

## Jean Monnet Lecture Series on EU-Asia Connectivity

# The EU-Asia Connectivity Strategy: Sustainable and Digital Transformations

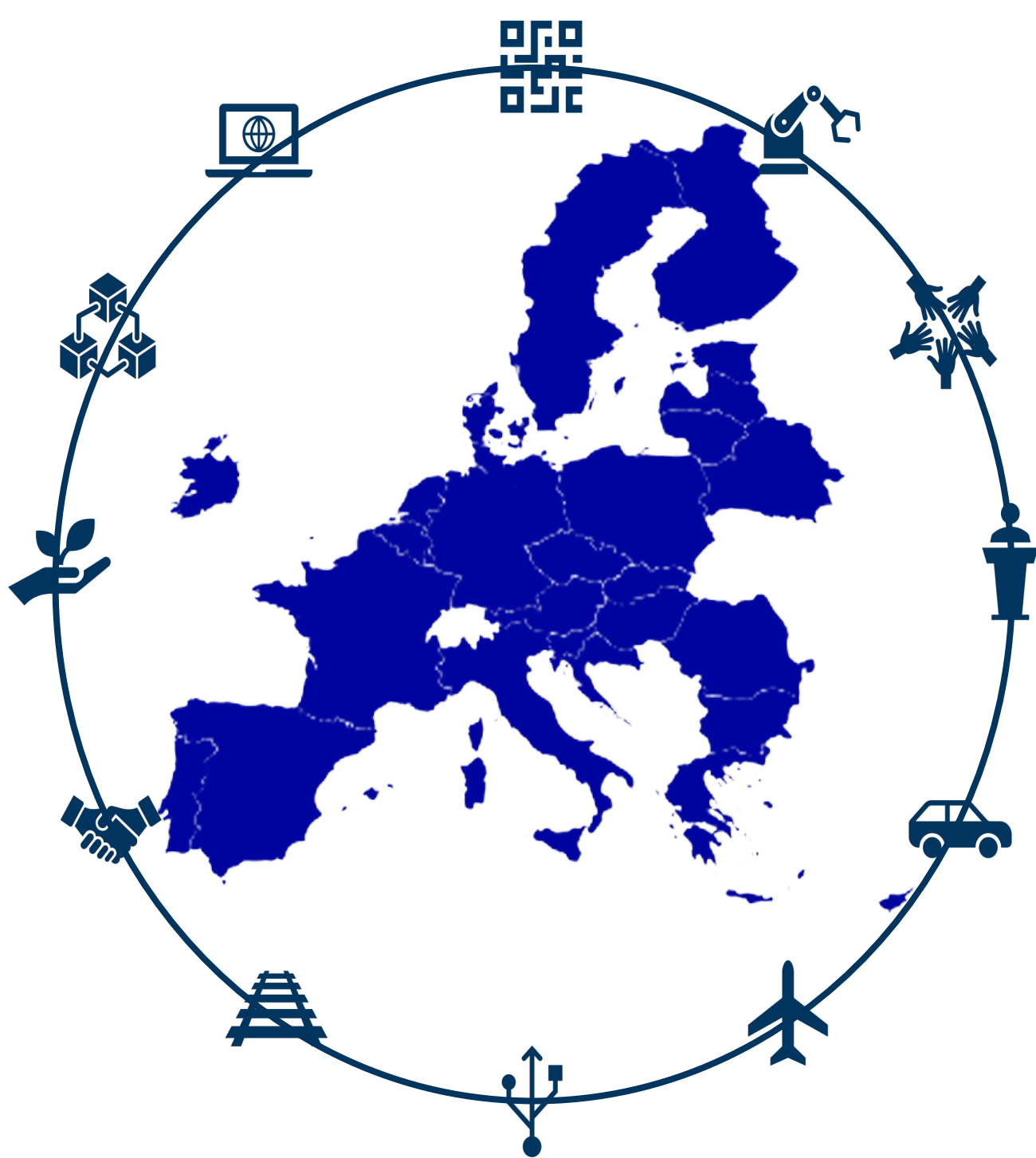
Speaker: Romana Vlahutin, Ambassador-at-Large for Connectivity, European External Action Service

Moderator: Prof. Dr. Sebastian Bersick, Jean Monnet Chair, RUB

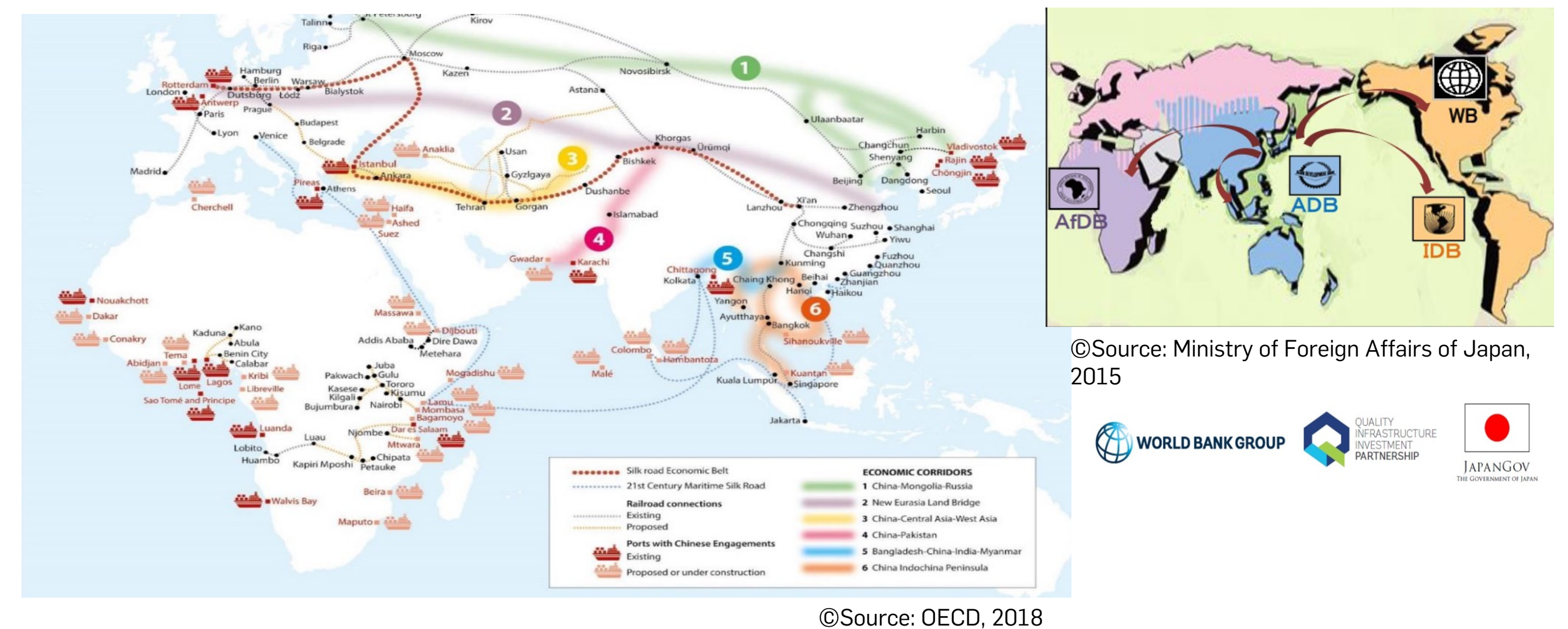
January 26<sup>th</sup>, 2021

### The Logic of Connectivity

### New Dimension of Connectivity



- Connectivity is political by definition. It is about strategic infrastructure and creates dependencies as well as interdependencies. It is not value neutral.
- The EU was built on the logic of connectivity and it is the best proof of the economic and political power of connectivity.
- Connectivity can take two forms: physical infrastructure projects, as well as rules and norms. It is intricately linked to security issues.



- Through digital technology, connectivity has reached an entirely new dimension and become one of the key geopolitical tools of the 21<sup>st</sup> century.
- Massive demand for strategic infrastructure and connectivity leads to the immense potential for power for those engaging in it. This opportunity was first recognized by China launching its Belt and Road Initiative in 2013 and Japan with the Quality Infrastructure Initiative in 2015. Efforts by the US and the EU followed later.

### EU-Asia Connectivity Strategy

### Connectivity Cooperation



- The EU-Asia Connectivity Strategy rests on four pillars: transport, digital, energy, and human connectivity. It is supposed to be implemented via building physical infrastructure, creating partnerships, and ensuring financing.
- The EU sees connectivity through the prisms of sustainability and a level playing field.

#### WHY DO WE NEED BETTER CONNECTIVITY FOR EUROPE & ASIA?

- **€1.5 TRILLION IN ANNUAL TRADE** BETWEEN EUROPE AND ASIA
- **EUROPE AND ASIA ACCOUNT FOR OVER 60% OF THE WORLD'S GDP**
- **SINCE 2015, OVER 18,000 STUDENTS AND ACADEMIC STAFF** HAVE TRAVELLED BETWEEN OUR TWO REGIONS
- **WE HAVE A JOINT RESPONSIBILITY TO PROTECT OUR ENVIRONMENT**
- **CROSS-BORDER RULES AND REGULATIONS MEAN FAIR COMPETITION FOR BUSINESSES**
- **FISCAL AND FINANCIAL STABILITY REQUIRES LONG-TERM PLANNING**

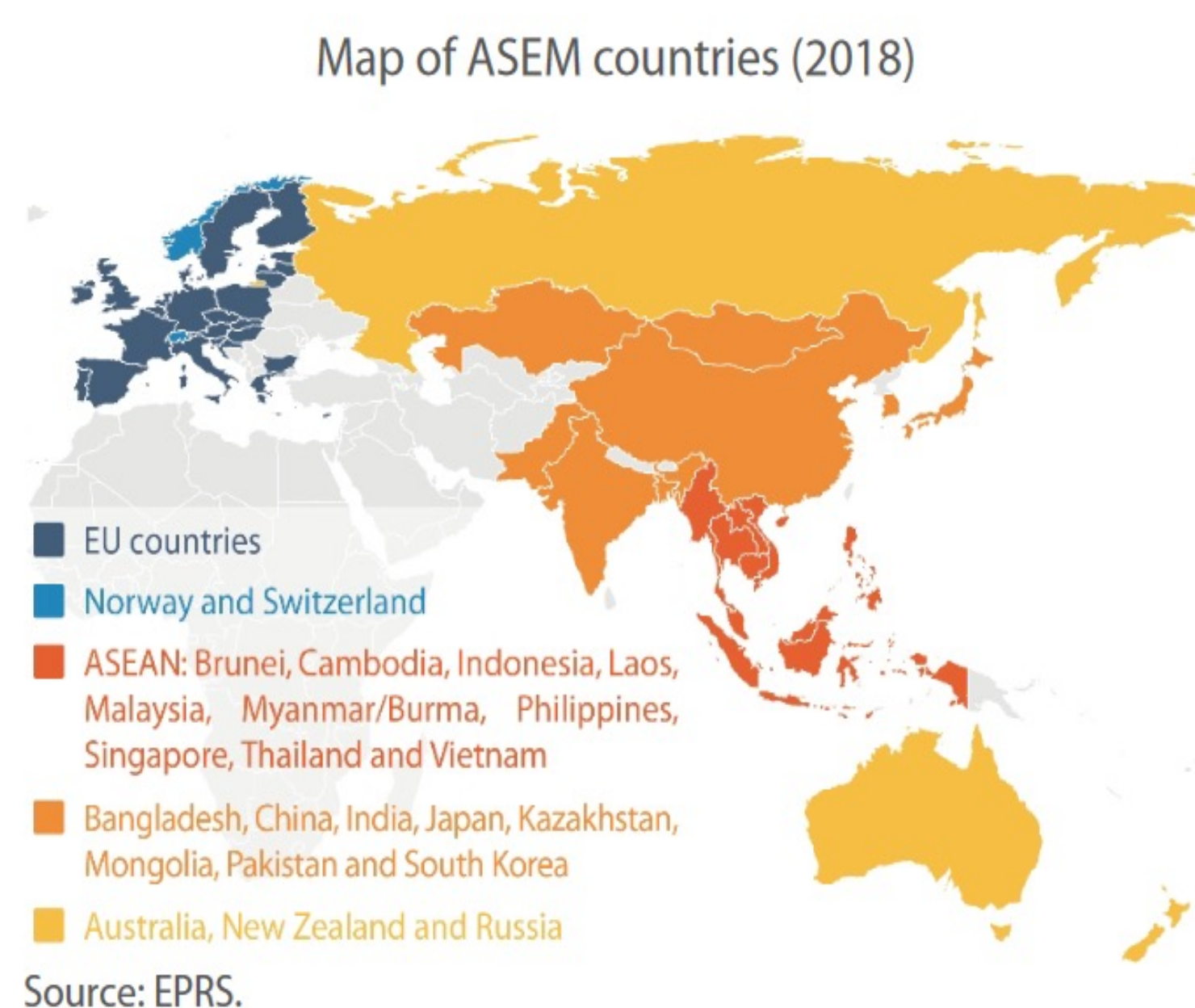
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#### WHAT IS THE EU DOING TO CONNECT EUROPE & ASIA?



### Connectivity Cooperation : ASEM

### The EU's potential



- Cooperation on connectivity with Japan, ASEAN, India, ROK, Central Asia, etc. is already under way.
- The private sector is essential to the success of connectivity initiatives.

- The EU has all the tools to be a global leader in connectivity. As the world's leading provider of global FDI and development assistance, it has the necessary financial strength.
- Yet, the perception of the EU does not reflect that. The strength must be expressed more clearly: the EU is a global normative power and has cutting-edge technology.



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### 1<sup>st</sup> Question

**Question:** Is the EU's Connectivity Strategy a reaction to China's BRI? Does it compete with BRI?

**Answer:** The EU is the result of connectivity and would have tackled the issue regardless, but it is obvious that China started this policy trend first. The EU does not have a need to compete with China since it has a different approach. Its two fundamental principles are sustainability and a level playing field. Connectivity and sustainability make countries more competitive and resilient. The EU's strategy is not an act of competition, but an offer to the world.

### 2<sup>nd</sup> Question

**Question:** Will the EU promote its Digital Service Act, Digital Market Act, Data Governance Act and Cyber Security Strategy within its Connectivity Strategy? What will be the mechanisms and instruments in place?

**Answer:** Issues of green and particularly digital transformation are essential. Strong, trusting partnerships are necessary for the development of digital economies. The complexity of the issue and the need to pool sufficient resources must be understood. Japan is one of the EU's most important partners in Asia, with cooperation not only on the EU-Japan partnership but also in third countries. ASEAN and India play a central role, but digital and green issues are an essential part of discussions with countries all over the world.

### 3<sup>rd</sup> Question

**Question:** Is additional institutional capacity needed, or can we utilize existing institutions like ASEM?

**Answer:** There is not much appetite for new structures but for using what we have more efficiently. The biggest challenge of connectivity is not the philosophy but implementing the groundwork. This is where cooperation with the private sector comes in. Financing is a vital aspect and financial instruments need to be combined, especially for projects which are not bankable. It is important to note that issues like the green transition cannot be viewed in isolation. Multilateralism is necessary to address common challenges.

### 4<sup>th</sup> Question

**Question:** Could connectivity lead to interdependence and to a challenging and dangerous environment?

**Answer:** Connectivity is interdependence by definition. What leads to security challenges is the weaponisation of connectivity. Security issues have become more comprehensive, and a new normative approach is necessary. There is a new level of complexity in the international system.

### 5<sup>th</sup> Question

**Question:** What role could this initiative play in making China and the EU more cooperative in their thinking when it comes to the international political economy?

**Answer:** Cooperation is in the nature of the EU. If convergence is desired, fundamental basic principles need to be protected. Laying the groundwork for sustainability will be of huge importance.

### 6<sup>th</sup> Question

**Question:** How will the gap between internal and external expectations vis-à-vis the EU be closed and what has been achieved so far regarding a global EU connectivity strategy and the EU's geopolitical role?

**Answer:** It is a fact that the EU is a global actor in numbers, economy, and its normative power. To be a global power, military power is not necessary. The ingredients of power in the 21st century are different than before and the EU has the capability to be powerful. Connectivity has the potential to facilitate growth.

### 7<sup>th</sup> Question

**Question:** How can the EU handle the challenge of integrating private enterprises from China and the US while protecting its privacy and strategic autonomy? How can connectivity contribute to this?

**Answer:** The EU's normative power is key. Rules and norms are central to all kinds of exchanges, and investment in them is of pivotal importance.