The European Union (EU) in Asian Security: Actor with a Punch or Distant Bystander?

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To cite this article: Axel Berkofsky (2014) The European Union (EU) in Asian Security: Actor with a Punch or Distant Bystander?, Asia-Pacific Review, 21:2, 61-85, DOI: 10.1080/13439006.2014.978985

To link to this article: http://dx.doi.org/10.1080/13439006.2014.978985

Published online: 16 Dec 2014.

Article views: 213

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AXEL BERKOFSKY

The EU calls itself a “soft power,” making “soft power” contributions to Asian security. That is undoubtedly what the EU is and does in Asia and the track record of European contributions to Asian peace and stability through economic and financial as well as development aid and technical assistance over the decades is not unimpressive. As will be shown below, over recent years Brussels and the Union’s individual member states have sought to increase their involvement and role in Asian “hard security,” attempting to get rid of its reputation of being security a “free-rider” enjoying but not sharing the burden of US regional security guarantees. While the EU will continue to be a “hard security” actor in Asian security within limits, it is advised to concentrate its security cooperation with like-minded partners such as Japan and the US as opposed to hoping that talking to Beijing on regional or global security issues produces tangible results. As will be shown below, it clearly does not as Beijing continues to conduct very assertive and at times aggressive regional foreign and security policies insisting on the “principle of non-interference” in Chinese domestic and foreign policies. Consequently, EU influence on Chinese foreign and security policies in general and its increasingly aggressive policies related to territorial claims in the East China and South China Seas will continue to exist on paper and paper only.

Introduction

The EU does not have permanently deployed military troops in Asia while the US has just that—above all, troops stationed in Japan and South Korea with whom Washington maintains decades-old security alliances. US troops on Asian ground are, from Washington’s perspective, “hard evidence” that the US
must have a prominent role in Asian security and is what the literature calls the
“offshore balancer” in the region. While years ago it was argued in Asia that
Chinese alleged “soft power” would in the longer-term render US military pres-
ence in the region less relevant or indeed undesirable, those in Asia today who
believe in “soft power” Chinese-style and in the benefits of China’s rapid econ-
omic rise have become an arguably small minority. Put bluntly, in view of
current Chinese assertive regional foreign and security policies, today there are
arguably very few Asian policymakers and scholars (except obviously in China
and also North Korea) who would want the US to withdraw its military troops
from the region. While the same Asian policymakers continue to insist that they
do not want to be put into the position to “choose” between the US and China
as political and economic partners, very assertive and indeed aggressive
Chinese policies related to territorial claims in the East and South China Seas
have largely convinced Asian policymakers that a robust US military presence
in the region is necessary to maintain stability and deter Beijing’s territorial ambi-
tions.1 There is little doubt that China’s security policies have favored the so-
called US “return” to Asia through the below-discussed US “pivot to Asia.”

What about the European Union’s (EU) role in and impact on Asian security?
Following the US reasoning that military presence in the region is the precondition
for a role in and influence on regional security, the absence of European military
troops permanently stationed in Asia can only mean that the EU cannot have a
“real” role in Asian security. While European “soft power” security contributions,
i.e. the provision of economic, financial, and development aid as contributions to
regional peace and stability are assessed as positive as such in Washington, US
policymakers and many US scholars point out that American boots on Asian
ground continue to make the difference between peace and conflict in the
region. Asia’s current security environment—characterized by an assertive
China, an unpredictable North Korea and the near-absence of sustainable reconci-
liation between two very close US allies (Japan and South Korea)—seem to
confirm that US boots on the ground and not (European) development and huma-
nitarian aid is what is needed to keep the security situation turn from bad to worse.
Those on the other hand who are opposed to the expansion of US involvement in
Asian security, put in practice among others through the US “pivot to Asia”2
announced by the US administration in 2011,3 argue that the permanent presence
of US military in Asia has, for example, over the last two years not prevented the
re-emergence of Asian territorial disputes (above all those between China and a
number of Asian countries) and did in turn not prevent Beijing from illegally
intruding into Japanese-controlled territorial waters in the East China Sea. In
fact, as it is argued in this context, Washington’s military presence together
with the Asia “pivot” has “provoked” Beijing to increase those intrusions,
resulting in the assertive and aggressive Chinese policies and actions related to
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territorial claims in Asian disputed waters that we experience today. Indeed, American military presence and Washington’s security commitments in the region, above all those formulated in Article V of the US-Japan Security Treaty of 1960, have made the US almost inevitably part of many of Asia’s territorial disputes. Even if Washington likes to portray itself as such, from a Chinese perspective, Washington can therefore not assume the role as a mediator in territorial disputes in the East and South China Seas. Those who argue that US military permanently stationed in Asia is not a benefit but instead a burden for regional security are again countered by those who maintain that the presence of US military in Asia has made sure that the territorial disputes have—at least so far—deterred China from “solving” its territorial disputes in Asia—and those with Japan in particular—with military force. In other words: without US troops on the ground, it is argued, China would by now have sought to invade and occupy the Japanese-controlled Senkaku Islands in the East China Sea.

While the relevance and success of EU soft power policies, i.e. European economic, financial, and development assistance in the region are evident, Brussels’ contributions to Asian “hard” security conflicts are less impressive. Although, for example, its past support of and contributions to the now defunct Korean Energy Development Organization (KEDO)4 together with its support for North Korean economic reforms5 throughout the early 2000s could have justified a European participation in the (now equally defunct) Six-Party Talks, Brussels has never sought to become a member of the multilateral talks aimed at de-nuclearizing North Korea. To be sure, in retrospect and given the outcome of the Six-Party Talks, i.e. the failure in the sense that Pyongyang did not dismantle its nuclear facilities and is no longer (at least for now) willing to negotiate on its nuclear programme at all, not seeking participation in the Six-Party Talks might have been the correct decision in view of the relatively limited resources the EU is able to assign to Asian politics and security. However, it is nonetheless accurate to conclude that Brussels’ pushing for a contribution to and participation in the Six-Party Talks when they were established and hosted by Beijing could have sent a message to the interested parties such as Japan, the US, and also China that Brussels is willing to make contributions to Asian “hard security” beyond verbally supporting other countries’ “hard” security policies, including those on the Korean Peninsula.

Finally, Brussels’ reluctance to get involved in Asian territorial conflicts beyond urging involved parties to solve conflicts peacefully and through negotiations, (mainly US) critics of EU policies towards Asia in general and China in particular have confirmed Beijing’s policymakers that Brussels does not pose a “danger” as regards “interference”7 in China’s domestic and foreign policy affairs. While such reluctance has undoubtedly favored the establishment of the below-mentioned bilateral EU-China dialogue on Asian security, it has also
made sure that the EU’s credibility as a coherent and determined foreign and security policymaker is perceived as fairly (or indeed very) limited in Beijing and elsewhere in Asia. To be sure, Asian policymakers are not always and necessarily coherent on what they want the EU to be either: while sometimes and on some occasions Asian policymakers stress the fact that they want Brussels to be a “soft power” and nothing but that in Asia, on other occasions the same policymakers want the Union to get more involved in “hard security” issues such as territorial disputes. That, however, is not necessarily contradictory; depending on the circumstances, Asian policymakers ask for either none or more EU contributions to Asian “hard security” issues: when, for example, a policymaker from a country that is not directly or even indirectly involved in a conflict that requires a “hard security” contribution from the outside, the policymaker could tend to ask the EU to increase its “soft power” contribution to the conflict in question. When, on the other hand, the conflict directly impacts the security situation in the country of the same policymaker, he or she might tend to ask for a European “hard security” contribution to the conflict in question.

For Asia: hard or soft power?

In view of the current security environment and situation, which is more beneficial and necessary in Asia: more US-style “hard security” policies or, instead, more EU-style “soft security” contributions to Asian security? Scholars and analysts who argue that it is the latter point out that Asia’s political leaders welcome European contributions to tackling non-traditional security issues, an area where Brussels has both skills and capabilities. In short and put simply: it is accurate to conclude that the majority of Asia’s policymakers (and probably those in China in particular) do not want the EU to become “another US” in terms of security policies towards Asia, but instead want Brussels to stick to “soft power” as its central foreign policy instrument in the region. As indicated in the introduction, Brussels opting for “soft power” security contributions to Asia is obviously also a choice that is defined by the absence of European military troops permanently stationed in Asia due to—in comparison with the US—very limited strategic and military interests in the region. Given the US profile as a global military power, Washington’s geo-political and geo-strategic involvement in Asia, it is argued in this context, obliges the US to maintain military power projection capabilities in the region. The absence of comparable EU strategic interests in the region on the other hand enables Brussels to focus on “soft power” policies. That, at least as far as some US scholars and policymakers are concerned, makes the EU (like Japan—as US scholars and policymakers likewise have complained many times in the past) a security “free-rider” enjoying US security guarantees in and for the region.
Europe in Asia, however, is not all “soft.” Albeit in relatively small numbers and not permanent, there is European military deployed in Asia. The UK, for example, is a member of the Five-Power Defense Arrangements (FPDA), a military consultation forum between the UK, Australia, Malaysia, New Zealand, and Singapore. Furthermore, French naval forces are deployed in the Indian Ocean and the South Pacific. On the EU member state level, several EU countries maintain defense dialogues and military links with countries such as Japan, South Korea, Australia, and New Zealand. France, the UK, and Germany, for their part, have set up “strategic dialogues” with Beijing. Cooperation between British and French military with Chinese military forces includes, for example, port calls and joint naval search and rescue exercises. Furthermore, the EU is working with various Asian countries on counter-piracy, cyber-security, maritime security, energy security, and climate change. European weapons sales to Asia furthermore confirm that the EU has interests linked to military equipment. Indeed, European defense contractors selling weapons to Asian countries undermine the EU’s “soft power” image in Asia. EU member states’ defense contractors are selling weapons and weapons technology on a large scale to Asia with a strong market presence in South and Southeast Asia in particular. European defense contractors are, for example, selling naval units as well as jet fighters in these regions. Furthermore, regardless of the EU weapons embargo imposed on Beijing in 1989, China too continues to be an important market for EU defense companies. In defiance of the embargo, European contractors have over recent years provided Beijing with military equipment of up to 10% of China’s rapidly increasing defense procurement budget. Needless to say, European weapons sales or dual-use technology exports to China are controversial and undermine the effectiveness of the weapons embargo on China which has been urging the EU to lift the embargo ever since Brussels and Beijing declared being “strategic partners” in 2003.

Brussels “pivoting” to Asia?

When the US administration announced its “pivot to Asia” in 2011, accompanied by an increased US involvement in Asian security through the strengthening of existing military alliances with Japan and South Korea and the establishment of new defense ties with countries such as Australia, India, the Philippines, and Vietnam, Beijing immediately and unsurprisingly concluded that Washington’s Asia “pivot” was aimed at containing China. Beijing policymakers argued then (and still do) that Washington’s Asia “pivot” and the expansion of US defense ties in the region are meant to “encircle” China and continue to ensure US regional military hegemony against the background of China’s rapid economic and military rise. Even if Washington officially insists that its Asia “pivot” was not intended to “encircle” China militarily, these attempts to
explain the “pivot’s” scope and objective to the Chinese side will continue to remain futile and dismissed as irrelevant in Beijing. Put bluntly, from a Chinese perspective the “pivot” is an attempt to convince other Asian countries to “gang-up” on China and deter the country’s economic and political rise and Europe will—again from a Chinese perspective—sooner or later be pressured into supporting China’s containment.

Some European scholars put a more positive spin on the term “pivot” and like Nicola Casarini and Jonas Parello-Plesner argue that the expansion of the EU’s economic and political engagement in Asia over the last 10 years can be referred to as an EU “pivot” to Asia. While not always uncontroversial and coherent with EU values and approaches towards international politics and security, the EU’s expansion of its institutional ties with China over the last 10 years in particular can be cited in this context. Against the background of the expansion of the EU’s ties with China in particular, the EU’s “pivot” to Asia (if one chooses to use the term “pivot” in this context) could be described as one to engage China economically and politically while—as mentioned above—the US version of the “pivot” is perceived as an instrument of containment towards China. Nonetheless, while the EU “pivot” to Asia is in terms of quality very different from the US version of the “pivot,” EU policymakers and European scholars too saw themselves nonetheless confronted (especially after the joint Clinton-Ashton statement on Asian security of November 2012) with the quasi-obligation of explaining to Chinese policymakers why the EU version of Asia “pivot” does not stand for the EU allying itself with US-led China containment policies. However, such attempts too have been unsuccessful: Chinese scholars in particular—at least judging by this author’s experience—felt and still do (without a doubt under pressure from Chinese policymakers) the need to explain to European counterparts that US Asia “pivot” is to be understood as an instrument to contain China. These “explanations” have more often than not been—to put it mildly—fairly “emotional” and very often lacking in rational and objective analysis. Indeed, arguably against better knowledge of what the EU does and “is” in Asia, Chinese officials continue to insist that Brussels finds itself under pressure from the US to join Washington’s alleged containment policies towards China (which the EU will sooner or later decide to do, at least as far as Chinese policymakers are concerned). To be sure, there are also a number of US scholars who not only argue that Washington’s Asia “pivot” is indeed to be understood as part of a US China containment policy but also point out that there is—in view of China’s increasingly assertive and at times aggressive regional security policies—nothing wrong with such a policy if it helps to guarantee the safety of US military stationed in Asia. However, regardless of whether or whether not Washington is seeking to contain China, Brussels’ current policies towards China do realistically not allow the conclusion that Brussels is preparing or willing to join US China containment policies (even if some US policymakers wish it did).
The EU’s former High Representative for the EU’s Common Foreign and Security Policies (CSDP) Javier Solana shares the conviction that Brussels should be “pivoting” towards Asia, albeit not the way the US does. “Even when rebranded as a “rebalancing,” America’s eastward shift is inevitably met with suspicion by some Asian countries, particularly China. Europe, by contrast, can use its agility to perform a “smart pivot,” Solana wrote in 2013. By “smart power” Solana means an increased European engagement with Asia’s institutions such as ASEAN to promote what Solana calls a “shift toward a three-pillared design (political-military, economic, and socio-cultural) by 2015.” While such an envisioned increase of EU efforts to advance Asian regional integration sounds plausible on paper, the EU’s current and former policymakers like Solana typically and in public do not specify exactly how an increased EU engagement with ASEAN in order to promote the e.g. above-mentioned “three-pillared design” should concretely look and into what it should translate. Indeed, without negating or diminishing the already significant impact of EU contributions to regional integration (in the form of economic and development aid, etc.; for details see below), unless and until Europe adds more tangible details to their official declarations on contributions to Asian integration and/or security, it remains vulnerable to the criticism of publishing nice-sounding statements without explaining the actual follow-up of those statements on the ground.

Finally, the EU’s signature under the Treaty of Amity and Cooperation (TAC)—a non-aggression pact between ASEAN members and non-members—is often cited as evidence that Brussels aims at increasing its contributions to Asian politics and security. While the accession to the treaty allows the Union to participate in the East Asian Summit (EAS), it is far from obvious how EU participation in the EAS—an informal inter-governmental forum—would increase European involvement in Asian security. Without dismissing the value and impact of the EU’s signature under the TAC per se, EU policymakers give in their speeches and declarations the impression that not necessarily the actual impact of its signature under the treaty is what counts but the mere fact that a treaty was signed: EU signatures under treaties or joint declarations are—at least so it seems—enough for EU policymakers to “show for” without feeling obliged to explain what exactly such a signature will change as regards the Union’s involvement in security in the country or region in question. The participation of Catherine Ashton, the EU’s outgoing High Representative of EU Foreign Affairs and Security Policy, in the IISS Shangri-La Dialogue on Asian security in Singapore is an example of that. Her mere announcement in Singapore in 2013 that the EU will get more involved in Asian security has for months meant—at least as far as EU policymakers are concerned—that the EU is getting actually more involved in Asian security. However, Ashton’s participation in the forum was a “one-shot” participation as she did not participate in 2014 to possibly
explain how the EU’s involvement in Asian security has evolved from 2013 to 2014.

**Brussels doing more?**

European scholars who reject US claims of European “free-riding” on US security guarantees in Asia argue that Europe is no longer only a distant bystander looking at Asian “hard security” from a distance. The argument that the EU is “free-riding” on US security guarantees while pursuing its business interests is no longer valid, some European scholars argue. Recent EU declarations on Asian security, it is argued in this context, allegedly provide that Brussels is getting more involved in Asian security. The participation of Catherine Ashton in the 2013 Shangri-La Asian Security Forum in Singapore in June 2013 has in this context in Brussels been cited as an example of how the EU is getting more involved in Asian security. However, the EU announcing to make more contributions to Asian security is not the same as actually making them. To be sure, 2014 is a year in which European priority security concerns are much closer to home (Ukraine, the Middle East), but EU high-level representation at Asia’s most important security forum involving policymakers and civil society would without a doubt sent a signal of European commitment to Asian security. In fact, Ashton’s absence in Singapore in 2014 is somehow symptomatic for the EU’s involvement in Asian security: Ashton’s announcements in Singapore in 2013 to get more involved in Asian security was not followed-up by another announcement or speech in 2014 on what has actually been done in this respect over the last 12 months. To be sure, while in international politics it is not unusual for policymakers or governments to announce policies without explaining how and when these announcements are to be followed-up by actual policies, Brussels’ impact on and involvement in Asian security will continue to have to be measured by the statements and declarations on the Union’s envisioned involvement. Those scholars and analysts who argue that the Europeans’ declarations to do more in Asian hard security are only as good as concrete policies following those announcements continue to argue that European policymakers are ignoring security issues in Asia and think of Asia only as market and not as a region where instability and conflict would inevitably have an impact on European business interests. The fact that the EU’s maritime trade with Asia accounts for more than 25% of overall transcontinental container shipping traffic is often cited in this context to underline that Brussels and EU member states are profiting from US efforts to ensure open sea-lanes in the Asia Pacific. However, the accusation that the EU ignores security in Asia leaving it up to the US military presence to provide stability dismisses the possibility that the Union and its member states have consciously chosen to lay the focus of security contributions in Asia on...
“soft power” out of the conviction that “soft power” is as relevant as “hard power” to maintain peace and stability in Asia. In other words: the possibility that Europe—due to its own (violent) history in general and World War II in particular—is profoundly convinced that military presence and the ability to pursue political and economic interests through military force is not taken into account by those who in Europe or elsewhere urge the Union to show (more and sustainable) military presence in Asia. Furthermore, accusing the EU of “free-riding” on US security guarantees in Asia does not reflect the reality of EU policies in Asia, due to at least two reasons: firstly, it is indisputable that European engagement in and contributions to Asia’s economic development and growth support Asian security and stability (from which the US also profits). Secondly, US military presence and its confirmation and indeed expansion through the US “pivot to Asia” announced in 2011 serves above all to counterbalance China’s military rise threatening to challenge US regional interests.

The US scholars Andrew Erickson and Austin Strange have in the past suggested that European permanently stationed military is necessary to convince Washington to remain committed to defending European security interests closer to home. “From an EU perspective it may be desirable to develop a more direct presence in the Asia Pacific to help ensure that the US remains committed to the alliance’s security interests in other regions that are traditionally perceived as more vital to European security.” Such an assessment, which sounds like a mutually beneficial EU-US “burden-sharing agreement” on regional and global security to the optimists or like an ill-fated US “tit-for-tat” approach towards its “junior partners” in international security to the pessimists, is naturally not shared by those who instead argue that the absence of European military troops in Asia is the precondition of Brussels’ successful “soft security” security policies in Asia. The absence of permanently stationed European military in Asia, it is pointed out in this context, makes the EU a “non-threatening” actor, the precondition to play the role of an “honest broker” without having to explain (like Washington does) how and to what extent it is at all possible to assume such a role in view of the presence of military troops ready to defend economic and political interests with military force.

EU (“soft power”) action on the ground

EU “soft power” security contributions to Asian security are undoubtedly very substantive and wide-ranging. In the past, the Union, for example, actively contributed to the stabilization of East Timor, co-financed, and supervised the implementation of the peace agreement between Indonesia and the Free Aceh Movement, and continues to contribute financially and with technical assistance to the pacification between the Muslim population in Mindanao and the central
government of the Philippines. Furthermore, the EU has on several occasions in
the past assumed an important and indeed central role in Asian conflict
mediation. In 2005, for example, the EU deployed a monitoring mission to
Aceh helping to implement a peace agreement ending the 30-year long conflict
there. Finally, the EU and its member states remain the biggest donors of
humanitarian and development aid to Asia. From 2007 to 2013 the EU Com-
mission has allocated roughly 5.2 billion euro in development aid for Asia.
The largest part of these funds (roughly 80%) is assigned to development assist-
ance for individual countries, 16% is assigned to regional assistance, and 3% is
reserved for ad-hoc allocation in case of regional emergencies such as natural
and humanitarian disasters.27 Although the EU continues at times to be accused
of providing funds for countless development and projects to Asian countries
without always (or indeed very rarely) having the resources and manpower
to sufficiently supervise and monitor the implementation of EU-funded projects,
the above-mentioned funds have undoubtedly over decades contributed to Asian
development and stability (like Japanese development aid, economic and finan-
cial assistance, as well as technical assistance have done in Asia since the
1960s).

Asia policy guidelines

The “Guidelines on the EU’s Foreign and Security Policy in East Asia” adopted by
the Union in June 2012 have by Brussels’ policymakers over the last two years
been cited as an indication of increased and increasing EU willingness to get
further involved in Asian security. The guidelines acknowledge the “needs of a
more developed, coherent and focused on common foreign and security policy
in East Asia.”28 They furthermore announce to expand exchanges with the
“region’s key players,” and make full use of its strategic partnerships in the
region, including bringing to bear the potential of the “High-Level Strategic Dia-
logue” and the “High-Level Economic and Trade Dialogue” with China, deepen-
ing its strategic dialogue on East Asia with Japan.” Furthermore, the guidelines
call for an intensification of the Union’s political dialogue with South Korea on
North Korea’s clandestine nuclear program and call for increased military-to-mili-
tary exchanges between the region’s countries and EU Member States to—as the
guidelines read—“Increase transparency and reduce the risk of misperception.”
As this is many times the case with EU policy papers and declarations,
however, the guidelines are short of details on how exactly the envisioned inten-
sification of EU involvement in Asian security is planned to take place and up to
date, there are, for example, no indications that the EU has increased its
cooperation with South Korea related to North Korea’s nuclear and missile pro-
grammes.
It is noteworthy that a significant part of the guidelines are dealing with China and the limits, problems and possibilities of EU-China cooperation in regional politics and security. Noteworthy also because the guidelines display—directly or indirectly through reading between the lines—an arguably (very) negative EU assessment on the quality of Chinese domestic and foreign policies by listing a number of issues of China’s domestic and regional foreign and security policy agendas which from an EU perspective China needs to address. Such issues include human rights, the—from an EU perspective—insufficiently developed application of the rule of law (as opposed to the “rule by law”) in China and the lack of progress fundamental freedoms in the country. In that context, the guidelines lament that China is in Europe’s views not sufficiently included in regional and global structures of economic and political governance (which is another way of saying that China does not abide to and adopt globally acknowledged and applicable rules and of economic and political governance). Finally, the guidelines urge China to become more transparent about its defense spending. Realistically, however, Europe criticizing Chinese domestic and foreign policies in general and calls more transparency for China’s defence spending in particular will at best most probably like in the past lead to Chinese accusations of Europe “interfering” in China’s internal affairs or—at worst—or quite simply be ignored in Beijing.

The part of the EU’s Asia policy guidelines that deals with China is decisively not the same in tone as the joint EU-China statements coming out of, for example, the EU-China bilateral dialogue on regional security. While the joint statements of the dialogue since 2010 (for further details of the dialogue see below) give the impression that Brussels and Beijing agree (at least publicly) on policies towards many Asian security issues, the guidelines and, from a European perspective, problematic issues on China’s domestic and foreign policy agenda listed above do not—to say the very least—give that impression. While it is not unusual that policy guidelines are much more optimistic and result-oriented than actual policies between the countries in question, the gap in terms of quality and possibility of actual result-oriented joint EU-China policies between what is written in the guidelines on China and what has been announced after the EU-China dialogue on regional security since 2010 is arguably very wide (which in turn takes away credibility from EU-Chinese joint declarations in security which seem to indicate that Brussels and Beijing agree on many issues of and approaches towards Asian security). Indeed, in view of the problematic issues the guidelines list as regards Chinese approaches towards the rule of law, governance and (many) other issues, it becomes (almost) unambiguously clear that from Brussels’ perspective, the EU and China have in terms of governance and approaches towards international politics and security almost nothing if anything in common with each other. If that conclusion is accurate (EU policymakers
obviously argue on the official record that it is not), it is fair to conclude that Beijing has probably very few illusions about European preparedness to side with China and not the US, should Washington’s security interests in the region be affected by China’s regional security policies. When China in the early 2000s during Washington’s unilateral moment in international politics and the invasion of Iraq in 2003 asked Europe to endorse the concept of a “multipolar world” countering US unilateralism, the European reaction (maybe with the exception of France and Germany, which refused to participate in the invasion and later occupation of Iraq) was not enthusiastic, to say the very least.

**Hooking up with Washington?**

Brussels’ policies towards China have in the literature and in US policymaking circles over the last 10 years been cited as “evidence” that the EU has, compared to Washington, a fundamentally different perception on the quality, scope, and alleged “dangers” of Chinese regional security policies. Washington’s explanations, however, of how the EU views China tend to be rather simplistic: while Washington is above all concerned about China’s military rise threatening US political and economic interests in the region and beyond, Europe, on the other hand, does not perceive China as potential military threat and instead focuses exclusively on the expansion of trade and business ties with Beijing. This accusation became particularly relevant when in the early- and mid-2000s Brussels considered the possibility of lifting the arms embargo the Union imposed on China in 1989. The EU lifting the arms embargo, it was feared in Washington back then, would pose a direct threat to US regional security interests if the lifting of the weapons export ban resulted in Beijing buying state-of-the art European weapons and weapons technology. These concerns at the time led Washington to call for more US-EU coordination on respective policies towards China and the establishment of an annual EU-US dialogue on East Asian security (with the weapons at the very top of the dialogue’s agenda at all times).

As regards a possible expansion of US-European security cooperation in Asia, great importance was (at least in Brussels) attributed to Catherine Ashton’s first-time participation in the ASEAN Regional (ARF) in November 2012, which resulted in a joint EU-US statement on Asian security (signed by Ashton and then US Secretary of State Hillary Clinton). That joint statement mentions among others the possibilities of EU-US cooperation on combating transnational crime, cooperation on cyber-security, and development policies. It pointed to “the importance of open markets in enhancing growth and development in the Asia-Pacific region, which also has a direct and positive impact on the economies of the European Union and the United States.” Since the statement’s adoption 18 months ago, however, the only tangible follow-up of the Clinton-Ashton
Declaration is the establishment of regular meetings between British, German, French, and Italian and US Statement Department officials. Given, however, that these meetings take place with individual EU member states as opposed to between Washington and the EU’s External Action Service (EEAS), they are arguably not part of a concerted EU policy strategy but instead are rather individual EU member states’ policymakers informally discussing issues of mutual interests in Asia with policymakers in Washington. To be sure, from the EU member states’ perspective in general and from the Union’s big member states in particular (Germany, France, the UK) policy coordination be it towards Asia or anywhere else is still—put bluntly—too “important” to leave it up to a supranational agency like EEAS.

Against better knowledge, Beijing on the other hand maintained that the Clinton-Ashton joint statement sounded like the EU preparing itself to get involved in a US-driven containment policy strategy towards China even if such a conclusion has arguably very little or indeed nothing to do with actual EU foreign and security policies towards Asia in general and China in particular. As already mentioned above, this sort of arguing and analysis can be explained by a lack of independence and preparedness among Chinese analysts and scholars to voice opinions and analysis which could deviate from or even contradict the government’s official opinions. In fact, at seminars or conferences in China (but also outside of China) there is typically hardly any (if any at all) difference in tone, assertiveness and insistence between Chinese scholars and officials when portraying China as a “victim” of Western containment, or worse a target of a US-driven conspiracy to deter China’s economic, political and military rise. In other words: Chinese scholars typically speak, lecture and “preach” like Chinese officials, limiting and often indeed nullifying the quality of the policy-oriented or academic discourse and debate in question. Yet again put differently and (even) more bluntly: the added value is close to non-existent if and when Chinese analysts and scholars—at least on the official record—continue to limit themselves to repeating what officials have said before and will say after them. Worse, from an academic and scientific point of view is the fact that European scholars engaged in academic and policy-oriented debates with Chinese at conferences or seminars in China or Europe often do not—put bluntly—seem to have a problem with debating with Chinese scholars who say exactly the same things in the same tone and tenor like Chinese government officials.

Dealing with China—rhetoric versus reality

As mentioned above, the EU might be too optimistic (or in denial as the EU is at times accused of) as regards its ability to use its “soft power” to influence the foreign and security policies of Asian countries in general and those of China in
particular. Indeed, in defiance of the realities of Chinese foreign and security policies guided by the “principle of non-interference,” US scholars typically argue, Brussels nonetheless insists that its dialogues with China on human rights, the rule of law, nuclear-proliferation, maritime security, and regional security have an actual influence on Chinese internal and external policies. Doubts about the actual impact of European concerns and advice on Chinese regional security policy notwithstanding, in 2010 the EU and China set up an annual dialogue on defence and security. The most recent annual “EU-China High-level Strategic Dialogue” was held in January 2014 and Brussels has among others hoped—in vain as it turned out—that the dialogue would encourage Beijing to become more transparent about its defense expenditures and military equipment procurement and sales policies. When analysts question the relevance and the impact of the bilateral EU-Chinese dialogue on the quality of Chinese regional security policies, EU policymakers typically point out that—put simply—talking to China on security is better than not talking even if concrete results of the dialogue are not always tangible. That may be true when taking into account the (more or less obvious) benefits of European dialogue with China on regional security per se, but arguably turns out to be less relevant if European concerns on Chinese regional security policy conduct (above all its very assertive policies related to territorial claims in the East and South China Seas) are not at all being taken into account or indeed ignored in Beijing. Indeed, the reality of Chinese regional security policy conduct and actual policies has shown that Chinese willingness to consult with the EU on security issues which fall under what Beijing calls its “core interests” (Taiwan, and Tibet together with what Beijing refers to as “territorial integrity” in Asia’s disputed territorial waters) is very limited if at all existent.

Unless more information is made available to the public providing evidence to the contrary, the outside observer and scholar must therefore conclude that the tangible results of EU efforts to influence Chinese regional security policy conduct through the dialogue are very, very limited or indeed non-existent. Indeed, the reality of Chinese regional security policies in general and its very assertive, and increasingly aggressive policies related to territorial claims in the East and South China Seas suggest that EU’s influence is arguably non-existent in the sense that Brussels’ dialogue with China has not led Beijing to reduce its intrusions into territorial waters controlled or claimed by other countries in disputed Asian territorial waters. Attempts by European policymakers and scholars to explain to Chinese counterparts that the above-mentioned Clinton-Ashton statement does in no way stand for Europe’s incorporation into a US-driven China containment policy strategy continue to remain unfruitful: dismissing the far more unspectacular reality of what Europe is willing and able to jointly “do” with the US in Asian security, some Chinese policymakers and (many) scholars this author has spoken with in 2013 and 2014 today continue to maintain that
the Clinton-Ashton declaration was directed at China, and hence “betrayed” the spirit of the below-mentioned EU-China bilateral dialogue on Asian security set up in 2010.35

**Japan a “natural ally”?**

Regardless of the question whether or whether not the above-mentioned bilateral EU-Chinese dialogue on Asian security produces tangible results, the dialogue has in Japan—the EU’s allegedly “naturally ally” in Asian politics and security36—led to the perception that Brussels is not the kind of security policy partner willing to support Tokyo’s own China security policies aimed at deterring Beijing’s territorial ambitions in Japanese-controlled territorial waters in the East China Sea.37 In fact, given the currently very tense Japanese-Chinese relations, the EU discussing Asian security with Beijing without strongly condemning Chinese violations into Japanese-controlled territorial waters around the Senkaku Islands in the East China Sea is a de facto confirmation to (some) Japanese policymakers and scholars that the reality of EU-Japan security cooperation does not live to the above-mentioned term “natural ally” in Asian politics and security. In other words: one could conclude that from Tokyo’s perspective, the EU is as regards Asian security of direct and vital interest to Japan reliable and credible only within limits unless and until Brussels unambiguously sides with Tokyo on its policies related to the defence of Japanese-controlled territories in the East China Sea. To be sure, Tokyo is probably very aware that—judging by Beijing’s insistence on the “principle of non-interference” on a come-what-may-basis—Brussels openly and on the record criticizing Chinese violations of Japanese-controlled territorial waters around the Senkaku Islands (Beijing refers to them as Diaoyu Islands) in the East China Sea would probably interrupt (if not indefinitely terminate) the above-mentioned EU-China bilateral EU-China dialogue on Asian security. However, this should from Tokyo’s (assertive) perspective nonetheless (and indeed understandably) not stand in the way of Brussels shying away from supporting Tokyo’s policies to deter unlawful and aggressive Chinese intrusions into Japanese-controlled territorial waters in the East China Sea. To be sure, Tokyo policymakers are well aware of the limits of the EU’s ability and preparedness to voice unambiguous and outspoken support for Japanese policies related to territorial claims in the East China Sea and against that background even the EU’s “timid” calls towards Beijing to solve territorial disputes peacefully are probably appreciated all the same in Tokyo. As regards concrete and very sustainable support for Japanese policies related to the defense of Japanese territories in the East China Sea, Washington is and will continue to remain the most important partner of reference. Washington has over the last two years more than once confirmed that it is—due to its obligations formulated in Article V of the US-Japan Security
Treaty prepared and indeed legally obliged—to jointly defend the Senkaku Islands with Japan in the case of a Chinese attempt to invade and occupy the islands. Consequently, support from the EU for Asian countries disputing territories with Beijing in the East and South China Seas are helpful and positive as such, but such support does not in any way equal Washington’s very concrete support and the US ability to actually and physically deter Chinese vessels from intruding into territorial waters controlled by other countries, be in the East or South China Sea.

While Tokyo is realistic about Brussels’ self-imposed obligation to take a cautious position on Chinese intrusions into Japanese-controlled territorial waters in the East China Sea, joint EU-Chinese statements coming out of the bilateral security dialogue (the last one in January 2014) still must sound “hollow” to the ears of Japanese policymakers in view of Chinese attempts to establish what Beijing refers to as “dual” control in Japanese-controlled territorial waters in the East China Sea (through illegal intrusions into disputed territorial waters). While the fact that the Union’s dialogue on Asian security with Japan and China exist in parallel is not negative per se (the contrary is the case when one considers the benefits of keeping the channels open to the like-minded partner (Japan) and the everything but like-minded partner China), it is from an EU policymaker’s perspective nonetheless challenging to explain how a dialogue with a like-minded and democratic country like Japan which shares similar and indeed often identical approaches towards Asian security with the EU can produce the same or similar (constructive) results than a dialogue with a non-democratic country like China, which has arguably very little if anything in common with the EU as regards approaches towards international and regional politics and security. In other words: instead of investing (many) more political resources into a security dialogue with a like-minded partner (Japan), the EU is investing the same if not more resources into a dialogue with a partner that has fundamentally different approaches towards politics and security (China). As a result, the EU is arguably wasting resources not producing tangible results in terms of joint EU-China policies which reflect European approaches towards regional Asian security while it is not—due to the lack of resources—able to produce enough results with the liked-minded partner Japan either. On a more positive note, since 2005 Brussels and Tokyo are discussing Asian security issues on an annual basis when the “EU-Japan Strategic Dialogue on East Asian Security” was launched (the EU also has a dialogue with Japan on Central Asian security). However, it is fair to conclude that the dialogue has not developed into a forum in which Brussels and Tokyo discuss and adopt joint EU-Japanese East Asian security policies. In fact, that dialogue—like the Union’s dialogue with Japan on Central Asian security—is probably not known to many people outside of Brussels, not least as it is—as EU policymakers have explained to this author—mainly meant to inform each other on respective security policies in
the region as opposed to being a platform to adopt joint policies on the ground. To be sure, such reasoning comes in “handy” when EU policymakers are confronted with the task of explaining what concretely has emerged from the dialogue in terms of joint EU-Japan security policies (which is arguably fairly little). In view of the absence of joint EU-Japanese security policies in Asia, stressing the fact that the dialogue exists as a forum to exchange as opposed to as forum to adopt policies together then becomes understandable from an EU policymaker’s perspective. Furthermore, the EU and Japan have in recent years been cooperating on security—of traditional and non-traditional nature—in various parts of the world, including in Central Asia, Afghanistan, Africa and elsewhere.41 Such EU-Japan cooperation included also EU-Japan counter-piracy cooperation off the coast of Somalia and the Gulf of Aden between Japan’s Maritime Self-Defense Forces (MSDF) and the EU Naval Force (NAVFOR) Somalia Operation Atalanta since 2010. Since then Brussels and Tokyo have frequently exchanged data and intelligence.42

**Conclusions**

The EU making “soft power” security contributions to Asian security is arguably (much) less “spectacular” and headline-catching than joint US-South Korean or US-Japan military manoeuvres in the region (typically leading North Korea or China to react, either verbally (in the case of China) or “physically” (in the case of North Korea, which in the past took US-Korean military exercises as occasions to test missiles over or close to South Korean and also Japanese airspace). However, as mentioned above, Brussels has over decades promoted and substantially supported economic and social development, democracy, and the rule of law and has campaigned for the protection and implementation of human rights in Asia. These kinds of policies towards Asia will continue to remain on top of Brussels’ Asia policy agenda, regardless of the fact that news on Asian politics and security will probably in the months and indeed years ahead focus on intensifying territorial disputes, US-Chinese strategic rivalry, North Korea’s nuclear programme, and other “hard security” issues. The EU responses to the Japanese-Chinese territorial dispute in the East China were—as elaborated above—perceived as “weak” among Asian policymakers and scholars and interpreted as a result of Brussels fearing negative repercussions for European investments and investors in China if the Union had chosen for example to strongly condemn repeated Chinese intrusions into Japanese-controlled territorial waters in the East China Sea over the last two years.43 Such a rather negative perception of the EU’s ability (or rather inability) to formulate and adopt coherent and resolute foreign and security policies (at the possible expense of business interests) in Asia will most probably continue to co-exist with the generally
very positive perception as the EU as actor on the very forefront of Asian poverty reduction policies, for example.

A European role promoting European models and modes of security multilateralism, it is claimed amongst some European scholars and (many) EU policymakers, is welcome in Asia, including in China. However, such optimism does not at all reflect realities of Chinese regional security policies. Insisting on the above-mentioned “principle of non-interference,” there is a near-consensus among independent China scholars and analysts that Beijing will continue to remain almost categorically opposed to meaningfully multilateralize its regional security policies. Against this background, China will insist on talking (as opposed to “negotiating” as China’s territorial claims in the East and South China Seas are—at least as far as Beijing is concerned—non-negotiable) to other Asian countries on a bilateral basis as opposed to talking on disputed territorial waters in multilateral fora such as ASEAN, the East Asia Summit (EAS), or the ASEAN Regional Forum (ARF).

Even if the official rhetoric coming out of Brussels at times suggests otherwise, EU policies towards China have not helped to convince China to regionally multilateralize its foreign and security policies in general and those related to territorial claims in disputed Asian waters in particular. EU policymakers who continue to argue along those lines do—at least on the official record—ignore the reality of China’s approaches and policies towards regional security.

As mentioned above, EU-Japanese cooperation on Asian security is still underdeveloped and against the background of the very limited (if any) results of the EU-China security cooperation, it is fair to conclude that Brussels has—to put it bluntly—too many eggs in the China basket whereas it should have put more eggs into the basket of its allegedly “natural ally” in Asia: Japan. While the security cooperation with Japan has undoubtedly been increased over recent years, EU policymakers are advised to further increase cooperation with the democratic Japan, which shares approaches towards and values of international politics and security with the EU. China and the EU on the other hand do not and the sooner the absence of shared values and approaches are realized and reflected in the EU’s policy approaches towards China, the better.

Against the background of Asia’s current (fragile) security environment, China’s recent assertive territorial policies in the East and South China Seas, US “hard” security policies backed up by military alliances and troops on the ground currently appear to be the more suitable approach towards East Asian security. While Brussels will not—as discussed above—aim at becoming part of US China containment policies, it is advised to become more outspoken with China on its legally very dubious territorial claims in disputed territorial waters. Brussels should seek to put pressure onto Beijing to let international law of the sea and international and impartial arbitrators judge on the legality or non-legality of China’s territorial claims in the East and South China Seas. However, Brussels
becoming more outspoken with China and voicing strong and relevant opinions on
Chinese aggressive regional security policy behaviour is probably a case of
wishful-thinking, at least judging by the typically nice-sounding joint statements
coming out of the above-mentioned EU-China dialogue on Asian security.

Notes

1 Numerous interviews with Asian policymakers—from East and Southeast
Asia—in 2012 and 2013 have confirmed this.
2 Which later became US “re-balancing” towards Asia.
3 For details on the US pivot to Asia see e.g. Campbell, Kurt, Andrews,
Brian, Explaining the US ‘Pivot’ to Asia; Americas 2013, Chatham House
chathamhouse/public/Research/Americas/0813pp_pivottoasia.pdf
4 The international consortium KEDO was to provide Pyongyang with two
light-water reactors (LWRs) to help the country overcome constant
energy shortages. In return for the reactors together with other economic
and financial benefits (above all offered by South Korea and Japan which
made the largest contributions to KEDO) Pyongyang was to deactivate
and dismantle its nuclear facilities (which it never did).
5 North Korea’s (timid) economic reforms, however, were abandoned after
Pyongyang began to fear that economic reforms would threaten the
stability of the regime in Pyongyang. The country’s economic opening
together with increased investments, it was argued in Pyongyang in an ill-
fated manner, would ‘contaminate’ North Korean society with Western
ideas and would therefore have to be abandoned. Some Western North
Korea scholars, however, continue to argue that the economic reforms of
the early 2000s continue to have an impact on North Korean domestic
economic activity and resulted in the establishment of inner-Korean
market on which goods and services can be exchanged. However, those
policymakers or economists who have over recent years advocated the
adoption of Chinese-style economic reforms for North Korea were
ignored at best or worse executed by North Korea’s (relatively) new
leadership. Today, roughly 80% of North Korea’s overall trade is taking
place with China, which is also the biggest (and indeed only) provider of
economic, financial and energy aid to North Korea.
6 A multilateral (US, Japan, South Korea, China, Russia, and North Korea)
forum hosted by Beijing from 2003 to 2009 aimed at convincing
Pyongyang (through economic and financial incentives) to dismantle its
clandestine nuclear facilities.
7 In Beijing’s view, in essence any opinion on and criticism of Chinese
policies.
8 This author’s interviews with Chinese scholars in 2012 and 2013 confirm
this conclusion.
“Soft power” is defined as a policy instrument with economic, financial and development aid at its centre.


The US maintains more than 700 military bases and installations outside of US territory.

The Stockholm-based Swedish Institute for Peace Research (SIPRI) reports that Asian countries import 20% of its weapons and weapons technology from Europe while they import close to 30% from the US.

Both the EU and Beijing referred to each other as “strategic partners” in respective policy papers.

On the EU perception on US Asia ‘pivot’ see e.g. Korteweg, Rem, Europe Cannot Make up its Mind about the US Pivot; Centre for European Reform (CER) Bulletin Issue 92-October/November 2013; http://issuu.com/centreforeuropeanreform/docs/130927130248-34686b89773b4b2a98c1a3140cd75451?e=0/5005000.

Washington and Philippines signed a defence agreement in 2013 to facilitate to adopt what is referred to as “rotational military presence on Philippine territory.” That agreement foresees a 20 year-long “rotational” military presence on the Philippines; for details see e.g. Javad Heydarian, Richard, New Nadir for China-Philippine Ties; in: Asia Times Sept. 12, 2013.


The EU e.g. maintains more than 50 so-called “sectoral dialogues” with China covering numerous areas and issues. No other country or block of countries (apart from maybe the US) has received the same EU attention and resources over the last 10–15 years.

Chinese scholars and policymakers accuse Europe of just that when China’s defence budget that has been growing at annual double-digit rates over the last 20 years make it onto the agenda.

This author’s conversations with Chinese scholars over the last two years have confirmed this: Chinese scholars on these occasions tend to become more “official” than the actual Chinese officials.


This author has heard that many times from EU policymakers after Ashton’s speech in Singapore in June 2013.

See e.g. Okano-Heijmans, Maaike, Van der Putten, Frans-Paul, The EU should stay its independent course in East Asia, in: Europe’s World


29 When the EU considered the lifting of the EU weapons embargo in 2003, 2004 and 2005, Washington initiated a campaign to convince Europe and European policymakers that the lifting of the embargo would pose a direct threat to US military stationed in Asia. This campaign resulted in numerous seminars, roundtables and other events during which US scholars presented Washington’s official opposition against the lifting of the ban. However, the EU never was due to inner-EU disagreements and strong opposition against lifting the ban among mainly northern European EU members never as close to lifting the ban as US (as well as Japanese) policymakers believed and claimed.


31 In essence: Beijing not allowing anybody to “interfere” in its domestic and foreign policies. Others than Beijing itself having a critical opinion on the conduct of Chinese domestic and foreign policies is typically referred to as unwanted “interference” in China’s internal affairs.


33 For details see also China and the EU Hold Fourth High-Level Strategic Dialogue; Asia News Outlook February 5, 2014, European Institute for
Axel Berkofsky


Chinese scholars and policymakers interviewed by this author in 2013 have in a very assertive and uncompromising manner “explained” that the Clinton-Ashton joint statement has in Beijing been perceived as Brussels’ prepared to join Washington’s alleged attempts to contain China. Such assessments by Chinese scholars and policymakers are accompanied by emotional and often also irrational claims that the EU is becoming a US accomplice of alleged attempts to obstacle China’s economic rise. In the “heat of the argument” and the de facto obligation to defend official policies and analysis, to Chinese scholars and it seems to be secondary or indeed irrelevant that the issues of European-US cooperation on Asian security on the one and trade and business relations on the other hand are entirely unrelated.

“Natural ally” is a term the EU’s External Action Service (EEAS) uses when pointing to the (great) potential on EU-Japan cooperation in Asian politics and security. Again the background of the yet underdeveloped intensity of EU-Japanese regional and global security, however, it can be argued that there remains a gap between the expectations and reality of security cooperation between Brussels and Tokyo.

Numerous conversations with Japanese officials and scholars in 2013 confirm this.

Which in turn has probably “encouraged” Chinese policymakers over the last two years to continue or indeed increase intrusions into Japanese-controlled territorial waters around the Senkaku Islands.

For details see also Mykal, Olena, The EU-Japan Security Dialogue-Invisible but Comprehensive, Amsterdam University Press 2011.

Numerous times over the years.

For details see also Berkofsky, Axel, EU-Japan relations from 2001 to today: achievements, failures and prospects; in: Japan Forum Japan Forum 24(3) 2012, pp. 265–288.

EU NAVFOR’s main tasks are to escort merchant vessels carrying humanitarian aid for the World Food Program, to protect ships in the Gulf of Aden and the Indian Ocean, and to deter piracy.

See e.g. Khandekar, Gauri, EU quiet as trouble brews in Asia; in: EUObserver.com, September, 18 2012.

References


Korteweg, Rem, Europe Cannot Make up its Mind about the US Pivot; Centre for European Reform (CER) Bulletin Issue 92-October/November 2013; http://issuu.com/centreforeuropeareform/docs/130927130248-34686b89773b4b2a98c1a3140cd75451?e=0/5005000.


Parello-Plesner, Jonas, Europe’s Pivot to Asia, East Asia Forum 12 November 2012; www.eastasiaforum.org/2012/11/12/europes-pivot-to-Asia/.


About the author

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Chapter Five

Europe’s Role in Asia

Distant but Involved

SEBASTIAN BERSICK

The EU needs to look East. Not only in words, but also in facts.

—Herman Van Rompuy, president of the European Council

The post-2008 global financial crisis and the European sovereign debt crisis were both watershed events in the further development of the global political economy and international relations in Asia. With respect to Europe’s relations with the Asian region, the twin crises marked a material and ideational power shift. Not only in economic terms is Europe a region in relative decline. The still ongoing crisis of the European integration process also erodes the EU’s credibility as a role model for regional cooperation and integration in Asia. At the same time, region-building processes in Asia and especially East Asia are largely hampered by a state-centered Westphalian belief in regional order and the complex role of external actors. As a result, bilateral relations between the People’s Republic of China and the United States of America are considered to be the most defining relationship for the region. Yet, on the political, economic, and societal levels, Europe and Asia are closely connected (see tables 5.1–5.6).

The above-quoted statement by the president of the European Council Herman Van Rompuy highlights the evolutionary change in Europeans’ approach toward Asia. It encapsulates the challenge that Asia’s rise poses to Europe and raises the question of how far the European interest in Asia corresponds with Europe’s actual presence and engagement in the Asian region. There is no question about Asia’s economic importance to Europe. Asia today accounts for one-third of all EU exports and is the EU’s second-largest regional trading partner after the European neighborhood, followed by the BRIC countries and NAFTA.

Table 5.1. EU Trade and FDI with Asia (in billion €)

<table>
<thead>
<tr>
<th></th>
<th>China</th>
<th>Japan</th>
<th>South Korea</th>
<th>India</th>
<th>ASEAN</th>
<th>Rest of Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports 2012</td>
<td>289.9 (16.2%)</td>
<td>63.8 (3.6%)</td>
<td>37.8 (2.1%)</td>
<td>37.2 (2.1%)</td>
<td>100 (5.6%)</td>
<td>528.7 (29.6%)</td>
</tr>
<tr>
<td>Exports 2012</td>
<td>143.8 (8.5%)</td>
<td>55.5 (3.3%)</td>
<td>37.7 (2.2%)</td>
<td>38.4 (2.3%)</td>
<td>81.3 (4.8%)</td>
<td>356.7 (21.1%)</td>
</tr>
<tr>
<td>FDI 2011</td>
<td>17.5</td>
<td>2.4</td>
<td>2.5</td>
<td>14.2</td>
<td>16.9</td>
<td>53.5</td>
</tr>
</tbody>
</table>


Table 5.2. Asia’s Trade and FDI with the EU in 2012 (in billion €)
Table 5.3. European Tourists in Asia in 2011

<table>
<thead>
<tr>
<th></th>
<th>China</th>
<th>Japan</th>
<th>South Korea</th>
<th>India</th>
<th>ASEAN</th>
<th>Rest of Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>5,937,800</td>
<td>569,279</td>
<td>681,025</td>
<td>2,113,293</td>
<td>7,325,900</td>
<td>16,663,587</td>
</tr>
</tbody>
</table>


But one must look beyond the economic dimension. In order to analyze the relationship between Europe and Asia, this chapter will focus on relations between the EU and Asia nationally, institutionally, and regionally. It will discuss the relations between countries as well as between regional actors and, when appropriate, the role and policies of individual EU member states.

Table 5.4. Asian Tourists in Europe 2012
In the 1990s most European observers of Asian affairs agreed on the growing importance of Asia. Europe, however, was still looking to the West. The transatlantic relationship mainly defined Europe’s
view of the world as well as its foreign policy priorities. In economic, political, security, and cultural respects, the United States was its primary partner and ally. This is changing. The rise of the Global South impacts the distribution patterns of material as well as ideational factors that define the global political economy today and increasingly in the future. The establishment of the new G-20 and the BRICS (Brazil, Russia, India, China, South Africa) demarcates what can be described as a shift of power from the North to the South and the Asia-Pacific. It is the general understanding of Europeans that Europe’s future will increasingly depend on competition and cooperation with the newly emerging Asian powers—and especially with China. At the same time, the EU has moved toward a further integration of trade and investments with the United States in the form of a Transatlantic Trade and Investment Partnership (TTIP). Regardless of which belief system informs the interpretation of global politics, the question of how relations between Europe, Asia, and the United States develop is of paramount importance for national, regional, and global prosperity. What has become clear in recent years is that Europeans have started developing policies and institutions that allow for a more comprehensive linkup with Asia and its many actors.

THE EU AS AN ACTOR IN ASIA

The European institutions, the EU member states, and even national political parties are developing strategies and policies that react to Asia’s rise—namely the staggering economic success of newly emerging and reemerging countries like India, Indonesia, and especially China. However, European reactions to date remain incoherent. No real Asia strategy exists because the EU is, unlike a nation-state, an incomplete and evolving global political actor. Only in the area of trade have the EU-28 successfully overcome the coherence and consistency problem by establishing a supranational foreign trade policy. Despite the effort made to improve cohesion in the Common Foreign and Security Policy (CFSP) and coordination among European institutions in the post–Lisbon Treaty era, the CFSP is still based on intergovernmentalism. Even though the EU spent over 5 billion euros on development cooperation with Asia between 2007 and 2013, it is considered a weak actor in Asia because of non-existent military capabilities in the region and an undeveloped CFSP.

The EU member states agreed to share national sovereignty and created supranational institutions and political actors like the European Commission (EC), the Council of the European Union, the European Parliament, and the new European External Action Service (EEAS). Yet the EU’s instrumentalism is still limited. Because of the prevailing national interests of its twenty-eight member states, the resulting incoherence limits the EU’s capacity to act in a coordinated fashion in the international sphere. Several levels of interaction between Europe and Asia can be differentiated, namely (1) relations between individual EU member states and individual Asian countries, for example, between Germany and China; (2) relations between the twenty-eight EU member states and individual Asian countries, for example, the EU and India; and (3) interregional relations between the EU and a specific group of Asian countries, for example, the ASEAN-EU dialogue or the Asia-Europe Meeting (ASEM).

The specific institutional structure of the EU is mirrored in its relations with Asia—the most decisive element being the intrinsic tendency of Europeans to support regional institution-building and community-building processes in Asia. While it was expected that the EU’s external policies would become more coherent after the Lisbon Treaty ratification, the EU’s relations with Asia need to be differentiated between the supranational and intergovernmental levels. The European approach to Asia thus sets Europe’s policies apart from other external actors’ policies in Asia.
FOREIGN POLICY WITH EU CHARACTERISTICS

The Lisbon Treaty constitutes a turning point in the EU’s foreign policy. It entered into force on December 1, 2009, and introduced major changes such as merging the European Community and the European Union, creating inter alia a new multi-hatted figure, that is, the High Representative for Foreign Affairs and Security Policy/vice president of the European Commission and permanent chair of the Foreign Affairs Council (HR/VP). The first HR/VP is Catherine Ashton. The Lisbon Treaty also introduced a permanent president of the European Council, Herman Van Rompuy.10

Ashton permanently chairs several working groups in the General Secretariat Council that deal with foreign, security, and defense policy and crisis management. The working group in charge of Asia is called the Asia-Oceania Working Party (COASI).11 It is to provide consistency in EU actions and proposes joint EU positions vis-à-vis individual countries and regions in Asia. COASI aims at identifying general political guidelines for key priorities in the EU’s external relations. During her first year of appointment in 2009, Ashton set up three priorities for EU external affairs: establishment of a European External Action Service, development of deeper relations with Europe’s neighbors, and the creation of strategic partnerships with emerging global actors. The EEAS represents the first European diplomatic corps.12

Nonetheless, the internal structure of the EU involves a complex set of political and bureaucratic actors and is characterized by a lack of leadership, lack of consistency, and inadequate allocation of resources. Reasons for this are manifold.13 First, the lack of leadership is linked to a constellation of actors, a blurred division of responsibilities, constrained decision-making procedures, and divided resources. Second, the EU’s sui generis identity and organizational structure generate a lack of consistency within European institutions. Weak inter-institutional coordination is thus reflected at all levels. In addition, European institutions—the Commission and the Secretariat-General Council (SGC) of the European Union—and bodies, such as the EEAS, have different geographical and sectoral priorities. Third, resources are unequally allocated and there is a duplication of means. The Lisbon Treaty offered the opportunity of new resources at the EU’s disposal, that is, the EEAS, EU delegations, and EU special representatives. The EEAS was provided with a similar degree of budgetary autonomy as the European Commission, but it does not have legal authority to enter into contracts (except the ones that are for the purpose of its own functioning). Whereas the years 2012–13 were budget-cut years, sectoral dialogue visits, working groups, and programs with Asian partners continue to grow and expand. This raises concerns with regard to the financial sustainability of EU actions.

Furthermore, internal dynamics influence the EU’s external representation. The Lisbon Treaty strengthens the EU’s external action architecture, but external representation remains ambiguous. Consequently, the EU faces struggles on visibility and a low degree of influence in Asia.14

THE EU STRATEGY IN ASIA

The global financial crisis and the still lingering European sovereign debt crisis have profound implications for the EU and its relations with Asia. The latter has resulted in the EU experiencing serious internal problems that have pushed foreign policy out of the top priority on the EU’s agenda. The crisis has impacted the EU’s external relations and resulted in a loss of influence in Asia.15 The EU has not yet dedicated enough time and resources to cultivate its political relations vis-à-vis Asia.

The basis of an EU strategy for Asia was laid in the first EU East Asia policy guidelines of 2007. The European Council revised the document and published the current Guidelines on the EU’s
Foreign and Security Policy in East Asia in mid-2012. The EU aims to influence Asian partners in shaping political, socioeconomic, and security matters through a process of dialogue and negotiation—and increasingly in coordination with the United States. On the occasion of the 2012 ASEAN Regional Forum (ARF), HR/VP Ashton and then US Secretary of State Hillary Clinton for the first time issued a joint statement on developments in Asia-Pacific: “Closer consultation between the United States and European Union on Asia-Pacific issues bilaterally, and with partners across the region, will be aimed at advancing regional security, development, well-being, and prosperity.”

The joint statement is further evidence of the EU’s newly developed political will to follow US security interests in East Asia. It shows the learning curve the Europeans have been on since they tried to unilaterally lift the arms embargo against China in 2004–5 without prior consultation with the United States or other Asian stakeholders.

With regard to East Asia’s security architecture, Europeans are largely free riders that rely on the US military posture in Asia-Pacific. Instead of hard security, the European agenda vis-à-vis Asia prioritizes the improvement of economic relations, especially trade and investment.

The policy of the EU toward Asia is one of multilevel engagement, which combines bilateral and multilateral approaches. Besides interaction on the bilateral level, the EU and its member states seek to develop their relations in multilateral forums like the ARF or within the Asia-Europe Meeting (ASEM) process. Since March 2007 the EU is also an official observer of the South Asia Association for Regional Cooperation (SAARC) and has started to interregionalize its relations with the five Central Asian republics. The assumption that institution building in Asia via intraregional and interregional forums is conducive for national, regional, and global order is an inherent element of this approach.

Within this context the EU has chosen a policy path that, by its own account, differs from containment or balance of power strategies. It aims to strengthen regional cooperation and the promotion of a rules-based international system. The EU’s first High Representative for Foreign and Security Policy, Javier Solana, has described the thinking that informs the EU’s policy choices. According to Solana, the EU’s foreign policy vis-à-vis Asia follows a “vision in which a system of global governance with regional structures as its cornerstones effectively addresses trans-regional problems.” The EU’s policies vis-à-vis Asia are based on the normative premise that the cooperative experience of Europe can and should become part of Asian region-building processes. This approach to international relations and the corresponding policy to support the development of regional structures in Asia differs from the US approach inasmuch as the EU facilitated the development of regional institutions in Asia even if the US was excluded.

The United States considers Asian region-building processes with suspicion—or even as dangerous if China is included. Seen from a regional perspective, the so-called American pivot to Asia can be understood as a strategy to integrate a bilateral approach and a multilateral approach in order to prevent China from becoming the regional leader of Asia.

THE EVOLUTION OF EU-ASIA POLICIES

Europe’s interests in Asia are driven by economic considerations. The Europeans rediscovered Asia in the beginning of the 1990s. After the German government had adopted its Asienkonzept in 1993, the EC produced its first strategy paper for Asia under the title “Towards a New Asia Strategy” a year later. It was followed in September 2001 by a new document that formulated the following objective as a priority in EU-Asia relations: “We must focus on strengthening the EU’s political and economic presence across the region, and raising this to a level commensurate with the growing global weight.
The EC identified six objectives on which the new strategy was to focus:

1. to contribute to peace and security in the region;
2. to increase trade and investment flows;
3. to support the development of poverty-stricken Asian countries;
4. to facilitate the spread of democracy, good governance, and the rule of law, especially in China;
5. to cooperate with Asian countries in international forums on security and global environmental issues, including terrorism, migration, and climate change; and
6. to further the awareness of Europe in Asia.

According to the Asia Regional Strategy Paper covering the years 2007 to 2013, regional cooperation will prioritize three areas: (1) the support to regional integration; (2) policy- and know-how-based cooperation; and (3) the support to uprooted people.

Whereas the EU, and Germany in particular, already in the mid-1990s started to frame Asia in policy terms, it was only over the course of the last ten years that the EU and its member states gradually developed a better understanding of Asia’s increasing strategic importance to Europe’s prosperity. Yet, different from the United States, Europe’s approach to the region lacks any hard security-related commitments. It is only with respect to the war in Afghanistan that the EU and its member states have been willing to contribute in terms of hard security assets.

The EU started to engage with Asia via its European Security and Defense Policy (ESDP), which is part of the Common Foreign and Security Policy (CFSP). The first-ever ESDP operation in Asia was the Aceh Monitoring Mission (AMM) in Indonesia. A second ESDP operation was the deployment of a small-scale police force in Afghanistan in June 2007. The only security agreement in which solely European and Asian state actors are involved is the Five Power Defense Agreement of 1971, which brings together the UK, Malaysia, Singapore, Australia, and New Zealand. The EU is also a member of the Korean Energy Development Organization (KEDO), which pursues the objective of a denuclearized Korean Peninsula.

An important security initiative enhancing EU-Asian cooperation is the area of maritime security and non-traditional threats such as counter-piracy operations. The Gulf of Aden and the Western Indian Ocean, the waters where Somali piracy occurs, are major thoroughfares of maritime trade between Europe and Asia. In late 2008 the Europeans launched EU NAVFOR Operation Atlanta, following up on earlier missions of individual countries to protect World Food Program (WFP) ships. Since then a large number of Asian and European countries have contributed to naval missions against Somali piracy. Apart from some East and Southeast Asian navies that had previously been active in the Western Indian Ocean, for many Asian navies involved in counter-piracy operations in the Gulf of Aden, this was the first time to conduct long-lasting naval operations outside of their own region. Various Asian countries, such as China, Japan, South Korea, and India, have maintained a continuous naval presence in the Gulf of Aden since 2009. Since then the participating navies have started to work together by escorting ships and conducting navy exercises. In late 2013 the EU Naval Force and Chinese navy conducted a counter-piracy exercise.

However, vis-à-vis important security issues in the Asian theater, the EU and its member states have not yet developed a coherent and consolidated position or policy on Asian security. In view of this deficit and the need for a “more developed, coherent and focused foreign and security policy in East Asia,” the Council of the European Union in December 2007 approved, for the first time, Guidelines on the EU’s Foreign and Security Policy in East Asia, which were updated in 2012. Furthermore, and as a result of the increasing importance of Asia, the EU has decided to extend its relations with Asia into a new strategic partnership.
In its 2003 security strategy, the EU stated the need to pursue its objectives through “partnerships with key actors.” Since then the EU has been developing strategic partnerships with the United States, Canada, Russia, Japan, China, India, Brazil, and South Africa. The subsequent establishment of three strategic partnerships in Asia, with China in 2003, India in 2004, and Japan 2003, has already been a strong indicator of the importance of Asian countries as compared to actors in other regions. Since 2007 also, the relations between the two regions of Asia and Europe have been officially depicted as a “strategic partnership.” In addition, the EU upgraded its relations with the Republic of Korea (South Korea).

**China**

The EU’s China Strategy Paper for 2007–13 was drafted before the global financial crisis hit the global economy and the EU had to face a sovereign debt crisis starting in 2009. Three aims are central to the EU’s China policy:

1. Provide support for China’s reform program in areas covered by sectoral dialogues, where EU experience can provide added value;
2. Assist China in her efforts to address global concerns over the environment, energy, and climate change; and
3. Provide support for China’s human resources development.

While the onset of the crisis had a profound impact on the world political economy, China and the EU are among those in the center of developments, the EU being, for example, the biggest trading partner of China. This is why the state of the relationship has been undergoing profound changes over the course of the last five years. Analysis of the Chinese academic and public discourse on China-EU relations reveals that Chinese elites and the public no longer consider the EU as “a rising power” but as “a power in relative decline.” Analysis of the state of China-EU relations by European academics complement this narrative by referring to China’s national interests-based foreign policy behavior, which increasingly comes at the expense of European interests. This reading of China-EU relations is mirrored by discourse among the epistemic communities dealing with Europe/EU-Asian or Europe/ EU-China affairs. During conferences the EU-China strategic partnership is characterized as becoming increasingly “mature and stable,” while shifting from “idealism towards pragmatism.” Europe is asked to “take off its old glasses to view the new China.”

At the same time, official declarations emphasize the need for deepened relations. Leaders have expressed their readiness to “redouble their joint efforts to tackle global challenges such as the international financial and economic crisis.”

Global economic cooperation and governance have become “core issues” in China-EU relations. In dealing with these the EU and China can build upon an ever more broadened and institutionalized relationship. Since diplomatic relations were established in 1975, they have developed into a bilateral relationship that now encompasses more than fifty dialogues and three main pillars—a high-level economic and trade dialogue launched in 2007, a strategic dialogue (2010), and a high-level people-to-people dialogue (2012).

Economic relations lie at the heart of this development. In 2012 the EU became China’s major trading partner, and China was Europe’s largest source of imports. Trade relations have increased more than a hundredfold, from 4 billion euros in 1978 to 428 billion euros in 2011. In 2011, 17
percent of EU imports came from China. China is the EU’s biggest provider of manufactured goods. Nearly 9 percent of EU exported goods in 2011 went to China. In 2011 Europe was among the top five sources of foreign direct investment (FDI) to China (17 billion euros) while China’s investments in Europe have been rapidly increasing since the start of the global financial crisis (3.1 billion euros in 2011).\(^{34}\) Furthermore, negotiations on an EU-China Investment Agreement started in 2013, and the launch of a feasibility study on an EU-China FTA is being considered by China.\(^{35}\)

In October 2006 the EC released two new documents on EU-China relations. The titles, “Closer Partners, Growing Responsibilities”\(^{36}\) and “Competition and Partnership,” were indicative of a policy change on the European side. Brussels started to perceive China as a strategic competitor in the economic realm. It is in this context that the Council of Ministers has stated in its adopted conclusions in December 2006 that the adjustment to the “competitive challenge and driving a fair bargain with China will be the central challenge of EU trade policy.” The council’s conclusions emphasized that for the strategic partnership to “develop to its full potential it must be balanced, reciprocal and mutually beneficial.”\(^{37}\) The demanding character of the documents,\(^{38}\) and the underlying potential for conflict,\(^{39}\) became openly apparent during the tenth EU-China summit in November 2007 when a joint statement could not be agreed on. Moreover, in November 2008 China unilaterally called off the eleventh EU-China summit because of the French president’s meeting with the Dalai Lama.

Furthermore, the EU and China started to negotiate a partnership and cooperation agreement (PCA) in 2007. A key objective for the EU is to acquire better access to the Chinese market for European exporters and investors going beyond WTO commitments.\(^{40}\) However, over the course of six years the PCA negotiations have so far not made much headway. From the very beginning of the negotiations it became apparent that Brussels has a bigger stake in the PCA than Beijing. Old and new contested issues add to the difficulties.

Even though former premier Wen Jiabao tried hard to convince the Europeans to lift their arms embargo against China and grant it market economy status (MES), he did not succeed. These two issues continue to impact negatively on EU-China relations, and the new Chinese leadership still needs to decide how to deal with it. From a Chinese perspective the arms embargo symbolizes the inability and unwillingness of the EU and its member states to act as a responsible and equal partner. In this context, the 2007 Guidelines on the EU’s Foreign and Security Policy in East Asia marked an important change in the EU’s policy. In a highly defensive manner the document recommends that the EU should “in consultation with all partners, deepen its understanding of the military balance affecting the cross-strait situation . . . and factor that assessment into the way that Member States apply the Code of Conduct in relation to their exports to the region of strategic and military items.”\(^{41}\) In 2012 the EU published an update of the Guidelines in which the need for closer security relations with the region is underlined. The EU is developing an interest in strengthening EU-China cooperation in the field of defense and security policy, including regular dialogues, promoting training exchanges, and specifically improving EU-China cooperation on crisis management and combating piracy.\(^{42}\)

As in the case of the arms embargo, EU member states are divided with regard to the question of whether the EU should grant China market economy status. The EU has, again, so far not lived up to China’s expectations. Yet time is on China’s side. According to WTO rules, China will get MES automatically in 2016. In the eyes of Beijing, the EU only demonstrates a fundamental mistrust of China’s modernization.

In particular, the European sovereign debt crisis is a decisive constitutive process in the development of Sino-EU relations. A redefinition of the overall relationship is under way. On the one hand, China has become a crucial supporter of the euro.\(^{43}\) On the other hand, Chinese leaders started to use the leverage offered to them by the European sovereign debt crisis. Premier Wen Jiabao linked Chinese support to EU member states with disputed issues such as the arms embargo and MES.
Beijing’s increasing assertiveness has become most visible in the context of trade disputes. The main areas of trade that have become disputed between China and the EU are in photovoltaic panels, telecommunications, and beverages (in particular wine). The dispute over solar-panel imports to the EU, a business with a volume of 21 billion euros, threatened to escalate into a trade war following the EU’s anti-dumping and countervailing duties probe against solar panels imported from China. In this regard, Chinese trade action in the beverage sector was a related important development. It demonstrated a new Chinese determination for retaliation. In a move that surprised the European side, in June 2013 the Chinese Ministry of Commerce (MOFCOM) started dumping and subsidy investigations on EU wine imports to China. Facing strong resistance from several EU member states, especially Germany, which objected to the EC’s decision to impose taxes and the prospect of an escalation of the trade dispute that could even include the agricultural and automotive sectors, the negotiating position of the European Commission became weak. After nearly two months the European and Chinese sides finally agreed on a negotiated settlement in the photovoltaic sector.\textsuperscript{44} China immediately agreed to discuss dropping its investigation into EU wine exporters for potential dumping activity. The case of the photovoltaic trade dispute is so far the latest example of the EU’s inability to speak with one voice—even in the area of trade, which is in the competence of the European Commission.

**South Korea**

Diplomatic relations between the Republic of Korea (South Korea) and the EU date back to 1953. Yet it was only in 2010 that the bilateral relationship was upgraded to a strategic partnership. Both actors emphasize the importance of normative, economic, and political common interests. According to the EU, the new strategic partnership is based on a “bedrock of shared values” like democracy, rule of law, market economy, multilateralism, and human rights as well as on the newly developing bilateral legal framework in the form of a free trade agreement (FTA) and a framework agreement (FA).\textsuperscript{45}

In 2011 the EU was South Korea’s third major trade partner (behind China and Japan) and became the tenth most important trading partner of the EU. Negotiations for an FTA started in April 2007 and were finalized in October 2010 on the occasion of the fifty EU–South Korea summit in Brussels.\textsuperscript{46} The FTA entered into force provisionally as of July 1, 2011, and constitutes the EU’s first FTA with an Asian country. The FTA aims at abolishing nearly all tariffs as well as numerous non-tariff barriers. For South Korea the FTA provides inter alia an opportunity to increase the competitiveness of its companies in the EU market vis-à-vis other Asian countries’ companies.\textsuperscript{47} In the EU’s case the FTA facilitates the opening of the South Korean market. It can furthermore become an economic link to Northeast Asia’s economies, especially China and Japan, thereby playing an important role in the recovery of the European economy.

Politically the adoption of a new framework agreement in 2010 did set the legal and institutional framework for the strategic partnership. The new FA substantially describes areas of cooperation, which range from political dialogue (e.g., summits, ministerial consultations, sectoral dialogues) to cooperation in regional and international institutions, economic and sustainable development, education and culture, and justice, freedom, and security.\textsuperscript{48} Concerning global affairs, the EU and South Korea are considered “compatible partners”\textsuperscript{49} as they share similar positions in the area of climate change, security, development assistance, UN peacekeeping, and denuclearization as well as the G-20 and reform of the global financial architecture.
India

Europe is India’s major trade partner. In 2012 the EU accounted for 9.9 percent of the subcontinent’s trade, followed by the United Arab Emirates (7.1 percent), China (6.6 percent), and the United States (5.9 percent). A total of 2.2 percent of EU trade with the world is exchanged with India. In 2007 both actors started negotiations on a bilateral FTA. As India and the EU share common values and a commitment to democracy, the rule of law, human rights, and pluralism, both actors regard themselves as “natural partners” that contribute to global stability. Institutional relations between the EU and India are based on the 1994 Cooperation Agreement and the Joint Political Declaration of 1993. In June 2004 the European Commission suggested establishing an EU-India Strategic Partnership. In October 2007 the EU Council adopted its conclusions on the EU-India Strategic Partnership and supported the elaboration of an EU-India Action Plan and a new Joint EU-India Political Declaration. Both sides committed themselves to a strengthened dialogue as strategic partners. According to the EC, the main priority for the EU-India Strategic Partnership must be the promotion of peace, security, and democracy in the world by using the partnership to improve international cooperation, strengthen the economic partnership, reform development cooperation, and deepen mutual understanding. The implementation asks for a strategic and comprehensive approach that can happen on the level of multilateral, bilateral, and regional cooperation. The latter shall facilitate regional cooperation to encourage economic development and trade among development countries and aims at, inter alia, the negotiation of a cooperation agreement with SAARC.

During the twelfth EU-India summit in 2012, discussions focused on the ongoing FTA negotiations; cooperation projects in the issue areas of energy, science, and technology; and cultural exchange, as well as on global issues like the Doha Development Agenda and climate change.

In 2008 the original 2005 Joint Action Plan was renewed. New activities also focus on promoting international peace and security, economic progress and sustainable development, research and technology, and people-to-people and cultural exchanges. In addition, the “India Country Strategy Paper 2007–2013” put special focus on the areas of health and education. According to the strategy paper’s midterm review, good progress had been made concerning the social sectors, while the implementation of the overall Joint Action Plan experienced a slowdown. Negotiations on the EU-India FTA have so far not been finalized.

Japan

As a result of a common normative understanding in terms of shared values (such as freedom, democracy, and the rule of law), the EU regards Japan as a “close and like-minded” partner. In 2011 both actors started negotiating a bilateral FTA.

The main areas of EU-Japan cooperation cover political as well as economic relations and sectoral cooperation. In terms of the commercial and trade relationship, Japan ranked as the seventh major partner of the EU (3.4 percent) in 2012. The EU is Japan’s third trade partner (8.9 percent) after China (18.1 percent) and the United States (11.9 percent).

The bilateral relationship is legally based on a joint declaration from 1991 and the 2001 Action Plan for EU-Japan Cooperation, which covers a ten-year period and expired in 2011 without a review or a subsequent document. It consists of four basic objectives: the promotion of peace and security, the strengthening of economic and trade links, global and societal challenges, as well as the forging of people-to-people and cultural ties.

In addition to annual EU-Japan summits, the institutional format of the strategic partnership
includes meetings between the HR/VP and the Japanese minister of foreign affairs; meetings of senior officials, as well as expert-level political dialogue meetings between the EEAS and Japanese government officials on a range of thematic issues (e.g., Eastern Europe, the Middle East, Asia, non-proliferation, UN affairs); annual interparliamentary meetings between the European parliament and the Japanese Diet; and dialogues on a broad range of policy areas like the environment, trade, and science and technology.\footnote{62}

The Japanese government stresses cooperation in the areas of intellectual property rights (IPR), energy, climate change, and security in East Asia as well as Central Asia as important areas of the EU-Japan strategic partnership.\footnote{63} In the wake of the EU’s intention to lift the arms embargo against China, the Japanese government criticized the EU for a lack of understanding of the “security situation in the region” and for regarding East Asia mainly as an economic market.\footnote{64} Since September 2005, a Japan-EU Dialogue on the East Asian Security Environment has been institutionalized. Furthermore, a similar dialogue between the EU and Japan on Central Asia was first held in July 2006.

In May 2011 both actors set a milestone when, on the occasion of the twentieth EU-Japan summit, they agreed to start negotiations on both an FTA and a framework agreement.\footnote{65} In addition, an agreement on science and technology and on mutual legal assistance in criminal matters entered into force shortly before the summit.\footnote{66} The first talks on the FTA started in April 2013. After two rounds of bargaining, the agenda includes, inter alia, trade in goods and services, IPR, and government procurement. Negotiations on a framework agreement are ongoing as well and include political, economic, global, and regional aspects of the bilateral relations.\footnote{67}

**Multilateral Policies**

In addition to the bilateral relations between the EU and its member states and their Asian counterparts, Europeans and Asians also interact in multilateral forums. One important dimension of multilateral interaction takes place on the interregional level. The EU and Asia are connected via two main interregional processes—namely the EU-ASEAN dialogue and the ASEM (Asia-Europe Meeting) process. The Europeans have been facilitating ASEAN’s intraregional cooperation for more than thirty-five years of joint official EU-ASEAN relations. The ASEM process in which the European side cooperates with Southeast Asian, Northeast Asian, and South Asian actors is complementing this policy. In so doing, the EU and its member states had, in the middle of the 1990s, responded positively to the interest of ASEAN countries to engage China. It was particularly the Singaporean government that promoted this concept. The idea to form a new Asian regional grouping that would cooperate with European counterparts interregionally formed the conceptual framework of this approach. In 2007 the EU started to also interregionalize its relations with the five Central Asian republics. Apart from these interregional processes the EU is also a member of the ASEAN Regional Forum (ARF) and intends to participate in the East Asia Summit (EAS). During Catherine Ashton’s first tour around different Asian countries in early 2012, she pursued the development of so-called comprehensive relations with Asian partners and participated, for the first time, in the ARF.\footnote{68}

**The ASEAN-EU Dialogue**

The EU is ASEAN’s third-largest trade partner and its largest provider of FDI. In the light of China’s and India’s growing integration into the world economy and its implications for the development of a new regional and global order, the EU emphasizes the increasing importance of a continuing and
accelerating integration process among ASEAN countries.\(^69\)

Since 2005 the EU stepped up its activities in Southeast Asian affairs. Not only have European and ASEAN countries successfully shaped and taken part in the Aceh Monitoring Mission in Indonesia. The growing importance that the EU attaches to Southeast Asia is demonstrated by the fact that the Europeans on July 12, 2012, acceded to the ASEAN Treaty of Amity and Cooperation in Southeast Asia (TAC)\(^70\) and negotiate partnership and cooperation agreements as well as free trade agreements with individual ASEAN countries.\(^71\) In September 2013 the EU and Singapore reached an important step toward final approval of an FTA when the text of the comprehensive FTA was released. Negotiations with Malaysia, Vietnam, and Thailand are still ongoing.\(^72\) The EU, however, has not succeeded in implementing its interregional approach to Southeast Asia so far. Plans for a region-to-region FTA between the EU and ASEAN countries have been postponed. It is hoped that a growing net of bilateral FTAs will eventually add up to a regional solution.

Relations between the EU and ASEAN were initially driven by a German interest in interregional cooperation. The then German foreign minister Hans-Dietrich Genscher strongly promoted the idea of interregional cooperation with ASEAN countries during his eighteen years in office. It was in Genscher’s tradition of German and EU foreign policy vis-à-vis Southeast Asian countries that the 2007 ASEAN-EU ministerial meeting in Nuremberg, Germany, provided the relationship with a new dynamic as it enlarged the EUASEAN agenda beyond economic, trade, and development issues by agreeing to intensify political and security cooperation.\(^73\) The conference participants in Nuremberg agreed on more intense cooperation in the spheres of climate policy, energy security, and the fight against terrorism. As a result, a plan of action was agreed on that was envisioned as a “master plan” to enhance EU-ASEAN relations and support the integration of ASEAN.\(^74\) This was supposed to transform the EU-ASEAN dialogue into “a cornerstone for the strategic partnership between Asia and Europe.”\(^75\) Since then more progress has been made on the bilateral level between the EU and individual ASEAN countries, especially in the area of trade, than on the interregional level. At the same time the EU continues to support ASEAN’s integration, for example financially, with an amount of over 65 million euros in the period of 2007–13. The support is expected to increase in the period of 2014–20.\(^76\)

The nineteenth EU-ASEAN ministerial meeting in Brunei Darussalam in April 2012 thus saw a renewal of the commitments made in the Nuremberg Declaration and agreed to closer cooperation in the areas of political/security, economic/trade, and sociocultural affairs from 2013 to 2017.\(^77\) A further important development for the deepening of EU-ASEAN relations was the suspension of EU sanctions on the Myanmar (Burmese) government in 2012 and the opening of a delegation (embassy) in Yangon. In addition, EU member states became major aid donors in the country.

Ultimately, however, the successful implementation of the Bandar Seri Begawan Plan of Action, and thus the quality of the cooperation that was proclaimed in Brunei, will depend on the ability of the ASEAN countries to successfully implement their declared community-building goals. ASEAN governments have resolved to establish a community by 2015 that will be based on three pillars—namely, security policy, economic policy, and socio-cultural policy. In their integration efforts the ASEAN countries have been increasingly orienting themselves toward the EU.

**The ASEM Process**

The Asia-Europe Meeting (ASEM) was established in 1996 to offer heads of state and government from Europe and Asia a platform for a free and informal exchange of views and to allow for cooperation on an equal basis and in consensus in order to develop common ground and common
interests. The now fifty-one members represent more than 50 percent of the world’s GDP, up to 60 percent of world trade, and about 60 percent of the world’s population. Since its foundation, ASEM has evolved into the central platform for interregional cooperation between Asia and Europe. In addition to biannual summits, over fifty meetings at minister and civil servant levels take place in between the summits. The content of the consultations and projects covers political and security relations, the economy, and cultural affairs and ranges from the fight against terrorism or the facilitation of trade and investment to the discussion of issues of faith and social policy. Furthermore there are individual forums for parliamentarians, the business sector, and civil society. The founding of the Asia-Europe Foundation (ASEF) in Singapore and the formation of the Trans-Eurasia Information Network (TEIN), which is the world’s largest research and education network connecting over 50 million researchers, are considered to be the key achievements of the ASEM process.

Though the ASEM process has only produced a few concrete results so far, its comparative advantage lies in the very openness of the rules, principles, and norms that the Asian and European actors have developed. ASEM is an institution that generates and manages interdependencies in a globalizing world. The ASEM process demonstrates the demand for governance on the inter- and intraregional level of the international system. The utility of the ASEM process in the realm of global economic governance became apparent when the global financial crisis set in. It was, for example, during the ASEM summit in Beijing in October 2008 that the European leaders successfully lobbied China to be represented in the new G-20 by the president and not the premier. By applying a region-to-region formula, Asian actors are expected to formulate and develop common positions and interests. Therefore, the Asian ASEM region is not only defined by geographical criteria but also by functional criteria. Several rounds of ASEM enlargement have, however, aggravated problems of collective action on the regional and interregional levels of cooperation.

The resulting apparent lack of so-called tangible or concrete results is one reason why the ASEM process suffers from a visibility deficit in the European media. Yet research on how Europeans perceive the rise of Asia shows that over 80 percent of a representative subset view the ASEM process as necessary “in principle.” Europeans conceive of their countries’ relations with Asia not only in merely bilateral but also multilateral terms.

During the ASEM summit in Laos in 2012, non-EU member states (Switzerland and Norway) also joined the European ASEM delegation. This is a new development, which shows an impact of Asian affairs on European region-building processes. In view of Russia’s renewed interests in Asia and especially Moscow’s energy policy vis-à-vis Central Asia, it is also important to note that Russia has finally joined ASEM on the Asian side. The EU thereby has lost an opportunity to engage Russia on the European side of an essentially Eurasian institution.

Central Asia
The five Central Asian republics, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan, are members of the Organization for Security and Cooperation in Europe (OSCE). Europeans and the five republics thus nominally share the values and norms of an organization that, under the name of the Conference for Security and Cooperation in Europe, played a pivotal role in overcoming the Cold War.

In view of the increasing awareness of the geopolitical importance of Central Asia, the Europeans deepened their relations with the central Asian republics after the terrorist attacks on the United States of September 11, 2001. In order to facilitate the transition process of the republics toward market economies and democratic societies, the EU supported the five countries within the Technical
Assistance for the Commonwealth of Independent States (TACIS) program, which was replaced by the Development Cooperation Instrument (DCI) in 2007. The DCI focuses on poverty alleviation and the promotion of sustainable economic and social development. In addition, democracy, good governance, the rule of law, and human rights shall be promoted.\(^\text{84}\)

In order to further increase its interaction with the five countries, the EU adopted its first Central Asia strategy in June 2007.\(^\text{85}\) The strategy document differentiates between bilateral and regional cooperation, and the EU will support regional cooperation among the five countries and between the Central Asian republics and other regions. Seventy percent of the 750 million euros that have been earmarked in the period 2007–13 for development assistance to Central Asia are used for bilateral support programs, of which the fight against poverty has the highest priority. Thirty percent is spent to support closer economic cooperation within Central Asia, as well as between Central Asia, Southern Caucasus, and the EU.

As concluded by the Council of the European Union in June 2012, the strategy “has proven itself and remains valid.”\(^\text{86}\) Its core objective is to contribute to peace, democracy, and prosperity in Central Asia. The document names the promotion of security and stability as “strategic interests” of the Europeans in the region because (1) strategic, economic, and political developments in the region “impact directly or indirectly on EU interests”; (2) the EU and Central Asia are “moving closer” because of, for example, the EU enlargement; and (3) “significant energy resources in Central Asia and the region’s aim to diversify trade partners and supply routes can help meet EU energy security and supply needs.”

In addition, the security aspect of the EU’s involvement in Central Asia has become increasingly important in the course of the war in Afghanistan.\(^\text{87}\) As a result, the first EU–Central Asia High Level Security Dialogue was held in 2013.\(^\text{88}\) According to the EU’s 2012 assessment of its strategy, progress lies in the political dialogue, on security issues, as well as in the human rights dialogue. Apart from a further focus on cooperation in counter-terrorism, energy resources–related projects like the construction of a Trans-Caspian pipeline system and the further development of the EU delegation’s network in Central Asia form part of the EU’s Central Asia agenda.\(^\text{89}\)

The underlying geopolitical considerations of the EU’s approach to Central Asia have been voiced by the then German EU Council presidency. Accordingly, the Europeans “have some catching up to do” as countries like Russia, China, Japan, Turkey, and the United States are “very present” in the region.\(^\text{90}\) The EU hopes that the oil and gas reserves in the region will contribute to the diversification of its energy imports. Competition for the energy resources of Central Asia is one important explanation for the political will of the EU to increase its presence in Central Asia.\(^\text{91}\) European actors know that especially Russia and China have a strategic advantage in the region that results, inter alia, from the similarities of their political systems and the willingness to support the countries without political conditions. In the light of this structural power deficit, the overall approach of the EU aims at promoting the political as well as economic transformation and modernization of the region in order to overcome the political and institutional differences between the EU and the five republics. For this reason, the EU supports regional cooperation in Central Asia. The approach is based on the belief in the socializing power of cooperative diplomacy and negotiations between Europe and Central Asia—even though the actors involved “do not share a common normative basis.”\(^\text{92}\)

**EUROPE AND THE NEW REGIONAL SYSTEM IN ASIA**

While the EU’s relationship with Asia is becoming ever more complex, the EU’s approach to the region is driven by an increasing understanding that a new balance needs to be found between the
Westphalian order in which Asia still lives and the post-Westphalian order that the Europeans have successfully constructed during the last sixty years.

Since the endorsement of the European Security Strategy in 2003, the Europeans have sought to strengthen their bilateral relations with China, India, Japan, and South Korea by establishing strategic partnerships. They have furthermore substantiated their engagement by starting trade negotiations with all Asian strategic partners except for China.

Overall, the quality of the strategic partnerships differs significantly—as the EU, India, South Korea, and Japan share democratic values. This is not the case with regard to the EU-China strategic partnership. Yet, with the impact of the global financial crisis and particularly the European sovereign debt crisis, the implications of this normative differential for the EU’s Asia policy have changed. In 2006 the European Commission demanded that the normative foundation of the EU-China partnership has to be “based on our [European] values.” Since then, the economic and political context of EU-China relations has fundamentally changed, and so has the normative legitimacy of both actors. In the eyes of the EC, China has gained legitimacy as Beijing behaves increasingly responsibly: “China has acted as a driver of growth, a bridge between developing and developed economies, and as a crucial advocate for free trade in the Doha Round Negotiations. China is now much more than an export economy or an emerging economy. Indeed, China is now an essential global force.” From this it can be inferred that the normative differential between the political systems in Europe and China does not hamper a further strengthening of the EU-China strategic partnership.

However, developments on the global and regional levels of the international system have so far worked against the EU’s regional approach to Asia. Because of the European sovereign debt crisis, the EU is losing credibility as a model for regional cooperation and integration in Asia. Over the course of the last five years important modifications have been made to the EU’s vision of its foreign policy since first formulated by Javier Solana. As a result, the EU started to strengthen its bilateral ties with Asia relative to its multilateral ties. The EU is following a policy of “re-bilateralization.” Its bilateral FTAs are a result of this policy shift. Since earlier hopes to form interregional FTAs have so far not been successful, the EU hopes that bilateral trade integration with South Korea, Japan, India, Malaysia, Singapore, Thailand, Vietnam, and other countries will strengthen its competitive position in Asia. For the EU this is important because Europeans are not a member of the Trans-Pacific Partnership (TPP), which is driven by the United States and aims at establishing an advanced FTA in Asia-Pacific.

In sum, five developments are causing a bilateral shift in the EU’s approach to Asia relative to the EU’s multilateral engagement vis-à-vis the region:

1. the failing of WTO-led trade liberalization efforts in the WTO Doha Round,
2. the increasing economic and political clout of China,
3. the fuzziness of region-building processes in Asia,
4. the European sovereign debt crisis, and
5. the Obama administration’s so-called pivot to Asia.

Time will tell how these factors play out and shape the future evolution of the EU’s engagement with Asia. But for now Europe has never been more fully engaged in the Asian region.

NOTES

1. Herman Van Rompuy, speech at the eighth Asia-Europe Meeting (ASEM),


18. See Javier Solana, “The EU’s Strategic Partnership with Japan” (speech at Keio University, Tokyo, April 24, 2006), ue.eu.int/ueDocs/cms_Data/docs/pressdata/EN/dscours/89298.pdf (accessed October 17, 2006).


27. I will concentrate on relations with China and not on Taiwan (Republic of China), Hong Kong, or Macao. With respect to Taiwan, the EU follows a “One China Policy” and does not have diplomatic relations.


47. For the following, see Woosik Moon et al., EU-Korea Relations and the EU-Korea Free Trade Agreement (Leuven: Centre for Global Governance Studies, 2010), 4–12.
51. Ibid.
64. Kawamura, “The EU and Japan as Strategic Partners.”
74. The plan of action lists common projects in the area of political and security cooperation, for example the EU/EC’s accession to the TAC once ASEAN has completed the necessary legal procedures, and of economic as well as sociocultural cooperation. See “Plan of Action to Implement the Nuremberg Declaration on an EU-ASEAN Enhanced Partnership,” http://www.aseansec.org/21122.pdf (accessed December 6, 2007).
75. “16th EU-ASEAN Ministerial Meeting, Joint Co-Chairmen’s Statement,” paragraph 2.
76. European External Action Service, “The EU-ASEAN Relationship in Twenty Facts and Figures,”


82. Bersick et al., *Asia in the Eyes of Europe*.


The Lowy Institute for International Policy is an independent policy think tank. Its mandate ranges across all the dimensions of international policy debate in Australia — economic, political and strategic — and it is not limited to a particular geographic region. Its two core tasks are to:

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EXECUTIVE SUMMARY

Russia’s ambitious decision to ‘rebalance’ its strategic orientation towards Asia is going relatively unnoticed, yet has the potential to generate significant regional effects. It is engaging in a large-scale military modernisation project with the intention of projecting power into Asia. Its relationship with China seems to have deepened considerably. And it is looking to consolidate new and existing partnerships in Australia’s regional area of interest in the Indo-Pacific. At the same time, Russia is seeking to tap its considerable energy and resource reserves in the Far East to become a major Asian energy supplier.

This recent boldness stems from Russia’s fear of its future weakness. Moscow has no wish to become China’s raw materials supplier, but nor does it want to be a subordinate partner of the West. Instead, it seeks a degree of independence through Putin’s great power vision of Russia as a Euro-Pacific actor. Russia will by necessity have to follow through with its pivot to Asia, and this will mean an increased commitment to make gains in energy, in trade, and in military presence. Australia will need to respond to an enhanced Russian regional presence, as well as take a proactive stance to ensure competition from Moscow does not adversely affect Australian energy security. But there will also be some small incremental opportunities for Australia to re-engage with Russia, in spite of the ongoing friction in the relationship caused by the downing of Malaysia Airlines Flight 17 and Russia’s actions in Ukraine.
After years of focusing heavily on Europe and the broader West, Russia’s strategic posture is currently undergoing a fundamental reorientation towards Asia. In terms of Moscow’s stated intentions, this is not a new phenomenon. In fact, Russia has announced plans to ‘turn East’ on a number of previous occasions. In each past instance a combination of weak capacity, internal obstacles, and international events have thwarted such a move. With that in mind, it is tempting to dismiss as another unworkable grand promise President Vladimir Putin’s declaration that pivoting East would be Russia’s main nation-building task of the twenty-first century.

On this occasion, however, the circumstances are different. First, an Asian pivot has become an imperative for Russia rather than a choice. Just as the US Department of Defense announced in 2012 that it would “of necessity” rebalance to the Asia-Pacific, Russia sees the need to do so as central to its future power, prosperity, and prestige. Second, Russia is clearly calculating that the twenty-first century will be Asian in character, with a centre of gravity located around Beijing. Third, even a rudimentary strategic projection reveals that Moscow has only a relatively brief window of opportunity to cement itself as a major regional player.

Failure to achieve a successful Russian rebalance will lead to serious weakness, if not outright marginalisation. Within the next 20 to 30 years, if Russia is unable to extend its energy footprint eastwards, if it is incapable of matching new trade deals with an enhanced military presence, and if it fails to embed itself at least partially in a Sino-centric multilateral order, then it will lack the economic, strategic, and institutional basis to advance its interests. Even so, it will face stiff competition for European oil and gas markets from the United States, which is turning itself into an energy behemoth. Its behaviour over Ukraine and Crimea will ensure that it remains excluded from European security architecture. And in the absence of profound internal political change, a wariness of Russian realpolitik will make Western states hesitant about creating networks with Moscow that are based on anything other than expediency. Russia’s future, therefore, will be largely dictated by how successful it is in its new Asian tilt.

This Analysis argues that Asian and Australian policymakers should take Russia’s pivot seriously. First, it examines the strategic rationales behind Russia’s rebalance and assesses the geopolitical, economic, and regional effects of Russia’s pivot. It also looks at the internal and external obstacles facing Russia, and explores the implications of Russia’s rebalance for Australia as well as potential responses.
MOTIVES AND MEANS

The motives behind Russia’s rebalance to Asia consist of both ‘push’ and ‘pull’ factors. First, a rebalance is necessary for the Kremlin to secure a place in the ‘Asian Century’. The relative transfer of wealth and power from West to East means that Russia must establish a stake in the evolving regional order if it is to benefit from new power configurations. In this context, deepening relationships with China, India, and the nations of Northeast and Southeast Asia helps embed Russia as an Asian energy superpower. Second, it is consistent with the idea of Russia as an independent actor that is not too firmly bound to either the West or China. Third, Russia’s Asian rebalance is consistent with Putin’s domestic political interests, in which nothing short of triumph is acceptable. As the spike in Putin’s popularity after the annexation of Crimea demonstrated, the Russian Government relies heavily on the constant reinforcement of success in its foreign policy as a way to underpin internal political legitimacy.

While Russian rhetoric about its intentions should never be taken as a substitute for reality, at the same time many Western commentators have fallen into the trap of writing Russia off prematurely. A prominent view in the West, and especially in the United States, is that Russia does not have the capability to establish a viable military footprint in Asia. Australia’s 2013 National Security Strategy makes one reference to Russia, and that is as an actor that will have increasing sway only within its own local region. The reasoning behind this view is that since the collapse of the USSR, the post-Soviet Russian Federation has been almost invisible as an Asian security actor. Moreover, attempts to showcase its return to Asia — such as hosting the 2012 Asia-Pacific Economic Cooperation (APEC) Summit in Vladivostok — have been much more about optics than outcomes.

However, it is increasingly apparent that such views are not borne out by recent developments. To begin with, Russia’s pivot to Asia is resulting in a large-scale revamp of its Pacific fleet, which over the next decade will go from its smallest to its biggest naval asset. As part of an overall Russian military build-up initially projected to cost an ambitious US$600 billion, the priority for the fleet is the acquisition of small surface combatants. This is necessary to transform what is effectively a shell of a force into a green water navy. In addition, new hunter-killer and ballistic missile submarines (or SSBNs) have been earmarked for the fleet, which will provide significant heft to Moscow’s power projection aspirations. Two French-built Mistral-class helicopter carriers were ultimately destined for Vladivostok until the deal was scuppered by the Ukraine crisis. The Russian military has announced plans to construct its own vessels to replace them, even though it will take years for this to transpire. Where Russian military power is clearly lacking is in a mobile platform for air superiority missions. Russia currently has only one aircraft carrier, the Admiral Kuznetsov. The other ship of the same class...
RUSSIA’S ASIAN REBALANCE

Russia’s future power projection capabilities are limited, since many of its new forces will be for broader strategic purposes, for area denial, and for local defence. But in addition to a larger military footprint, Sino-Russian relations have now reached a much more mature stage. Until recently, it was an open question whether Russia was prepared to adopt the mantle of junior partner to China in a deepened security relationship. This has been answered in the affirmative, at least for the moment. Sino-Russian cooperation is now broad-based. It can be found in heavy Chinese investment in Russia and Central Asia, in the opening up of the Russian Far East, in energy deals, institutional agreements, and military cooperation. In May 2015 China and Russia held a joint exercise in the Mediterranean Sea. Joint exercises are also regularly carried out on land — under the auspices of the Regional Anti-Terrorist Structure of the Shanghai Cooperation Organisation (SCO) — as well as off China’s Pacific coast. At Russia’s recent Victory Day celebrations in Red Square, Chinese troops marched along with Russian personnel in a display that would have been unthinkable only a few years ago. Public perceptions of deepened ties with China have also demonstrably warmed. According to a recent Levada Center poll, some 80 per cent of Russian respondents have a favourable view of China, while 81 per cent have a negative view of the United States.

As well as the Moscow–Beijing axis, Putin has also been working to court New Delhi. Moscow has frequently invited India to become a full member of the SCO, in an echo of the Russia–India–China ‘strategic triangle’ proposal launched (with little success) by former Russian Foreign Minister Yevgeny Primakov during the late 1990s. Russia and India have strong military ties dating back to the Cold War era. Around
70 per cent of Indian military hardware is Russian, and Russia and India have been participating in the Indra biannual military exercises since 2003.\textsuperscript{20} In addition to exercises there have been joint construction projects — such as the development of the Sukhoi/HAL Fifth Generation Fighter Aircraft — and a Russian-led deal to construct about 20 nuclear reactors in India at a cost of US$43 billion.\textsuperscript{21} Given that India has also been a major target of Australian diplomatic efforts, it is also noteworthy that Russia and India are considering the construction of an oil pipeline and a gas pipeline.\textsuperscript{22}

The pace of Russian engagement in Southeast Asia has accelerated too. Moscow now has a comprehensive strategic partnership with Vietnam, covering energy, finance, and trade. This includes the Gazprom/Lukoil Vietsovpetro offshore block investments in Vietnam’s exclusive economic zone, as well as an agreement for Gazprom to buy a 49 per cent share of Vietnam’s only oil refinery and launch new joint exploration projects in the Arctic Sea.\textsuperscript{23} Hanoi has recently agreed to a free trade agreement (FTA) with Putin’s Eurasian Economic Union (EEU).\textsuperscript{24} Russia is also operating tankers from the airbase at Cam Ranh Bay to refuel its bombers in the West Pacific. This exposed tensions with Washington in March 2015, when the State Department asked Hanoi to stop allowing Russian tankers access to the base.\textsuperscript{25} While the Vietnamese Government had no immediate response to the US request, Colonel Le The Mau from Vietnam’s Military Strategy Institute is said to have called the US request “interference in the internal affairs of Vietnam”.\textsuperscript{26} In 2014, Russia and Vietnam also signed an agreement to simplify procedures for visits by Russian ships.\textsuperscript{27} Prior to that, in 2009, Hanoi struck a deal with Moscow to purchase six Kilo-class diesel-electric submarines at a cost of US$3.2 billion.\textsuperscript{28}

Thailand is also being wooed by Moscow. A Russian naval battle group visited Thailand’s largest naval base at Sattahip in March 2015, and discussions have taken place on deals for rail services, military aircraft, and main battle tanks.\textsuperscript{29} Thailand is already a major Russian trading partner in ASEAN, and Thai Prime Minister Prayut Chan-o-cha recently announced his government’s intention to double bilateral trade from its current level of US$2.3 billion annually.\textsuperscript{30} Russia is also attempting to sell Sukhoi fighters to Indonesia, with Moscow promising to include technology transfers in any agreement. Other weapon sales being floated include diesel-electric submarines, amphibious vehicles, and helicopters. In the South Pacific, a military technical cooperation agreement with Fiji was signed in 2013, and Moscow has identified Suva as a candidate for further engagement.

The Russian pivot has been largely piecemeal in the military domain. It is primarily aimed at building bilateral relationships, albeit sometimes under the auspices of the EEU, rather than any kind of broad-based cooperative framework. Indeed, many of Russia’s targets for engagement are also either competitors with other Russian partners, or
at least wary of them. This is especially true of the Sino-India and Sino-Vietnamese relationships. In addition, it is unclear where Russia sees itself establishing a firm military security toehold in the region. Doubtless its ideal scenario would be for a string of bases stretching from its Pacific coast across Southeast Asia to the Indian subcontinent. This would serve the dual benefit of underscoring an increased presence in an area where it seeks significant trade enhancements, as well as providing a rudimentary check against both US and Chinese naval power in the region. But such an objective will be many years in the making, and there are a number of hurdles that Russia must clear before it can hope to establish anything other than temporary military outposts in the region.

In crude terms, then, Russia’s pivot does not alter the balance of power in Asia. Nonetheless, recent developments should be taken seriously by regional elites. They signal the entry of another player into a crowded region. And although Russia’s military efforts have been little more than first steps, they will complement its efforts to establish itself as a major energy- and resource-trading nation. This is likely to have a significant effect on the foreign and security policy postures of a number of regional actors, including Australia.

RESOURCES TRADE IMPACTS
Asia’s energy import dependency is set to rise dramatically over the next 20 years, especially in oil and gas. The nations driving that upsurge in demand will be China and India, which will respectively be the region’s top two consumers of imported energy.

...although Russia’s military efforts have been little more than first steps, they will complement its efforts to establish itself as a major energy- and resource-trading nation.
It is likely that Asia’s oil imports by 2035 will almost equal OPEC’s current entire production. Russia is already making headway in meeting that demand. The first major results from Russia’s energy pivot came in 2014 when an increase in oil supplies to China saw it overtake Germany as Russia’s biggest oil customer.

While oil will continue to be vitally important in regional energy security dynamics, the majority of competition between energy suppliers is likely to be found over natural gas. Asia’s gas needs are expected to triple, representing about 50 per cent of global demand. And while China intends to boost its own production, particularly in shale gas, it will require significantly more imports. In this context, Australia’s planned expansion of natural gas supplies is instructive given its position as a major exporter of liquefied natural gas (LNG). As noted in Australia’s 2015 Energy White Paper, building on the 2012 White Paper that sought to transform Australia into the ‘Saudi Arabia of gas’, an increased energy trade is vital to Australian energy security. By 2018 Australia is looking to meet about 60 per cent of Asia’s increased gas demands. Increased future competition for those gas markets is likely, not least from US LNG projects such as Cheniere’s terminals in Louisiana and Corpus Christi in Texas, which are gearing up for export to Asia.

Russia, for its part, has an ambition to meet 100 per cent of Asia’s gas demands by the same time, although it is unlikely to reach that capacity. To do so, the development of the Russian Far East is critical to Moscow’s projections. With Western Siberia reaching peak production, the Putin administration has been pumping funds into gas fields in the eastern and southern areas of Pacific Russia, and appealing for foreign investment to assist in this effort.
RUSSIA’S ASIAN REBALANCE

By the time Russia’s $400 billion gas deal with China starts deliveries, slated to begin as early as 2018, China will be importing more Russian gas than Germany does today. Moreover, Russia’s abandonment of the South Stream pipeline and its decision to route a pipeline west to Turkey allows it to sell the same amount of gas (6.5 million tonnes a year) via Greece into European markets, but also to re-route south-east with new and existing networks to India and Asia.

Russia is also seeking to diversify its transit methods to a more balanced mix between natural gas pipelines and overland/seaborne LNG deliveries. An example is its LNG Sakhalin-1 plant on Sakhalin Island north of Japan, which could handle five million tonnes annually from 2018. Shifting to LNG potentially gives Russia the flexibility to increase the scope of its intended customer base by offering gas with low transit distances to South Korea and Japan, and potentially to Southeast Asia as well. Doing so not only eases the burden on the Russian pipeline network, but also makes significant savings on infrastructure and maintenance costs.

Another important area where Russia is seeking to compete on energy is in coal. With the depreciation of the rouble, Russia’s share of Asia’s coal market has gone from 17 per cent to 35 per cent. The coal market is already flooded and in 2015 the price has dropped significantly for both steam coal and coking coal. And while over the next 20 years the place of coal in China’s energy mix will go down, it will still represent over half of its primary energy needs by 2035. To meet this need, Russia plans to quadruple coal output by 2030, and is building two new coal ports on its Pacific coast, which will be able to handle around 40 million tonnes annually.

There have been repeated suggestions that Russia is prepared to sell both energy and resources at a loss in order to outmuscle competitors. Indeed, there are certainly strong indications that it is losing out in its gas deal with China. In this respect, the Russian strategy is to sign up states to relatively long-term deals, to keep competition down, and then ratchet up the price. Russia pursued a similar approach in Eastern Europe after the end of the Cold War. However, there are three important caveats militating against Russian monopolist policies. First, Asia represents a more crowded marketplace, and will be more so once US gas exports to Asia from resource extraction become economically viable. Second, Russia’s prospective energy clients are wary of Russia’s past use of energy as a strategic lever. Third, Russia will need to secure heavy investment in infrastructure and logistics to achieve even the functional ability from which to attempt regional energy dominance.

To secure investment in infrastructure and logistics, Moscow must rely heavily on Chinese capital.
corridors are opening up. Three bridges are being built over the Amur River, which separates Russia’s Far East from Northeast China, there are plans for an aerial lift to carry tourists and workers across the Russian–Chinese border, a highway through Mongolia is under construction, and so too is another bridge over the Ussuri River. In addition, there are up to four mooted distribution points for Russian gas into China via the Altai and ‘Power of Siberia’ pipeline networks: an existing link into Western China via Gorno-Altaisk, and three separate conduits in the Far East (at Blagoveschensk, Dalnoretensk, and Vladivostok).42

Energy transit corridors: Russia–China


Russia’s intended future as a major energy player in Asia is therefore a serious issue for energy exporters in the region. In oil, gas, and coal, but also in iron ore, Russia is already seeking to significantly shore up its position. Russia’s draft Energy Strategy to 2035 forecasts a 2 per cent cut to oil production, but expects an overall increase of 15–17 per cent under its target scenario. It has also cut expectations for LNG production from 100 million barrels to 60 million barrels by 2035, implying a heavier reliance on pipelines. Gas exports to Asia are projected to rise from 6 per cent (of total exports currently) to 35 per cent in 15 years,
while it seeks to grow Asian oil exports from 16 per cent to 32 per cent.\textsuperscript{44} The fact that Russia has sizeable reserves, and is untroubled by some of the environmental concerns that affect other producers, will make regional energy competition more intense.

**REGIONAL AND MULTILATERAL ENGAGEMENT**

It is important not to overplay the significance of institutional dynamics as a driver of Russian policy in Asia. Indeed, Russia’s role in East Asia’s multilateral political, economic, and security architecture has been relatively tepid, and remains driven by a strong focus on Northeast Asia. As its relatively low-key performance in the Six-Party talks over North Korea demonstrated, it has often been content to follow Beijing’s line while ensuring it continues to assert influence in subregional economic and security activities. Russia joined APEC in 1998, the Asia-Europe Meeting in 2010, and the East Asia Summit in 2011, after having signed the Treaty of Amity and Cooperation in Southeast Asia in 2004. While it has been a member of the ASEAN Regional Forum (ARF) since its inception in 1993, and became a dialogue partner with ASEAN in 1996, the first ASEAN–Russia summit was not held until 2005. ASEAN elites initially exhibited deep scepticism over Moscow’s ability to project power into the region, which was underscored by the general lack of substance in their trading relationships with Moscow. This has changed over time: in the 1990s, Russia’s share in trade with East Asia amounted to only 1 per cent. Since then, trade volumes have increased more than tenfold.\textsuperscript{45} And despite this still very low base, Moscow is keen to attract additional business across the ASEAN region.

Nonetheless, the majority of Russian engagement with the region continues to be done bilaterally via trade missions and summits, and on the sidelines of various multilateral forums. In Southeast Asia, Vietnam remains Russia’s closest partner, but it has developed broader links with others such as Thailand and Indonesia over arms sales, technology transfers, joint energy investment projects, and increasingly agriculture (the latter resulting from Russia’s ban on ‘Western’ food in response to sanctions over Ukraine). Other targets of Russian investment have been Indonesia, Thailand, and Malaysia. A ‘trade first, political engagement second’ agenda suits both ASEAN members as well as Russia. This is because ASEAN increasingly views Russia as a potential strategic and trade balancer in the context of China–US competition, and Russia prefers to conduct its deep multilateral engagement within its own geopolitical orbit — especially in relation to China.

But if its experience in the former Soviet space is anything to go by, Moscow has shown little potential to shape the multilateral order in East Asia. Certainly its own efforts — organisations such as the EEU, the Commonwealth of Independent States and the Collective Security Treaty Organization — are not institutions linked to broader regimes governing behaviour and promoting deep cooperation on a variety of...
issues. They have memberships that differ, competencies that overlap, and have been much more about Russia attempting to consolidate its grip over a truncated sphere of influence than about establishing a broad community of equal partners. In fact, Russian dominance is by no means total in the former Soviet space. It has managed to exercise material primacy, and a degree of functional primacy, by compelling many former Soviet states to participate in its institutional designs. Locally, the thrust of these is defensive: an attempt to ring-fence its region. Given that oil and gas — the two key strategic Russian bargaining chips — are currently excluded from the EEU, Moscow’s regional integration strategy resembles a neo-mercantilist bloc with Russia at the centre. At best it dilutes the potential for the EEU to make headway with its own association agreements, since closer integration with Brussels precludes membership of a rival trade bloc. Yet it also leaves Russia exposed due to the slow and steady accumulation of bilateral trade deals between China and a variety of Central Asian states.

Beyond the former Soviet states, Putin clearly intends to use the EEU as Russia’s preferred multilateral vehicle for targeted engagement. Currently, the territory of the EEU encompasses a fifth of the world’s natural gas resources and 15 per cent of its proven oil reserves. After much vacillation, Kyrgyzstan joined in May 2015. Expansion to encompass Turkey has also been mooted, but this is likely to be put on hold in the aftermath of the Turkish Air Force downing a Russian SU-24, which also threatened to jeopardise the small but positive signs of NATO-Russia cooperation over the conflict against Islamic State in Syria. As the recent deal with Vietnam illustrates, the delivery of FTAs in East Asia and the Pacific are also on the agenda. Preliminary discussions on the topic have commenced with New Zealand, and negotiations with both China and India have been ongoing since 2013.

Broader Russian multilateral cooperation with East Asia via the EEU is also being dictated by a shift in emphasis in the SCO. The organisation is routinely derided as a club for dictators: an artificial multilateral organisation for Sino-Russian bilateralism. But it is taken seriously in Moscow and in Beijing, and two competing visions for the SCO have been put forward. Russia sees it as a military organisation (an Asian NATO), whereas China sees it more as a forum for trading arrangements. In recent years, since the 2012 Beijing Summit, China’s view has won out: the SCO space is increasingly an energy trading area. That not only gives Beijing options when it comes to source diversification, but also binds Russia more closely to what China sees as its own ‘near abroad’. Increasingly, then, the SCO is becoming more like a hegemonic regime, perhaps giving a first glimpse at the type of East Asian neo-tributary system that China may seek to construct in future. Russia’s desire to expand deals between the EEU and Asian actors goes some way towards counterbalancing its decision to give preference to Chinese-led initiatives.

Russia’s desire to expand deals between the EEU and Asian actors goes some way towards counterbalancing its decision to give preference to Chinese-led initiatives.
OBSTACLES TO RUSSIA’S PIVOT — INTERNAL AND EXTERNAL

So far this Analysis has focused on the potential effects of Russia’s Asian rebalance. However, a successful pivot is by no means assured. Many of the economic, strategic, and institutional requirements for Russia to embed itself as a major actor in the Indo-Pacific are highly contingent, and in some cases rely on developments over which the Kremlin has limited control. Before drawing any firm conclusions about implications, it is appropriate to assess how viable a Russian rebalance is likely to be. Broadly speaking, there are three arenas that make the Russian pivot challenging: relations with leading states in the region; economic and financial problems that also include domestic capacity issues; and the unanswered question of Russia’s place in a multilateral East Asian order.

The relationship between Russia and China is already unbalanced, and will become increasingly so in future. While Chinese elites pay lip service to the notion that Russia is an equal partner in trade, security, and institution-building, few specialists — even in Russia itself — would be prepared to argue that this reflects reality. Developments in the key areas of investment in Russia’s Far East, negotiations over future energy deals, and the shape of the Central Asian security environment are all strongly weighted in Beijing’s favour. China also has momentum on its side, which may be less tangible, but is nonetheless significant. As the rising power, China’s efforts at regional leadership are yet to convince US allies in the region to shift towards China. This has been true of its so-called ‘smart’ power initiatives, its land reclamation efforts in the South China Sea, its large-scale regional investment, and its attempts at trade governance. But in the case of Russia, how much control does Moscow actually have over the evolving relationship? If indeed Russia is being compelled closer to a dependent posture on Beijing’s terms then this is not a pivot, it is bandwagoning.

A similar question can be raised in relation to the expansion of Moscow—New Delhi ties. Indo-Russian relations are less robust than outward appearances. Deals over arms sales and military research and development joint projects are frequently delayed on the Russian side, and are a persistent irritant. While it is reasonable to expect further deepening of trade and security ties between the two, it is highly unlikely that Putin will be able to engineer a deep and lasting triangular partnership between China, Russia, and India. Indeed, Beijing and New Delhi continue to view each other with mutual suspicion, in spite of attempts by Prime Minister Narendra Modi to reset the relationship. More importantly, India is at least partially Westernising, and has been doing so since George W Bush’s second presidential term, which opened up trade in nuclear materials between the United States and India. That cooperation has accelerated under President Barack Obama. It is unclear how Russia will manage its dual relationships with a nation
moving slowly towards the United States, and one gearing up to compete with the United States. By the same token, Russian efforts in the South China Sea, including using its relationship with Vietnam as a hedge against China, have the potential to damage its association with its ‘senior’ Chinese security partner.

Russian relations with Japan have also soured after an initially promising ‘reset’ initiated by Prime Minister Shinzo Abe. The main reason has been the deployment of ballistic missile defence hardware — such as the X-band radar network — as a part of US–Japan defence cooperation. Symbolic issues have also contributed to the downward trajectory, including Prime Minister Dmitri Medvedev’s plan for a third public visit to the Kuril Islands/Northern Territories, as well as Russia’s participation in September’s ‘Victory over Japan’ ceremonies in Beijing.50

The prospects for Moscow’s relationships with both North and South Korea remain difficult to judge. While Western sanctions have led to the cancellation of North Korea’s debt and a renewed push51 to deepen North Korea–Russia cooperation (and capitalise on deteriorating Pyongyang–Beijing ties), few major gains have been made. The Russian–South Korean relationship, meanwhile, has led to some promising developments for Putin. A decision in 2013 by President Park Geun-Hye to accelerate the pace of Eurasian cooperation led to the signing of 17 cooperation agreements between Russia and South Korea at the St Petersburg G20 meeting.52 They incorporated visa exemptions, technology transfers, shipbuilding contracts, and South Korean cooperation in the Russia–North Korea rail and port project linking Khasan and Rajin, with the aim of potentially opening a transport corridor from East Asia to Europe. Even so, Russia’s position is tenuous given that it continually risks being squeezed out between Chinese and US lobbying of Seoul.

Another issue is whether Russia will be able to garner sufficient development capital — and use it efficiently — to adequately meet its energy trade ambitions. While much Western attention has focused on the impact of sanctions in the wake of the Ukrainian conflict, low energy prices have been at least as significant in curtailing Russia’s plans for the Far East. The region itself has been historically underdeveloped, and is relatively unpopulated in comparison to European Russia. Existing road and rail networks are in a poor state of repair, and new ones costly to construct using Russian labour (which itself is a challenge due to chronic corruption, social problems, and low skills). This will mean increased reliance on Chinese labour.53 This already occurs unofficially: it is estimated that there are around two million illegal Chinese migrant workers in the Russian Far East.

Political contests between the major energy companies, which want pipelines, and the agencies given the task of development have also been apparent. For example, the Russian Ministry of Far East
Development has found it difficult to acquire funds that could supplement Moscow’s export-driven resource extraction policy with the longer-term development of the transport, logistics, and technology sectors around special economic zones.\textsuperscript{54} The risk is that neither side of this contest in the policy process is successful: Russia fails to develop the infrastructure necessary to ship energy to Asia; and it simultaneously fails to enable a broader base for Far Eastern trade and prosperity.

Russia will need to make more concerted efforts to influence Asia’s political and security architecture. In particular, it will need to play more than a passive or spoiling role in the myriad organisations of which it is a member. Although some of these organisations — such as the SCO, the Asian Infrastructure Investment Bank, and (initially at least) the East Asia Summit — have reflected Chinese preferences, Western nations and their allies heavily influence others, including APEC, the ARF, and informal dialogue processes such as the stalled Six-Party Talks on North Korea. As noted above, within the ASEAN area, attitudes towards a Russian rebalance have initially been cautious.\textsuperscript{55} Many members are US allies or partners and Russian overtures are yet to coalesce into a call for wider EEU–ASEAN cooperation.

**IMPLICATIONS AND POLICY RESPONSES**

Although the outcome of Russia’s rebalance is not predetermined, it will certainly have implications for Asia and Australia. Due to Russia’s desire to expand its joint exercises with Asian navies, the modernisation of its Pacific fleet, and its attempts to negotiate visits and access to bases, there will be increased contact between Russian military forces and those of regional actors. Asian players, particularly Japan and South Korea, will also have to respond to deepened Sino-Russian (and potentially also Indo-Russian) ties. This is significant given that China is Australia’s largest trading partner, and India has been identified as an emerging partner. Even more importantly, both India and China are set to experience growing energy demands, and both Australia and Russia see themselves as being well placed to capitalise on those needs. Even if Russia’s pivot is only partially successful, it is likely that Australia will find itself competing on energy and natural resources with Russia in what Canberra regards as its priority markets.

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How should Australia respond to Russia’s rebalance? The Russian pivot is both a challenge and a potential opportunity for new thinking on Australia’s security policy. Australia cannot rest on its laurels as an energy superpower. It will need to increase its competitiveness and create energy partnerships to counter Russian competition. Australian political leaders have been justifiably critical of Russia, especially in the aftermath of the downing of Malaysia Airlines Flight 17. And while alliance politics may drag Australia into reinforcing a regionally bifurcated sense of security competition, the risks from direct Russian military
threats are small, in spite of the furore caused by Russia’s naval show of force off the Queensland coast during the 2014 G20 Leaders’ Summit.56

Pure strategic and trade balancing would be assisted by a limited Australian re-engagement with Russia. Re-engaging would be compatible with Australia’s overall hedge-and-balance strategy in the Indo-Pacific. A change in Prime Minister and the evolution of a more agile and flexible security concept has sought to get the balance right between principles and pragmatism in a complex and changing regional environment.57 In practice, this means developing new and looser coalitions on trade and security to supplement Australia’s existing strong relationships, and leveraging bilateral ties into ‘minilateral’ ones. Such efforts will also need to include those nations — such as Russia — that Australia has not regarded as ‘natural’ partners in the past.

Currently, there are virtually no interdependencies in the Russia–Australia relationship. Much of this is due to the political climate, and indeed Russia’s own behaviour. However, Australia should examine seriously the idea of seeking to create some functional trade and security synergies with Russia. The appointment of a more senior departmental officer as the new ambassador to Russia is a good move. The Komodo exercises58 that have included ASEAN states, as well as Australia, Russia, and China, may be a first step here. And while any gains in trade would be modest initially, arenas such as agriculture (excluding wheat) and oil exploration provide examples of areas where there is little competition yet. On the multilateral side, Australia’s longer-term interests may also be suited to taking a ‘wait and see’ posture that is not overtly hostile to an increased Russian regional role. Whatever Australia’s response, though, its firm proviso should be to act cautiously until it is clear that Moscow is making a genuine effort to contribute to regional order, rather than seeking to undermine it.

CONCLUSION

Russia’s recent boldness stems from a fear of weakness just over the horizon. Moscow has no wish to become China’s raw materials supplier, but it sees no advantage in turning to the West either. Instead, it seeks a degree of independence through Putin’s great power vision of Russia as a Euro-Pacific actor. To achieve this, Russia will need to follow through with its pivot to Asia, and deepen its energy, trade, and military presence.

A successful Russian pivot is not guaranteed. The robustness of Sino-Russian ties is unclear. Russia’s ability to convert its energy and political intentions into achievements is patchy. Whether or not the rebalance succeeds, Canberra should consider a limited and certain re-engagement with Moscow. Such an approach would protect Australian interests while also potentially nudging Russia towards a more balanced and constructive posture in regional affairs.

Moscow has no wish to become China’s raw materials supplier, but it sees no advantage in turning to the West either.
NOTES

1 Previous attempts to ‘turn East’ include a bid by Mikhail Gorbachev to open up Eastern Siberia in the 1980s, and a failed effort during the 1990s by the Yeltsin administration.


5 See, for example, Stephen Blank, “Myth and Reality in Russia’s Asia Policy,” Jamestown Foundation Eurasia Daily Monitor 12, No 115, 19 June 2015, http://www.jamestown.org/single/?tx_ttnews%5Bswords%5D=8fd5893941d69d0be3f378576261ae3e&tx_ttnews%5Bany_of_the_words%5D=The%20Geneva%20Process%3A%20A%20Balance%20Sheet%20Since%20The%20Russia-Georgia%20War%20Part%20One&tx_ttnews%5Bpointer%5D=2&tx_ttnews%5Btt_news%5D=44058&tx_ttnews%5BbackPid%5D=7&cHash=c2cedfe1505f68b68c6694b37c0a3004#.VkUSS2eJjoo.


10 The carrier underwent a significant refit and was relaunched into the People’s Liberation Army Navy as the Liaoning in September 2012.

As the main spine of its seaborne deterrent, Russia plans to construct eight Borei SSBNs, each with the capacity to carry 16 to 20 Bulava intercontinental ballistic missiles. See Sam LaGrone, “New Pacific Russian Nuclear Submarine Base Could Open by October,” USNI News, 1 July 2015, http://news.usni.org/2015/07/01/new-pacific-russian-nuclear-missile-submarine-facility-could-open-by-october.


This is yet to become a firm agreement given that the pipelines will have to follow one of two transit routes (via either China or Pakistan), both of which are unpalatable to New Delhi.


27 Brunnstrom, “US Asks Vietnam to Stop Helping Russian Bomber Flights.”


54 On the evolution of priority areas for socio-economic development (known by their Russian acronym TOSER), see Natasha Kuhrt, “The Russian Far East in Russia’s Asia Policy: Dual Integration or Double Periphery,” Europe-Asia Studies 64, No 3 (2012), 471–493.


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What’s China Got to Do With It? U.S. Alliances, Partnerships in the Asia-Pacific

William T. Tow*
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U.S. alliances in the Asia-Pacific are increasingly viewed as more than just threat-centric policy instruments. Three core principles for alliance management underscore this reasoning: maintaining consensus about purpose and objectives; generating maximum alliance adaptability; and building capabilities to achieve full-spectrum deterrence. The interests that compel U.S. regional allies to cooperate with Washington are this special issue’s analytical focus. Evolving U.S. security partnerships in the Asia-Pacific, the emergence of “hybrid” forms of security alignment, and Sino-U.S. tensions complicate understanding the nature and politics of U.S. security alignments in the region. A Chinese “shadow” is likely to confront U.S. alliances and partnerships in ways which will compound strategic competition and tensions in the region. This reality impels the United States and its regional collaborators to understand and to coordinate each other’s motivations for security cooperation as effectively as possible.

Key words: major non-NATO ally, minilateralism, multilateralism, pivot/rebalance to Asia, San Francisco System

Introduction

Over 70 years after its founding, the “San Francisco System” of American bilateral alliances (named after the city where its original components were founded when the Japan peace treaty was signed there in September 1951) remains intact. This outcome departs from prevailing international relations theory about power balancing which anticipates that once the original threat that initiated an alliance network weakens or changes, alliance dissolution becomes more probable.1 With the collapse of the Soviet Union and with

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China’s adoption of liberal market reforms, the Cold War receded into history. Key U.S. regional security allies feared that the expected “peace dividend” that U.S. policymakers coveted through reductions in Cold War defense spending levels would translate into a substantial American disengagement from its regional deterrence and defense commitments, leaving them strategically abandoned in a transformed international security environment. Indeed, visions of a multilateral collective security framework in the Asia-Pacific took hold during the early 1990s as a more promising model for regional order-building. However, both apprehensions about alliance dissolution and hopes for multilateral collective security institutions have proved to be misplaced.

The postwar alliance system that Washington cultivated initially with its Asia-Pacific allies, however, has changed into a more complex structure of security relationships in response to the region’s increasingly complicated security environment. U.S. security alliances and evolving security “partnerships” are viewed both by Washington and regional friends as instruments of order-building, not just as defensive arrangements based on threat-centric assessments. Contemporary security challenges mandate ever greater flexibility in U.S. alliance rationalization and management. International terrorism, pandemics, large-scale natural disasters (arguably attributable to global warming), and other nontraditional security challenges that routinely transcend sovereign boundaries now co-exist with traditional national security and geopolitical threats. Such multiple contingencies require more enlightened and nimble security policy collaboration. The Barack Obama administration’s “pivot” or “rebalance” to Asia squarely places alliances at what then U.S. Secretary of State Hillary Clinton (2011) described as the “fulcrum for our strategic turn to the Asia Pacific.”

Accordingly, Washington wants the San Francisco System to remain viable in an increasingly complex regional security environment. Such an objective can be realized by adopting what Clinton identified as three core principles for American management of its Asia-Pacific alliance system: (i) maintaining political consensus within an alliance over what it is about and what it wishes to achieve; (ii) ensuring that each alliance is “nimble and adaptive” so that it can successfully address new challenges and seize new opportunities; and (iii) assuring that the defense capabilities and communications infrastructure of each alliance are operationally and materially capable of deterring provocation from the full spectrum of state and nonstate actors (Clinton, 2011). Simultaneously the United States seeks to reassure its Asia-Pacific security partners that they will not be abandoned in the face of rising Chinese power and assertiveness (see Baker, 2013). Further, the United States will sustain its commitments to defend its formal allies and strengthen its collaboration with other key Asian states that are instrumental for maintaining what the United States views as a favorable regional balance of power. However, the United States has posited that it expects that allies and partners will reciprocate by contributing meaningfully to collective defense and extended deterrence as well as support American-led efforts at regional order and institution-building. Ashley Tellis (2014) has ably described this American policy position: “Because the cost of U.S. contributions toward such collective goods may become more burdensome over time, accepting increased contributions by friends and allies remains an
attractive solution . . . So long as their political aims fundamentally cohere with Washington’s, anything they do to augment the supply of global public goods serves the U.S., their own, and other common interests” (p. 24).

It remains to be determined, however, if the security interests of American allies and potential U.S. security partners “fundamentally cohere” with those of the United States or, even more tellingly with each other’s, in the emerging Asia-Pacific security environment. Recent efforts by Japan’s Prime Minister Shinzo Abe to accelerate his country’s role as a “more normal” national security actor are generally welcomed in the United States, but the handling of Japan’s historical grievances with its neighbors generates concern in Washington. So too do the powerful political nationalistic forces that at times have prompted South Korea to aspire to and pursue avenues for reunification with a still highly bellicose and nuclear-armed North Korea, to explore longer-term economic and geopolitical ties with China, and to rail against Japan over still unresolved historical issues and territorial disputes. At least some policymakers in Seoul may view South Korea’s security alliance with the United States as much as a hedging instrument toward a changing Asian power balance that encompasses Japan’s “normalization” as an instrument of deterrence against a threatening North Korea. The Philippines adheres to a constitution that forbids the permanent stationing or deployment of foreign troops on its soil, even while it negotiates closer military relations with the United States. Thai-American tensions intensified noticeably in the aftermath of Thailand’s military coup and the supplanting of a democratically elected government in May 2014. America’s most interoperable and close regional ally, Australia, confronts the policy nightmare of “choosing” between China—Australia’s major trading partner—and the United States—that country’s traditional “great and powerful friend”—in a future regional conflict that may see the two superpowers clash over Taiwan, Japanese control of the Senkaku/Diaoyu islands, or even possibly in the South China Sea. While recently developing closer strategic ties with the United States, India still largely clings to its postwar heritage of nonalignment. Indonesia, Malaysia, Singapore, and Vietnam conduct growing and significant military relations with the United States, but likewise adhere to the Association of Southeast Asian Nations’ (ASEAN) pre-eminent norm of strategic balance between great powers.

The complexity of modern Asia-Pacific alliances and security partnership politics therefore warrants more in-depth analysis of U.S. allies’ and security partners’ national outlooks and how effectively the United States has adjusted to them. Such a “region-centric” emphasis sets this special issue of Asian Politics & Policy apart from other recent studies of American alliance and security politics in the region. The analysis offered here flows from a two-year project on “American Asian Allies: Managing Competitive and Cooperative Pressures,” funded by the John D. and Catherine T. MacArthur Foundation and co-organized by the Australian National University and the East–West Center in Washington. The project uniquely focuses on regional perspectives of the U.S. network of alliances and partnerships in the Asia-Pacific rather than offering a predominantly “American-centric” interpretation of that network’s significance and evolution.4
An initial—and by far the longest—section of this introductory article discusses what constitutes modern-day Asia-Pacific alliance, partner, and “hybrid” relationships. A second section addresses the important areas of convergence and contrast represented by traditional threat-centric dimensions of alliances and partnerships against the prospects that these relationships may evolve into more cooperative or order-centric approaches to the Asia-Pacific’s regional security politics. The argument made here is that the balance of cooperative behavior in United States security ties with regional allies and partners will largely depend on how Chinese strategic behavior evolves over the remainder of this decade and beyond.

Allies

What remains unclear at this point in time is to what extent the “hub and spokes” of the San Francisco System are undergoing transformation into new and more nuanced forms of alignment required to accommodate or balance the region’s rising powers and how any such transformation will sustain a meaningful U.S. security role in this area of the world (this problem is considered by contributors to Tow & Taylor, 2013). Addressing the characteristics, differences, and relative intensities of formal U.S. bilateral alliances, emerging U.S. security partnerships and the potential for trilateral or minilateral “hybrids” between alliance and partnership to contribute or detract from regional order-building may enhance our understanding of how such arrangements may either facilitate or impede such regional order-building and stability.

Managing Alliances in a More Complicated World

There is little controversy over what generally constitutes an alliance: “a formal or informal commitment for security cooperation between two or more states” (Walt, 1997, p. 157, emphasis added). The presence of a binding “commitment” implies that an alliance entails durability and incorporates multiple elements of collaboration between those parties allied to one another, as opposed to a security “partnership” that is more issue-specific. During the Cold War, the United States maintained an extensive network of alliances across Eurasia, including the North Atlantic Treaty Organization (NATO) in Europe, the Baghdad Pact which later morphed into the Central Treaty Organization (CENTO) in the Middle East and South Asia, and the San Francisco System in Asia which co-existed with the Southeast Asia Treaty Organization (SEATO). The “credibility of commitment” underpinning the United States’ alliance commitments in Europe and Asia was sustained by formal treaty agreements—a multilateral collective defense treaty in NATO’s case and bilateral mutual defense treaties that Washington honored with each of its formal Asian allies that constituted the San Francisco System. NATO and the U.S. bilateral alliances in the Asia-Pacific have remained operative even as political and strategic developments in the Middle East and Southeast Asia rendered the rationale and operational integrity of CENTO and SEATO moribund long ago.

NATO arguably became more of an “alliance of choice” than an “alliance of necessity” following the Soviet Union’s demise in December 1991 (De Castro, 2013, p. 66). Russia’s recent incursions into Ukraine and Russian leader Vladimir Putin’s increasingly strident anti-Western posture has at least revitalized NATO’s purpose and endeavors. But questions still loom over the extent to
which NATO member-states share a unifying purpose in the way that the Soviet threat provided a rationale for alliance collaboration during the Cold War (this was the theme of Menon, 2007; see also Laipson, 2015). The Asia-Pacific threat environment evolved in even more complex ways than contemporary Europe. China’s politico-strategic identity and growing wealth came to be viewed by successive U.S. administrations as necessitating both cooperative and competitive dimensions in regional order-building. North Korea’s military and nuclear capacity, while formidable, was still viewed as out of proportion to that country’s prolonged economic doldrums, its long-term sociopolitical viability, and its inability to preserve what few friendships it had cultivated since its existence. In such an environment of strategic ambiguity, how and to what extent have the United States’ formal bilateral treaty alliances retained their significance?

U.S. “grand strategy” in the Asia-Pacific is to prevent dominance by a hostile hegemon, cultivate an open regional trading regime, and promote political liberalization, human rights, and observance of international law (see Green, 2015, p. 3). The San Francisco System, since its inception, has played a central role in realizing this strategy by extending to the United States’ formal regional allies credible deterrence against external conventional and nuclear attacks, and maintaining a forward U.S. force presence in the region to underwrite such deterrence. It has sustained an acceptable regional balance of power, and given these allies more advanced intelligence and technologies to facilitate their own defense capabilities against potential military threats (these factors are discussed in detail in Tow, 1997). Asymmetrical security relationships upheld by Washington with its formal Asia-Pacific allies have traditionally translated into a dominant American “hub” generating defense benefits for its smaller allies or “spokes,” to counter the power of Soviet or Chinese expansion in their region. Even as the Cold War was drawing to a close, U.S. officials perceived little reason for changing a system that had worked well for nearly four decades and rejected early post-Cold War proposals for developing multilateral security mechanisms proposed by Australia, Canada, and Japan. U.S. Assistant Secretary of State for East Asia and the Pacific, Richard Solomon, observed at the time that European-style multilateralism would not work in a region still mired in threat-centric geopolitics given the rise of China, a still volatile Korean peninsula, and lingering tensions over history and contested territory:

The nature of the security challenges we anticipate in the years ahead—do not easily lend themselves to region-wide solutions. When we look at the key determinants of stability in Asia . . . it is difficult to see how a Helsinki-type institution would be an appropriate forum for enhancing security or promoting conflict resolution. (cited in Cha, 2011, p. 30, note 1)

So far, history has largely vindicated Solomon’s view.

As new security challenges have emerged in the Asia-Pacific after the Cold War and in response to the urgings of U.S. regional allies and partners, U.S. policymakers have gradually recognized that the San Francisco System would need to adapt in order to survive. New multilateral forums such as the ASEAN Regional Forum and the East Asia Summit have emerged to become important components in the region’s security policy arena. Adjustments in America’s
bilateral alliance system were required and the development of, and U.S. participation in, regional multilateralism goes some way in meeting these requirements. These included the United States signing on to multilateralism as a way of reassuring allies that a U.S. security presence would still be continued even as new order-building initiatives were pursued, “institutionalizing” America’s presence in regional order-building, and facilitating new networked partnerships through the usage of regional institutions.

Emerging regional security issues have become more diverse. They include the spill-over of domestic instabilities into regional and global security arenas, to the intensification of terrorism, resource politics, environmental crises, pandemics, human security contingencies, and other factors shaping the “global commons.” Such a “regional–global nexus” is not confined to nontraditional security elements (for a more in-depth analysis, see Job, 2009). Geopolitical rivalries have also intensified in the region as the Asia-Pacific’s strategic environment transforms into an increasingly multipolar balance of power and as nationalism intensifies throughout much of the region. How can the United States achieve a judicious policy equilibrium between fulfilling its historical but still critical role of maintaining regional stability through military strength and its traditional alliances, while integrating those alliances with newer and dynamic forms of minilateral and multilateral security politics?

Positioning its postwar bilateral alliances to complement the Asia-Pacific’s evolving multilateral security framework, and simultaneously networking its alliances and partnerships, will constitute major challenges to Washington’s policymakers. It was hardly coincidental that President Obama’s 2015 National Security Strategy document reflected on this challenge:

We are modernizing our alliances with Japan, South Korea, Australia, and the Philippines and enhancing the interactions among them to ensure they are fully capable of responding to regional and global challenges. We are committed to strengthening regional institutions such as ASEAN, the East Asia Summit, and Asia-Pacific Economic Cooperation to reinforce shared rules and norms, forge collective responses to shared challenges, and help ensure peaceful resolution of disputes. (White House, 2015a, p. 24)

It may appear to some that this statement suggests that there is a choice between alliances and partnerships on the one hand and multilateral institutions on the other. Actually, America’s policy approach to Asia-Pacific architecture is an adjunct to the centrality of the alliance in the development of new partnerships, and the networking of alliances and partnerships. This is evident in a range of trilateral efforts such as the U.S.-Japan-South Korea, the U.S.-Japan-Australia, and the U.S.-Japan-India, as well as efforts to support closer relations among various groupings of Southeast Asian states.

Perhaps the most salient policy challenge for U.S. alliance politics is the need to encourage its allies to collaborate more systematically and effectively beyond the traditional bilateral alliance network. The United States has insisted it will maintain a significant force presence in the region, actually increasing its military capacity there by 2020. It is deploying to the region 60% of its naval fleet (including a majority of its aircraft carriers), 60% of its overseas based forces, larger contingents of U.S. Marine rotational forces in Australia, and a more
extensive or upgraded presence in bases in Japan, South Korea, Guam, and the Philippines (a comprehensive synopsis of these measures is supplied by Scappatura, 2014). It thus proposes to ensure freedom of passage through the region’s critical sea lines of communication (SLOC) and to play a continuing balancing role in the Asia-Pacific.

American defense officials are simultaneously encouraging America’s allies to engage in strategic collaboration and military capacity-building measures beyond Washington’s orbit of formal regional alliances but in ways clearly meriting American support. Under the Abe government, Japan appears to be spearheading this “spoke-to-spoke” process. Australian-Japanese bilateral defense ties are perhaps the clearest example of how this trend has developed, with the formalization of intelligence sharing, logistical arrangements, and defense technology exchanges reaching increasingly significant proportions (for a recent and comprehensive evaluation, see Wilkins, 2015). Japan-Philippines defense ties are likewise maturing in substantial ways with the acceleration of military exercises near the South China Sea, Japan’s transfer of patrol boats and contemplated sales of maritime surveillance systems to the Philippines, and the intensification of Japan-Philippines defense dialogues (Parameswaran, 2015a, 2015b). Japanese-South Korean defense relations remain impeded by issues of history and territorial sovereignty, and long-standing South Korean feelings that the United States assigns greater priority to the U.S.-Japan alliance than to its alliance with Seoul (Kang, 2015). Overall, however, U.S. officials can only be pleased that its regional allies are taking the initiative to supplement their historical security ties with the American “hub” with more intensive “spoke-to-spoke” defense ties with each other.

Partnerships

Outside the formal U.S. alliance framework, other Asia-Pacific states seeking partnership with the United States in niche areas of security cooperation, where their own interests may coincide with Washington’s, will be required to weigh the comparative risks and benefits of associating with the United States against the need to sustain their independent status in their own judgment and in the eyes of those who would otherwise view such collaboration as subordinating their own strategic interests (i.e., China). A fundamental issue is how such modernization of alliances can address the abandonment and entrapment feared by both the United States and its allies and partners, and concerns that modernizing alliances might upset a rising China. This dilemma affects decisions about what degree of alignment regional security actors may wish to pursue with the United States.

“Alignment” is a relationship between two or more states that involves mutual expectations of some degree of policy coordination on security issues under certain conditions in the future (this definition is attributed to Stephen Walt and Stephen David, cited in Miller & Toritsyn, 2005, p. 333; and in Wilkins, 2012, p. 56). “Alliance” is a relatively formal and exacting kind of alignment that involves military interaction between states and is usually directed toward a mutually perceived threat, whereas alignment could involve military, political, economic, diplomatic, or cultural spheres of activity (Wilkins, 2012, p. 56; Ward, 1982). The use of the term was somewhat broadened (critics would
say “diluted”) by the George H. W. Bush, Bill Clinton, and George W. Bush administrations in nominating 16 “major non-NATO allies” (including Taiwan) to help the United States check Iraqi ambitions in the Middle East, facilitate defense and technology systems’ collaborative research and development, and to assist in the United States’ “war on terror” following the 9/11 attacks on New York and Washington. The Obama administration has continued this practice by nominating Afghanistan (2012) and Tunisia (2015) as major non-NATO allies. In December 2014, the U.S. Congress passed and President Obama signed the U.S.-Israel Major Strategic Partnership Act that would establish a new category of formal alignment one level above major non-NATO allies status (Blank, 2014).

Increasingly, “partnership” is the label of choice for describing contemporary defense and security relations between two states. A security “partnership” is a more fluid association in which obligations are voluntarily assumed but not contractually defined, binding, or specified. Partnerships can be reviewed and modified on a case by case or temporal basis, whereas alliances commit the parties to treaty-strength obligations that require a major diplomatic rupture for them to be abrogated (Buchannan, 2012; Laipson, 2015).

Apart from their looser form of alignment compared to alliances, security partnerships have at least two other outstanding characteristics: structures of interaction which are usually embedded in the joint statements which identify areas of cooperation; and underlying motives for cooperation based on “address[ing] common challenges and . . . seiz[ing] opportunities in several areas” rather than countering a particular country or group in a threat-centric context (Parameswaran, 2014, p. 264). In the Asia-Pacific, a third characteristic, in particular, has emerged as a critical precondition of U.S. partnership-building with selected regional states—“identifying common security interests with the countries in question and shared thinking on how to realize those interests” (Tow, 2015, p. 41). Structures are shaped and motives are sharpened through partner capacity-building to generate greater material power for achieving common interests, and through pursuing economic, diplomatic, and military cooperation to promote “rules-based” Asia-Pacific security, democratization, and regional stability (Tow, 2015, p. 41, citing United States Department of Defense, 2006; Clinton, 2011; Odom, 2012).

U.S. policymakers have moved to infuse some formality into America’s Asia-Pacific bilateral partnerships, carefully ensuring that the language used to underwrite these diverse arrangements remains sufficiently pliable to avoid the levels of commitment found in the more formal treaties that underwrite America’s formal bilateral alliances. This is hardly a coincidence given that the U.S. Congress would most likely veto any executive effort to impose even a general level of principled commitment relating to extended deterrence found in the United States’ early postwar security treaties that constitute the San Francisco System. The terms “strategic partnership” or “comprehensive partnership” “are sometimes applied to describe the importance or gravitas of a particular alignment” (Laipson, 2015). The obvious relevance of Washington’s bilateral alliances in an era of a rising China, a nuclear North Korea, and still outstanding regional flashpoints reinforce the meaning and relevance of formal U.S. alliance politics in the Asia-Pacific region.
The successive articles in this issue that deal with the inception and evolution of various U.S. security partners’ relationships with Washington often underscore the qualified nature and careful parameters shaping such ties. At this juncture, only a brief synopsis of these partnerships need be recited to emphasize the obvious intensification of American partnership building with selected regional security actors as its rebalancing strategy broadens and deepens over time.

**Indonesia/Malaysia**

Washington has worked in an understated but steadfast way to solidify its security ties with the Malay world. The U.S.-Indonesia Comprehensive Partnership was signed in 2010, and a joint commission meeting convenes annually (jointly chaired by the Indonesian Foreign Minister and the U.S. Secretary of State). It sponsors a series of working groups to review a wide range of cooperative ventures in the security, economic, cultural, education, and science sectors. Perhaps most significantly from a strategic perspective, a defense planning dialogue operates under the joint commission’s auspices to address how Indonesia can procure those defense weapons and technologies required for it to be a meaningful participant in the overall regional partner capacity-building process (United States Department of State, 2013).

President Obama’s visit to Malaysia in April 2014 resulted in a similar U.S.-Malaysia comprehensive partnership and, by extension, a renewed emphasis on already existing bilateral arrangements such as the senior officials’ dialogue, the Malaysia-U.S. strategic talks, and the Bilateral Training and Consultative Group. Special emphasis was placed on collaboration in the politics of nuclear nonproliferation with Malaysia joining the Proliferation Security Initiative (Sullivan, 2014, p. 11; White House, 2014). U.S. naval support was extended to the search for Malaysia Airlines flight MH370 after that aircraft went missing in March 2014. The increased tempo of such bilateral military exercises as *Keris Strike* and Cooperation Afloat Readiness and Training reinforced the idea of a partnership “approaching a more equal footing” (Noor, 2014). Moreover, there are more visible signs of U.S.-Malaysia military cooperation such as the operation of U.S. surveillance flights from facilities in Malaysia and public notice about U.S.-Malaysia bilateral military exercises that in the past had either not taken place or received little public acknowledgment.

**Singapore**

The U.S.-Singapore partnership has been much assessed elsewhere in recent years and for good reason. Some observers might reasonably argue that this security dyad has essentially supplanted the formal U.S.-Thailand alliance and even the U.S.-Philippines alliance as Washington’s “lynchpin” security relationship in Southeast Asia. This, these observers may posit, is the case notwithstanding Singapore’s need to remain sensitive to its Islamic neighbors’ historical preferences for ASEAN members to prefer nonalignment over alliance politics and, as a city-state where the vast majority of its citizens are ethnic Chinese, to avoid alienating Beijing to the extent that it would ever be forced to choose between China and the United States in any future conflict (IISS, 2013).

Outweighing such cautious geopolitical instincts, however, is the fundamental Singaporean interest in keeping U.S. military power present and engaged
throughout Southeast Asia and the greater Asia-Pacific littorals. In that vein, it
signed a 15-year memorandum of understanding in 1990 to accord the U.S.
Navy extensive use of its naval and air logistical facilities and, following the
American withdrawal from its bases in the Philippines the following year, to
transfer its Commander, Logistics Group, Western Pacific headquarters to Sin-
gapore to support U.S. Seventh Fleet activities. Over the ensuing years, U.S. air-
craft carriers and submarines regularly transited through the Changi Naval
Base, U.S. military equipment has become the weapons systems of choice for
Singaporean defense forces, and U.S. Navy Littoral Combat Ships are now
operating from Singapore. Even in the face of such momentum, U.S. policy
elites understand that Singapore believes it is most secure entertaining a diver-
sity of security relationships with its ASEAN neighbors and great powers alike.
During his July 2013 visit to the Lion City, U.S. Vice President Joseph Biden
acknowledged that “Singapore is friends with America, also with India, Japan
and China and the other major powers” (IISS, 2013). To best ensure the type of
regional power equilibrium where it can relate to Washington as a partner of
choice rather than as an arguably constrained ally, Singapore will reserve the
right to calibrate its defense relations with Washington on the basis of associa-
tion via a convergence of strategic interests.

Thailand
The U.S.-Thailand alliance has been complicated by the May 2014 coup,
although the 2012 Joint Vision Statement sought to reframe the post-Cold War,
post-9/11 U.S.-Thai relationship. The ability of the U.S. and Thai militaries to
cooperate more robustly, when political conditions allow, remains. China has
clearly emerged as a much more significant consideration for Bangkok over the
years; however, for this very reason, Thai officials continue to see avenues of
cooperation with the United States as critical in part to hedge on their possible
over-reliance on China in the future.

The Philippines
The Philippines’ relationship with the United States has undergone signifi-
cant changes over the past several years as Manila faces China’s assertiveness
in the South China Sea. The consideration of an Enhanced Defense Cooperation
Agreement (EDCA) including rotational and other access for the U.S. military is
ongoing, the initiation of a new 2 + 2 dialogue between the two capitals, and
plans for the Armed Forces of the Philippines’ defense modernization including
provision of “credible minimum defense” are part of evolving U.S.-Philippine
ties. Manila has even expressed interest in eventually joining the Trans-Pacific
Partnership (TPP) negotiations. However, much remains uncertain. Recent
press reports indicate that there are financial and political challenges to imple-
menting defense modernization, the Philippine Supreme Court has yet to rule
on the constitutionality of EDCA and the Philippine Senate has indicated that it
also wishes to review the agreement. Upcoming elections in 2016 make the
recent progress in bilateral alliance relations uncertain and tentative. However,
there is clearly a positive change in trend and direction of the U.S.-Philippine
alliance since the early 1990s.
India

India has emerged as one of the United States’ most significant Asia-Pacific security partners over the past decade. Previously spearheading a nonaligned movement between the West and the Soviet bloc during the Cold War, India has moved closer to the United States as the two countries’ key security interests have converged. Balancing growing Chinese power, countering the rise of jihadist movements in South and Central Asia, collaborating on advanced information technologies, developing bilateral civilian nuclear/space cooperation, and cultivating each other’s markets are all illustrative (these are assessed in depth in Twining, 2014). A 10-year defense agreement was signed in 2005, followed with the signing of a Defense Technology and Trade Initiative in 2012. U.S. defense sales to India grew from nearly zero in 2009 to around US$9 billion by the time that agreement came into force (including C-17 and C-130 transport aircraft and maritime patrol aircraft). India now conducts more military exercises with the United States than with any other country (Blake, 2013; Feigenbaum, 2015). President Obama’s January 2015 visit to India resulted in the release of a U.S.–India joint strategic vision statement that emphasized the safeguarding of regional maritime security, and the resolution of territorial disputes via the application of international law, counterterrorism, and strengthening multilateralism in the Asia-Pacific (White House, 2015b). Washington also demonstrated an increased interest in encouraging India’s third-party defense relationships with such countries as Japan and Singapore.

It remains to be seen, however, if India will be willing to enter into any form of alignment resembling a “pan-regional axis” with the United States or its other allies. By rejecting formal affiliation in the “quadrilateral,” “minilateral,” or “hybrid” alignment initiatives advanced during the period 2007–2008, India has demonstrated its reluctance to formalize any strategic involvement with the San Francisco System due to its concerns that such a move could be linked to an Asian version of containment (“PM: India,” 2008). It is more likely that trilateral or quadrilateral forums could be used for more “functional” security cooperation in a wide swathe of nontraditional security areas such as humanitarian assistance and disaster relief, energy politics, climate change, forced peoples’ movements, and pandemic control. For similar reasons, it seems unlikely that India would weigh in directly on Washington’s side in any future East Asian contingency involving the defense of such flashpoints as the Senkaku/Diaoyu or Spratly Islands or even South Korea were the Korean peninsula to explode into renewed warfare. Nor would the United States wish to become involved militarily in backing India’s border claims against China (Feigenbaum, 2015). Despite the frequency of their military exercises, Indian and American military services do not even have force interoperability as an objective. At present, developing a positive security partnership appears to be the best option for both Indian defense planners and their American policy counterparts.

Vietnam

No one observing the intensity of conflict between the United States and Vietnam during the 1960s and 1970s could have anticipated the level of security relations that has recently developed between these two former combatants. Shared concerns about the rise of China and its impact on the Asia-Pacific’s key
SLOCs have increasingly bound Hanoi and Washington together as partners in a quest to neutralize Chinese assertiveness and to seek ways to underwrite the development of a burgeoning Vietnamese economy. Differences over human rights, as well as residual concerns by Vietnamese Communist Party leaders about excessive liberal American influence in Vietnam’s domestic social and political processes, act as a brake on overly rapid Vietnamese-American rapprochement. However, the visit of General Secretary Nguyen Phu Trong of the Vietnam Communist Party to Washington in July 2015, including an Oval Office visit, demonstrated both sides’ efforts to overcome first-order differences over regime types. At present, the value of an independent and economically viable Vietnam balancing Chinese influence and expansionism in the South China Sea trumps Vietnamese-American historical and normative differences. Vietnam’s endorsement of, and vigorous participation in, ASEAN enhances the rationale for Washington to extend qualified but genuine strategic support to Hanoi.

Taiwan/New Zealand
Two U.S. partnerships in the Asia-Pacific have not been assessed in detail in this project; those with Taiwan and New Zealand. Richard Nixon’s administration adhered to the “one China principle” in 1972 as part of the United States’ normalization process with China (Sino-U.S. relations were normalized in 1980). It is highly likely that the United States would, under the auspices of the Taiwan Relations Act (TRA), respond forcefully to an unprovoked and outright Chinese military attack against Taiwan. Given that the TRA is domestic U.S. legislation, the U.S.-Taiwan security “partnership” falls outside the category we chose to assess here. Given China’s implementation of an increasingly challenging anti-access/area denial strategy, however, Taiwan may represent a new kind of evolving partnership that will require separate and more in-depth analysis than can be offered in this study (a comprehensive evaluation of this problem is offered by Friedberg, 2014).

The Obama administration has moved decisively to repair the previous breach in U.S.-New Zealand security relations emanating from the two countries’ dispute over nuclear deterrence in the mid-1980s. The Wellington Declaration (November 2010) and the Washington Declaration (June 2012) went far to restore bilateral ties (including security relations) in the increasingly complex post-Cold War international security environment. It remains unclear, however, to what extent New Zealand’s very limited defense capabilities, and the policy constraints imposed by its natural emphasis on trading relations with its dominant Chinese market, will allow this small Pacific state to engage with the United States as a truly Asia-Pacific, as opposed to a primarily South Pacific, partner.

Minilateralism as a Hybrid Form of Alignment
Washington’s bilateral alliance politics in Asia has been traditionally characterized by asymmetry. The “junior ally” in U.S. security relationships has often deferred to U.S. policymakers in alliance deliberations dealing with short-term issues in return for extracting relatively greater returns in alliance benefits over time. Examples of the latter include obtaining U.S. extended deterrence commitments and access to U.S. defense intelligence and technologies in return for
disproportionately low levels of burden-sharing and small risks of becoming entrapped in U.S. regional or international conflicts against their will. Washington has recognized this collective action problem in alliance management for decades. It has often found itself in the awkward position of demanding alliance loyalty and allied resources as a price for continuing to proffer continued guarantees to allies.

Partnerships tend to circumvent the collective action problem by limiting alignment only to those parties with commensurate interests on a given security issue, restricting the instincts of such like-minded parties to command adherence to formal rules or institutions rather than acting together in more informal or “ad hoc” ways and only within a given time frame. This provides opportunities for the relevant parties to develop habits of consultation and greater degrees of trust (Cha, 2014, p. 747). But it falls short of commanding the degree of enduring institutional commitment and norm adherence commanded by multilateral institutions such as NATO or even ASEAN.

Minilateral alignments have recently developed as a form of partnership designed to overcome the constraints of bilateralism while avoiding the institutional lethargy commonly exhibited by Asia-Pacific multilateral security institutions such as the ASEAN Regional Forum. Minilateralism can be viewed as a “hybrid” form of security alignment, bringing to a given crisis more like-minded players and material resources than those normally generated by a bilateral alliance, but offering more flexibility or spontaneity than less nimble multilateral groupings that must identify continued rationales for their existence once that particular crisis is defused or modified. As Moises Naim (2009) has observed, minilateralism can be “a smarter, more targeted approach . . . bring[ing] to the table the smallest possible number of countries needed to have the largest possible impact on a particular problem.” This approach tempers the alliance burden-sharing problem often impeding or distorting bilateral security cooperation because the parties engaging in a minilateral security action have an equally strong interest in resolving the challenge being addressed. It also overcomes the values-diversity problem often found in large and unwieldy multilateral associations; the actions undertaken in a minilateral context are either predominantly interest-based rather than normatively driven. Alternatively, the parties involved tend to share similar values when addressing both traditional and nontraditional security crises.

Minilateral alignments operating in the Asia-Pacific, largely over the past decade, have posted a somewhat mixed track record. Those directed toward resolving nontraditional or human security crises, including humanitarian assistance and disaster relief and some forms of maritime security (i.e., counter-piracy) have been relatively effective. The Trilateral Strategic Dialogue between Australia, Japan, and the United States exemplifies a grouping that has deliberately pursued a functionalist agenda focused on assisting developing states in the region to strengthen their security capacities. Those targeting more “traditional” aspects of security politics, such as nuclear nonproliferation (e.g., the Six Party Talks negotiating the Korean peninsula’s denuclearization or its predecessor, the Trilateral Coordination and Oversight Group) have been less successful.
Contending geopolitical interests have often overcome collaborative efforts of great powers and their allies to curb regional flashpoints or restrain territorial disputes. As Michael Green (2014, p. 759) has observed, there is growing debate about whether multilaterals contribute to a stable regional order-building process or risk morphing into competing blocs that would exacerbate regional security dilemmas. Their usage is still such a sufficiently recent trend that judgment about their stabilizing or disruptive features is probably best held in reserve. Their existence, however, provides concrete evidence that Asia-Pacific policymakers are searching for possible alternative models to bilateralism and multilateralism for managing their security interests in an increasingly complex, multipolar, regional security environment.

**Competition, Cooperation, and the China Factor**

Shadowing any discussion of the evolving nature of U.S. alliances, partnerships, networks, and regional institutions is the issue of a rising China, U.S.-China relations, and China-Asia relations. This project addressed this issue by considering how China’s rising power in the Asia-Pacific will affect the San Francisco System’s alliance adaptability. Inevitably, there are a range of assessments about the impact of the “China factor” on U.S. alliances, partnerships, and emerging networks. But several observations about the “state-of-play” seem to emerge at the present juncture. First, over the past few years of the U.S. “rebalance” or “pivot” to the Asia-Pacific, managing U.S.-China relations has become increasingly challenging. Some have characterized this as growing “strategic mistrust.” Indeed, the United States and China do not appear to have as yet arrived at a suitable framework which could help manage their relationship, notwithstanding numerous proposals such as “responsible stakeholder,” “strategic reassurance,” or as proposed by Beijing, a “new model of great power/country relations.” Essentially, these frameworks are limited because the fundamental differences in interests and values that characterize the relationship cannot be reconciled.

Just as U.S.-China relations have faced increasing tensions, China’s relations with Asia, while developing significant economic and political ties, have also faced difficulties not least due to disputes in the East and South China Seas. Indeed, even South Korea reacted strongly to the declaration by China of an air defense identification zone. And India has expressed concern about China’s actions both on its land borders and activities around the Indian Ocean. The net effect of both increasingly difficult United States-China and China-Asia relations has been to create greater complexity in the context of U.S. alliance adjustments and partnership building. These complexities are visible in the articles in this collection. In the case of Japan, worry has been expressed about U.S. commitment to Japan’s security in the context of Chinese provocations in the East China Sea, even as the United States and Japan have managed to issue revised guidelines aimed at moving well beyond a narrow “defense of Japan” posture. The U.S.-South Korea alliance continues to transform even as Seoul and Washington consider whether or not Terminal High Altitude Area Defense (THAAD) capabilities are necessary given China’s hostile reactions to the possibility of their deployment. India continues to seek closer security and military relations with the United States even as it is cautious about moving too far.
forward with the United States or in the context of trilateral networks such as the U.S.-Japan-India arrangement. And across Southeast Asia, both allies and partners have (as discussed above) moved steadily to enhance security and defense relations with the United States even as they carefully managed economic and diplomatic relations with China. Hence, nearly every U.S. ally and partner except Japan has signed on to the China-led Asian Infrastructure Investment Bank (AIIB), even as these same countries sought closer security ties with the United States and expressed alarm about China’s behavior in the maritime domains across the Asia-Pacific littoral.

To suggest there is a “dichotomy” between the “United States for security” and “China for commerce” would be to push the point too far. Several Asia-Pacific countries, for example, are negotiating with the United States for a TPP agreement. Other countries have expressed interest in joining this partnership in the future, although many Asian countries continue to resist more formal alliance arrangements with the United States. Even U.S. allies have considerable apprehension and limits about how far they are willing to go in terms of existing alliance arrangements. The Philippine Supreme Court, for example, continues to weigh the constitutionality of a new EDCA signed by the United States and the Philippines in 2014 (Calonzo, 2015). Japanese Prime Minister Abe is confronting intensified opposition to his collective defense legislation by a Japanese public, with polling indicating that up to 80% of the Japanese public remains unconvinced about the need and the constitutionality of such legislation (Yoshida & Aoki, 2015). The outcome of debates about THAAD deployment by South Korea, in the face of China’s opposition, remains far from certain. While the China “shadow” is cast over U.S. alliances and partnerships, the net effect of closer alliance cooperation may not be nearly as clear as alliance advocates would hope might be the case.

That said, the overall effect of China’s growth as a strategic force in the region will tend to provide the glue that binds allies and partners to U.S. interests and influence to such a degree that factors of alliance dissonance might be negated. In this context, the articles in this issue provide very useful and nuanced insights into the complex effects on U.S. alliances and partnerships of the China factor. Simplifying the China factor impact on alliances and partnerships is fraught with danger. Nevertheless, the articles in this volume offer useful insights into the subtleties of alliance and partnership management in an era of increasingly complex global, regional, and domestic dynamics.

**Some Key Project Findings**

Research outcomes for this project are numerous and diverse. Many of these have been identified and assessed through various participants’ individual contributions to the East–West Center in Washington’s ongoing Asia Pacific Bulletin series during the period 2014–2015. A comprehensive policy document will be prepared by the East–West Center in Washington based on the policy implications of project findings from a U.S. perspective, and will be disseminated in early 2016 in tandem with the American presidential election year.

Only three major categories of project findings are briefly summarized here: (i) the implications of enduring structural change in the Asia-Pacific region for
the exercise of power and shaping of order; (ii) the changing context of formal U.S. security relations with its regional allies and partners including policy constraints and opportunities; and (iii) the relevance of traditional U.S. and allied strategies and policy mechanisms to emerging security challenges in the Asia-Pacific.

Project discussions at our Canberra workshop in May 2014 and, again, in Washington nearly a year later, generated a consensus that the Sino-American relationship is clearly a central element to determining how the Asia-Pacific’s regional security and order-building will unfold. However, as stated above, that relationship cannot by any means be viewed as the only determinant of the region’s future security.

How effective the American regional engagement is perceived by allies and partners and how their national security interests distinctly evolve over time are no less critical. A number of project participants believed that, despite recent progress, American engagement in the region’s multilateral institutions is still too weak and that traditional threat-centric strategies such as extended deterrence are not being sufficiently adjusted or revised in a rapidly changing and highly dynamic regional security environment. Other participants countered that today’s alliance politics in the region, especially from both Washington’s and its allies’/partners’ vantage points have clearly moved beyond exclusively threat-centric rationales and behavior. The minilateral security politics discussed in this article stands as a case-in-point. Despite variances over the exact pace and scope of change in security collaboration, there was broad consensus that the opportunities for adapting alliances and partnerships to meet new and more diverse missions are great and must not be squandered.

The increasing relevance of linking economic interests and growth with security politics is especially noteworthy in this context. Recent Chinese policy initiatives such as the AIIB and the “One Belt Road” indicate that Beijing understands this linkage very well. It will be incumbent on the United States to balance China’s enterprise with the TPP, a stronger profile in the Asia-Pacific Economic Cooperation group, increasingly viable bilateral free trade arrangements and other initiatives where trade, commerce, and investment will ultimately intersect with greater geopolitical standing.

The project’s emphasis on allied and partner perspectives on U.S. security politics in the region facilitated our understanding of what constrains these bilateral relationships as well as what facilitates them. Project managers conducted extensive fieldwork in the region from June to December 2014 to enrich their awareness of both constraints and enhancements for security cooperation with specific countries targeted for review. Overall, it was found that alliance/partnership enablers substantially outnumbered impediments, reinforcing the view that the United States is entering a new period of opportunity for the cultivation of such ties.

There was a nearly universal view held in the countries surveyed that the U.S. regional strategic presence is a highly valued commodity and not just as a counterweight to China. U.S. defense technology is coveted, its expertise in coordinating “human security” missions relating to humanitarian assistance and disaster relief is appreciated, pandemic control is esteemed, and its superior experience and resources pertaining to counterterrorism operations are widely acknowledged. American “soft power” is valued as a basis for many
regional countries adapting to generational change, and, among most of its treaty allies, as a hallmark for advancing liberal democratic values. Washington, however, cannot afford to ignore or downplay significant emerging challenges to such values, as exemplified by Thailand’s recent military coup and more protracted ones in Vietnam and, arguably, Malaysia and Singapore where real governance is effectively exercised by a single political party. An important test of U.S. policymakers’ ongoing effectiveness as managers of Asia-Pacific alliances and partnerships is how well they are able to introduce and sustain policy pragmatism in their relationships with these countries without appearing to compromise long-standing American values in the process.

While liberal institutionalism, human security, and various forms of “non-traditional security” will constitute future aspects of alliance/partnership relations, it is no less critical for the United States to work with its allies and partners to adjust and update traditional strategies and policy mechanisms within an increasingly complex regional security environment. Various Canberra workshop participants called attention to the importance of this occurring at a time when China is contesting the relevance of U.S. regional alliances as Cold War relics and as irrelevant to its more exclusivist vision of Asian regionalism and institutionalism—“an Asia for Asians” as Chinese President Xi Jinping has characterized it. Some participants posited the view that the United States has arguably been too slow in generating the types of security assurances and modernizing its regional deterrence strategy to sustain its credibility. This was a distinctly minority view. Most participants concluded that American initiatives in forming new deliberative bodies to address the changing requirements of extended deterrence in Northeast Asia, along with its stronger postures and physical profile in the South China Sea, are indicative of an American ally or partner that is set to remain strategically and diplomatically active in these locales to an extent that will critically support overall regional stability. Fieldwork interviews in the region and interaction with “Washington insiders” during the project’s second workshop underscored the validity of this proposition. Allies, partners, and independent policy experts largely confirmed what American policy officials have insisted is their country’s approach to Asia-Pacific security politics—the United States will maintain a permanent and considerable force presence and generate continued diplomatic and economic clout in support of its own interests in the region and those of its allies’ and partners’ long-term security and prosperity.

Conclusion

It became increasingly clear as this project advanced that its original intent to evaluate the problem of alliances and partnerships from a regional perspective was more than justified and arguably prescient. The intensifying multipolar Asia-Pacific security environment constitutes an increasingly complex challenge for those who elect to align or selectively collaborate with the United States on key security issues. Their perceptions are all too often overshadowed by Washington’s views and policy initiatives. This special issue will illuminate the thinking and security alignment behavior of U.S. allies and partners in the region in ways that may increase American attention and sensitivity toward Asia-Pacific allies’ and partners’ views and concerns.
Notes

1The thrust of this perspective is spelt out by Walt (1997, p. 159). A dissenting view on power balancing’s relevance to the evolution of the San Francisco System is offered by Tow and Acharya (2007, esp. pp. 6–9).

2Victor Cha (2000, p. 261) has argued that weaker allies perceptions of a senior ally’s “patron commitment” actually trumps external threat perception as a determinant of continued asymmetrical inter-dependence within alliance frameworks, “leading to behavior not predicted by balance of threat theory.”

3The general rationales underlying this argument were that: the post-Cold War security environment posited the type of threats such as international terrorism that rendered alliances less relevant, and both European and Asian allies’ economic capacities were sufficient to provide for their own defense in lieu of their dependence on long-standing and overstretched U.S. military resources (see Menon, 2007). An earlier treatment of this question along the same lines can be found in Carpenter (1992). China continues to oppose the U.S. Asian alliance network. A good summary of those factors sustaining this Chinese position is offered by Heath (2014).

4Excellent studies focusing on the American perspective have been offered by various analysts. A recent example is Tellis, Denmark, and Chaffin (2014). An earlier but “classic” example is Medeiros et al. (2008). An assessment of Asia-Pacific responses to the post-9/11 world and on the eve of the Iraq War can be found in Limaye (2003).

References


