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## **The rise of China and security in East Asia: implications for the EU and US strategies in the region\***

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This paper examines the implications of China’s rise in East Asia,<sup>1</sup> notably in the area of security, for the regional strategies of the European Union (EU)<sup>2</sup> and the US. The paper starts by examining Chinese post-Cold War security strategy in East Asia by focusing on Beijing’s regional objectives and policies, including its policy towards America. The discussion then focuses on the US security strategy in East Asia and its response to China’s rise, and on European security policies in the region, including its relations with the People’s Republic of China (PRC). In conclusion, the paper examines the areas of convergence and divergence between Washington and Brussels in their respective responses to China’s rise.

### **Chinese post-Cold War security strategy in East Asia**

#### *Main objective and concerns*

China’s regional strategy in the wider Asian region, in general, and in East Asia, in particular, reflects Beijing’s primary foreign policy objective of seeking a peaceful external environment. This, in turn, is driven by internal motivations. With the dissolution of the Soviet Union and the decreased appeal of the communist ideology, the legitimacy of the one-party rule of the Chinese Communist Party (CCP) came under threat. The top priority for the leadership became sustaining

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1 For the purposes of this paper, the analysis will focus primarily on the Northeast Asian region, defined here as including China, Taiwan, Japan and the Korean Peninsula.

2 In this paper, Europe refers to the European Community/European Union as a regional entity. Accordingly, the discussion does not examine the bilateral relations between the individual EU member states and countries in East Asia.

high levels of economic growth with a view to alleviating poverty, raising the standard of living in the country and maintaining public support for the CCP. The ‘twin goals’ of economic growth and domestic stability became the primary motivations for the PRC’s external behaviour.<sup>3</sup> Furthermore, the protection of ‘national sovereignty, territorial integrity, and maritime rights and interests’ came to be defined as core Chinese national security goals,<sup>4</sup> reflected in the primary focus given to the Taiwan issue, and to the disputed islands in the East and South China Seas.

Relative power concerns have also underpinned the PRC’s post-Cold War strategy in East Asia. The US, with its deep security and economic involvement in East Asia, came to be perceived as *the* power that could pose the greatest threat to Chinese interests and regional ambitions. Indeed, for more than half a century American security preponderance in Asia has been sustained by the ‘hub-and-spoke’ system of bilateral military alliances between Washington and regional states, including with Japan and South Korea in Northeast Asia. American contribution to regional economic growth, especially by opening US markets to the exports of Japan, Korea and Taiwan, ensured the US its leadership position in Asia during the Cold War. While China in the 2000s has replaced the US as the largest trading partner of all its major allies, the growing since the 1990s ‘China threat’ perception in the region has made CCP leaders increasingly worried that a hostile external environment could jeopardise the country’s main goal of economic development. The direct triggers for the increased regional suspicion of the PRC’s intentions were China’s assertive behaviour in 1995 in pursuing its territorial claims in the South China Sea and its large-scale military exercises in the Taiwan Strait prior to Taiwan’s presidential elections in 1996. In response to the latter, the US deployed two aircraft carrier battle groups in the spring of 1996. The US and Japan also sought to consolidate their alliance by adopting in 1997 the Revised US-Japan Defence Guidelines for cooperation. China’s behaviour in addressing those interests appeared to raise the prospect of containment by the US and Asian states.<sup>5</sup>

The deepening of the US-Japan alliance in the 2000s has come to be perceived by Chinese observers as a direct response to China’s growing military strength and as an attempt to constrain, if not to openly contain, Chinese power in Asia. US China policy of ‘hedged engagement’<sup>6</sup> has emphasised common interests and cooperation with Beijing, but has also simultaneously focused on

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3 Medeiros, E. (2009). *China’s International Behavior: Activism, Opportunism and Diversification*. Santa Monica: Rand Corporation.

4 Information Office of the State Council of the People’s Republic of China (2004). *White Paper on National Defense*, <<http://www.china.org.cn/english/features/book/194421.htm>>.

5 Foot, R. (2006). ‘Chinese strategies in a US-hegemonic global order: Accommodating and hedging’, *International Affairs*, 82(1): 77-94.

6 Medeiros, E. (2005). ‘Strategic hedging and the future of Asia-Pacific stability’, *The Washington Quarterly*, 29(1): 145-167; Sutter, R. (2010). *Chinese Foreign Relations: Power and Policy since the Cold War*. Second Edition. Lanham: Rowman&Littlefield Publishers.

contingency planning in case of deterioration of ties. Since the start of the Obama administration, and especially from 2010 onwards, Beijing's perception of the US 'strategic encirclement' of China has been reinforced. Obama's policies of cementing American alliances with Japan and South Korea, continuing military ties with Taiwan and enhancing US involvement in Southeast Asia have been perceived by many Chinese observers in this light. As stated in a commentary in People's Daily, 'the US verbally denies it is containing China's rise, but while establishing a new security array across the Asia-Pacific, it has invariably made China its target'.<sup>7</sup> Obama's 'pivot to Asia' policy announced in early 2012 has further raised Beijing's concerns of a potential 'encirclement' strategy pursued by the US. By 2020, the Pentagon plans to increase its naval assets in the Pacific to 60 percent from the current 50 percent.

China's core interests are located in East Asia. The Taiwan issue remains unresolved, despite the deepening economic and social ties with the island since 2008. The disputed *Diaoyu* islands remain under Japanese control, and the escalation of tensions with Tokyo since 2010 appears to be providing yet another reason for Japan to reinforce its military alliance with the US. South Korea, too, has placed more emphasis on its relations with America in recent years, while the 'conditional engagement' approach towards North Korea embraced by both Seoul and Washington has diverged from Beijing's strategy that focuses primarily on avoiding instability on the Korean Peninsula.

### ***Policy towards the US***

For many Chinese analysts, America's regional strategy is simply seeking to preserve and consolidate the US hegemonic order: the US is seen to engage the PRC in order to foster a political change towards democracy in the country, and to contain it by hindering reunification with Taiwan and strengthening its alliance with Japan.<sup>8</sup>

China has recognised that a *Pax Americana* in East Asia would likely endure for sometime to come. Indeed, successive US administrations have reinforced the hub-and-spoke system, which shows that the US intends to sustain its regional primacy. More importantly, Washington's continuing security commitments are welcomed by Asian states, especially by major US allies such as Japan. This, in turn, exacerbates Beijing's fears of a US-led containment of China. The PRC's response (for now) has been to seek accommodation of US hegemony, but also hedging against a possible negative impact of America's dominance on Chinese interests.<sup>9</sup> While CCP leaders have sought to maintain positive relations and cooperate with the US on issues of common concern, for

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7 *Zeenews* (2012), 'China warns US against Asia-Pacific plans,' June 5,

<[http://zeenews.india.com/news/world/china-warns-us-against-asia-pacific-plans\\_779830.html](http://zeenews.india.com/news/world/china-warns-us-against-asia-pacific-plans_779830.html)>

8 Li, R. (2009). *A Rising China and Security in East Asia: Identity Construction and Security Discourse*. Abingdon and New York: Routledge.

9 Foot, *op.cit.*

example on the DPRK's denuclearisation, they have continued to remind the US (and its allies) not to encroach on core Chinese interests. Chinese domestic affairs, notably Taiwan, 'should by no means be deliberated in the framework of the [US-Japan] security alliance'.<sup>10</sup>

The competitive side of China's US strategy focused on deterring Taiwan from declaring independence, raising the costs of a third party involvement in a potential conflict in the Strait, and reducing the risk of containment by America and its East Asian allies, especially Japan. The continuing perception by many in China that the US is a major threat to the PRC's domestic stability and to its aspirations for a great power status motivates Beijing to pursue policies that would create a regional environment conducive to Chinese interests, while limiting (but not openly confronting) America's hegemonic behaviour in East Asia.<sup>11</sup> Beijing has hedged by promoting a benign image of China's rise, improving relations with neighbours and embracing multilateralism. Military modernisation has proceeded hand in hand with this regional strategy, however, undermining thereby the PRC's diplomatic efforts.

### ***Regional policies in East Asia***

China's embrace of multilateralism since the late 1990s has emerged as a major aspect of its East Asia strategy and of its hedge against US dominance. Beijing has been active in the ASEAN+3 (APT) process, has strengthened its presence in the ASEAN Regional Forum (ARF) and has promoted the Six-Party Talks (SPT) as the best option for resolving the DPRK's nuclear issue. China has sought to engage ASEAN by using multilateralism in combination with economic incentives, for example, by initiating an ASEAN-China Free Trade Area (FTA). The PRC has also shown its commitment to ASEAN's principles of peaceful resolution of disputes and non-interference by becoming the first non-ASEAN state to sign the Treaty of Amity and Cooperation (TAC). Furthermore, by promoting 'Asian-only' fora and advocating the idea of an 'East Asian community' centred on the APT, Beijing has sought to limit US influence and even exclude America from regional institutions.<sup>12</sup>

In order to ensure a peaceful regional environment, which is a precondition for China's continuing modernisation, and reduce the risk of containment by the US and its East Asian allies the PRC has sought to promote an image of a benign, or peacefully rising, power. As mentioned above, this has included supporting regional multilateralism in East Asia, but also deepening economic relations with its neighbours. The latter aspect, in particular, appears to be crucial for Chinese

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10 *Xinhua* (2005). 'US and Japan told to lay off Taiwan'. March 7, <[http://news.xinhuanet.com/english/2005-03/07/content\\_2659882.htm](http://news.xinhuanet.com/english/2005-03/07/content_2659882.htm)>

11 Wang, J. (2005). 'China's search for stability with America', *Foreign Affairs*, 84(5): 39-48; Medeiros, 2009, *op.cit.*

12 Sutter, 2010, *op.cit.*

regional objectives, for it seeks to achieve politico-strategic goals by means of economic power tools. In other words, China seeks to present a benign image of its rise as a great power through the economic opportunities this brings to its East Asian neighbours. While this strategy may have been rather successful in Southeast Asia, it is in Northeast Asia where Beijing's tense relationship with Tokyo, the potential for instability on the Korean Peninsula and the unresolved Taiwan issue continue to challenge the PRC's regional policies.

To be sure, Beijing's geopolitical concerns are to a certain extent balanced by the growing dependence of East Asian players on the Chinese market. Since 2004, Japan is China's third largest trading partner after the EU and the US. China has been Japan's top trading partner since 2007 when Sino-Japanese trade exceeded US-Japan trade levels. In 2011, Japan accounted for 12 percent of China's total imports, being second only to the EU (13.1 percent), and was also the fourth largest export market for the PRC, accounting for 7.9 percent of Chinese exports.<sup>13</sup> Trade with Japan in 2011 made up 9.8 percent of the PRC's total trade. By contrast, China's share of Japan's total trade averaged 20.6 percent in 2009, 2010 and 2011, with the PRC accounting for some 19 percent of Japan's total exports.<sup>14</sup> During the same period Japanese exports to the US averaged 15.6 percent of its total exports, which confirms the observation that Japan since the second half of the 2000s has become increasingly dependent on the Chinese market for its economic growth.

South Korea is the PRC's fifth largest trading partner after the EU, the US, Japan and Hong Kong.<sup>15</sup> Trade with the ROK accounts for 7 percent of China's total trade. In 2012, China and Korea launched bilateral FTA negotiations, while in March 2013 China, South Korea and Japan concluded their first round of talks for a trilateral FTA. The total gross domestic product (GDP) of the three countries in 2011 amounted to \$14 trillion, which made up 20 percent of the world's GDP. In 2002, the PRC surpassed the US to become Taiwan's largest export market and became the island's number one trading partner in 2003. By contrast, Taiwan is China's seventh<sup>16</sup> top trading partner with exports to the island making up only 1.9 percent of the mainland's total exports. The PRC's share of Taiwan's trade in 2009, 2010 and 2011 averaged 21.3 percent, while the US share averaged 10.8 percent during the same period.<sup>17</sup> The Chinese market absorbs approximately 27 percent of Taiwan's total exports. In 2010, the two sides signed a landmark Economic Cooperation Framework Agreement (ECFA). It reduced tariffs on 539 categories of Taiwanese exports to China, worth \$13.8

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13 DG Trade, European Commission (2012). *EU Bilateral Relations, Countries and Regions*, <<http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries-and-regions/>>

14 Japan External Trade Organization (JETRO), *Japanese Trade and Investment Statistics*, 2009, 2010, 2011, <<http://www.jetro.go.jp/en/reports/statistics>>

15 DG Trade, *op.cit.*

16 If China's trade with ASEAN as an organisation is not included, Taiwan comes at the sixth place, after South Korea.

17 Bureau of Foreign Trade, ROC (2010, 2011). *Trade Statistics*, <<http://cus93.trade.gov.tw/ENGLISH/FSCE/>>

billion, and on 267 items of Chinese exports, worth \$2.9 billion. This reflects the fact that the island's exports to the PRC are approximately four times as much as Chinese exports to Taiwan.

China in the past decade has become very active in proposing and concluding preferential and free trade agreements (FTAs) with a number of trade partners in East Asia (and beyond), including ASEAN 10, Singapore, South Korea and Taiwan. A future bilateral FTA with Japan appears to be highly unlikely, for the historical animosity and mutual strategic mistrust between the two neighbours are major barriers to such an agreement.

For the PRC, Japan appears to be a proxy for US hegemony in East Asia and is, therefore, primarily a security concern due to its alliance with the US. Indeed, the Obama administration's reaffirmation that the disputed islands in the East China Sea fall within the scope of Article 5 of the US-Japan Security Treaty may be interpreted as a manifestation of the US-Japan convergence on the common 'China threat'. As pointed out by some Chinese military observers, the *Diaoyu* islands have a major geostrategic significance to the PRC. If they are owned by Japan, the US-Japan alliance will be able to block Chinese vessels in the East China Sea and hence 'squeeze' China's strategic space.<sup>18</sup>

Responding to the apprehension in East Asia regarding the PRC's rising (military) power, Beijing has promoted a defensive image of a China that 'will never go for expansion, nor will it ever seek hegemony',<sup>19</sup> has articulated a 'peaceful rise/peaceful development' discourse and has projected an image of a 'responsible great power'. China has also made efforts to increase its military transparency by publishing since 1998 biannual 'White Papers on National Defence'. Taken together, Beijing's active participation in various regional institutional arrangements, the deepening of its economic ties with the region and its new conceptual framework of China's rise have sought to reassure Asian states about its benign intentions, as well as to demonstrate the benefits of a stronger China.

The PRC's military modernisation and double digit growth of its defence spending since the 1990s have continued in parallel with its reassurance diplomacy, however. Most observers have concluded that, in the near-term, the primary goal of the People's Liberation Army (PLA) is to prepare for Taiwan contingencies. However, as the PRC's missiles aimed at Taiwan are multifunctional, and hence could target Japan and some of the main US military bases in the region, or be used in the *Diaoyu* dispute, this leads to a reinforcement of the 'China threat' perception in Washington and Tokyo.

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18 *Taiwan News* (2012). 'China's space will be squeezed if Japan takes Tiaoyutais: expert'. Central News Agency. 4 September.

19 Information Office of the State Council of the PRC, 2004, 2006, *op.cit.*

## US post-Cold War security strategy in East Asia and policy towards China

### *Main objective and concerns*

The US post-Cold War strategy in East Asia has largely aimed to preserve the American-led regional security order, which was established in the early post-war years. President Clinton's decision in 1994 to end the conditioning of China's most-favoured-nation status on Beijing's human rights policies laid out the contours of Washington's engagement policy towards the PRC, which crystallised under George W. Bush. Engagement of the PRC was pursued, for example, by supporting the PRC's entry into the WTO and its participation in various regional fora, by means of bilateral military-to-military exchanges, and especially high-level summits in the late 1990s between President Clinton and the PRC's President Jiang Zemin. It was also during the Clinton administration that the competitive aspect of US China hedging came to be seen, in particular, in US relations with Taiwan and Japan; it reflected America's growing concern about the implications of China's rise for US regional interests.

Under the George W. Bush administration the PRC was portrayed as a 'responsible stakeholder' in the international system and, as a major expression of this US recognition, became a crucial partner to Washington in tackling terrorism and in dealing with the North Korean nuclear issue. Being 'strategically' distracted elsewhere, Washington could not afford a confrontation with Beijing, and sought cooperation with the PRC as the optimum choice for maintaining and strengthening its leadership role in East Asia, as well as for preserving its regional and global interests.<sup>20</sup> Furthermore, the transformation of China's regional strategy and position in Asia, especially the PRC's increasing role as a locomotive of regional economic growth, meant that any attempt to build a US-led containing coalition was doomed to failure. America's recognition of this geopolitical reality, together with its deepening economic interdependence with China, also gave impetus to the US engagement policy under Bush.

While emphasising common interests and cooperation with Beijing, Washington has simultaneously focused on contingency planning in case of deterioration of ties, thereby adopting, what has been referred to, a policy of 'hedged engagement'.<sup>21</sup> Indeed, China's growing economic, military and diplomatic clout in East Asia, and the challenges these developments appear to pose to US primacy in the region and, by extension, globally, have contributed to the 'China threat' perception in America. For example, US official documents during the Bush administration stressed

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<sup>20</sup> Sutter, 2010, *op.cit.*

<sup>21</sup> Medeiros, 2005, *op.cit.*; Pei, M. (2007). 'China's hedged acquiescence: Coping with US hegemony', In: B.K. Kim and A. Jones, eds., *Power and Security in Northeast Asia: Shifting Strategies*, Boulder and London: Lynne Rienner Publishers, pp. 99-125; Sutter, 2010, *op.cit.*

that the PRC had the ‘greatest potential to compete militarily with the US’, expressed concerns that China’s military modernisation had implications going beyond Beijing’s ‘immediate territorial interests’ (i.e., the Taiwan issue) and repeatedly underscored the limited transparency in the PRC’s defence policy, which was viewed as increasing ‘the potential for misunderstanding and miscalculation’.<sup>22</sup> Under Obama, the implications of the PLA’s growing ‘anti-access/area-denial’ capabilities for the broader US interests in the region appear to have become especially worrisome for Washington, as China’s military modernisation is said to ‘threaten America’s primary means of projecting power and helping allies in the Pacific’.<sup>23</sup> The political rhetoric that the US ‘is a Pacific power’ and the renewed American commitment to the Asia-Pacific seen in Obama’s ‘pivot’ to Asia policy have sought to reassure Washington’s allies and partners, as well as to hedge against a potentially threatening China. While America has officially denied the existence of such a hedging strategy, the explicit concern that ‘there remains uncertainty about how China will use its growing capabilities’<sup>24</sup> has arguably been a major driving force behind US regional policies.

The competitive aspect of US China hedging has included the reinforcement of America’s security alliances and partnerships in East Asia, with its alliance with Japan playing a central role in this hedging strategy.<sup>25</sup> Although the primary rationale for the US-Japan alliance’s strengthening in the post-Cold War era has been the North Korean military threat, shared concerns about the rise of Chinese military power have acted as an additional stimulus for Washington and Tokyo to deepen their military ties. The Bush administration’s open support for Japan’s more assertive security role, for example in the framework of the Afghan and Iraqi campaigns, and Washington’s emphasis on a joint development of a Ballistic Missile Defence (BMD) system sought to cement Japan as a main pillar of the US-centred security system in East Asia. Additionally, America under Bush enhanced its defence ties with partners in Southeast Asia, including the Philippines, Thailand, Singapore and Vietnam, by means of anti-terrorism and maritime security cooperation, as well as provision of military aid.<sup>26</sup>

### ***Obama’s China policy and strategic response in East Asia***

US-China relations started well in 2009 and showed relative stability throughout the year. The

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22 US Department of Defense (2006). *Quadrennial Defense Review*. February 6,

<<http://www.globalsecurity.org/military/library/policy/dod/qdr-2006-report.pdf>>; *Annual Report to Congress: Military Power of the People’s Republic of China* (various years), <<http://www.defense.gov/pubs/china.html>>.

23 Robert Gates, as quoted in, US-China Economic and Security Review Commission (2010). *Report to Congress*, p. 74, <<http://www.uscc.gov/>>.

24 Annual report to Congress, 2011, *op.cit.*, p. I.

25 Medeiros, 2005, *op.cit.*

26 *Ibid.*; Sutter, R. (2009). ‘The Obama administration and US policy in Asia’, *Contemporary Southeast Asia*, 31(2): 189-216.



relationship was labelled as ‘positive, cooperative and comprehensive’, and a new, high-level Strategic and Economic Dialogue was established to elevate it to the level of a global partnership. The US administration focused on reassuring the PRC that it was not seeking to contain China, and emphasised an expansion of areas of cooperation; the message from Beijing contained a similar focus on engagement. Beijing and Washington succeeded in preventing the escalation of tensions in the wake of a naval confrontation between US and Chinese ships in the South China Sea, and also appeared to converge on a tougher response to the DPRK’s second nuclear test in 2009.

These positive bilateral dynamics, however, have turned since 2010 into more competitive and tense security relations, which reflect the strategic divergences and mistrust between the two powers. Domestic politics was also at work: Obama, facing elections in 2012, had to respond to pressure from Congress and public opinion by protecting US interests and values, and hence being ‘tough’ on China for its, what some members of Congress see as, ‘predatory’ currency and trade practices. The CCP, for its part, could not appear ‘weak’ on the US when Chinese core interests were at stake and, especially, prior to the 2013 transition of power. The Obama administration’s approval of arms sale packages to Taiwan in January 2010 (US\$ 6.4 billion) and in September 2011 (US\$ 5.8 billion) led to strong (and expected) protests from the PRC and its decision to suspend military exchanges with the US. While Washington maintained that the sale was consistent with its long-standing policy of recognising only the PRC, but providing Taipei with defensive weapons to preserve the military balance in the Strait, China repeated its opposition to what it saw as an interference in the country’s internal affairs. The PRC has repeatedly protested US arms sales to Taiwan by describing them as ‘a crude interference in China’s internal affairs’ that ‘harms China’s national security and peaceful reunification efforts’.<sup>27</sup>

The bilateral relations became further strained following North Korea’s alleged sinking in 2010 of a South Korean naval ship, the *Cheonan*, as well as its nuclear and missile tests in 2009 and in 2012. Beijing’s approach of economic engagement and dialogue has significantly diverged from the positions of Washington, Tokyo and Seoul in recent years, for they have all embraced hard-line policies towards Pyongyang. On the other hand, Beijing does not want to be seen as condoning the North’s nuclear (or missile) developments either, for this runs contrary to its image as a ‘responsible great power’ and creates tensions in Sino-US relations. China’s support in March 2013 of a UNSC resolution on tougher sanctions against the North in response to its latest nuclear test is indicative of the challenge Beijing faces in its regional policies.

Sino-US strategic divergences have been accentuated by means of a display of military

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<sup>27</sup> *People’s Daily* (2010). ‘Chinese FM urges US to stop selling weapons to Taiwan’. January 31, <<http://english1.peopledaily.com.cn/90001/90776/90883/6883401.html>> ; Information Office of the State Council of the PRC, *op.cit.*, 2004, 2006, 2009.

power and balance-of-power behaviour, together with a tougher political rhetoric on both sides. The US in the past two years appears to have embarked on a reinforcement and, indeed, ‘enlargement’ of the hub-and-spoke system by strengthening its security ties with both close allies, such as Japan, the ROK and Australia, and ‘former enemies’, notably, Vietnam. These have included conducting large-scale, joint military drills and port calls, and the planned stationing of 2,500 US Marines at Darwin military base in Australia on a rotational basis and of four new Littoral Combat Ships in Singapore. This will be the first constant American troop presence in Australia since the Vietnam War era and can, at least in theory, provide the US with a means to project power in the South China Sea, while being out of range of Chinese conventional missiles. The Obama administration, by signing the new *Manila Declaration* in 2011, has also enhanced its military ties with the Philippines, a country increasingly concerned about Beijing’s growing claims on undersea oil and gas reserves near its archipelago; Obama has sought re-engagement of Indonesia as well. The US has increasingly come to perceive the South China Sea as ‘an area of growing concern’, for it has ‘a national interest’ in freedom of navigation. Similarly, the Sino-Japanese dispute over the *Diaoyu/Senkaku* islands in the East China Sea has seen greater US involvement, as America has reaffirmed that the islands fall under the US-Japan Security Treaty, thus demonstrating Washington’s security commitment to Japan and the region at large.

Chinese commentators have sharply criticised what they perceive to be ‘Washington’s Cold-war mentality’ of ‘enhancing American engagement in Asia, in particular in Southeast Asia’, and of consolidating its alliances in Northeast Asia to ‘intimidate and contain China’.<sup>28</sup> Beijing’s response to Obama’s ‘return to Asia’ policy has included its own, highly publicised, military drills by the PLA and the increased dispatch of patrolling vessels to disputed waters in the East and South China Seas. China’s maritime surveillance is planned to expand in the next five years with a focus on both quality, i.e. improvement of law enforcement capacity through new military equipment, and quantity. In 2011, China held the initial test flight of its J-20 stealth fighter jet, launched its first aircraft carrier *Varyag*, and officially confirmed that it was developing the *Dong Feng 21D* anti-ship ballistic missile (which reportedly has a range of 2,700 kilometres). China’s defence budget is set to rise 10.7 percent in 2013, which is a slight drop from a 11.2 percent increase in 2012 but in line with the double-digit growth observed in the past decade and China’s long-term military modernisation objectives.

The essentially unaltered since the 1990s view of many PRC analysts and elites that US China policy in East Asia seeks a ‘strategic encirclement’ of China in order to prevent the rise of a

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28 *China Daily* (2010b). ‘US show of force in Asian waters a threat to China: magazine’. August 14, <[http://www.chinadaily.com.cn/world/2010-08/14/content\\_11154212.htm](http://www.chinadaily.com.cn/world/2010-08/14/content_11154212.htm)>.

potential regional hegemon<sup>29</sup> may not be completely unfounded. The Obama administration has, after all, reinforced the long-standing US regional strategy by strengthening America's alliances and security partnerships in East Asia. It has also sought to bring its 'spokes' closer to one another by encouraging, for example, trilateral US-Japan-ROK security cooperation. Indeed, Tokyo and Seoul participated in 2010 for the first time as observers in the US-ROK and US-Japan military exercises, respectively. Obama has also accorded more priority to multilateral diplomacy in Asia and to America's relations with Southeast Asia: in 2009, the US signed the TAC and held its first ever summit with ASEAN, and in 2011 it became a member of the East Asia Summit (EAS). Obama has underscored that his administration 'is committed to strengthening our [US] ties with each country individually, but also with the region's institutions'.<sup>30</sup> As the analysis in this paper suggests, this turn to multilateralism is not a departure from previous policies, but merely a supplement to the traditional reliance on bilateral arrangements in US Asia strategy arguably in response to China's increased regional influence.

Wariness of Chinese strategic aspirations does persist throughout East Asia. In this context, the hub-and-spoke system and US forward military presence continue to be seen as a major guarantor of Asia's peace and stability. To be sure, most states recognise the growing importance of the PRC in economic and political terms, and seek cooperative relations with Beijing. However, the PRC's perceived assertiveness since 2010 in pursuing its territorial claims in the East and South China Seas, backed up by strengthened military power, has heightened regional tensions and led to demands for a greater US involvement as a check on Beijing's ambitions. For example, wariness of Chinese maritime policies drew Tokyo closer to Washington during the DPJ administration (2009-2012), which was seen as generally supporting a more moderate and engagement-oriented Japan's China policy than the conservative and pro-US LDP.<sup>31</sup> The two allies have agreed to strengthen bilateral strategic consultations on the PRC's military build-up, and its increasing maritime presence in the East and South China Seas.

In Southeast Asia, regional states have, since the Bush era, welcomed enhanced military ties with Washington, as well as resisted Chinese efforts for a leadership role and exclusive membership in the EAS.<sup>32</sup> America's participation in the 2011 EAS, strongly supported by ASEAN and Japan, has had an immediate impact on the summit's agenda. Despite Beijing's efforts aimed at blocking a multilateralisation of maritime security issues in the South China Sea, the majority of summit leaders (with the notable exception of Myanmar and Cambodia) were not deterred by this and,

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29 Li, *op.cit.*

30 Calmes, J. (2011). 'Obama's trip sends message to Asian leaders', *The New York Times*, 18 November.

31 Atanassova-Cornelis, E. (2013). 'Shifting domestic politics and security policy in Japan and Taiwan: The search for a balancing strategy between China and the US', *Asia-Pacific Review*, 20(1): 1-24.

32 Sutter, 2010, *op.cit.*

indeed, seemed united by a shared view on the need for a clear adherence to the Law of Sea regulations in dealing with territorial disputes. While Southeast Asian states have generally preferred to resolve their outstanding issues with the PRC within a regional multilateral framework, it appears that now Washington is becoming an important part of this multilateral hedging against Beijing and of the dispute resolution process.

Even though the competitive aspect of Sino-US relations appears to have become more pronounced since 2010, it has not replaced the emphasis placed in both capitals on maintaining a stable and cooperative bilateral relationship – something welcomed by East Asian states. This ‘pattern of dualism’<sup>33</sup> is seen in the way bilateral tensions are balanced by mutual reassurance. The latter has included US-China military exchanges and high-level visits, such as, for example, President Hu’s 2011 state visit to the US, which was followed in 2012 by the visit of then Vice-President Xi Jinping. To be sure, Obama’s perceived ‘return to Asia’ policy at China’s expense has continued to create uneasiness among Chinese observers. The message from Washington has repeatedly sought to diffuse those worries and reassure Beijing that ‘there is no zero-sum calculation to our relationship – so whenever one of us succeeds, the other must fail’.<sup>34</sup> While the Chinese leadership, for its part, has been committed to a cooperative partnership, based on mutual benefit, respect and common interests, Chinese leaders have explicitly reminded on many occasions that the bilateral ties could ‘face constant trouble or even tension’ if sensitive issues, such as Taiwan, are not handled properly.

## **The EU’s ‘Missing’ Security Link in East Asia**

### ***Main objectives in East Asia and obstacles for a security role***

Europe’s increased interest in the Asian region stems from Asia’s rising economic and political weight in the post-Cold War period. Identity considerations, especially the self-identification of the EU as a global actor and a normative power, have arguably been of secondary importance for Brussels in this region. As explained in more detail below, the main reason for this is the EU’s very limited regional strategic involvement, which results in its not being perceived by the major players – Japan and China – as a stakeholder in Asia’s hard security issues, as well as its major normative divergence with the PRC. Therefore, while East Asia’s rising political and security importance has certainly stimulated Europe to seek ‘strategic’ partnerships with Tokyo, Beijing and Seoul, this has been more on paper than in reality.

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33 Sutter, 2009, *op.cit.*

34 *China Daily* (2010a). ‘Obama has high hopes in Asia’. November 5, <[http://www.chinadaily.com.cn/world/2010-11/05/content\\_11506510.htm](http://www.chinadaily.com.cn/world/2010-11/05/content_11506510.htm)>.

The official documentation stresses the need for Europe to ‘develop a political dialogue’ with Asia, and ‘make a positive contribution to regional security’ and economic development, as well as to ‘build global partnerships and alliances with Asian countries’.<sup>35</sup> The latter objective may be seen as paving the way for Europe’s interest in a security engagement with Asia, underscored in the 2003 European Security Strategy (ESS). The ESS proposed that the EU develop strategic partnerships with Japan and China (among others) in the framework of the Union’s expanded international cooperation.<sup>36</sup> It also explicitly recognised that regional conflicts, such as those on the Korean Peninsula, ‘impact on European interests directly and indirectly’, and hence ‘distant threats’, including the DPRK’s nuclear activities, ‘are all of concern to Europe’.<sup>37</sup> More recently, the Council’s updated *Guidelines on the EU’s Foreign and Security Policy in East Asia* point again to a ‘number of threats to regional security’, such as the DPRK’s nuclear and missile programmes, the Taiwan issue and the South China Sea tensions.<sup>38</sup> The document further makes specific recommendations for the EU to expand its contribution to East Asian stability, including through non-military security cooperation, support for regional integration, and, last but not least, promotion of democracy, the rule of law and respect for human rights.

The consolidation of democracy, the rule of law and respect for human rights in the region are the EU’s core objectives from the perspective of its foreign policy. Europe’s preference for ‘soft power’ tools means that its focus in Asia is on non-traditional security cooperation, including the promotion of development, reduction of poverty, peace building and peace-keeping (e.g., in East Timor and in Aceh), and tackling environmental problems. As the world’s largest ODA and humanitarian aid donor the Union has extended assistance to a number of East Asian countries, including Cambodia, Thailand and North Korea, as well as to the victims of the Tsunami disaster. An important policy objective for Brussels is also the support for regional institution building in other parts of the world, for this is regarded as a means to enhance peace and stability both regionally (e.g., in Asia) and globally. Indeed, the Commission’s 2007 Asia paper indicates the support for regional integration as one of the EU’s strategic priorities for cooperation in Asia. In this regard, Europe has sought enhanced dialogue with East Asia in the framework of the Asia-Europe Meeting and the ARF, as well as with ASEAN.

Despite the increased political rhetoric since the 1990s of a deeper engagement with the

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35 European Commission (1994). *Towards a New Asia Strategy*, COM (94) 314 final, 13 July 1994, Brussels, pp. 1-3; European Commission (2001). *Europe and Asia: A Strategic Framework for Enhanced Partnerships*, COM (2001) 469 final, 4 September 2001, Brussels, p. 3.

36 European Council (2003). *A Secure Europe in a Better World - The European Security Strategy*, December 12, Brussels, <<http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf>>.

37 Ibid., pp. 4, 6.

38 Council of the European Union (2012). *Guidelines on the EU’s Foreign and Security Policy in East Asia*. June 15, <[http://eeas.europa.eu/asia/docs/guidelines\\_eu\\_foreign\\_sec\\_pol\\_east\\_asia\\_en.pdf](http://eeas.europa.eu/asia/docs/guidelines_eu_foreign_sec_pol_east_asia_en.pdf)>.

region, Europe remains a non-player in East Asia's political and security dynamics. The particular structural limitations on the part of the EU, notably its inability to 'speak with one voice' on major foreign policy issues, often dampen the expectations in Northeast Asian capitals for forging meaningful international initiatives with the Union, and strengthen the preferences of Asian elites for dealing bilaterally with the individual member states. Although the EU under the European Security and Defence Policy (ESDP) framework has succeeded in developing both military and civilian crisis management capabilities, its independent (from NATO) hard power capabilities remain limited and its missions are largely confined to Europe's immediate neighbourhood. Indeed, the East Asian region is not a main geographical area of Brussels' foreign policy. In comparison with the EU's policy towards, for example, the Balkans or Africa, where Europe has tackled conflicts, and sought to shape the political and socio-economic structures of countries, the Union's Asia policy has mainly focused on trade relations and the promotion of inter-regionalism through ASEM.<sup>39</sup> The EU's limited hard power capabilities mean that Brussels is not able to play a role in managing the region's two 'hot spots', i.e. the Korean Peninsula and the Taiwan Strait – a role assumed by the US.

The relations with Japan – the 7<sup>th</sup> largest trading partner of the EU – provide an example of the limitations that Brussels faces in forging a security role in East Asia. By all accounts, this is the most institutionalised bilateral link in Europe's relations with East Asia. The Euro-Japanese partnership reflects the shared values of freedom, democracy and the rule of law. There is also a mutual perception of Europe and Japan as civilian powers, which focus primarily on economic policy instruments and rely on soft power to exert international influence through, for example, foreign aid, promotion of human security and development policies. The bilateral cooperation has focused, in particular, on climate change and energy, foreign aid, economic development, human security, and conflict prevention and peace building – areas which all reflect the shared approach to security and identity as civilian powers.

Even though in the past decade Brussels' partnership with Tokyo has become a more goal-oriented one and has acquired a certain strategic dimension, the potential for bilateral cooperation far exceeds the achievements so far. Following the expiration of the Joint Action Plan in 2011, Brussels and Tokyo agreed to explore the possibility of negotiating a comprehensive economic partnership agreement (EPA) and a legally-binding, cross-sectoral political accord. The first round of EPA negotiations is expected to take place in April 2013.

In the foreseeable future it is unlikely, however, that Europe's strategic partnership with

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39 Keukeleire, S. and MacNaughtan, J. (2008). *The Foreign Policy of the European Union*. Hampshire and New York: Palgrave Macmillan.

Japan will move far beyond its current ‘paper value’. The EU’s inability to act as a unified actor on global issues and its rather narrow approach towards East Asia primarily from the perspective of trade (with China) hinder Europe’s importance for Japan as a strategic partner, indeed, despite the shared democratic values between the two. From the perspective of Japan, for which the East Asian region occupies a central place in its foreign policy and China is perceived as a challenger, the EU is merely a dialogue partner ‘with which to discuss hard politics, but not...an actor actively involved in the resolution’ of pressing security issues.<sup>40</sup> In contrast, it is the military alliance with the US that remains a top priority for Japanese diplomacy, for it is seen as a deterring force both against a nuclear North Korea and a potentially hostile China.

In 2004-2005, the debate about the possible lifting of the EU’s arms embargo on China was a clear illustration of how European policies may directly affect (albeit unintentionally) Japanese strategic interests in the region. Tokyo (and Washington) strongly objected such a move by Brussels due to concerns that the lifting of the embargo might boost the PRC’s military modernisation efforts, thereby upsetting the military balance in East Asia as a whole. Appearing to prioritise its economic interests, the EU came to be perceived by Japanese elites as lacking an understanding of the regional geopolitical dynamics and, more importantly, undermining Asian stability. In recent years, an increasingly inward-looking Europe, dealing with an economic crisis and internal divisions, unable and unwilling to be a participant in the shifting global order has become the dominant image of the EU in Japan and Asia – the image of a power ‘managing decline’.<sup>41</sup>

Similar limitations may be observed in the EU’s ‘strategic partnership’ with the ROK. South Korea, the Union’s 10<sup>th</sup> largest trading partner, was added to the list of the EU’s ‘strategic’ partners in East Asia following the signature in 2010 of two major documents: the EU-ROK Framework Agreement (FA) and the EU-ROK FTA. Trade, investment and economic cooperation remain a major priority for Brussels and Seoul. At the same time, the FA seeks to intensify the political dialogue and cooperation on a number of international issues of common interest, including non-proliferation, human rights, fight against terrorism, climate change, energy security and development assistance. Similarly to its relations with Japan, and in line with Europe’s self-identification as a civilian power, the EU’s political ties with Korea seem to prioritise non-traditional security concerns. South Korea, alongside Japan, is, indeed, identified as a ‘natural’ and ‘like-minded’ partner for Europe in Asia.<sup>42</sup>

To what extent Brussels’ political relations with Seoul will be able to move beyond

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40 Pardo, R.P. (2009). ‘The political weakness of the EU in East Asia: a constructivist approach,’ *Asia-Europe Journal*, 7, p. 275.

41 Small, A. (2010). ‘How the EU is seen in Asia and what to do about it’, *European View*, 9, 71-77.

42 Council of the EU, *op. cit.*

declaratory statements, and hence make a difference in the international arena, is yet to be seen. Nevertheless, Europe's irrelevance for security on the Korean Peninsula, and East Asia's hard security concerns in general, suggests that Korea (similarly to Japan) is not likely to prioritise this 'strategic' partnership in its foreign policy objectives. By contrast, ROK's alliance with the US and ties with the PRC will continue to dominate Seoul's strategic thinking, especially, with regard to the DPRK.

### ***Relations with China***

The PRC is the EU's second largest trading partner after the US. The EU's trade with China dramatically increased in the second half of the 2000s, reaching between 2007 and 2011 an impressive average annual growth rate of 9 percent. Trade with the PRC in 2011 made up 13.1 percent of the EU's total trade, which was slightly behind the US share of 13.9 percent.

The EU's relations with the PRC significantly expanded between 1995 and 2003 when some 20 bilateral sectoral dialogues and agreements were established, and Europe increasingly came to view China – its second largest trading partner – as a major player in both economic and political terms.<sup>43</sup> By 2009, bilateral cooperation had come to cover more than 50 areas as diverse as customs, education and culture, environment and consumer protection. The rapid growth of sectoral cooperation has led to a willingness on both sides to seek and upgrade their partnership to that of a 'strategic' one.

The mutual recognition as 'strategic partners' was first emphasised at the 2003 EU-China Summit and was subsequently echoed in the ESS published the same year. EU officials' statements and documents have stressed that developing a strategic partnership with Beijing is one of the Union's top foreign policy priorities, while Brussels is continuing to support China's transition towards a more open society and its emergence as a 'fully engaged member of the international community'.<sup>44</sup> The emphasis placed by EU policy-makers on enhancing Sino-European ties, and thereby according the PRC a privileged position in the Union's foreign relations, has been welcomed by CCP leaders, as they seek to project around the globe China's new identity as a responsible great power.

Many observers in recent years,<sup>45</sup> however, have concluded that there is a significant gap between the official rhetoric of a strategic partnership, and the reality of Europe and China actually

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43 Men, J. (2012). 'The EU and China: mismatched partners?', *Journal of Contemporary China*, 21(74), 333-349.

44 Council of the EU, *op. cit.*, p. 12.

45 Berkofsky, A. (2006). 'The EU-China strategic partnership: Rhetoric versus reality', in M. Zaborowski (ed.), *Facing China's Rise: Guidelines for an EU Strategy*, Chaillot Paper No. 94, December. Paris: European Union Institute for Security Studies, pp. 103-114; Holslag, J. (2011). 'The elusive axis: Assessing the EU-China strategic partnership', *Journal of Common Market Studies*, 49(2), 293-313; Men, *op. cit.*



defining and implementing common objectives. The focus of the relations remains predominantly an economic and trade-oriented one, but also bilateral in nature, while international politico-security issues, such as Iran, North Korea or the UN reform, although being recognised (on paper) as a joint priority, are not followed by joint actions that could provide the evidence of an existing strategic partnership.<sup>46</sup>

For China, investing in politico-security relations with Europe is arguably not a foreign policy priority, as Beijing ‘sees no role for the EU’ in regional security in East Asia<sup>47</sup> – a geographical area of the utmost strategic importance to the PRC. Indeed, given that China does not consider Europe to be a political power, and even less so in the Asian context, not only does Beijing expect Brussels not to get involved in East Asian security (especially, in the Taiwan issue), but it also appears to be quite assertive in ‘reminding’ the Europeans about that.<sup>48</sup> The EU’s inability (due to diverging interests among its member states) and/or unwillingness to lift the arms embargo and to grant China a market economy status, as well as the increasingly pervasive view among the CCP elites that Europe is a declining power, coping with institutional and economic problems, further seem to undercut the ‘strategic’ importance of the Union to the PRC.

Brussels, for its part, has clearly recognised China as a rising global power whose foreign policy choices are said to be ‘of strategic importance to the EU’.<sup>49</sup> Europe underscores the shared number of international, politico-security interests with China, ranging from maritime security and environmental protection to nuclear non-proliferation and promotion of multilateralism. The EU’s partnership with China contains some important areas of divergence – stemming from different political systems and values – that place major constraints on what the two partners can expect from one another and achieve together.

Europe has constructed an identity of a normative power, which not only promotes the principles of liberty and democracy, as well as respect for human rights and the rule of law, but also arguably perceives its own value system to be a universal and *the* right one to adopt. Europe’s engagement policy towards the PRC encourages the latter to open up its society, conduct political reforms and democratise,<sup>50</sup> thus in essence seeking to ‘Europeanise’ China. The PRC, however, prioritises sovereign rights over individual rights, and attaches utmost importance to territorial integrity and non-interference in domestic affairs, which is at odds with core European values.<sup>51</sup> The

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46 Holslag, *op.cit.*

47 Stumbaum, M.B.U. (2012). ‘How to make the strategic partnership work: EU cooperation with China in security affairs’, *Clingendael Asia Forum*, July 12.

48 Pardo, *op.cit.*

49 Council of the EU, *op.cit.*, p. 7.

50 Men, *op. cit.*

51 *Ibid.*

EU's self-identification as a normative power, whose ideational model should eventually be adopted by China, appears to elicit an opposite response. Indeed, Beijing becomes more assertive in defending its own values and norms against, what is seen as, the imposition of Western/European principles.<sup>52</sup>

### ***Europe and the two 'hot spots' in East Asia***

Brussels is not a participant in solving the DPRK's nuclear issue and, apart from its official rhetoric of a 'one-China policy', is not involved (in contrast to Washington) in the Taiwan issue. Europe's policy towards Taiwan appears to undermine the EU's credibility as a normative power and support the argument that economic interests are a top priority for Brussels in its relations with Beijing. The EU's position on cross-Taiwan Strait relations is limited to declaratory statements and political rhetoric: the Union adheres to the 'one-China' principle, supports a peaceful resolution of the Taiwan issue, and if 'stability and peaceful dialogue are threatened' Brussels sees this as a direct concern for 'its own interests'.<sup>53</sup>

While the EU is not a strategic player in Northeast Asia, its shared with Taiwan democratic values and principles lead one to expect that Europe will seek to defend those values, if they appear to be under threat. In this regard, the Union may be criticised for its unwillingness to have a more 'outspoken' position, for example, on the growing number of missiles along the Chinese coast facing Taiwan<sup>54</sup>. This criticism appears to be even more relevant since 2008, for the rapid improvement of cross-Strait relations has not led to a (corresponding) reduction of the PRC's missiles opposite the island or to security assurances provided by Beijing to Taipei. This is an equivocal reminder that Chinese leaders might consider in the future the use of 'non-peaceful' means to reunify with Taiwan on the basis of the PRC's Anti-Secession Law – a legal document, which only managed to elicit a low-key response on the part of Brussels when it was passed back in 2005. The EU seems to prefer ignoring the question of the military balance in the Taiwan Strait.<sup>55</sup> Indeed, this ignorance is liable to criticism given Brussels' increased rhetoric of seeking an expanded international role,<sup>56</sup> as well as the implications of a potential conflict between the US and

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52 Pardo, *op. cit.*

53 Council of the EU, *op.cit.*, p. 16-17.

54 Berkofsky, A. (2011). 'The EU's relations with China, Japan and North Korea: Implications for the EU's role and engagement in Asian security,' in G. Geeraerts and E. Gross (eds.), *Perspectives for a European Security Strategy Towards Asia*, Brussels: VUB Press, pp. 113-148.

To be sure, the European Parliament has often been regarded as a 'friend' of Taiwan and, in comparison to the European Commission or the European Council, has been openly critical of China on many occasions, involving human rights issues and democratic values. However, as its role in the EU's decision-making is limited, the Parliament does not have a significant impact on Europe's policy towards China and Taiwan.

55 Casarini, N. (2008). 'What role for the EU in Asia? An analysis of the EU's Asia strategy and the growing significance of EU-China relations', *Current Politics and Economics of Asia*, 17(1): 59-82.

56 Berkofsky, 2006, *op.cit.*

China over Taiwan for global stability. While the EU's reluctance to anger China may be welcomed in Beijing, it does not bode well for Europe's aspiration to be seen as a credible global power, especially in East Asia.

Although North Korea's successive missile tests of 2006, 2009 and 2012 have shown a gradual improvement of its missiles, believed to have reached a range of 6,000 km, Europe still remains out of that range and hence may not feel directly threatened by the North. At the same time, the DPRK's past record of exporting missiles and related technology, and its potential proliferation of nuclear materials to rogue states and terrorist groups suggest that the EU should have a higher stake in resolving the denuclearisation issue.

Officially, Brussels does recognise North Korea's nuclear and missile programmes as a concern for Europe, and a threat to East Asian security. In particular, Pyongyang's policies on 'non-proliferation and human rights' are said to be 'detrimental to regional and global stability.'<sup>57</sup> However, the role that Europe continues to envisage for itself is limited to actions, such as 'supporting' the resumption of the SPT, 'encouraging' dialogue to achieve denuclearisation, 'calling' on the DRPK to fulfil its international obligations and alike.<sup>58</sup> To be sure, throughout the 1990s the EU appeared to be more engaged in the security of the Korean Peninsula. It became in 1997 an executive board member of the Korean Peninsula Energy Development Organization, KEDO (alongside Japan, the US and the ROK) to help finance the construction of light-water reactors in North Korea. Europe has also provided the North with economic, humanitarian and food aid in the framework of its comprehensive engagement policy towards the DPRK, although this assistance has been reduced since the 2002 nuclear crisis.<sup>59</sup> However, as KEDO seized its activities in 2006 and the SPT (2003-2008) became the major forum for discussing the North's nuclear issue, 'the EU's role in Korean security effectively ended'.<sup>60</sup> The decision by Brussels to pursue merely a policy of 'political support' for the SPT, as opposed to seeking participation, may be interpreted as self-exclusion from resolving the North Korean nuclear issue<sup>61</sup> and hence from being a stakeholder in one of East Asia's major security 'hot spots'.

## Conclusions

The structural differences between the EU and the US – with the former primarily relying on 'soft

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57 Council of the EU, *op.cit.*, p. 18.

58 *Ibid.*

59 Berkofsky, 2011, *op.cit.*

60 Kelly, R.E. (2012). 'Korea-European Union relations: Beyond the FTA?', *International Relations of the Asia-Pacific*, 12(1), p. 114.

61 Berkofsky, 2011, *op.cit.*

power' foreign policy tools, while the latter opting for 'hard power' instruments – are well known and often said to be the major factors accounting for their differing approaches to East Asian security. At the same time, Brussels and Washington do converge on their broad objectives for the East Asian region, such as maintaining peace and stability, and freedom of navigation, as well as supporting regional economic development, security multilateralism and institution building. However, it is the diverging perceptions concerning China's rise – namely the 'threat' versus the 'opportunity' dichotomy – that appear to largely define the different approaches the US and the EU choose to pursue in order to advance their respective interests in the region.

East Asia is arguably *the* region where the PRC's rise has had (and will have) the most profound strategic impact than anywhere in the world. It is also a main geographical area of Chinese foreign policy. Beijing's policies and strategic choices in East Asia are, therefore, of the utmost importance for Asian and, by extension, global stability. Europe generally converges with the US engagement strategy of binding China and enmeshing it in international institutions, in order to ensure the PRC's emergence as a responsible and *status quo* power,<sup>62</sup> which is certainly positive for regional stability. The US approach of 'hedged engagement', however, also seeks to combine cooperation with China on issues of common interest with preparations for a potential deterioration in the bilateral relations, or for responding to Chinese behaviour in East Asia that might adversely affect either American (security) interests, or the interests of its allies and partners in the region. Indeed, while the perception of a rising Asian challenger is arguably an important factor that underpins the competitive aspect of US strategy towards China, regional wariness of Chinese maritime policies and military modernisation, and concerns about the PRC's strategic intentions in East Asia are shared by many Asian states. In contrast to the US and Asian countries, however, Europe remains a non-player in terms of seeking to shape China's regional environment and Beijing's foreign policy choices, pursuing instead a one-dimensional policy of engagement towards the PRC.<sup>63</sup> The EU appears to be much less interested in, or concerned about, China's growing military power and security behaviour in East Asia.

While Brussels has generally focused on the PRC's 'internal scene' by seeking to assist China's domestic transformation and its sustainable development,<sup>64</sup> there has been an increasingly growing perception in East Asia in the past few years that the EU has come to define its regional interests in narrow terms of trade relations with China. This, in turn, undermines Europe's strategic value for its major Asian partners, such as Japan and the ROK. To be sure, East Asian states see

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62 Shambaugh, D. (2005). 'The new strategic triangle: U.S. and European reactions to China's rise', *The Washington Quarterly*, 28(3): 7-25.

63 Small, *op.cit.*

64 Shambaugh, *op.cit.*

Europe as a ‘benign power’, which is not part to the geopolitical rivalries in Asia and whose regional involvement does not exacerbate Asian security dilemmas. Although Europe’s comprehensive approach to security is welcomed in East Asia, its inability and/or unwillingness to play a role in pressing (hard) security issues creates a major obstacle to Brussels’ participation in shaping China’s regional environment and policy choices.

For the PRC, on the other hand, the EU’s lacking strategic involvement in East Asia means that Europe is seen as a great power only on issues, in which Beijing does not have a direct stake, and hence unrelated to hard security concerns.<sup>65</sup> In other words, while the EU is a partner to the PRC on some issues of global significance, it is not expected by CCP leaders to get involved in China’s core national interests, which are all in East Asia. By contrast, even though US security policies in the region are a concern for China, Washington’s involvement in Asian security (while not always welcome) is certainly accepted by Beijing and even encouraged on certain issues.

The PRC’s strengthened security posture in East Asia raises the question of whether the ongoing structural changes in the region will lead to a further widening of the EU-US gap in responding to China’s rise. While a closer coordination of European and American complementary strengths and, indeed, common objectives in East Asia is theoretically possible, Europe’s ‘retreat’ in recent years to deal with internal problems – at a time when China and East Asia are undergoing a profound transformation – does not seem to raise expectations for such transatlantic cooperation, at least for now.

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65 Pardo, *op.cit.*