intends to strengthen its relations with ASEAN states to promote the regions’ multipolarity, thus reflecting its middle power aspirations for the Indo-Pacific, but the policy’s focus is primarily on health and environmental security, less so on hard power security concerns. However, most recently, South Korea has departed from its strategic ambiguity through the release of the “Strategy for a Free, Peaceful and Prosperous Indo-Pacific Region” in December 2022, within the first year of President Yoon taking office. This strategy indicates South Korea’s intentions to expand and deepen partnerships with other Indo-Pacific partners like ASEAN, Japan, and Canada but also with like-minded states in the Middle East, African states on the Indian Ocean coast, Europe and Latin America – planning to preserve national and regional prosperity through the expansion of trade, investment and security relationships.

South Korea’s middle power strategy is shaped through its deepening of ties with like-minded middle powers, further promoting its relationship with ASEAN and viewing itself as a balance in the region. Especially under the new South Korean president Yoon, a more direct pivot to the US’ FOIP strategy can be detected as well as the deepening of defence cooperation with Southeast Asia, especially in capacity building, shows the expansion of middle power strategy towards also including less normative realms of cooperation. South Korea remains primarily economy-driven and rather non-confrontational in its middle power strategy.

**Indonesia**

Indonesia is the informal leader of ASEAN and one of the materially most capable states in the region, establishing itself as a rising middle power. Unlike most states trying to balance...
a security pact with the US and an economic partnership with China, Indonesia is only embedded in an economic relationship with China. Indonesia has generally pursued a policy of non-alignment towards great powers. Indonesia’s vision intends to highlight ASEAN’s centrality, its strategic autonomy, economic prosperity and principal non-alignment. Through its emphasis on ASEAN and pursuit of strategic autonomy, Indonesia sets itself apart from other middle powers in the region, like South Korea and Australia. In the Indo-Pacific, Indonesia can take on the role of a regional leader, with a foreign policy targeted at engaging China in regional institutions and processes, in particular through ASEAN.

**Take-aways**

As this section has shown, middle powers can take on different roles depending on their alignment pattern with the US and geopolitical tensions with China. There are many possible roles the EU could take on as a middle power in the Indo-Pacific – and as a party that is neither a resident power nor has significant geopolitical tensions with China nor an alignment pattern with the US, the EU has the potential to carve out its own middle power strategy in the Indo-Pacific – and should.

The EU should, however, pursue a strategy mirroring South Korea, as it does not want to become a regional leader nor does it want to follow Australia’s footsteps through aligning that closely with the US by deepening and expanding relations with the various present like-minded states in the Indo-Pacific.

### Table 1. Summary of middle power strategies in the Indo-Pacific

<table>
<thead>
<tr>
<th>Country</th>
<th>South Korea</th>
<th>Indonesia</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Middle power strategy in the Indo-Pacific</strong></td>
<td>Strengthen relations with ASEAN states to promote regional multipolarity and with like-minded middle powers, also through defence cooperation.</td>
<td>Highlight centrality of ASEAN and Indonesia’s own influence in this regional organisation, its strategic autonomy and economic prosperity.</td>
<td>Multilateral normative approach with like-minded regional partners.</td>
</tr>
<tr>
<td><strong>Nature of middle power strategy</strong></td>
<td>Economic driven and non-confrontational middle power strategy.</td>
<td>Policy of non-alignment towards great powers.</td>
<td>Pragmatic prioritisation of security and trade.</td>
</tr>
<tr>
<td><strong>US / China</strong></td>
<td>Slow pivot towards US’ FOIP strategy and embedded in US security architecture, but also strong economic relations with China.</td>
<td>Only an economic relationship with China and no security relationship with the US.</td>
<td>More clearly aligned with the US through minilateral initiatives such as QUAD and AUKUS, but maintains economic relations with China.</td>
</tr>
</tbody>
</table>
As the EU clearly wants to gain a presence in the Indo-Pacific, the question now revolves around how it can act. With limited capabilities, the framework of a middle power should provide guidelines in how the EU could act more in line with its capacities. The focus of this chapter is on middle power behaviour. There are already several examples how the EU is already acting as a middle power in the region, and this chapter further identifies areas in which the EU can further expand its middle power approach.

The EU needs to be proactive in its middle power approach. A middle power foreign policy is necessary to counteract its military weakness and inability to contribute largely to maritime security in the region. The EU should be focusing on expanding influence in multilateral frameworks, developing a niche diplomacy, establishing maritime security but also combatting non-traditional security issues.

The EU needs to credibly match its strategic ends to its means, as its military capabilities and ability to project power are lacking so far from home, in the Indo-Pacific. Regarding military engagement, the EU should focus on specific regions of the Indo-Pacific in which it can gain the most influence. An example is the Indian Ocean, in which the US is not a resident power, and where the EU could make use of its overseas naval bases specifically in that part of the Indo-Pacific, as the US is dependent on its partners for navigational freedom there. Moreover, due to its successful anti-piracy mission ATALANTA since 2008, the EU actually has hands-on experience in contributing to maritime security in the region. With experience in combatting maritime crime through the anti-piracy missions in the Indian Ocean and extensive research on climate change, these two realms in particular suggest areas in which the EU could develop niche diplomacy and show a higher commitment to the region. Especially the successes of ATALANTA have been far-reaching, and attracted countries like South Korea to participate.

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When engaging in multilateral frameworks, the EU could first establish a presence within those in which it is still lacking and engage with those in which the US (and China) is less present – a strategy France has been following. In the security realm, the Shangri-La Dialogue could be a starting point of getting involved on an EU level, given that European countries like France, Germany and the Netherlands are already participating countries. These platforms would allow the EU to gain agency and influence in multilateral frameworks in the dimensions of trade and security. Following the example of France’s middle power strategy in the Indo-Pacific, the latter is a full member of the Indian Ocean Rim Association and a chair of the Indian Ocean Naval Symposium – both of which the US has much less influence, highlighting how European countries could take a leadership position in institutions where the US is less present. Through maintaining around 7,000 permanently deployed military personnel in the region, France has managed to establish itself as a resident power in the Indo-Pacific. France is experienced in the region as the country has been crossing the South China Sea up to Japan for a decade now. Moreover, France maintains close cooperations with several other countries in the region, such as Japan through a comprehensive maritime security dialogue and joint military exercises, and with Indonesia through the sale of military technologies like Rafales and submarines. Concrete examples include becoming engaged in other multilateral frameworks such as the Asia-Pacific Economic Cooperation (APEC) through its overseas territories in the Indo-Pacific. Examples of non-traditional security challenges relevant to the EU are climate change, natural disasters, piracy, trafficking, tech governance, trade and maritime security. These are potential areas of niche diplomacy in which the EU could take charge.

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The EU should focus on creating new areas of cooperation in the region such as in the cyber domain and invest in already existing partnerships. Moreover, pursuing bilateral relations with like-minded middle powers in the region could be another strategy of banding together and enhancing middle power capacities and capabilities. As an aggregator and mobilizer of other middle power democracies, thus becoming one itself, the EU already has experience in amplifying the influence of middle powers because it itself consists of a variety of middle powers such as France, Germany, Spain, Italy and the Netherlands. This is an area the EU could further pursue in the Indo-Pacific: banding together with other middle powers to amplify the collective influence. A specific example could be the ASEM summit, which combines European countries, the EU and Asian countries focused on equal partnership and enhancing mutual understanding. Additionally, as the EU itself is a multilateral framework, multilateralism comes naturally and thus should be a strength to be exploited in its middle power approach to the Indo-Pacific.

Additionally, focusing on the centrality of ASEAN provides many opportunities for the EU, given the EU-ASEAN summit in December 2022, which reaffirmed their partnership as the

50 Samaranyake, “European Middle Powers in the Indo-Pacific amid Great-Power Strategic Competition.”
52 Valenti, “Indo-Pacific Threats, Security and Cooperation.”
54 Examples of European middle power democracies include Germany, France, Spain and the Netherlands.
two most advanced regional integration organisations, and further highlighted their continuing commitment in various domains such as peace and security, economic cooperation and trade, and regional and international issues. The summit further emphasised their commitment to strengthen their cooperation founded in the fundamental principles of their respective Indo-Pacific approaches, which includes upholding international law and a rules-based order in the region and welcomes the EU's support of an ASEAN-led regional structure. The shared interest in a peaceful, stable and prosperous region makes ASEAN a valuable partner for the EU in the Indo-Pacific. ASEAN remains outside the strategic China-US rivalry, despite it taking place in its literal backyard and instead focuses on economic diplomacy. This alternative could be in line with the EU's approach to the Indo-Pacific of finding a way to manage both China and the US.

In terms of expanding its influence regarding maritime security, the EU could take either a softer stance of protecting ships and ports or a more military-focused one through naval power projection. For the protection of ships and ports, guarding SLOCs could be a viable method. A potential start could be to integrate respective country's naval missions into joint exercises taking place in the Indo-Pacific. The German frigate Bayern participated in one large-scale naval exercise with over 20 other warships during its seven-month deployment and was part of monitoring UN sanctions against North Korea, which indicates that an individual ship could also participate in an EU mission in the region. Another suggestion would be to regularly participate in Freedom of Navigation Operations (FONOPs), to underline military power, potential and willingness. However, this is a challenge to the EU's capabilities.

In order to improve its responses to maritime security and enhance the rules-based order under UNCLOS at its core, the EU has already created the Coordinated Maritime Presences (CMP) as a framework for member states and the EU to align their naval and air assets present in the region, implementing a European presence in the Maritime Areas of Interest (MAI) as well as to improve international cooperation. The EU implemented its first CMP concept in the Gulf of Guinea until 2024 and established a MAI in the Northwestern Indian Ocean in 2022. This allows the EU to establish itself as a reliable partner and a provider of maritime security.

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59 “EU-ASEAN Commemorative Summit.”
64 “Coordinated Maritime Presences.”
6. A Middle Power Strategy for the EU in the Indo-Pacific

A middle power diplomatic approach to the Indo-Pacific by the EU will allow for a consolidation of its strategic autonomy, especially should the EU manage to carve out an independent pathway from both Chinese and US interests. A combined middle power approach to the Indo-Pacific would further allow for an amplified strategy of European states in the region, as well as strengthen the image of the EU on a global level, highlighting its capacity to present itself as a united institution. By pursuing a consolidated middle power approach in the Indo-Pacific, the EU can work to overcome the incoherence of the Indo-Pacific approach it struggles with on a national level.

The EU needs to ask itself what exact role it wants to play in the Indo-Pacific and how confrontational it wants to be. The EU needs to combine the different economic and strategic ambitions in the Indo-Pacific by European countries, because everyone does have interests and thus must contribute and to avoid a strategic congestion in the region.

Pursuing multilateralism and niche diplomacy is the best and most viable middle power strategy for the EU in the Indo-Pacific, with several frameworks in which it could become more engaged, such as ASEM, APEC, and the Shangri-La Dialogue. The EU should focus on multilateralism in the region, in particular on frameworks in which both the US and China are not members. Moreover, the EU should also focus on strengthening relations with like-minded middle power states in the region while also utilizing the centrality of ASEAN, as highlighted in the 2022 summit. Several dimensions have been pointed out which provide opportunity to engage in niche diplomacy, in particular climate change and anti-piracy missions. Through including maritime security as a way of collectively joining capabilities and capacities with the already exciting CMP framework, the EU can pursue a middle power diplomatic approach in the Indo-Pacific, to effectively guard the commons.