

Constraining or Encouraging?

US and EU Responses to China's Rise in East Asia

ELENA ATANASSOVA-CORNELIS

Abstract *China's consolidation of power in East Asia has been reshaping regional security dynamics. This has challenged US regional leadership and confronted Asian states with a new strategic dilemma of major power rivalry. Similarly, China's rise has confronted the EU with challenges to its strategy in East Asia, especially since Europe has high stakes in maintaining the security of the maritime commons for pursuing its trade interests in the region. This article examines China's rise in East Asia and evaluates the US and EU responses. The article argues that the diverging perceptions concerning China's rise – namely the threat versus opportunity dichotomy – largely defines the respective responses of Washington and Brussels. The US both engages and hedges against China, which serves as a check on Beijing's regional ambitions and leads to a certain moderation in Chinese security behaviour in Asia. In contrast, the EU's uni-dimensional engagement strategy encourages Beijing to assert its regional interests and behave more like a typical rising power seeking dominance in East Asia. Ultimately, the competitive dynamics in US-China relations are reinforced by the EU's passivity on issues of core interest to Beijing, which makes the outcome of China's rise more, rather than less, uncertain.*

Keywords: China, US, EU, security, East Asia, competition

Introduction

The rise of China has been reshaping regional security dynamics in East Asia. Since the late 1990s the People's Republic of China (PRC) has been very active in regional diplomacy, has strengthened its military posture, and of equal importance, has become the driving force of East Asia's economic dynamism. China's rise has challenged US leadership in the region, which for more than half a century has been sustained by the "hub-and-spoke" security system of bilateral military alliances between the US and some regional states, including Japan and the Republic of Korea (ROK or South Korea) in Northeast Asia, and the Philippines and Thailand in Southeast Asia. While Washington has sought to preserve its regional leadership by reinforcing its economic, security and diplomatic engagement in East Asia – what became under Obama a 'rebalancing' to Asia strategy – the fact that the PRC since the 2000s has replaced the US as the largest trading partner of all its major Asian allies has made the American response to China's rise less than straightforward. For many Asian states – which are increasingly pulled into China's economic orbit, but remain wary of Beijing's long-term strategic goals in the region – the question of how to address the changing balance of power and maintain stability in East Asia is certainly most salient.

Similarly to the US and countries in East Asia, China's rise has presented the European Union (EU) with new challenges to its regional strategy. Although, geographically Europe is located far from the region, Brussels does have direct stakes in East Asian stability. This stems primarily from the EU's trade interests and especially, in maintaining the security of the maritime commons. Indeed, the PRC, Japan and the ROK are the EU's 2nd, 7th and 8th largest trading partners respectively. A more pronounced US-China power competition in the region, or a major escalation of the maritime territorial disputes in the East and South China Seas, would adversely affect international trade and jeopardise the safety of Asia's shipping lanes, which are critical for European exports and imports. The EU has increased its attention to East Asia by recognising not only the region's growing economic weight, but also its strategic importance. Brussels has focused on deepening Europe's economic ties with the region's major powers and forged several strategic partnerships. European policy-makers have further stressed the need to enhance the EU's contribution to East Asian stability by recognising that regional tensions, such as maritime disputes, directly

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Against the above background, this article examines China's rise in East Asia from, primarily, a security perspective, and the responses to it by the US and the EU in the framework of their respective East Asia policies. The article first explores China's Asia strategy by focusing on its regional objectives and policies, including its policy towards America. Discussion then turns to the US's China policy and strategy in East Asia under Obama and with reference to Asian states' reactions to China's growing security role. This is followed by an examination of the EU's objectives and policies in the region, including its relations with the PRC and role in East Asia's security hot spots. Finally, this article elaborates on the areas of convergence and divergence between Washington and Brussels in their respective responses to China's rise, and discusses the implications of these responses for Chinese security behaviour in East Asia.

China's Regional Strategy in East Asia

Main Objectives and Concerns

China's strategy in the wider Asian region in general, and East Asia in particular, reflects Beijing's primary foreign policy objective of seeking a peaceful external environment. This is driven by internal motivations. With the dissolution of the USSR and the decreased appeal of the communist ideology, the legitimacy of the one-party rule of the Chinese Communist Party (CCP) came under threat. To ensure the survival of the political regime, the top priority for the leadership became sustaining high levels of economic growth. The main objectives were to alleviate poverty, raise the standard of living in the country and ultimately maintain public support for the CCP. As defined by Chinese State Councillor Dai Bingguo during the 2009 Sino-US Strategic and Economic Dialogue (S&ED), the PRC's three core interests in order of priority included, first and foremost, the survival of China's 'fundamental system' and national security, secondly, the protection of China's sovereignty and territorial integrity, and thirdly, continued stable economic growth and social development.¹ In the East Asian region, the second core interest has included seeking reunification with Taiwan, and arguably pressing its sovereignty claims in the East and South China Seas.²

Relative power considerations have also underpinned the PRC's post-Cold War strategy in East Asia. The US, with its deep security and economic involvement in the region, has come to be perceived as *the* power that could pose the greatest threat to Chinese interests and regional ambitions. Obama's policy of rebalancing to Asia (announced in early 2012) raised concerns in the PRC about American containment, which sought to prevent the rise of a potential challenger to US leadership in the region.³ Cementing the American alliances in Northeast Asia, especially with Japan, while enhancing the US involvement in Southeast Asia – notably in the South China Sea disputes – 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.'⁴

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Beijing's unresolved maritime territorial disputes in East Asia further intensify its regional security concerns. For China, it is the American rebalance to Asia that is increasing tensions in the East and South China Seas, as some of the PRC's neighbours (notably Japan and the Philippines) are understood to be taking advantage of the US involvement in order to press their territorial claims. The disputed Senkaku/Diaoyu islands remain under Japanese administrative control, while the escalation of Sino-Japanese tensions since 2012 has provided yet another reason for Japan to reinforce its military ties with the US. The latter is interpreted by Chinese observers as a direct response to China's growing military strength and as the alliance's attempt to constrain Chinese power in Asia. For their part, the increased tensions in the South China Sea appear to have reversed the positive impact of the PRC's "good neighbourhood policy" of the 2000s on its ties with Southeast Asia. As stressed by a renowned Chinese observer, while 'China's diplomatic influence and effectiveness have shrunk considerably,' the US under Obama has 'scored a dazzling series of diplomatic, military, and economic victories.'⁵

Regional Policies in East Asia

China's embrace of multilateralism, beginning in the late 1990s, emerged as a major aspect of its East Asia strategy, as well as of its hedging against perceived US dominance. Beijing became active in the ASEAN+3 (APT) process, strengthened its presence in the ASEAN Regional Forum (ARF) and promoted the Six-Party Talks (SPT) for

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resolving the DPRK's nuclear issue. The PRC also demonstrated its commitment to ASEAN's principles of peaceful resolution of disputes and non-interference in domestic affairs by becoming in 2003 the first non-ASEAN state to sign ASEAN's Treaty of Amity and Cooperation (TAC). At the same time, 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.⁶

In addition to supporting regional multilateralism, the deepening of economic ties with neighbours has been an important aspect of China's US hedge. Indeed, China's geopolitical concerns are to a certain extent eased by the growing dependence of East Asian countries on the Chinese market, especially as the PRC in the 2000s replaced the US as the largest trading partner of all its major allies. China, for example, has been Japan's top trading partner since 2007 when Sino-Japanese trade exceeded US-Japan trade levels. China in the past decade has also 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, Singapore, Taiwan and the ROK.

At the same time, the growing since the 1990s "China threat" perception in the region has made CCP leaders worry that a hostile external environment could jeopardise the country's main goal of economic development. Responding to the apprehension in East Asia regarding the PRC's rising (military) power, Beijing in the 2000s sought to promote a defensive image of a China that 'will never go for expansion, nor will it ever seek hegemony.'⁷ The Hu Jintao administration further articulated a 'peaceful rise/peaceful development' discourse, seeking to project the image of a 'responsible great power.' The main message was to reassure Asian states about China's benign intentions, as well as to demonstrate the benefits for the region of an economically stronger China.

Under Xi Jinping, however, the reference to the 'peaceful development' principle in official discourse has been reduced and the long-standing principle of 'maintaining a low profile' in foreign policy has disappeared, while 'the great resurgence of the Chinese nation' slogan has come to occupy a prominent place.⁸ The renewed in recent years regional suspicion of the PRC's strategic intentions is, of course, not only due to the changing political discourse in China. It has been driven primarily by the perceived Chinese hardening of its position

towards territorial disputes in the East and South China Seas. All in all, it seems that Beijing's strategy in East Asia, while not abandoning reassurance altogether, has started to emphasise more explicitly the protection and assertion of the PRC's interests (with a greater willingness to bear the diplomatic and other costs this may entail). Similar change is also seen in China's US strategy.

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Policy towards the US

For many Chinese analysts, America's regional strategy in East Asia 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, and to contain it by hindering China's reunification with Taiwan and strengthening its alliance with Japan.⁹ Indeed, successive US administrations have reinforced Washington's security commitments in Asia, most recently in the framework of Obama's re-balance policy. What has exacerbated Beijing's fears of a US-led containment of China is that America's continuing regional presence has been welcomed, and even sought, by a number of Asian states. These include major US allies such as Japan, and other partners in South-east Asia (re: Philippines, Singapore, Indonesia, and Vietnam). While China has focused on maintaining positive relations and cooperating with the US on issues of common concern, for example on the DPRK's denuclearisation, it has also tried to reduce the risk of containment by America and its East Asian friends. As detailed above, Beijing has hedged by embracing regional multilateralism and by deepening the PRC's regional economic relations.

Another component of China's US hedge has been the PRC's military modernisation, made possible by the double digit growth of its defence spending. Most observers still maintain that, in the near-term, the primary goal for the People's Liberation Army (PLA) is to prepare for Taiwan contingencies. At the same time, 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 Senkaku/Diaoyu dispute, the PLA's modernisation is now perceived to target responses to potential 'contingencies other than Taiwan,' namely in the East and South China Seas.¹⁰ Beijing's establishment in the fall of 2013 of an Air Defence Identification Zone (ADIZ) in the East China Sea, which included the disputed islands with Japan, only intensified such concerns in Washington, Tokyo and other Asian capitals.

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The competitive side of China's US strategy was accentuated in the wake of the 2008 financial crisis. The perception among Chinese leaders of the PRC's rapidly increasing relative power and of the corresponding American decline, together with China's growing military capabilities and expansion of its maritime interests to protect vital trade routes, have led to Beijing's more assertive posture on the South China Sea disputes.¹¹ A China that once shied away from openly confronting America in East Asia has now become more vocal in objecting, for example, to US military exercises with allies and to US intelligence-gathering activities in the PRC's Exclusive Economic Zone (EEZ). At the May 2014 Conference on Interaction and Confidence-Building Measures in Asia (CICA) President Xi Jinping even presented an alternative vision (to the US-led security system) for Asia's security order, one in which, as Xi stressed, 'Asia's security should rely on Asians.' This was an unequivocal message to Washington not to meddle in Asian affairs and an indicator of a growing competition with the US for influence in East Asia.

US China Policy and Strategy in East Asia

Aspects of US China Policy

US China policy has been devised in the framework of Washington's broad post-Cold War strategy in East Asia—a strategy that has sought to preserve America's regional leadership, which was established in the early post-war years. While emphasising common interests and cooperation with Beijing, Washington has simultaneously focused on contingency planning in case of deterioration of ties in what has been defined by some observers as a policy of 'hedged engagement.'¹² The contours of the cooperative (engagement) and competitive (hedging) aspects of US China policy emerged during the Clinton administration. The policy crystallised under George W. Bush.

The cooperative aspect was reflected in the Bush administration's recognition of China as a "responsible stakeholder" in the international system and a crucial partner to America in tackling terrorism and in dealing with the North Korean nuclear issue. US strategic focus on the "war on terror" meant that 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.¹³

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, was a new geopolitical reality that America had to recognise.

At the same time, China's growing 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. Uncertainties concerning Beijing's strategic goals have led to worries in Washington that as China is becoming stronger it may seek to contest US leadership and interests in Asia.¹⁴ China's assertive behaviour in dealing with regional maritime territorial disputes over the past five years has become a primary challenge for the US,¹⁵ arguably testifying to the perception of a rising Asian contender. For its part, the limited transparency in the PRC's defence policy has continued to feed US suspicion that the objective of China's military modernisation extends far beyond Beijing's core interest of reunifying with Taiwan.

The implications of the PLA's growing 'anti-access/area-denial' (A2/AD) capabilities for the broader US interests in the region appear to have become especially worrisome for Washington. China's A2/AD focus is believed to be to 'counter third-party intervention, particularly by the US' in the western Pacific¹⁶ and its military modernisation is said to 'threaten America's primary means of projecting power and helping allies in the Pacific.'¹⁷ The political discourse of the US being 'a Pacific power' and the renewed American commitment to the Asia-Pacific based on Obama's rebalance to Asia policy constitute Washington's reassurance strategy for its allies and partners in the region. At the same time, the three components of the rebalance – military-strategic, diplomatic and economic – namely tightening US security partnerships, pursuing multilateral diplomacy, especially by supporting ASEAN-led institutions, and promoting the Trans-Pacific Partnership (TPP) initiative, serve as a hedge for the US against a potentially threatening China. While America officially denies the existence of such a hedging strategy, the explicit concern that 'there remains uncertainty about how China will use its growing capabilities'¹⁸ is no doubt a major driving force of Obama's regional policies in Asia.

The competitive, or "realpolitik", aspect of US China policy has included the reinforcement of US security partnerships across East Asia. The alliance with Japan, in particular, has been a main pillar of Wash-

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ington's continuing regional involvement. The shared concerns about the rise of Chinese military power and, especially, its perceived assertiveness in dealing with the territorial disputes in East Asia have become a main driver for Washington and Tokyo to deepen their military ties since the late 2000s. The Obama administration's reaffirmation that 'our [US] treaty commitment to Japan's security is absolute, and Article 5 covers all territories under Japan's administration, including the Senkaku islands'¹⁹ may be interpreted as a manifestation of this US-Japan convergence on the common "China threat." The US has also strongly supported Tokyo's sweeping security initiatives in the past few years. Largely in response to the escalation of the territorial dispute with the PRC in the East China Sea, Japan has enhanced its security roles and defence capabilities, especially in the maritime security domain. Supporting Japan has meant for Washington strengthening the Japan hedge against China.

Obama's China Policy, and the Strategic Response in Southeast Asia

The two aspects of engagement and hedging have defined Obama's China policy. In particular, the first year of the administration appeared to emphasise engagement of Beijing when the established in 2009 high-level S&ED sought to elevate Sino-US relations to the level of a global partnership. The US administration reassured the PRC that it was not seeking to contain China and focused on expanding bilateral areas of cooperation. The message from Beijing contained a similar focus on engagement.

Beginning in 2010 more competitive and tense bilateral security relations have been observed, reflecting the strategic divergences and mistrust between the two powers. Sino-US strategic divergences were accentuated by means of displaying military power and balance-of-power behaviour, together with a tougher political rhetoric on both sides. The bilateral relations became strained over the Obama administration's arms sales to Taiwan (in 2010 and in 2011) and following North Korea's alleged sinking in 2010 of a South Korean naval ship, the Cheonan.

However, Sino-US tensions particularly increased when the South China Sea issue was added to the list of bilateral problems beginning in 2010. Washington has increasingly come to perceive the South China Sea as an area of growing concern. Underscoring US national inter-

est in freedom of navigation in the area, the Obama administration's senior officials have expressed worries over what they see as China's 'destabilizing, unilateral actions asserting its claims' in the South China Sea.²⁰ This referred to the PRC's tensions in 2014 with The Philippines over the Second Thomas Shoal and with Vietnam over a Chinese oil rig that was placed near the disputed Paracel islands between May and July. As discussed earlier, the Sino-Japanese dispute over the Senkaku/Diaoyu islands, too, has seen a greater US involvement in the past couple of years with America's reaffirmation of its commitments to Japan under the US-Japan Security Treaty.

In Southeast Asia, the US response to China's perceived assertiveness has included enhancing Washington's security ties with partners such as Singapore, Indonesia, Malaysia, and the Philippines, as well as with Australia. These have included conducting joint military drills and port calls, and engaging in high-level defence talks. Part of the US rebalance is the deployment of new littoral combat ships in Singapore and the stationing of 2,500 US Marines at Darwin military base in Australia on a rotational basis. In April 2014, Washington signed a new defence pact with Manila. It gives America increased access to military bases in the Philippines.

Obama has further accorded more priority to multilateral diplomacy in Asia and, in particular, to US relations with ASEAN as an organisation. This is known as the diplomatic aspect of the rebalance: 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). Southeast Asian 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.²¹ America's participation in the EAS since 2011, strongly supported by some ASEAN members and Japan, has had an impact on the summit's agenda. Indeed, the US has brought more international attention to the South China Sea disputes – a multilateralisation of the issue that the PRC has opposed, insisting on a bilateral resolution of the disputes by the concerned parties. While ASEAN has been wary of antagonising China and jeopardising the bilateral trade ties, the organisation has started to openly express its concerns over the increased tensions in the South China Sea.

Beijing's response to what it sees as US-led containment has centred on displaying China's growing naval power, for example, by publicising military drills by the PLA, such as the October 2013 drill in the

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Philippine Sea, which was the largest PLA Navy open-ocean exercise ever. The PRC has also stepped up the 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. Finally, in line with the double-digit growth of its defence budget over the past 20 years, the PRC in March 2015 announced an increase by 10 percent for the coming year. The focus will be on the development of more high-tech weapons, as well as on enhancing the PLA's coastal and air defences.

It is unsurprising, therefore, that wariness of Chinese strategic aspirations persists throughout East Asia. To be sure, most regional states recognise the growing importance of the PRC in economic and political terms, and seek cooperative relations with Beijing. At the same time, China's perceived assertiveness since 2010 in pursuing its maritime territorial claims in East Asia, backed up by strengthened military power, has led to regional demands for a greater US involvement.²² US friends and allies in Asia have welcomed Obama's policies, seeing the American regional presence as a check on Chinese ambitions.

The EU's Security Strategy in East Asia

Main Regional Objectives and Obstacles for a Security Role

The EU's involvement in the Asian region, in contrast to the US, is more recent. Europe's interest stems primarily from Asia's rising economic weight in the post-Cold War period. Since the early 1990s, Europe has sought to enhance its political and economic ties with Asian partners, as well as to make a positive contribution to regional security.

The EU's willingness for a security engagement with Asia was 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.²³ 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.'²⁴ The updated in 2012 *Guidelines on the EU's Foreign and Security Policy in East Asia* emphasise again the diversity of threats to regional security, ranging from the North Korean nuclear issue to the South China Sea tensions.²⁵ The

document argues that the EU should expand its contribution to East Asian stability, including notably through non-military security cooperation, support for regional integration and promotion of democratic values. The focus is on soft power and economic tools – an approach rather different from the one pursued by the US in Asia.

From the perspective of its foreign policy, the core objectives of the EU in the region are the consolidation of democracy, adherence to the rule of law and respect for human rights. Europe’s preference for soft power tools has been reflected in policies that tackle development issues and seek to reduce poverty, contribute to peace building and civilian crisis management (e.g., in East Timor and in Aceh), and address environmental problems. As the largest development and humanitarian aid donor in Asia, the Union has extended assistance to a number of East Asian countries, including Cambodia, Thailand and North Korea. An important policy objective for Brussels is also the support for regional institution building, for this is regarded as a means to enhance peace and stability both in Asia and globally. In this regard, Europe has sought enhanced dialogue with East Asia in the framework of the Asia-Europe Meeting (ASEM) and the ARF, as well as with ASEAN.²⁶

At present, Europe’s security engagement in East Asia remains rather limited. In the first place, this 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 approach has prioritised expanding trade relations and promoting inter-regionalism through ASEM.²⁷ Secondly, Europe’s hard power remains largely confined to NATO and it has no permanent troop deployments in Asia, while the focus of the EU’s security interests and missions is Europe’s immediate neighbourhood, as the Ukraine crisis illustrates. The EU’s limited hard power capabilities mean that the Union is unable to play a substantial role in Asia’s security “hot spots,” for example, on the Korean Peninsula or in the South China Sea – theatres of geostrategic importance for both Europe and America, in which only the US is at present deeply involved. Indeed, similarly to the US, Europe has a stake in maritime security in Asia, for European trade is dependent on the safety of the shipping lanes passing through the South China Sea.

Finally, the particular structural limitations on the part of the EU, notably its inability to “speak with one voice” on major foreign policy

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issues, often dampen the expectations in East Asian capitals for forging meaningful international initiatives with the Union, and strengthen the preferences of Asian elites for dealing bilaterally with the individual EU member states.

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The EU's relations with Japan – the Union's 7th largest trading partner – illustrate 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. The bilateral cooperation has focused, in particular, on non-traditional security challenges, including climate change and energy, foreign aid, economic development, and conflict prevention and peace building.²⁸ Brussels and Tokyo are currently negotiating a comprehensive Economic Partnership Agreement (EPA) and a Strategic Partnership Agreement to further deepen their ties.

However, the potential for EU-Japan cooperation still exceeds the achievements so far. The Union's rather narrow approach towards East Asia primarily from a trade perspective (with China) – driven by the “China opportunity” perception – hinders Europe's relevance for Japan as a strategic partner; indeed, despite the shared democratic values between the two. From the viewpoint of Japan, for which the East Asian region occupies a central place in its foreign policy and China is a security concern, especially in the context of the Senkaku/Diaoyu dispute, the EU is not ‘an actor actively involved in the resolution’ of pressing security issues.²⁹ In contrast, it is the military alliance with the US that remains a top priority for Japanese foreign policy, for it is seen as a deterring force against a potentially hostile China.

In 2004-2005, the debate about the possible lifting of the EU's arms embargo on the PRC was a clear illustration of the EU and US-Japan divergence on China. The “China threat” perception largely defined the strong objection by Washington and Tokyo to such a move by Brussels due to concerns that the lifting of the embargo might boost the PRC's military modernisation efforts and upset the military balance in East Asia. Appearing to prioritise its economic interests, the EU came to be perceived in Japan as lacking an understanding of the region's geopolitical dynamics.

Similar limitations may be observed in the EU's ‘strategic partnership’ with the ROK, which, alongside Japan, is identified as a ‘natural’ and a ‘like-minded’ partner for Europe in Asia.³⁰ South Korea, the Un-

ion's 8th largest trading partner, was added to the list of the EU's strategic partners 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 are a priority for Brussels and Seoul. Although the FA seeks to intensify the bilateral political relations in areas such as non-proliferation, climate change and energy security, these ties remain primarily confined to declaratory statements. Furthermore, Europe's limited, at best, security role on the Korean Peninsula raises the question for the ROK of whether its partnership with the EU can indeed be strategically relevant.

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EU's China Policy and Role in East Asia's Security Hot Spots

The EU's China policy reflects Europe's growing economic interests both regionally and globally. 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 2009 and 2013 an impressive average annual growth rate of 11 percent. Paralleling the deepening of economic ties was the rapid growth of sectoral cooperation in more than 50 areas, which 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. Europe perceives China to be a rising global power whose foreign policy choices are said to be of strategic importance to the EU. European leaders often underscore the shared number of international, politico-security interests with the PRC, ranging from maritime security and environmental protection to nuclear non-proliferation and promotion of multilateralism. Many observers have concluded, however, that there is a significant gap between the official rhetoric of a strategic partnership, and the reality of Europe and China actually defining and implementing common objectives.³¹ The focus of the relations remains predominantly an economic and a trade-oriented one, but also bilateral in nature, while international politico-security issues, such as North Korea, 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.³²

Official EU statements and documents continue to stress that developing a strategic partnership with Beijing is one of the Union's top foreign policy priorities, while Brussels is continuing to support

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China's transition towards a more open society and its emergence as a 'fully engaged member of the international community'.³³ Indeed, an important aspect of the EU's China policy is assisting China's domestic transformation and its sustainable development, i.e. focusing on China's 'internal scene'.³⁴ In other words, Europe's engagement policy towards the PRC encourages the latter to open up its society, conduct political reforms and democratise³⁵, thus in essence seeking to "Europeanise" China. This does not necessarily resonate with China's own vision of its future development, for, as discussed earlier, the survival of the one-party authoritarian system remains a core objective for the PRC's leadership. CCP leaders continue to prioritise sovereign rights over individual rights, and attach utmost importance to territorial integrity and non-interference in domestic affairs, which are at odds with core European values.³⁶

The EU's limited role in East Asia's critical security theatres undermines the Union's relevance as a player able to shape China's regional environment and Beijing's security behaviour. In contrast to the US, Europe is not involved in the Taiwan issue and is not a participant in the multilateral efforts aimed at denuclearising the DPRK. Nor is Brussels involved in any substantial way in encouraging a peaceful settlement of the territorial disputes in the East and South China Seas.³⁷

With regard to Taiwan, the Union adheres to the 'one-China' principle and supports a peaceful resolution of the Taiwan issue. If 'stability and peaceful dialogue are threatened' Europe sees this as a direct concern for 'its own interests'.³⁸ Some observers³⁹ have criticised Brussels for its unwillingness to have a more 'outspoken' position on the growing number of missiles along the Chinese coast facing Taiwan⁴⁰. 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. In contrast to the US, which sells weapons to Taiwan in order to maintain the military balance across the Taiwan Strait, as well as deter China's potential use of force to reunify with the island, the EU appears to ignore this geopolitical reality.

With regard to the DPRK, 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'.⁴¹ However, here too, Europe's role is limited to declar-

atory statements, such as ‘encouraging’ dialogue to achieve denuclearisation, ‘calling’ on the DPRK to fulfil its international obligations and alike.⁴² Admittedly, Europe still remains out of the range of the DPRK’s missiles and hence may not feel directly threatened by the North. At the same time, Pyongyang’s policies not only destabilise Northeast Asia, but the DPRK’s potential proliferation of nuclear materials to rogue states and terrorist groups may also have direct security implications for Europe’s own neighbourhood.

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With the increased regional maritime tensions in the past couple of years the EU has sought to somewhat enhance its political involvement in East Asia. This has included issuing statements to express the EU’s concern about regional stability, for example, in 2012 during the East China Sea dispute escalation and in 2013 in the wake of China’s establishment of ADIZ. With regard to the latter, Brussels stressed that this development ‘heightened the risk of escalation and contributed to raising tensions in the region.’⁴³ This rather strong language regarding Beijing’s policies was unusual for the EU, which typically preferred to avoid antagonising China. Political rhetoric was followed by some action, which sought to increase the EU’s diplomatic visibility in East Asia. In 2012 High Representative Catherine Ashton signed on behalf of the EU ASEAN’s TAC and in 2013 she attended the Shangri-La Dialogue, which was the first EU presence at this major Asian security forum. Ashton delivered a speech that underscored ‘the real interest of the EU in and commitment to Asian security issues,’ however ‘not as an Asian power, but an Asian partner.’⁴⁴ This reflected a different (from the US) security role that Brussels was crafting for the EU in Asia – one that was focused on comprehensive approaches to tackling new security challenges with an emphasis on soft power.

The above discussion indicates that the ongoing geopolitical changes in East Asia detailed earlier in this article have stimulated the EU’s willingness recently to increase its regional security engagement in order to protect its (primarily) economic and maritime security interests. However, this EU involvement remains largely restricted to official statements, and many Asian observers continue to share the perception that fears of negative implications for European business interests in China are the actual driver of Brussels’ reluctance to adopt a more outspoken position on Asian maritime territorial disputes.⁴⁵ For Beijing, the EU’s limited strategic engagement in the region means that Europe is perceived as a great power only on issues, in which China

does not have a direct stake, and hence unrelated to hard security concerns.⁴⁶ Since China's core security interests are in East Asia – a geographical area of the utmost strategic importance to the PRC – Europe is largely unable to shape Chinese security behaviour in the region or to steer the desired course of China's rise.

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US and EU Convergence and Divergence on China and the Implications for Chinese Security Behaviour in East Asia

The structural differences between the EU and the US – with the former relying primarily on soft 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 the evolving security environment in East Asia. 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 peaceful resolution of disputes. However, it is the diverging perceptions concerning China's rise – namely the “threat” versus the “opportunity” dichotomy – that largely define the respective responses of the US and the EU.

East Asia is *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 convergences 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.⁴⁷ However, it is China's growing hard power that remains ‘the principal prism through which most US analysts view China's rise’⁴⁸ and that defines Washington's responses. As detailed earlier, the US approach of engagement and hedging seeks to combine cooperation with China on issues of common interest with preparations for a potential deterioration in the bilateral relations; the latter aspect is conspicuously absent from EU's China policies. The Obama administration's rebalance is, to a large extent, a response to Chinese behaviour in East Asia that is seen to adversely affect either American (security) interests, or the interests of its allies and partners in the region. Wariness of Chinese maritime aspirations and concerns about the PRC's long-term strategic objectives

in East Asia are shared by the US and many Asian states, but arguably not by the EU.

In contrast to the US and Asian countries, 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.⁴⁹ Led primarily by "an (economic) opportunity" perception, the EU appears to be much less interested in (or worried about) China's growing military power and its security behaviour in East Asia. While Brussels' reluctance to anger China, including on Asian territorial disputes, may be welcomed in Beijing, it does not bode well for Europe's aspiration to be seen as a credible strategic actor in Asia.⁵⁰

So what are then the implications of these divergent strategies of the US and the EU for Chinese security behaviour in East Asia? On the one hand, Washington encourages Beijing to act as a responsible player in the region, for example, by seeking China's role in the denuclearisation of the DPRK. At the same time, the US presence also restrains Chinese attempts to dominate Asia. As the "China threat" perception grows in the region, thereby inviting greater attention by Washington, it becomes necessary for PRC leaders to moderate China's behaviour. In this way they seek to prevent the emergence of a potential US-led containing coalition that would be detrimental to China's economic development and domestic political stability, and may lead to a deterioration in Beijing's geopolitical position.

US involvement, for example, has led to a multilateralisation of the South China Sea issue, which, in turn, has put pressure on China to de-escalate tensions. Indeed, since the second half of 2014 Beijing has embarked on a number of confidence-building measures, including softening its diplomatic rhetoric in various multilateral (ASEAN-centred) settings and showing a willingness to discuss with ASEAN a binding Code of Conduct in the South China Sea. While the Southeast Asian states have generally preferred to resolve their outstanding issues with the PRC within a more narrow regional framework, it appears now that Washington is becoming an important player in the dispute management process – an unwelcome development for China.

On the other hand, as the PRC perceives the US rebalance as a containment policy aimed at curtailing China's rise, it responds by placing more emphasis on military modernisation and, especially, naval expansion to safeguard its growing maritime interests. China's defence

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budget increase suggests that CCP leaders are taking very seriously the protection of the country's maritime interests and hence are not likely to change the PRC's position on the territorial disputes. Beijing also increasingly seeks to challenge Washington's leadership position in Asia. Placing an oil rig in the South China Sea and being more assertive in the dispute with Japan may be seen as examples of Chinese attempts to "test the waters," namely US regional security commitments. Should America fail to respond, regional confidence in the US would wane and Beijing would succeed in eroding Washington's security dominance in East Asia.

The EU's response to Asia's changing security environment, which is primarily defined by political rhetoric without a coherent strategy, appears only to encourage China to assert its regional interests. 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 policy, is welcomed by CCP leaders, as they seek to balance US influence globally. At the regional level in East Asia Europe's reluctance to anger China on core security issues, such as Taiwan and maritime territorial disputes, questions Europe's ability to defend important (and shared with the US) values and interests. This makes it easier for China to exploit the Union's weakness. As Beijing's geopolitical aspirations in East Asia are only kept in check by the US, Chinese leaders leverage the PRC's economic importance for the EU by seeking to keep Brussels "out" of China's core security interests. The EU's inability and/or unwillingness to lift the arms embargo, and to grant China a market economy status, further stimulate the perception in Beijing of Europe as a strategically marginalised power.

The diverging approaches by the US and the EU may not be sending the right signals to Beijing. As architects of a liberal and rule-based international order, Europe and America are expected to defend the core principles on which it is based. Their diverging strategies only reinforce China's perception of the "decline" of the West and stimulate Beijing's responses that might seek to challenge it. While this challenge is still not pronounced at the international level, it is at the regional level in East Asia where China in recent years is starting to behave more like a typical rising power seeking dominance. At the end, the competitive dynamics in US-China relations appear only to be reinforced by the EU's passivity on issues of core interest to the PRC, which makes the outcome of China's rise more, rather than less, uncertain, an outcome

neither the US nor the EU desires.

Elena Atanassova-Cornelis is Lecturer in East Asian Politics at University of Antwerp & Catholic University of Louvain, Belgium. She can be reached at elena.atanassova-cornelis@uantwerpen.be.

*Constraining
or Encouraging?*

Notes

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