



# “For Every Action...”

The American pivot to Asia and fragmented  
European responses

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*With a response from Thomas Wright and Will Moreland*

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# “For Every Action...”

## The American pivot to Asia and fragmented European responses

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### INTRODUCTION

**W**hen U.S. President Barack Obama visited Australia in late 2011, he declared an American strategic shift towards the Asia-Pacific, marking one of the starting points for what would colloquially be known as the “pivot to Asia.” In his speech he expressed the rationale behind this decision in the words, “Here, we see the future.”<sup>1</sup> For the American allies on the opposite end of the Eurasian continent, this announcement was a source of consternation. Was Europe to be left in the past? Accustomed over centuries to a role as the main theater of world politics, and throughout the post-war period deeply wedded to an American security guarantee, Europe was not accustomed to being referred to as a bygone region, even implicitly. The development of the U.S. “pivot” did not only challenge European policies towards the United States, but did also bring to the fore the wider question of how Europe shall maintain its relevance in the Asian century. While the U.S. pivot to Asia has attracted much attention, one of the less obvious implications of the American policy was that these actions also triggered a rethinking and restructuring of Europe’s policies towards Asia.

The American pivot to Asia has served to re-emphasize the importance to Europe of being an active Asian player, particularly with regard to the rising power of China. More crucially, however, U.S. policies in Asia have forced the European Union to question its own pivot to the Pacific Rim because of the likelihood that the Asia-Pacific region is going to be an increasingly important arena for defining the trans-Atlantic (U.S.-EU) relationship. Since European relations with the United States and Asia are increasingly linked in a precarious triangle, any assessment of European Asia policies is incomplete without addressing the “trans-Atlantic factor.” The dispute in early 2015 between the United States and a range of core EU countries over their applications in the China-led Asian Infrastructure Investment Bank (AIIB) only serves to illustrate how this triangular relationship is a policy sector demanding increased scholarly analysis. This paper seeks to explore how the American pivot influenced the still-embryonic “European pivot to Asia.” Furthermore it will investigate, with the European Union as the main foci, how European policies

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towards Asian engagement continue to be plagued by indecisive and fragmented contributions as Europe seeks to bolster its relevance to both the United States and to East Asia by shaping an elusive "pivot with European characteristics."

However, European governments, to date, have been unable to agree on a coherent response towards the U.S. pivot to Asia, instead debating and oscillating between what we define as four distinct Asia policy options, which each have a direct impact on the trans-Atlantic relationship:

1. A European-Pacific pivot developing in formal cooperation with the United States;
2. A coordinating approach, with Washington's dominant position being complemented by a European pivot which would be focused on "soft power";
3. Co-existence with the United States in the Asia-Pacific, as Europe carves out an "independent" position for its pivot;
4. A radical political realignment, whereby the European pivot is in direct competition with the U.S. version in the Asia-Pacific.

It can be argued that the European Union pivot, so far, encompasses elements of each of these four dimensions, depending on country, issue, and timeframe, and has yet to settle on a more concise path. As a result, there cannot be a more unified approach within the EU to addressing Asia as a strategic and economic challenge. These policy options therefore should be discussed within the confines of three main political contexts, all of which play a major role in formulating and implementing a European pivot policy: namely the Asian political context, most notably the relationship to China; the American context; and not the least, the European context, where the political structures of the European continent present a particular set of challenges in formulating a coherent response to the main foreign policy trend of the century thus far.

The purpose of this paper is twofold. First, it will demonstrate how the U.S. pivot to Asia has been the catalyst for a European pivot, briefly demonstrating their similarities and differences. Secondly, the work will discuss how, and to what extent, the U.S. and European pivots to Asia might represent both a challenge and an opportunity to the trans-Atlantic relationship. Will the gradual geopolitical reorientation in the United States and Europe trigger more trans-Atlantic coordination, bringing the parties more closely together? Or, will these moves instead trigger competition and, in the longer run, undermine the historical ties and bonds across the Atlantic? We argue that based upon the role of security in the United States' policy and the role of economy in Europe's turn to Asia, neither Option 1 (close cooperation) nor Option 4 (fierce competition), is likely to happen due to internal and external factors affecting European foreign policy. Instead, it will be argued that Europe and the United States are likely to continue to pursue different strategies, but it will be necessary for all parties to ensure that their different strategies can co-exist without negatively impacting each other.

While the American pivot to Asia has been the object of enough scholarly interest to become a sub-genre in current political literature, the focus allotted to the European pivot policies and its implications for the trans-Atlantic relationship have, to the contrary, been surprisingly scant. The dynamics of the European end of the triangular relationship between the world's three leading economic regions have until now been the focus of relatively little academic scrutiny. As a starting point for a more in-depth approach to this important field of study, this article sets out to map European policy debates and political reactions to one of the most momentous rebalances that have been declared in recent political history. It will seek to provide a broad picture of the European reactions and policy debates generated by the declared U.S. "Pacific Pivot," in both political and academic circles, thus mapping more thoroughly the discursive structures and debates shaping the environment for European policymaking on the issue.

For this purpose, a range of key EU policy papers, statements from EU officials, reflecting the unique political structure of the European Union, as well as statements from relevant national leaders and foreign policy officials have been identified. To add further depth and context to the topic, the paper also draws extensively on a range of reports and debates from a wide spectrum of European think tanks. This study will commence with a brief background of the key declarations and policy initiatives constituting the U.S. pivot/rebalancing policy in the Asia-Pacific followed by an overview of what can be perceived as the attempted European pivot to Asia, before investigating how the still incoherent European policy response to the U.S. rebalance to Asia is being structured around the previously identified four main policy perspectives defining the appearance of a European pivot to Asia.

## **DEFINING THE U.S. PIVOT**

There has yet to be a definitive policy paper from the American government which summarizes the pivot to Asia policies, resulting in a policy which has been widely open to interpretation in the United States, in Asia, and internationally. As a conceptual term, a "pivot" signifies engagement and integration to cope with changing patterns of foreign policy and dependency. The distribution of attention, resources, networks, and strategies are important elements of a coherent and consistent engagement, but in reality they are not automatically interrelated. However, by a "pivot to Asia," we refer to a process over time in which an actor allocates more attention and resources to Asia, expands and intensifies its contacts with Asia, and attempts to develop a more coherent and encompassing strategy for Asia.

In an October 2011 article in the journal *Foreign Policy*, then U.S. Secretary of State Hillary Clinton defined the foundation for what would become known in policy shorthand as the U.S. pivot to Asia policy, later known as the "rebalancing" policy. Within the piece, she argued that such a reconfiguration was necessity for Washington, noting that, "one of the most important tasks of American statecraft

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over the next decade will therefore be to lock in a substantially increased investment- diplomatic, economic, strategic, and otherwise- in the Asia-Pacific region.<sup>2</sup> In short, the United States would place a greater emphasis on preserving security in the Asia-Pacific region. Relations with key allies including Japan, South Korea, and Australia would be strengthened and relations with other Asian states such as Singapore and Vietnam would also be upgraded. As well, there was to be a redeployment of American military assets to favor the Pacific Ocean, and Asia-Pacific affairs would constitute a higher priority for U.S. diplomatic and economic interests.<sup>3</sup>

Behind all of these policies was the question of China. Although American policymakers took great pains to stress that the pivot was not an alignment policy against any third party, Beijing viewed these policies with some alarm and derision, concerned the United States was practicing a restrained form of 'containment' in the spirit of George F. Kennan's call in the late 1940s to bracket the rise of the Soviet Union.<sup>4</sup> The American rebalancing policy in Asia has a strong military component coupled with a diplomatic and economic wing, and was developed by the Obama administration for a variety of reasons. First, there was the acknowledgement in Washington that the security situation in Asia had become less stable and there was a demand among America's friends and allies in the region—notably Japan and Southeast Asia—for the United States to take a greater role in ensuring stability and peace in the region. After more than a decade of East Asia's perception of being relegated to secondary status as a result of U.S. concentration on the Middle East and Afghanistan in addition to the global war on terror, insecurity levels in the Pacific Rim were beginning to grow. Despite a comparatively calmer security situation in relation to the Middle East/Central Asia, strategic questions including maritime security, North Korea, and the rise of China were starting to become more pressing for American partners in the region.

Second, although American policymakers have routinely discounted the "China factor" in the rebalancing decision, the pivot/rebalancing policies can be considered a response to Beijing's growing influence in the Pacific Rim, in both political and economic terms. Thus, the rebalancing has been viewed as a reminder to China that the United States was not seeking to abrogate its traditional security roles in Asia.<sup>5</sup> Since 2010, differences over maritime boundaries between China and some of its immediate neighbors, notably Japan, the Philippines, and Vietnam (the first two states having security treaties with Washington)—were threatening to destabilize the region, prompting a rethinking in Tokyo about its pacifist foreign policy stance. Third, as a result of the global economic downturn since 2008, it has been acknowledged that East Asia has become the economic "tent-pole" of the international financial system, making a strong argument for the United States to increase its military attention in the region. As well, since 2010 the United States has become an avid supporter of the Trans-Pacific Partnership (TPP) free trade negotiations in the Asia-Pacific.<sup>6</sup> By 2015, the TPP talks comprised 12 countries in the region (including Australia, Canada, Japan, Malaysia, Singapore, the United

States, and Vietnam), but also excluded Beijing, and has therefore been viewed as both an attempt to blunt Chinese economic power in Asia and as a developing economic arm of the U.S. pivot policy. In October 2015, after long and difficult negotiations, a preliminary agreement among the TPP membership was reached, and other large economies in the region, including Indonesia, South Korea and Taiwan, were expressing interest in signing on.<sup>7</sup>

Finally, the Obama administration was seeking to draw a line under the previous phase in American military policy, which was dominated since the turn of the century by an unwavering focus on counterterrorism, the Middle East, and Central Asia. The rebalancing, therefore, was a strong signal that the United States was about to enter a new era in its security priorities, especially after a long period wherein Washington’s Asia partners were feeling neglected and concerned that the United States was quietly retreating from its security commitments in the region, an impression not helped by the recession in the United States and the possibility of defense cuts due to “sequestration” policies. Despite the rebalancing announcement, misgivings in the Asia-Pacific have not completely subsided, as since the pivot began to take shape, there have been a series of crises outside of Asia, including the Libyan civil war, the rise of the Islamic State in the conflicts in Iraq and Syria, and the crises in Ukraine/Crimea, which have repeatedly threatened to distract Washington from its strategic policies in the Pacific region.<sup>8</sup> Nonetheless, Washington has insisted that the rebalancing process would continue with Asian security in no danger of being superseded by volatile events in the Middle East and Eastern Europe. Precisely these reassurances of American allies in Asia have, however, rather aggravated European concerns that the continent’s long-term importance in American foreign policy is waning precisely in the moment when it is needed more than at any point since the Cold War’s end.

## **THE BASICS OF THE EUROPEAN PIVOT**

Although the Obama administration reacted to European concerns about the term “pivot” by later encouraging the term “rebalancing,” suggesting an adjustment of assets rather than a turning away from one actor to another, there remained concerns in European capitals that their strategic interests were being downgraded by Washington. One of the responses by the EU was to seek its own methods of improving relations with Asia further, especially in the economic realm, and in effect to seek its own pivot. A European pivot to Asia had been gathering steam for a while, and in 2012 an unprecedented series of EU high-level meetings, visits, and summits took place, based on the foundations laid by the new 2012 Policy Guidelines on East Asia. Two summits with China, as well as summits with India and Korea, in addition to a range of bilateral visits in the margins of the Asia-Europe Meeting (ASEM) summit in Laos, in the aftermath also saw a significant step in the EU signing of the Association of South East Asian Nations (ASEAN) Treaty of Amity and Cooperation and joining the ASEAN Regional Forum in 2012, and the

Council for Security Cooperation in the Asia Pacific (CSCAP) in 2013. In addition, the EU has, in spite of the economic crisis engaged in, and completed, negotiations for a number of significant free trade agreements (FTA) throughout the region. The diplomatic offensive towards the Asian continent undertaken by EU officials in 2012 led to the European Environment and Sustainable Development Advisory Councils (EEAC) dubbing the year as EU’s “Year of Asia.” This was followed up by then-EU High Representative Catherine Ashton symbolically visiting East Asia five times in 2013, compared to three visits by U.S. Secretary of State John Kerry.

Ambition, however, had to give way to political and economic reality, as many European economies faced severe economic issues after 2009 in the aftermath of the global financial crisis and subsequent debt emergencies in the eurozone. The European Union also faces ongoing obstacles in creating a unified policy approach to Asia, despite the 2007 Lisbon Treaty which formalised a high representative for foreign and security affairs. Thus the development of a European pivot to Asia has been, at best, elusive.

The EU debate about a potential Asia pivot, including addressing the rise of China, is almost bereft of a strategic or military dimension, in sharp contrast to that of the United States. Although Europe has not been absent from global debates about the security implications of China’s rise in Asia and internationally, the EU, and individual European governments, tend to view China as more of an economic puzzle and a challenge to be more successfully addressed, preferably in a united front. The European response to the rise of Asia is not only a matter of better reacting to American policy. The pivot’s main contribution to European politics might then arguably be to encourage more debate as to how the European continent is going to position itself in Asia-Pacific affairs. The Pacific pivot thus raises a series of fundamental questions about the future of the trans-Atlantic relationship and the EU’s position in the world.

Affected by the eurozone crisis and subsequent debt disaster in Greece, which spilled over into several parts of the continent, as well as massive refugee flows from the Middle East, North Africa and Central Asia into Western Europe in 2014 to 2015, EU governments are nonetheless seeking to develop an Asia strategy in what may be a crucial test case for the union’s future as a united foreign policy actor. Simultaneously, it will bring to the test the EU’s ability to maintain focus on positioning itself strategically towards the ongoing fundamental economic shift towards Asia-Pacific, even when acute crisis in the EU’s immediate neighborhood demands attention in the short-term. In addition to the internal political and economic challenges faced by European governments, there are other factors which have also limited the effectiveness of a “European pivot to Asia. These have included strong differences between EU governments as to how to approach the region, particularly China, in terms of diplomatic and economic priorities. Furthermore, there are a range of external factors that have been the source of substantial influence

in shaping the European responses to the proclaimed advent of the Asian century. Since 2014, a very significant variable in the form of Russia under President Vladimir Putin also provided yet another issue for European policymakers. The Russian military actions which led to the annexation of Crimea early that year, followed by Russian participation in the armed conflict which has escalated in the Donbas region of Eastern Ukraine, have created concerns in many European capitals about how these events may affect their security interests closer to home.

Finally, there is the China question. Beijing continues to regard Europe as an important trading partner and valued market for Chinese goods, a policy dating back to at least the start of the Dengist reforms in China in the late 1970s. Over the years, a number of policy initiatives and documents have emerged from the EU, most notably a set of wide-ranging guiding visions set forth in the landmark EU-China 2020 Strategic Agenda for Cooperation.<sup>9</sup> However, the lack of a unified Asia policy within Europe has resulted in Beijing often taking a multi-faceted approach to European relations, communicating with Brussels but also strengthening bilateral relations with key partners in Europe. This has led to accusations of China playing a “divide and conquer” strategy towards a fragmented continent, suspicions based on its investment levels, and separate meetings with the East and Central European countries under the headline of the “16+1 platform,”<sup>10</sup> or recession-addled Greece.<sup>11</sup> For example, Beijing has concentrated much of its diplomacy on Germany, the healthiest economy in Europe since the eurozone crises began. The special relationship between what President Xi termed as the most important economies in Asia and Europe, respectively,<sup>12</sup> serves to underline the key role played by Germany, whose extensive economic ties to China are approaching a league of their own: namely whether to use these ties to further a common European policy approach towards China, or to allow the benefits of a particularly close relationship with China to overshadow the drive for a more integrated European foreign policy.<sup>13</sup> The EU has however yet to decide on what such a coordinated foreign policy approach to Asia should entail: most importantly how the prospective relationship to the Asia-Pacific should best be composed with regard to the existing trans-Atlantic ties.

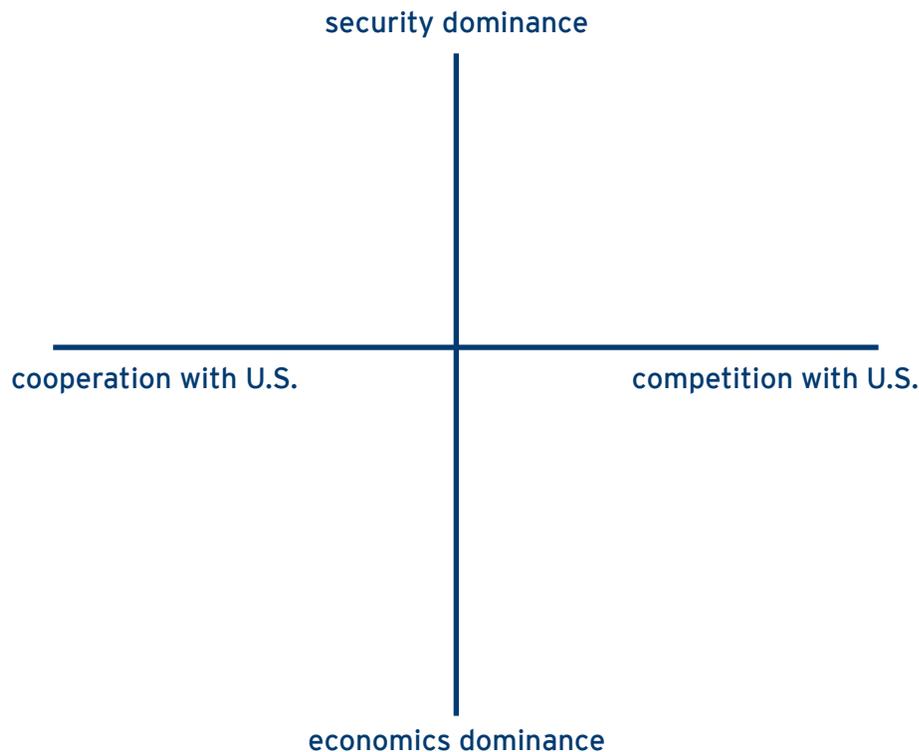
## EUROPE'S ALTERNATIVE PIVOTS

The response to these challenges most loudly being voiced in various European capitals is the necessity for Europe to react by becoming a part of the “Pacific century.” The argument promotes that Europe should secure its relevance to the United States in the Asia-Pacific by strengthening European involvement in the region, forging for itself an identity as an American partner while simultaneously taking advantage of its specific strengths as an economic partner for the Asia-Pacific, including China. This study will examine the origins and structures of the developing European pivot policies as a product of American efforts since 2011 to rebalance its security priorities to better reflect Asia-Pacific concerns. Europe's approaches

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offer the potential for future trans-Atlantic discord, but also open up avenues for increased coordination between the United States and European governments. Yet, the decentralized and perforated nature of European foreign policies in Asia suggests that the region has not been capable of formulating a coherent response to the challenge of developing a distinct Asia policy as a complement, or an alternative, to the American strategic rebalance.

To look at this question using a two-by-two grid, it is possible to pinpoint four possible options available to European governments when constructing their own pivot policy in relation to the American version. The vertical axis can represent the path between a security-dominant and an economics-dominant approach for Europe, while the horizontal axis represents the degree to which Europe would cooperate or compete with the American pivot to Asia. With this in mind, the four options can be illustrated as follows:



The upper-left quadrant would therefore suggest strong European cooperation with the United States on areas related to Asia-Pacific security. While, it will be argued below, the EU is far from absent in Pacific Rim security dialogues and operations, the United States and its Asian allies would nonetheless still have to take the lead in guaranteeing security in the region. Moreover, such actions on the part of the union would be viewed by Asian governments, including in China, as overt balance of power behaviour on the part of the EU, likely to hamper EU govern-

ments from effectively engaging Asia in the economic realm. Likewise, more direct competition with the United States in areas military within the Asia-Pacific (the upper-right quadrant), would also be costly to Europe in terms of damaging its identity as an economic partner. In addition, that type of behavior can be viewed as essentially bandwagoning with the growing power of China at the expense of U.S. interests, moves which would likely damage the trans-Atlantic relationship in the longer term for very little gain.

The lower-left quadrant would suggest strong cooperation with the United States, with Europe relying on economic diplomacy as a complement to the military aspects of the U.S. pivot. While this option plays to European strengths and capabilities, a too-strong relationship with the United States on Asian affairs would be difficult for all EU members to reconcile, and again would suggest that Europe was seeking to link up with the United States in a balance of power scenario, albeit in a less direct fashion. Finally, the lower-right quadrant would entail Europe distancing itself from the United States while pursuing an independent economic platform with Asian states including China. This would likely also strain relations with the United States, which would view this type of EU policy as “polite” free riding; Europe benefits economically by playing the good cop to the American bad cop.

It is no surprise then, when looking at the four main policy alternatives found in the European discourse on how it should develop its own Asia pivot, that they cluster closer to the middle of the grid, suggesting neither strong balancing nor bandwagoning behavior, but rather varying degrees of prudent “hedging.”<sup>14</sup> Nevertheless, it would be incorrect to say that there is little difference between the options in terms of policy and impact on Europe’s relations with the United States. It is for this reason that the EU must further concentrate on developing a pivot policy which is more coherent in terms of the trans-Atlantic relationship, or risk being viewed by the United States and Asia as having no real long-term strategy at all. However each of these strategies, presented over the following sections, come with a set of particular internal and external policy challenges. The forging of a pivot with European characteristics is likely to be a long and cumbersome process, affected by political forces from without as well as from within. One of the main tasks will be to make a choice between these four alternatives around which the various strategies for a European pivot are clustered.

### ***1) Cooperation with the U.S.: The trans-Atlantic-Pacific pivot***

The first of the four options argued in European policymaking and research circles is focused on the need for the European Union to develop a pivot to Asia in close coordination with the United States, both to further strengthen the trans-Atlantic relationship and to assist Europe in playing a more active role in Asia, especially with complex security challenges facing both Atlantic partners. For example, a joint statement released at the conclusion of the 2011 EU-U.S. summit noted, “The

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EU and the United States have a strategic interest in enhancing co-operation on political, economic, security, and human rights issues in the Asia-Pacific region to advance peace, stability and prosperity.”<sup>15</sup> The primary factor distinguishing this statement from other perspectives on EU-U.S. coordination in Asia is the degree to which this policy approach emphasized Europe’s potential as a U.S. partner also in terms of military security in the region. As quoted in the European Union’s 2012 guidelines on its East Asia policy: “The EU has a strong interest in partnership and co-operation with the US on foreign and security policy challenges related to East Asia.”<sup>16</sup>

These tenets were further underlined in the landmark joint statement by then-U.S. Secretary of State Hillary Rodham Clinton and EU High Representative Catherine Ashton at the eve of the July 2012 ASEAN Regional Forum (ARF) summit in Phnom Penh, which proceeded to spell out a range of common EU-U.S. policy goals in the region, ranging from the promotion of human rights to counter-piracy, and emphasizing the need to continue high-level U.S.-EU dialogue on the region.<sup>17</sup> The Ashton-Clinton joint statement on the Asia-Pacific region was the culmination of a series of diplomatic initiatives taken across the Atlantic from late 2011, particularly by the United Kingdom. The common trans-Atlantic platform marked a realignment of the EU and United States. Written during the U.K.’s presidency of the union, the statement incorporated the American viewpoint on the issue of a China arms embargo, which had been implemented in 1989 and remained a sore point in Sino-European relations since, with references to the cross-Strait balance between China and Taiwan.<sup>18</sup>

Additionally, the declaration could be regarded as a Washington-led effort to emphasize the unity of western liberal democracies when facing the challenge China constituted in the Asia-Pacific region, keeping Beijing in check and underlining democratic and liberal values. As U.S. Vice President Joe Biden explained during a 2014 visit in Munich, “It is hard to imagine a single threat or a single opportunity that cannot be addressed more effectively if we do so together.”<sup>19</sup> Erickson and Strange concluded in a 2012 report for the European Institute for International Security Studies, that “it is essential that the US and its NATO allies do not simply pursue a ‘division of labour’ scenario in which the US handles the Alliance’s Asia-Pacific duties while EU members essentially concentrate resources in regions closer to home. In fact, from an EU perspective it may be desirable to develop a more direct presence in the Asia Pacific.”<sup>20</sup>

Although the EU is hardly a major actor on the Asian security scene, and there is little chance of the situation changing, especially with the rise of the “Russia factor” since 2014, it should not be forgotten that some of the union’s leading members have at their disposal regional military capabilities which could potentially be built upon in order to both symbolically and substantially contribute to the U.S.-led security structure in the region. To give one example, the Five Power Defence

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Arrangements, created in 1971, link the United Kingdom with Asia-Pacific actors Australia, Malaysia, New Zealand, and Singapore for annual security consultations.<sup>21</sup> Despite its colonial origins, the Five Power Arrangements have persisted as a key link between British, Southeast Asian, and Australasian security interests. As well, European navies are frequent participants in biannual Rim of the Pacific (RIMPAC) exercises, led by the U.S. Navy, which also incorporate Asian vessels.<sup>22</sup>

The European countries' most notable and important impact on the security dynamics in the region is in their considerable share of the region's weapons trade. Despite the embargo, European defense firms constitute 7 percent of China's defense budget and Asia imports 20 percent of its arms from Europe versus 29 percent from the United States.<sup>23</sup> European powers, such as Britain, France, and Germany, pursue defense dialogues with Beijing and other countries in the Asia-Pacific region, facilitating training of Chinese officers, high-level exchange visits, and Sino-French and Sino-British joint naval search and rescue operations, with the goal of building trust.<sup>24</sup> The recent "The U.K. National Strategy for Maritime Security" report pointed to British concerns over tensions in the South and East China Sea, and suggesting the U.K. needs to be "developing the maritime governance capacity and capabilities of allies and partners in areas of political, military, or economic importance, including South-East Asia." Furthermore, the French aircraft carrier Charles de Gaulle (R91) led a mission to the Indian Ocean—Opération Bois Belleau—via the Red Sea as a demonstration of strength and, more significantly, with the explicit mission of building further upon the French navy's ability to cooperate with the U.S. Navy during exercises in the region.<sup>25</sup> Both the U.K. and France have also been called upon to participate in U.S.-led joint freedom of navigation operations (FONOPs) in the South China Sea in light of increasing tensions between China and neighboring Southeast Asia states over the sovereignty of that waterway, but Europe's growing economic ties with China may make that scenario difficult to bring about.<sup>26</sup>

Operation Atalanta, the main European contribution to counter-piracy operations off Somalia, is a current high-profile example of collaboration between EU and Asian security and military forces. The EU high representative gave this significant weight in her Shangri-La speech as the prime example of EU's increased abilities as a broad spectrum security actor: "We look forward to further participation in worldwide missions with all our partners in the Asia-Pacific. So our partnership on the full range of security challenges is strong and growing which brings me to why the EU is now an even more effective and innovative partner."<sup>27</sup> With this in mind, a European absence as an Asia-Pacific military/security actor in the near future is far from an inevitable outcome, but will instead be dependent upon political priorities. However, as the argument goes, Europe's tepid ability to secure its own backyard, illustrated by the Russia-Ukraine crisis and the annexation of Crimea by Moscow, calls into question the ability of European military structures to assume greater responsibilities even further abroad. As Luis underlines: "The Asian pivot, howev-

er, promises to take the US into areas, (the Indo-Pacific axis) and tasks (strategic deterrence) to which Europeans can contribute little, if at all.”<sup>28</sup>

Despite the pivot to Asia policy, Washington has insisted that its longstanding relationships with Europe were not being abandoned. Yet, American expectations of the EU as an actor on the international stage have changed greatly. American influence in European-Asia policies continues, as evidenced by the heavy lobbying in Washington for the continuation of an arms embargo on Beijing, and a growing American demand for Europe to assume more responsibility for its own security. The latter point was articulated in a stark warning in then-U.S. Defense Secretary Robert Gates’ farewell speech: “Indeed, if current trends in the decline of European defense capabilities are not halted and reversed,” he argued, “future U.S. political leaders (...) may not consider the return on America’s investment in NATO worth the cost.”<sup>29</sup> This implies the EU needed to take better control over its own continental security and “near abroad,” leaving the United States with freer hands in Asia in a more distinct trans-Atlantic division of labor. “If Washington focuses more on Asia,” Gates continued, “and if Europe benefits from America’s stabilizing presence in Asia, then Europeans should take on a greater role in other regions on Europe’s borders.”<sup>30</sup>

This is a serious ongoing debate, and as will be further elaborated upon under the headings of the other three perspectives, it would seem a consensus is forming on establishing the European approach mainly through soft power with a stronger emphasis on economic engagement and the development of partnerships. Yet, European policies and policy outlooks in the region are not necessarily always soft in nature. As the Pentagon’s strategic guidelines rightfully note, most European countries are producers of security, not consumers of it.<sup>31</sup> So, the question is to what degree can Europe play a role in producing security of various types in the Asia-Pacific region?

## ***2) Co-ordination with the United States: The ‘Yin’ of Europe***

As Ashton would suggest in her speech at the 2013 Shangri-La Dialogue, the EU has come to Asia to stay, although, importantly, not as an Asian power, but an Asian partner.<sup>32</sup> This comment can be considered a nod to the extra historical baggage that Europe has to accept when developing Asian engagement policies, as many European powers have often-difficult historical legacies in East and Southeast Asia, many of which have not been completely reconciled. Taking a page from the English school of international relations<sup>33</sup> and noting Europe’s divergent history since the Second World War and the processes involved in creating the Union, it can be argued that the European identity has lent itself to pursuing a stronger soft power approach to Asia. These factors, along with Europe’s limitations as a hard security actor, suggest that Europe’s place is not at the United States’ side as a partner in all aspects of the region’s security and economic challenges, but rather to further de-

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velop its role as a soft power actor, in co-ordination with the United States, playing to European strengths as a diplomatic and economic actor in the Asia-Pacific.

The European Union plays a far greater role in these economic and soft power issues than in the arena of hard power security, and should contribute to the U.S. efforts in a compatible role, according to this approach. This would involve a division of labor that Europe would assume the role of a soft-power *yin* to the American hard power *yang*, playing a convergent role cooperating and contributing with their soft power approach without engaging too much in the realm of securitization and hard power, areas better left to the American superpower.<sup>34</sup> This approach has also been widely disseminated in academic and policy circles. For example, a survey conducted of approximately one hundred European and American experts demonstrated that most would support the potential division of labor between the EU and the United States, where the EU's main added value would be on the "soft" issues of economy, global governance and human rights.<sup>35</sup> As Ashton at noted during her Shangri-La Dialogue speech: "Our strength lies in our ability to respond to a crisis with a wide range of tools and instruments, short and long term, humanitarian and development, security and political. We call this the comprehensive approach, (...) This approach, we believe, makes us a unique global partner for Asia on security issues."<sup>36</sup>

As formulated in the *European Union's Policy Guidelines on East Asia*, there is an emphasis on how the U.S. forces present in the Pacific region give them a distinctive perspective<sup>37</sup> on the specific security challenges in the region, acknowledging their centrality while repeatedly underlining Europe's unique experience in reconciliation and integration and how this places the EU in a favorable position to help bolster regional security. Soft power, therefore, could be defined as institution-building without a military edge. As the EUISS's Eva Pejsova explains: "Perceived to be reasonably neutral and rather distant, yet at the same time a well-respected and much experienced international player, the EU has real potential to serve as a 'norm-setter' in the region."<sup>38</sup> Michael Reiterer, among others, points out that the security dilemma facing East Asia is exacerbated more by uncertainty and suspicion than by a tangible threat scenario.<sup>39</sup> With this in mind, European assets, background and credibility in trust, confidence building, and overcoming regional tensions are rendered all the more valuable. Importantly, the convergent aspect of this approach with the U.S. strategic line in the Asia-Pacific is explicitly spelled out in the Guidelines, which underline the necessity for the EU to help ensure that their Asian counterparts' policies do not undermine local stability, while establishing that the EU should "recognize that the credibility of U.S. defense guarantees in the region is essential at present for the region's stability."<sup>40</sup> As well, "Having successfully reconciled once-warring parties, Europe has a 'unique toolbox on offer,'" Solana says, but "the EU must, however, become better at projecting these special qualities and skills."<sup>41</sup>

### *3) Co-existence with the United States: The "Third Road"*

This perspective, which is gathering strength among the communities in some European research institutes, starts with the idea of an evolving "duopoly" in the Asia-Pacific region created by power balancing between Beijing and Washington, and concludes that Europe has little to gain by alignment too close to either of the parties. European governments should instead carve out a role more independent from the two main actors, identifying themselves more closely with regional groupings such as the Association of Southeast Asian Nations (ASEAN), with the ASEM meeting as one of the main foreign policy vehicles, thus developing a more relevant identity in the Asian century, while at the same time being less likely to become embroiled in the conflicts which may still occur in Asia. To quote Ashton's comments at the EU-ASEAN Ministerial Summit 2012: "The European Union has a strong stake in ASEAN's success. (...) I believe we are natural partners, we share many interests and both have a role to play in better global governance."<sup>42</sup>

This would essentially be a policy not of neutrality, which implies a state of conflict, but essentially neutralism or more succinctly, "non-alignment" between the United States and East Asia, primarily China. Nicola Casarini, in a 2012 EUISS Analysis, formulates the central question facing EU officials as "EU policymakers need to tackle the following question: does it remain in the long-term interest of the EU to be perceived as being closely aligned with the US in the Asia Pacific, renouncing the chance for its distinctive—and more neutral—voice to be heard?" This is a stance, he argues, which will be in the long-term interests of the European Union.<sup>43</sup> In a landmark report compiled on EU-China relations and published by the EUISS in 2013, an important conclusion drawn by Frans-Paul van der Putten is that the controversial idea of European 'neutrality' should not be shunned but instead embraced as one of the main assets the EU can claim in East Asia. According to the note, "The EU's interest in ASEAN unity is not compromised by national security issues and therefore the EU is in a position to put forward principles and norms that strengthen the unity within ASEAN. Moreover, any potential criticism by the EU regarding China's behavior towards its neighbors and towards regional security will be more effective if this is voiced from a position of neutrality."<sup>44</sup>

Those favoring a "third road" approach will point to the overlapping interests the EU has with China, in addition to those with Washington, not assuming cooperation with the one as excluding deep cooperation with the other. As former EU High Representative for Foreign Affairs Javier Solana suggested, "on the global front, the EU and China may find themselves to be natural partners on key issues. China is facing increasing pressure, (particularly from the United States), to assume a global political role that corresponds to its economic weight. Here, China could find an excellent partner in Europe, either in a G-3 format with the United States or in focused bilateral cooperation."<sup>45</sup> However, the inability of Europe to come to an agreement to remove the post-1989 arms embargo produced a "reality-expectations gap" with

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China which must be addressed both by the lowering of Chinese expectations and the raising of European capacities for strategic decision making.<sup>46</sup> There is also the question of the two major regional free trade initiatives which Washington is pursuing with Europe and Asia simultaneously.

While pursuing a rebalance in Asia and a TPP deal, President Obama has also sought to strengthen trans-Atlantic trade ties through a Trans-Atlantic Trade and Investment Partnership (TTIP) which began to seriously take shape in 2013 after years of preliminary discussions. The TTIP pact proved to be an easier sell in Washington than the TPP, with economic and ideological factors encouraging the United States to develop deeper economic engagement with the European Union.<sup>47</sup> In addition, European officials stated China's rise provided one key incentive for the TTIP. EU Trade Commissioner Karel De Gucht was quoted as saying that without a TTIP, "we would be forced to accept Chinese standards (...) that's what it's all about."<sup>48</sup> A potential FTA between China's two largest trade partners would undoubtedly have a significant impact on China, further pressuring Beijing to achieve FTAs themselves, either bilaterally or multilaterally through alternative Asia-wide negotiations such as the Free Trade Area of the Asia-Pacific (FTAAP), which the government of China's President Xi Jinping began to enthusiastically endorse in late 2014.<sup>49</sup>

It can be argued that the opposite is true as well. President Xi Jinping became, in March 2014, the first Chinese leader to visit the headquarters of the European Union during a cross-Western European tour which featured stops in Belgium, France, Germany and the Netherlands.<sup>50</sup> Chinese Premier Li Keqiang was also active in European diplomacy that year, visiting Germany, Greece, Italy, Serbia and the United Kingdom in 2014, and then to Belgium and France in mid-2015. As well, during that year, a set of grand Chinese plans to link the Eastern and Western ends of the Eurasian continent was discussed, together with a range of infrastructure investments and economic initiatives known collectively as the Silk Road Economic Belt and the Maritime Silk Road.<sup>51</sup> The former concept would involve a series of overland trade routes between China and Europe through Central Europe and the Caspian region as well as via Russia. The Maritime Silk Route has a similar goal, to enhance Sino-European trade, using the resources of the Indian Ocean to connect China, Eastern Africa, South Asia and Southern Europe.

In addition, 2015 has seen renewed efforts in securing a bilateral China-EU agreement, in order to rectify the current situation where China in spite of having the EU as their largest trading partner, still invests 50 percent more in sub-Saharan Africa than in the European Union.<sup>52</sup> These new policy initiatives have become a top priority under President Xi, opening new venues in tying China closer to the European continent in economic terms, and possibly also in political terms. Simultaneously, the spring of 2014 saw the publication of China's second governmental White Paper on the EU. The report explained how the European economies have a

series of issues requiring attention in the aftermath of the global financial crisis and the Eurozone debt crunch, but also recognized Europe as a key partner in realizing what China describes as a shared strategic objective of achieving multi-polar world order, as two major civilizations advancing human progress.<sup>53</sup> In short, a rising China can be accommodated into Europe’s worldview far easier than into that of the United States.

There remains, however, the problem of branding, as there needs to be a more unified response among the major European actors as to what would comprise this “third road.” As well as with the other scenarios, China remains a wild card, since Beijing has increased bilateral partnerships with some European states, creating a relative gains issue within Europe itself. To counter this, European strategic objectives should be contributing to stable regional and Sino-U.S. relations through the objective of supporting a Pacific Community.<sup>54</sup> However, as noted by others, the prospects for Brussels selling their ‘pivot’ as completely different from the American version are not promising. As one Chinese official noted on the subject, ‘The EU can do all the explaining it wants. Brussels’ jump onto the however-shaped ‘pivot to Asia’ train stands for Brussels endorsing and indeed supporting US-driven China containment policies.’<sup>55</sup> Zero-sum thinking on engaging China, it seems, is much more difficult to discard than some European policymakers have suggested.

#### ***4) Competition with the United States: The ‘Eurasian Axis’***

The fourth perspective centers mainly around the common interests already noted as shared between the EU and China, and how these have the inherent potential for a substantially stronger EU-China relationship, if not an outright alliance.<sup>56</sup> From an international relations theory perspective, while the other three options represent degrees of power balancing behavior on the part of European governments, this recourse would essentially be based on bandwagoning with a rising power (China). This argument reached a high-water mark at the turn of the century, largely due to European disenchantment with American foreign policy under the Bush doctrine and sharp trans-Atlantic policy divisions over the start of the Iraq War in 2003. Since that time, however, despite cooling support for this option, it nonetheless continues to be promoted in certain European circles and remains a not-unthinkable recourse, as well as a challenging prospect for the future. It is interesting to note when a survey in 2012 asked which state was the most important regional partner for future cooperation, unlike most other European countries which placed North America on the top spot after Europe, respondents from France and Germany ranked Asia in the second position, ahead of North America, and by association the United States. China ranked as the most important single country, by a comfortable margin, followed by Japan, Russia and India.<sup>57</sup>

A further finding suggested the EUISS Survey discovered that among European experts, “Closer cooperation with China is considered to be a more important policy

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tool for the Union than cooperation with the United States.”<sup>58</sup> In a similar vein, in 2014, “a recent report by the German think tank GIGA (funded by the Chinese firm Huawei) showed that 84 percent of Germans saw the economic relationship with China as more important than that with the United States.”<sup>59</sup> France in particular pushed for the better institutionalizing of the EU-Asia relationship, motivated by a desire to counterbalance American dominance, (or to use the traditional French phrase, *hyperpuissance*, implying a superpower with overreaching influence in a large number of policy areas), in international relations, taking particular credit for lobbying successfully for the establishment of the Asia-Europe Meeting, which began in 1996, and the Asia-Europe Foundation (ASEF), a Track II organization which was founded the following year and is based in Singapore. “For the EU—and in particular the core members of Central and Western Europe more active in promoting integration, China is not only a trade and political challenge but also presents a strategic opportunity to enhance Europe’s role in world affairs and gain autonomy from the United States.”<sup>60</sup>

Beijing had high expectations of post-Cold War Europe, believing a strong and concerted EU to be supportive in countering the United States in establishing a new multipolar world order.<sup>61</sup> However, bowing to U.S. pressure, the EU decided to defer the lifting of the arms embargo, and at the same time declined to grant China market economy status (MES) after arguing that Beijing had not met the minimum threshold of market reforms necessary to be given that designation. Not only did that decision scuttle the very embryonic discussions of beginning China-EU exploratory free trade talks, but it also raised concerns that Europe was playing selective politics with its economic policies, especially since Russia was granted MES long before the country was accepted into the World Trade Organization in 2012. Following these perceived slights, according to one commentator, “Chinese leaders ceased to view the EU as a possible partner to counter American dominance.”<sup>62</sup> Beijing instead completed free trade agreements with non-EU European economies Iceland and Switzerland in 2013.<sup>63</sup> The onset of the global financial crisis and serious debt emergencies among several EU economies further eroded the power balance between China and Europe.

Both China and Europe do, however, share an interest in a multilaterally based, multipolar world order. This shared vision is explicitly set out in, for example, the EU-China 2020 Strategic Agenda for Cooperation.<sup>64</sup> As President of the European Council, Herman Van Rompuy, stated in an interview with the Chinese news agency *Xinhua* on the eve of Xi’s 2014 European visit, “Both the EU and China are strong supporters of a multilateral system, where the United Nations occupies a central role. It is in our shared interest that all players follow international law and address differences through diplomacy and dialogue.”<sup>65</sup> Although for the EU to give this concept of a multipolar world priority over trans-Atlantic ties today seems unthinkable under current global security conditions, including not only the Russia-Ukraine conflict but also heightened instability in the Middle East and acts

of terrorism in Western Europe, the 2003 trans-Atlantic rift serves to demonstrate how U.S. unilateralism swiftly led to a backlash, straining even the old and cold war-tested ties across the Atlantic.

It can be suggested that the current international climate does not favor overt competition between the United States and Europe over Asian engagement policies. That, however, does not mean that there may be no serious policy divergences between the two Atlantic actors over how best to address the rise of East Asia's, and especially China's, economic power. Many major EU members have increased their bilateral diplomacy in recent years, with Germany often leading the way. By the end of 2015, German Chancellor Angela Merkel had completed eight state visits to China, with the most recent completed in October of that year. As well, Germany is distinct in that the country holds biennial intergovernmental consultations with Chinese policymakers at the cabinet level.<sup>66</sup> Given the perception of Germany as an island of stability in Europe in recent years, the Sino-German relationship has become a cornerstone of China's European diplomacy. However, the UK government of David Cameron has also been seeking to dramatically improve its economic links with Beijing. President Xi was invited to Britain in October 2015, where business deals worth \$62 billion (U.S.), including a Chinese investment in British nuclear power facilities, were completed amidst talk of a 'golden era' in China-UK relations.<sup>67</sup>

Another major example of widening differences in China policy between the United States and EU took place in March 2015 when the United Kingdom announced that it would sign on to the developing Asian Infrastructure Investment Bank (AIIB), spearheaded by Beijing. Shortly the announcement by London, the governments of France, Germany and Italy also agreed to sign on to the AIIB project.<sup>68</sup> By April 2015, several more European states, including the Nordic countries, Poland, Portugal, Spain and Switzerland, also agreed to be founding members. The United States had reportedly strongly discouraged its friends and allies from joining the AIIB, which would likely be guided by Beijing and act as a potential alternative to Western lending institutions such as the International Monetary Fund and the World Bank. Other U.S. partners in the Asia-Pacific, including Australia, Philippines, Singapore and South Korea, (though not Canada or Japan), also agreed to join the AIIB, testifying to the strength of Chinese institutional power and the limits of American diplomacy in the changing power relations in the region.

## **CONCLUSIONS AND RECOMMENDATIONS**

The upgrading of Asia in American strategic thinking has prompted Europe, and more specifically the European Union, to embark on its own pivot policy, with mixed success so far. Although there are some similarities in approach, the EU pivot so far is quite distinct from the American version, placing more emphasis on economic partnerships and cooperation and less on security and competition. It is also noteworthy that the United States and European pivots have been received differently

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by the Asian partners in general, and in China in particular. For example, whereas the U.S. pivot is habitually viewed in Beijing as a potential threat and a possibly destabilizing force, or at least a sign of resistance to Chinese policies in the Asia-Pacific, the European pivot has generally been more positively considered by China. What character the European approach to the Asia Pacific should take on, is however still a source of much contention, and an ongoing debate within the EU's policymaking and academic circles. While we have in this paper identified four main nodes of the discourse, a coherent Asia policy has yet to emerge from the debates.

An important point to consider is that while the U.S. pivot, and in particular the U.S. engagement with China, enjoys broad bipartisan support within the American government, inside Brussels and among the European capitals, in Asia, and in particular China, it remains a very divisive issue. As the new EU leadership is about to settle in, there must be an acknowledgment of a broad range of internal challenges, many of which are intimately intertwined with a rapidly changing and increasingly Asia-centric world. As the international order is becoming more and more in flux, the stakes rise and the potential pitfalls and rewards are both higher as European governments seek to navigate the uncharted waters of a world where the greatest economic upheavals since the Great Depression are challenging the established alliances and policy patterns of the last two centuries. As such, it would be advisable for Europe's new leadership to consider certain core issues when seeking to address the implications of Asia's rise and the U.S. pivot. First, it is imperative to recognize the importance of the challenges at hand, both in the short term and even more in the long term, and to coherently address the issues according to the priority and vigilance each issue deserves. It has recently become clear while that much of the European Union has struggled with a democratic deficit at home, there also exists a coherence deficit abroad.

The American rebalance to Asia, is symptomatic of a wider rebalance of economic and political power eastwards. This will be one of the central international trends in the world to come, and will put strains on many current relationships, requiring a coherent, deliberated response. It is an area which Europe, through its primary interlocutor the EU, has so far failed to deliver. Instead, the range of partly overlapping and partly competing policy approaches is currently being played out within a European policy framework that poses distinctive challenges to European foreign policymaking. Finally, the governments of Europe must acknowledge that they are facing a wide-ranging set of options, not only in terms of how to engage Europe, but how best to do so within the framework of the trans-Atlantic alliance. Failing in this task will result in the applying of a description which has been used in the past to describe Europe as an international actor, namely *capax imperii nisi imperasset* ("it seemed capable of power, until it tried to be one").<sup>69</sup>

## *Recommendations*

- It is not enough for the European Union to be an entity only in the economic world. In the emerging Pacific century, for the Union to be relevant as an actor, it must become a singular actor capable of a more coherent and comprehensive foreign policy. More specifically, the European Union's foreign policies will require more work on the formulation and implementation of a common EU policy response to the U.S. pivot. This will necessitate certain sometimes-painful concessions on behalf of the member states in order to shape a common policy framework towards Asia in general and China in particular.
- European Union governments must decide whether to align, compete, or find some sort of middle path. Europe cannot enter the Asian century by simply playing the American game on American terms. So, Europe should ideally face the Asian century capitalizing on its comparative advantages compared to the United States. Since Europe can contribute little in terms of traditional security, unlike the United States, Europe would be better served by focusing its hard security concerns in its own backyard, primarily Eastern Europe and Southwest Asia/North Africa.
- If EU member states want to remain relevant as alliance partners, it is imperative that Europe regain economic strength, resolving the domestic economic problems that have greatly strained the Eurozone and beyond. Building upon that, Europe needs to become a stronger asset to the United States, particularly in a time of American economic recovery.
- While the assumptions and dynamics of the U.S. pivot to Asia have been under intense scrutiny by the academic community, the questions from European attempts to reshape their Asian politics remain an under-addressed area in the scholarly community. Given the complexity of the European political context, and the far-ranging long-term implications that changes in European policies may have for both the continent's relationship to Asia and to the United States, this area should be the subject for increased research efforts.

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# Betwixt Cooperation and Competition

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*For Every Action: The American Pivot to Asia and Fragmented European Responses* by Bjørnar Sverdrup-Thygeson, Marc Lanteigne, and Ulf Sverdrup is an insightful and valuable contribution to the debate on the role of the transatlantic alliance in 21<sup>st</sup> century international politics and, specifically, how Europe can respond to the U.S. pivot to Asia. To date, as the authors note, national priorities, particularly concerning trade and investment, have overridden the European Union's efforts to build a cohesive policy toward Asia. For the United States, this failure is lamented as robbing America of a potentially vital ally in managing the contentious security situation in the Asia-Pacific. However, Americans should not assume that such a coordinated European position will align with the interests of the U.S. rebalance, the authors warn. As the Ukraine crisis has illustrated, even when Europe and the United States share a common aim, differences in resources and disposition can generate friction and division.

The authors outline four possible options for Europe: 1) a European Pacific pivot developing in formal cooperation with the United States; 2) a coordinating approach, with Washington's dominant position being complemented by a European pivot which would be focused on 'soft power'; 3) co-existence with the United States in the Asia-Pacific, as Europe carves out an 'independent' position for its pivot; 4) a radical political realignment, whereby the European pivot is in direct competition with the U.S. version in the Asia-Pacific. They argue that Europe's economic ties with China rule out the first option while America's security role in Asia rules out the fourth. The European response is therefore likely to be on a spectrum between two and three.

In this response note, we do three things. The first is to address the question of whether the U.S. pivot or rebalance to Asia has lessened the U.S. commitment to Europe, which the authors suggest early in the paper. The second is to look at the tension between shared values and economic incentives. The third is to look at the spectrum between the second and third options using the example of the Asia Infrastructure Investment Bank (AIIB). And, finally, we conclude with several general recommendations for transatlantic cooperation in Asia.

## IS THE UNITED STATES NEGLECTING EUROPE?

The authors note that many European policymakers worry that the U.S. pivot to Asia diminishes America's commitment to Europe at precisely the time when hard security problems have returned. This has been a regular European complaint over the past four years. However, it begs the following question: what do Europeans wish the United States had done that it did not do? Yes, Russian aggression against Ukraine is a major challenge, but one does not get the impression that European governments, with one or two possible exceptions, want the United States to intervene militarily. Many western European governments are even uneasy about the permanent stationing of U.S. forces in the Baltic States. The United States has been pushing the European Union to introduce stronger sanctions. Apart from the Russia crisis, it is true that the United States allowed European states to take the lead in Libya, so that may be one area where it could have done more, although it is worth noting that on that occasion Germany did not support military action. It is easier to question the U.S. commitment in the abstract than on specifics, particularly when European governments are not even in favor of a ramped up American effort in response to several of the hard security challenges.

There is little evidence that the pivot to Asia has resulted in the United States doing less on security in Europe than its European partners want it to do. The real tradeoff is not between Europe and East Asia but between the Middle East and both East Asia and Europe. Will the United States get dragged in to conflicts in the Middle East or can it concentrate on major power relations in the world's two most strategically important regions? It is on this tradeoff where Europeans may have valid concerns since they are far more exposed to disorder in the Middle East than Americans are. To the extent that the United States is prioritizing Asia over the Middle East, it could come at some cost to European security.

## THE TENSION BETWEEN VALUES AND ECONOMIC INCENTIVES

As two central pillars of the West, the United States and Europe are often expected to band together in the face of crisis. The transatlantic partners have disagreed over substantive and sizable issues (the 2003 invasion of Iraq is perhaps the most frequently invoked example), but many presume that in the event of a challenge to the foundations of the international order the Euro-Atlantic community will rally in defense over the system that it created. After all, the EU and the United States possess shared interests in upholding a global system from which each has benefited in terms of security and economic prosperity. Maintaining the norms of non-aggression and peaceful resolution of territorial disputes certainly represent the core principles of the Western-led order. The question is whether European states would view the overturning of the regional order in East Asia to constitute a broader challenge to the international order as a whole.

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However, recent history reveals a mixed record of the European nations prioritizing traditional economic concerns over hard security matters. Beijing plays an increasingly important role in European trade and finance, particularly given Europe's weak economic recovery from the financial crisis. [Chinese investment in Europe quadrupled from 2010 to 2012](#). This staggering growth continues. In 2014, total Chinese foreign direct investment in Europe reached \$18 billion; in the first quarter of 2015 alone, Chinese investment was [valued at \\$9.6 billion](#). Furthermore, Chinese investment in and trade ties with individual European nations could undercut Brussels's ability to merge member-state positions into a single strategy toward Beijing. Chinese investment in the Greek port of Piraeus, [amounting to over a billion U.S. dollars in 2014](#), appears to have built considerable good will among the local populace. To secure Chinese investment, the British government has promised to be China's best friend in the West and declared a golden decade of close relations. For a more extensive analysis of this trend, one could look to Philippe Le Corre's recent book [L'offensive chinoise en Europe](#).

Given these developments, it becomes increasingly evident that present conditions differ vastly from those of yesterday. When (Western) Europe was willing to join with the United States in Korea in 1950, U.S. allies risked little in antagonizing the largely autarkic Soviet bloc and relatively economically isolated People's Republic of China. In light of the precarious European economic situation, both the EU and the various member-states may prove unwilling to engage in actions to defend the more abstract principles of the international order at a potentially high economic cost. As Chinese financial clout grows and Europe's economic recovery continues to stagnate, the need for a good trade or investment deal with Beijing may outweigh the ambition to craft a collective EU commitment to maintaining the post-World War II order in Asia.

## **PARTNERSHIP ON A SLIDING SCALE**

One of the key points that Sverdrup-Thygeson, Lanteigne, and Sverdrup make in their paper is that if the EU does adopt a common approach in the Asia-Pacific, it would fall upon a sliding scale between cooperation and competition, with the bulk of activities clustered in the middle of this spectrum. Neither extreme of meticulous coordination nor constant opposition to the United States appears likely given the mixture of shared concerns and diverse priorities that define the transatlantic relationship.

As continuing U.S. frustrations with defense spending of NATO allies make evident, European nations possess a limited appetite for security operations in their own neighborhood; for distant regions, such as the Asia-Pacific, the appetite for an extensive investment across the globe is near non-existent. Domestic political concerns and resource constraints have long eliminated the possibility of a European pivot that includes a security dimension alongside the economic and cultural elements.

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Europe's unwillingness to match the U.S. pivot does not imply a European intent to abandon the transatlantic partnership in Asia. Even if European nations lack the resources or willingness to vigorously uphold the post-World War II international order in Asia, they continue to derive sizable benefit from the system. The decades of investment of Euro-Atlantic lives and resources to create the foundations of the current global order will prevent Euro-Atlantic disagreements from spiraling into open schisms. Consequently, as Sverdrup-Thygeson, Lanteigne, and Sverdrup conclude, a "radical political realignment" bringing the European pivot into "direct competition with the U.S. version" remains doubtful.

The allure of Chinese economic incentives may sway some states to chip at the edges of the U.S.-led order, as with the AIIB incident; nevertheless, Chinese trade and investment cannot override the gains that both the United States and Europe benefit accrue from the rules-based system that Washington strives to uphold in the Pacific. Europe's economic prosperity, like America's, rests upon the continued norms of maritime freedom of navigation, non-aggression among states, and the peaceful resolution of borders. As Beijing has yet to provide any realistic substitutes for these principles, it is evident that Europe's disagreements with the United States are complaints internal to the international system. Such objections do not lend themselves to stimulating the toppling of the current global order.

When assessing the extent of Europe's willingness to compete with the United States in the Asia-Pacific, Washington would be ill-advised to solely attribute these clashes to irreconcilable differences in interests. While recognizing the importance of the discussed economic divergences, the United States cannot ignore that American intransigence can, at times, aggravate Europe's willingness to buck U.S. leadership. To return to the example of the AIIB, one cannot separate the French, German, and British decision to join that rival institution from the U.S. failure to revise existing multilateral institutions, namely the International Monetary Fund (IMF) and World Bank. As Daniel Drezner has argued, the U.S. Congress stalled [on quota reforms for five years](#), approving only in December 2015 measures that would provide Beijing with a degree of power more commensurate with its economic prowess.

Thus, to much of the globe, the United States appeared to be an impediment to international institutions, not the leader of the system. Within such a context, the exasperation of many European states that perceive effective multilateral cooperation to be a cornerstone of the global system becomes more understandable. Europe's support for the AIIB clearly resulted not from a conflicting vision for Asia's future, but from a desire to renovate the very order that the United States thus far has defended in an overly rigid fashion.

The split over the AIIB offers a glimpse into these differing Euro-American mindsets. Arguably, in joining the Beijing-led bank, European countries sought, at least

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partially, the shared goal of greater Chinese participation in multilateral institutions. Such increased involvement would serve to guide China toward becoming a more responsible global stakeholder. Europe's choice to contradict the U.S. preference for bolstering existing institutions reflects a greater European faith in engagement with troublesome actors to inculcate future "good behavior." For its part, the United States is concerned that the AIIB may not adhere to the high standards of the World Bank and China may seek to manipulate it for narrower national interests. The path forward requires European states using their position inside the AIIB to push China toward high standards while the United States would shift toward supporting the AIIB if China does indeed ensure that the Bank meets these standards and plays a constructive role in the global economy.

## RECOMMENDATIONS

In order to maximize U.S.-EU cooperation, the following three recommendations seek to minimize space for competition by adjusting the U.S. approach to the European pivot:

**Don't sweat the small stuff.** The United States must better select issues over which to expend political capital. Critically, the United States should not expend energy in futile, and ultimately counterproductive, efforts to remove all daylight between U.S. and European strategies in Asia. Such an approach would inevitably result in forcing Europe to choose between amiable Euro-American relations and its economic relations with China. Just as U.S. policymakers now strive to avoid placing America's allies and partners in Southeast Asia in a situation where they must choose between American security commitments or a robust economic relationship with China, American officials must appreciate that their friends in Europe face a similar dilemma. The AIIB incident demonstrates the complexity of the choice European leaders must make: balancing short-term and long-term needs, deciding whether they would rather suffer backlash from the Americans or the Chinese. In pressuring Europe for total conformity with U.S. positions, American officials increase the likelihood that European nations will prioritize economic concerns, an outcome detrimental to the transatlantic relationship and possessing clear "audience costs" for the United States, both domestically and internationally. Instead, the United States should recognize the vitally important role China, in particular, and Asia, in general, plays in the European economy.

**Support reforms of existing international institutions.** Segments of the United States—most importantly in the U.S. Senate—would prefer rising powers simply conform to current norms and institutions; however, this approach ignores the realities of changing global power dynamics. If the United States wishes to maintain the international order it must be willing to revise structures and distributions of power, rather than rigidly hold onto every aspect of existing incarnations. This strategy would require greater American cooperation with, and, at times, acceptance of

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decisions made by international institutions. In a world of growing transnational threats (climate change, terrorism), rigid protection of sovereignty must give way to a more interconnected outlook. It is only through a more forward-leaning conception of sovereignty that the United States can exercise the flexibility necessary to reform international structures in a timely manner. With this greater adaptability, the United States would be more capable of addressing concerns ranging from IMF reform to ratification of the United Nations Convention on the Law of the Sea, issues that, if addressed, would offer concrete evidence of U.S. intentions to invest non-military energy into maintaining the global architecture. Refusing such steps, however, would only serve to subvert American credibility, providing a direct impetus for an upsurge of rival multilateral institutions, bodies the Europeans may accept in their own mission to preserve aspects of the international system.

**Focus less on “sharing the burden” and more on sharing a strategy.** The United States has pressed NATO allies to raise defense spending throughout the alliance’s entire history. While increases in European defense budgets could enable the United States to shift some resources from the European theater, the gains from a reallocation of materiel and funding to Asia are ultimately less important than Europe’s resolute support for *how* America uses its own instruments of power in Asia. Consequently, U.S. policymakers should avoid the trap of overly focusing on the implications of the European security situation for U.S. operations in the Asia-Pacific Theater, particularly the concern of U.S. and European forces tied down due to Putin’s Russia. The continued deterioration of Russo-Western relations could marginally strain the U.S. rebalance, but not sufficiently to undercut the U.S. capability in the Pacific. The real challenge for American policymakers is not guaranteeing adequate forces for deployment to Asia in the event of a crisis, but in having unambiguous and public transatlantic support for any American response to an incident in Asia. Strong European rhetoric, alongside potential economic sanctions, directed toward actively preserving international rules and norms in Asia would significantly bolster any U.S. initiative. Therefore, American diplomatic efforts should focus on ensuring that the West speaks with one voice on the foundational issues of the international system, most prominently how to ensure a peaceful resolution of the plethora of maritime disputes.

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