

The New Age of US–EU–Chinese Relations and Dilemmas

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This article examines the world's key actors – the US, the EU and China – and analyses their political, economic and security relations as well as their stances on geopolitical and global economic development. Asia-Pacific is investigated as the chief determinant of global development and also, thanks to US-China relations, as the new geopolitical centre of gravity. This research explores the contradictory nature of this relationship, which though mutually beneficial in terms of economic cooperation, shows signs of distrust in political, economic and security relations, generating potential conflict. These actors are promoting many approaches. The dilemma that the US currently faces in this relationship is whether to contain China as a threat or accommodate it as an equal power. The US's potential treatment of China not only influences how China performs in the Asia-Pacific region, but also has repercussions for the EU. The key question for the EU is to what extent it should take on security commitments in the Asia-Pacific region. This article concludes that despite the contradictions in the bilateral relations between the “West” and China, it is desirable to achieve what Kissinger called ‘co-evolution of interest.’

Keywords: the United States, China, Europe, Asia-Pacific, crisis, limits interests, alliance, conflict, cooperation, containment, pivot, military strategy



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Introduction: The Global Shift toward Asia-Pacific

According to the US National Intelligence Council's 2012 study *Global Trends 2030: Alternative Worlds*, the next two decades will mark an increase in China's economic and political power and a shift of the global

economic engine to the Asia-Pacific region.¹ Moreover, at the end of the third decade, Asia will overtake both the EU and North America in a number of indices, such as GDP, population statistics, military spending and technological investment, with other things being equal. As the study further reveals, by 2030, China will become the world's largest economy, replacing the US. While as a result, the "Western" influence will decrease, the US and EU will retain sufficient economic, technological and military power in global affairs. Following this logic, a new era of world history is approaching, with China being the new global power, ending 500 years of "Western" dominance in world affairs. This will heavily affect the US's image since its superpower status will be eroded and, in the best case, will become 'first among equals.'² Consequently, the declining US influence will reflect in the EU's global role as well.

Notwithstanding the balance of power, global developments in the next two decades will chiefly be determined by the contradictory relations among the US, EU and China.

The US in an Age of Adjustment

The beginning of the millennium has been marked by a change in the priorities and positions of the hitherto strongest global power: the US. The era of unchallenged American dominance (*Pax Americana*) is a thing of the past. What comes instead is an "age of adjustment" to the new global political and economic realities worldwide closely associated with the tenure of the 44th US president, Barack Obama. Three major tasks to be fulfilled during Obama's term of office are: 1. ending the decade-long wars in Iraq and Afghanistan inherited from the previous administration; 2. carrying out large-scale internal reforms to restore the economic competitiveness of the US; and 3. standing up to the growing political, economic and security power of China. According to William:

Obama and his national security team believe that the United States needed a new strategic doctrine to match changes in the world, including the ending of US deployment in Iraq and impending force reductions in Afghanistan. A new doctrine was also needed to reflect the slowing US economy, tighter constraints on US resources and an urgent commitment to cut the widening gap between America's rich and poor.³

The slowdown of the US economy is also linked to the “internal crisis” – the factor that according to Ferguson, is contributing most to the erosion of the US’s global position. This position largely depends on successful financial management without which the US can hardly remain the world’s greatest military power.⁴ Currently it is financial management precisely that is one of the US’s major problems: US debt is projected to grow in upcoming years (with the \$16.7 trillion [USD] owing in 2013 expected to reach \$18.6 trillion [USD] by 2015), and already this impedes US political, economic and military power on a global scale. The Congressional Budget Committee outlook predicts that by the end of the 2010 decade, the US government will be forced to earmark 17% of its income just for interest payments (from 8% in 2009). In this respect, if almost one-fifth of the US budget is to be spent on interest payments, military spending is likely to further decline.

The financial impact of the wars in Afghanistan and Iraq must also be considered. Bilmes has analysed both wars in detail, concluding that they will cost the US between \$4 and \$6 trillion [USD] over the long term. These numbers represent approximately one-third of the projected US debt in 2015. The US has already spent \$2 trillion [USD]; further funds will be needed in the long run for veterans’ care.⁵

The US Defence Department is already preparing for defence cuts: the total amount saved on defence over the next decade should reach \$500 billion [USD]. Sequestration realities are also evident in the department’s internal ‘Strategic Choices and Management Review’ published by US Secretary of Defence Chuck Hagel in July 2013. The budgets for military headquarters should be reduced by 20% with military salaries and benefits due for reform. Troop numbers may be cut substantially as well: as military conflicts with the US engagement draw to a close and America abandons the COIN (counterinsurgency) strategy, land forces will be scaled down (the lowest of the proposed targets is 420,000 in the active component and 490,000 in the Army Reserve). The tactical air force and C-130 transport aircraft will also be subject to reductions. In sequestration debates, doubts have even been expressed about the planned acquisition of the costliest weapons system in history: F-35 JSF fighters (the US government wanted to purchase 2,443 of these fighters for \$391 billion [USD]). Sequestration may, thus, diminish the US potential to engage in military conflicts and project power on a global scale.⁶

The defence budget's impact can also be seen in the altered us military strategy published in January 2012 under the title 'Sustaining us Global Leadership: Priorities for 21st Century Defense.'⁷ The document clearly signals that the us is abandoning its traditional two-war strategy (maintaining the ability to wage two conventional wars simultaneously); instead, it is moving towards a full focus on winning a single armed conflict while avoiding defeat in a potential second conflict. The main emphasis is put on the us's deterrence potential.

The new military strategy also states that 'China's emergence as a regional power will have the potential to affect the U.S. economy and our security in a variety of ways.' This acknowledgement signals the readiness of the Obama administration to focus us political, economic and military potential on the Asia-Pacific region. It also means that the us will engage less in other regions of the world. Donilon, national security advisor to Obama, explains that the White House has carried out a strategic review of priorities which revealed an imbalance in the us's global projection of power. According to Donilon: '[I]t was the President's judgment that we were over-weighted in some areas and regions, including our military actions in the Middle East. At the same time, we were underweighted in other regions, such as Asia-Pacific.'⁸ Practical steps by the administration have followed this conclusion: during NATO's operation in Libya (2011), the us opted to "lead from behind;" it has also given only modest support to the French operation in Mali (2013) and has maintained a very reserved stance on the possibility of engaging in the Syrian conflict (2013).

Europe's importance in us policies is gradually diminishing as a logical consequence of post-Cold War history. After the dissolution of the Soviet Union and the whole socialist bloc underpinned by the military strength of the Warsaw Pact, Europe ceased to be the primary focus of interest for us power. Instead, the us's key power struggles shifted towards the Asia-Pacific. Therefore, it makes no military sense for the us to maintain a huge American military presence in Europe: since the end of the Cold War, 85% of American troops stationed in Europe have been withdrawn. During the Cold War, Europe was home to 450,000 American troops stationed at 1,200 military bases, while today the us maintains only 21 such bases for 61,000 troops in total. As has been mentioned, the reduction of the us military presence is largely economically motivated (i.e. by budget cuts).

Nevertheless, the US still regards Europe as one of the world's key regions for several reasons. The two sides of the Atlantic are bound together by shared values, historical and security ties embodied in NATO and, last but not the least, by strong economic ties. The numbers underpin these facts: bilateral trade reached €702.6 billion in 2011; daily trade in goods and services between the US and the EU is worth €2 billion while bilateral direct investment comes close to €3 trillion. Together, the US and the EU generate almost half of global GDP (47%, of which the EU is responsible for more than 25% and the US for over 21%) and almost a third of global trade (the EU = 17%, the US = 13.4%).

The US-China: Relations and Dilemmas

Notwithstanding the US's stable European orientation, the principal focus of its global political, economic and security strategy is relations with the People's Republic of China. Due to this shift in US priorities, China overshadows US-EU relations in many aspects: the Sino-American connection has become the world's most important bilateral relationship.

Over the last forty years, China has undergone a fundamental transformation, moving from economic irrelevance and political isolation to the status of a respected global actor. The US has also contributed to this change since the American business spirit has combined with Chinese trading talent to form the US-China tandem. The data listed below show this clearly:

1. Annual bilateral trade exceeds \$500 billion [USD] (2012: \$536 billion [USD])
2. The US is China's second largest trading partner (the EU is the largest)
3. China is the third largest trading partner of the US, after Canada and the EU
4. China is the largest exporter to the US (exports stand at \$425 billion [USD])
5. China is America's largest creditor: its holdings of US government bonds are worth \$1.2 trillion [USD]
6. 60% of Chinese foreign currency reserves (with a total value of \$3.31 trillion [USD]) are held in US dollars (which means that China is interested in the US dollar's stability).

Against this backdrop, there are factors that pit the two against each other: their histories, ideological and cultural differences and security interests. According to Donilon, in us-Chinese relations 'there are elements of competition and cooperation.'⁹ On his first official visit to China in April 2013, us Secretary of State, John Kerry, defined Sino-American relations as a 'new power relationship' and a 'new type of relationship.' Still, the reality is somewhat more complex. us military expert, Betts, may got to the heart of the matter when he wrote that Washington must decide whether to treat China as 'a threat to be contained or a power to be accommodated.'¹⁰

Containment is already being applied. In the new us military strategy (January 2012). The document noted that China and Iran continue to pursue asymmetric means to counter the us's projected power capabilities. The us therefore aims to invest in the military capabilities required to operate in anti-access\area-denial environments.¹¹ Even the current level of the us military presence in the Asia-Pacific indicates a continued reliance on military power as one of the tools for containing Chinese influence. With a budget representing 40% of global arms spending, the us is certainly able to maintain strong military capabilities in the Asia-Pacific.

The Pacific is home to the largest regional headquarters of us armed forces, with 330,000 military personnel, 180 ships, 2,000 aircraft, five ground-force brigades and also two marine divisions stationed at Japanese and South Korean bases. Moreover, the us navy controls the main sea routes from the Persian Gulf to Asia. According to (former) Defence Secretary Leon Panetta, in 2012 the us planned to concentrate 60% of all its naval forces and capabilities in the Pacific by 2020.¹² The us also decided to station 2,500 marines in Darwin, Australia on a rotational basis.

However, this heightened projection of us military power in the Asia-Pacific is also a consequence of increased tension in the South China Sea. Its islands give rise to numerous territorial disputes between China on the one hand and Japan, Philippines, Vietnam, Malaysia and Brunei on the other. Recently, these tensions and disagreements have accumulated (re: between China and Japan)¹³ despite China's successful resolution of eleven long-term territorial disputes with six neighbouring countries over the past fifteen years. Some of the aforementioned countries opposing China (Japan and the Philippines) are us allies try-

ing to take advantage of the us “military umbrella,” while others (e.g. Vietnam, involved in a war with the us some forty years ago) seek military or political cooperation with the us as a way of counterbalancing China. And, the us provides military aid to Taiwan.

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The official Chinese reaction to the us’s “Asian Pivot” is undoubtedly negative, highlighting an ‘anti-Chinese subtext’ in the increased us presence in the region. Chinese officials’ statements are quite resolute, stressing China’s readiness to counter the increasing military presence of a foreign power in its geographical backyard. Former Chinese president and Chinese Communist Party general secretary Hu Jintao declared at the party’s 18th national congress (October, 2012) that China was firm in its resolve to uphold its sovereignty, security and development interests and that it would never yield to any outside pressure.¹⁴ His successor, Xi Jinping made a similar statement at a “collective education session” of the Political Bureau of the CPC Central Committee January 2013: ‘[F]oreign countries should not expect that we will trade on our own core interests, nor expect that we will eat the bitter fruits of damaging our country’s sovereignty, security and developing benefits.’¹⁵

The above statements by Chinese leaders should be understood in a broader historical context since one of the tenets of present Chinese policy is the resolution never again to accept any kind of inferior international status. This is the result of the First Opium War (1842), a century-long curtailment of China’s sovereignty referred to by Chinese historians as the ‘Century of Humiliation.’ This period ended only with the establishment of the People’s Republic of China on 1 October 1949.

To prevent history from repeating itself, China is very assertive about its priority strategic interests, supporting them with both military and economic power. Since March 2010, these priority interest areas have been the South China Sea, Tibet and Taiwan. China’s rising military budget evidences the growth of its military power: from \$32.1 billion [USD] in 2000 to \$143 billion [USD] in 2011 (as estimated by the Stockholm Institute for Peace Research (SIPRI)). Even so, the Chinese military budget bears no comparison with its us counterpart, which according to SIPRI data, reached US\$711 billion in 2011 (making China’s military spending five times smaller).¹⁶

But China is also developing certain military capacities and capabilities to counter the projected us power. One example is the Chinese

space programme because of which China became the third country in the world capable of launching its own spacecraft in 2011. This may be one of the reasons why US experts have predicted that despite the massive difference in US and Chinese nuclear warhead potential (China's intercontinental ballistic missile arsenal ranges from 70 to 75), both countries will eventually reach mutual vulnerability level.¹⁷ The shooting down of an old weather satellite by a mid-range ballistic missile in January 2007 confirmed China's possession of anti-satellite weapons. This fact makes the US take Chinese nuclear capabilities seriously: eight of the fourteen US nuclear submarines are permanently deployed in the Pacific.

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As a result, China is paying increased attention to developing its navy. In 2012, its first aircraft carrier Liaoning was launched,¹⁸ and the deployment of DF-21 D anti-ship long-range missiles (designed for an attack on US aircraft carriers) is still in progress. This makes clear the Chinese strategic intention: to deny the US navy access to the western part of the Pacific and thus prevent it from approaching Taiwan.

China's capacity for cyberspace operations is also on the rise. In this context, the (former) US Defence Secretary, Harold Brown, concluded that reaching 2030 without a major confrontation between the US and China will be an important achievement. The US will probably hang onto its military power predominance for at least the next fifteen to twenty years. An asymmetrical war could, however, undermine America's advantage if China, in addition to infrastructure attacks, resorted to cyber-attacks on the US electronic and satellite systems.¹⁹ Moreover, the Sino-American cyberspace rivalry could affect bilateral trade relations: a resolution passed by the US House of Representatives in March 2013 bans all purchases of information systems wholly or partly manufactured in China, except for those vetted by the FBI to rule out the possibility of cyber espionage or sabotage.

Pragmatic Relations, But No Chance of a "G-2"

It is becoming clear that there is the potential for an open US-China military confrontation. Yet, from their embryotic form Sino-American relations have been based on political pragmatism. China established bilateral relations with the US in 1972 during the Cold War (largely due to the efforts of Henry Kissinger, who was then national security advisor to President Nixon). China's intention was to create a counter-

balance to the USSR, with which it fought a costly border war against in 1969. Conversely, the US saw the rapprochement with China as an opportunity to deepen the international isolation of the USSR. Despite similar initial intentions, Sino-American relations were tested by many turbulent moments over the following three decades including the Tiananmen Square protests (1989), the bombing of the Chinese embassy in Belgrade during the NATO operation against Yugoslavia (1999) and the Hainan Island incident involving a clash between Chinese and US military aircraft (2001).²⁰

There are many signals that China does indeed take a pragmatic view of bilateral relations with the US in the Asia-Pacific region. When he was China's Deputy Foreign Minister, Cui Tiankai highlighted this issue in an article published in *China International Studies* (2012). Commemorating the 40th anniversary of Richard Nixon's first visit to China (21-28 February 1972), this article analysed the situation in the Asia-Pacific, noting that positive interactions between China and the US foster the interests of both countries as well as serving those of all states in the region. Moreover, the Asia-Pacific region is large enough to hold both China and the US.²¹

This conclusion was developed further by General Xiong Guangkai, a prominent Chinese military official in an article in *International Strategic Studies*. According to Guangkai, security in Asia is inseparable from US foreign policies. In his words, Asian countries want China and the US to face the challenges in the Asian security space jointly and assume joint responsibility for providing security, maintaining communication and coordinating steps on key regional issues.²² A presidential meeting between Xi Jinping and Obama (September 2013) in the framework of the G20 negotiations in Russia confirmed these conclusions. On this occasion, Xi Jinping declared that 'the Asia-Pacific is the region that best displays [the] shared interests of China and the United States' and that 'the scope for bilateral cooperation is larger than the differences.'²³

US-Chinese bilateral cooperation strongly affects security policy, including, for example, the US-China Strategic Security Dialogue, consultations on Asia-Pacific issues and the twelve China-US defence consultations involving top military representatives on both sides. The two countries have also established a hotline for direct communication between their defence ministers – a framework that previously

existed between the Cold War superpowers (the us and USSR). This arrangement between China and the us epitomises the new and exceptional status of us-Chinese relations.

us-Chinese security cooperation also covers such issues as non-proliferation of weapons of mass destruction (WMD) (e.g. the six-party talks on the North Korean and Iranian nuclear programmes) and combating terrorism and piracy. Evidencing the latter, China's active participation in anti-piracy operations in the Gulf of Aden shows that it is assuming greater responsibility for global security.²⁴

According to the Strategic Economic Dialogue (SED), it is, however, extensive economic cooperation which is the most important ingredient of bilateral relations, and this is still present between China and the us. The growing importance of us-China bilateral cooperation may raise speculations about the emergence of a "G-2" – a core axis of power in 21st-century global governance.

In 2009, former national security advisor to President Carter, Zbigniew Brzezinski, defined the basic tasks and contours of this 'Group of Two' in a *Financial Times* article titled 'The Group of Two that Could Change the World.'²⁵ Brzezinski concluded that despite the competitive nature of the us-China relationship, the level of mutual dependence between these countries requires them to discuss not only issues of bilateral cooperation, but also global ones (e.g. the widening and deepening of geostrategic cooperation beyond the immediate need for close collaboration to cope with the economic crisis). According to Brzezinski, an informal "G-2" is especially needed in an era in which the risks of a massively destructive 'clash of civilizations' are rising and must be eliminated. It is therefore essential that the us-China dialogue contain a very broad range of regional and global issues such as the Israeli-Palestinian conflict, Indian-Pakistani relations, North Korean and Iranian nuclear programmes, WMD non-proliferation, climate change, stepping up UN peacekeeping activities in failed states and enlargement of the existing G-8 to G-14 or G-16 to develop a more inclusive response to global challenges, especially the economic crisis.

Nevertheless, China has been reluctant to respond to this vision, partly because of the influential legacy of Deng Xiaoping, the father and animating spirit of Chinese reforms. In the 1990s, Deng declared that China should maintain a low profile and be a calm observer of international affairs, never claiming leadership, hiding its capabilities

and biding its time. He did not explain, however, why China should hide its capabilities or when “its time” would come. Even so, China continues to follow Deng’s strategy. Internationally, it rarely initiates activities that could be interpreted as attempts to revise the existing global order. The focus of its international policies is definitely economic development or economic cooperation “in all directions,” which cements China’s regional and global position. This approach is also advocated in the ‘China’s Peaceful Development’ document – a de facto declaration of China’s political, economic and security priorities in today’s world. It states, among other things, that ‘China has decided upon peaceful development and mutually beneficial cooperation as a fundamental way to realise its modernisation, participate in international affairs and handle international relations.’ The document also notes that the strategy of peaceful development distinguishes China from other rising world powers, who, as their global ambitions grew, fought over colonies and spheres of influence, often opting for military expansion into other states.²⁶

The official stance also indicates the limits of China’s engagement in tackling global challenges and crises. There is a marked cautiousness, perhaps stemming from the realisation that Chinese policies must ensure the country’s continued smooth modernisation through economic development since this is the basis for domestic political and economic stability. Brzezinski’s vision of a more active Chinese involvement in global affairs – not only in economic matters, but also in politics or security – is seen by China as potentially dangerous as it could negatively impact both its international standing and its domestic policy. Undoubtedly, China follows the lessons learned from recent international engagements by the US (especially those in Iraq and Afghanistan), which left America weakened. Still, it should not be overlooked that, despite this official self-circumscription of Chinese foreign and security policy, there is an internal debate in China about the possibilities and parameters of its international engagement. According to Shambaugh, the debate reflects the conflicted nature of Chinese foreign policy, which oscillates between efforts to ‘join the club’ of world powers, the wish to remain a regional power and the ambition to retain the title of ‘leader of the developing world.’²⁷ Yan Xuetong has a distinct voice on this internal debate. In late 2011, Xuetong wrote that since only the US and China can afford to spend more

than \$100 billion [USD] annually on military budgets, we are seeing a transition 'from one superpower and several strong powers to two superpowers and several strong powers.'²⁸

But Xuotong's article (dubbed the 'Chinese foreign policy manifesto' by Russian and Chinese studies expert Mikhail Mamonov²⁹) also produced other conclusions. One of these is that interfering in other countries' internal affairs is justifiable, i.e. China has the right to define its 'core interests' whose defence may even require extreme measures. The article also calls for a redistribution of responsibility and leadership powers in multilateral organisations to enhance their effectiveness. A key element is the emphasis on China's readiness to consider a potential increase in its responsibility for global processes by consulting the us.

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A Heightened Geo-Economic Confrontation between the US and China

Xuotong's conclusions could be taken to suggest that the emergence of a "G-2" is a viable long-term prospect in the development of Sino-American relations. However, increasing economic competition between China and the us in the Asia-Pacific, which has taken on new dynamics since the end of 2012, contradicts this assumption. Currently we are witnessing the emergence of two competing regional economic groups led by China and the us. China supports the formation of a new regional economic coalition – "ASEAN³⁰ + 6" – comprising the ten ASEAN countries plus Australia, China, South Korea, Japan, India and New Zealand. At the ASEAN+6 Summit in November 2012, participants announced the opening of talks on the establishing of a "Comprehensive Regional Economic Partnership" (CREP). It can be assumed that this group, with a total population of three billion people and an aggregate GDP of \$17 trillion [USD], would be dominated by China, representing nearly half of this population and 50% of the GDP.

In contrast, the us supports another kind of regional economic cooperation: the Trans-Pacific Partnership (TPP) founded in 2005. Currently, this consists of thirteen Asia-Pacific countries and also includes Latin American states.³¹ The us declared that it regards TPP as a basis for a regional free trade area. Just as China has a leading position within the CREP, the us can dominate the TPP (generating 75% of its agree-

gate GDP). In many cases, the two groups have also offered membership to the same countries (which are now conducting pre-accession negotiations). Brzezinski commented critically on this recent development:

I'm sorry that the Trans-Pacific Partnership idea that we are propagating doesn't include China. I think that this is a mistake. But I also know there is a Chinese proposal, for an Asian cooperative sphere, which does not include us. We are both making mistakes.³²

The clash between China and the US over the status of the Asia-Pacific as an economic hegemon also has geopolitical implications. The transatlantic area is currently seeing efforts to establish the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the US; they aim to create a trade bloc representing almost half of global economic output and remove existing trade barriers between the two transatlantic actors. At the beginning of Obama's second term, TTIP was nicknamed "economic NATO." The phrase was coined by American lawyer and diplomat C. Boyden Gray whose article 'An Economic NATO: A New Alliance for a New Global Order' was published by the influential US think-tank this Atlantic Council, chaired until recently by US Defence Secretary Chuck Hagel.³³

The diminishing importance of the "old NATO" for US security is being discussed by the US security and political community. The core of the debate is America's criticism of European NATO members' declining military capabilities and the consequential US reluctance to "make up" for this deficit at the expense of its own budgetary stability. In this context, the concept of an "economic" NATO, represented by TTIP, might enable Europe to play an important economic role in US strategic interests. According to economic forecasts, by 2030 none of the European countries will be among the most developed economies in the world. Thus, TTIP may be one of the prerequisites for Europe's continuing influence on global affairs. The main prerequisite, however, is definitely the completion of European integration, which looks to be difficult given the EU's existing economic problems.

Obama may try to integrate the two regional economic blocs (TTP and TTIP) creating an "alliance" of US associates in North America, Europe and the Asia-Pacific. This would give the US the opportunity to reverse the decline of its global political and economic clout in recent years and face the rising political and economic influence of China.

The US, Asia and Europe Drawn Apart by Divergent Economic and Political Interests

There are many obstacles on the way to achieving the vision outlined above. Firstly, maintaining existing alliances with the US-friendly Asian states may be a challenge since these countries face a difficult dilemma. On the one hand, they wish to retain US security aid while, on the other, they have an equally strong interest in economic cooperation with China, which influences their socio-economic development and stability. It remains to be seen which of the two interests will prevail. From an economic standpoint, however, it is clear even now that Japan, South Korea and ASEAN states value their trade relations with China far more than those with the US. Moreover, many Asian countries with strong development dynamics are fierce competitors of the US in international commerce. This raises an interesting paradox: while the US holds a “military umbrella” over its Asian allies, the states thus sheltered are becoming increasingly prosperous due to their economic relations with China and also because their own economic boom is not significantly retarded by large-scale arms spending. Their prosperity is, thus, achieved partly at the expense of the US. Therefore, it is not entirely unthinkable that the US, confronted with financial challenges, will demand that its Asian allies shoulder a greater share of financial responsibility for the American military presence. This, in turn, could cause some tension in bilateral relations.

There are several reasons why the US wishes to diversify its “portfolio of alliances” in the Asia-Pacific. Panetta made an appeal in this direction during his last European tour (January 2013), stating that ‘Europe should join the United States in increasing and deepening our defence engagement with the Asia-Pacific region ... Europe should not fear our balance to Asia; Europe should join it.’³⁴ In practical terms, this would mean greater military involvement of the EU and NATO in Asia, alongside the US. This is not a new idea in the case of NATO. In 2004, the then US ambassador to NATO Nicholas Burns came up with the concept of a “global NATO,” which was developed two years later by his successor, Victoria Nuland. The core of the concept was the strengthening of NATO’s cooperation with Australia, Japan and South Korea so as to make the alliance a truly global military power. This possibility of “going global” was also the focus of NATO’s November 2006 summit in Riga, Latvia; this failed, however, to win support from the majority

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of member states despite UK endorsement. The concept's most vocal opponents were France and Germany, which allegedly feared that such "strategic globalism" would undermine NATO's internal stability and have a negative impact on relations with China and Russia. In addition, most NATO members were and still are reluctant for purely practical reasons: with their limited military capabilities (further weakened by crisis-induced spending cuts), taking on new strategic commitments in the Asia-Pacific would hardly be practicable.

From a military perspective, the most important capability for operating in the region is the naval force. But only 3 out of 28 NATO members have navies capable of operating in oceanic waters. Among European NATO members, France is the only state equipped with an aircraft carrier (the Charles de Gaulle) and experts believe that NATO's presence in the Asia-Pacific can only be symbolic.³⁵ However, an even greater obstacle to the EU and NATO's more active engagement in the Asia-Pacific lies in the divergent political and economic interests of the US and Europe. Escalating existing or potential security tensions in East Asia that are visible in territorial disputes, might significantly damage European interests as the EU has strong trade ties with the region (four of its ten "strategic partners" – China, Japan, South Korea and India – are East Asian countries). The EU also faces another major risk: in contrast to Europe, the whole Asia-Pacific region has no institutional security framework that would prevent bilateral and regional conflicts or, in case of their breakout, facilitate their peaceful settlement. This is one of the reasons why the EU and the US jointly participate in the ASEAN Regional Forum (ARF). In June 2012, ARF held top-level negotiations which led to the signing of the US-EU Statement on the Asia-Pacific Region. The document declares that the parties can act jointly to help solve issues in the region such as maritime security, WMD non-proliferation, cyberspace security and fight against piracy.³⁶ The same interest in cooperation is reflected in the 'Guidelines on the EU's Foreign and Security Policy in East Asia' document (June 2012), which confirms that the EU has a strong interest in partnering and cooperating with the US on foreign and security policy challenges related to East Asia.³⁷

However, most European governments are unwilling to engage in the region beyond expressing diplomatic support for US actions. There are two principal reasons for this attitude. Firstly, Europeans want to avoid being "dragged" into the US-Chinese power race that largely de-

termines Asian developments in political, economic and security terms. Additionally, they do not want to engage with the dilemma mentioned earlier: whether to treat China as a threat to be contained or an equal power to be accommodated. The strength of EU-Chinese economic ties is evidence that EU governments are interested first and foremost in economic cooperation. China is the EU's largest source of imports and the second largest destination for European exports after the US (e.g. in 2012 total bilateral trade between the EU and China reached €434 billion). Moreover, Germany is China's most important European trading partner, responsible for a solid third of EU-China trade (€144.3 billion in 2012). The basic logic of the EU approach has also been echoed by French Foreign Minister Laurent Fabius, who said, during his August 2013 visit to Indonesia, that the French 'pivot' to Asia will focus on diplomacy and trade.

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The second reason for the European reluctance to engage more actively in the Asia-Pacific is the realisation that the EU's first priority must be the security and stability of its own neighbourhood, especially North and Sub-Saharan Africa, the Sahel and the Middle East. In view of the EU's strategic interests, the Asia-Pacific is of secondary importance. Within both the US and the EU, there are voices arguing in favour of a convenient division of responsibility between the two key global actors: if the EU focuses more on its own neighbourhood, the US will be free to engage in other regions. The UK Defence Secretary Philip Hammond declared quite openly in Singapore (June 2013) that the future will mean 'Europe doing more in its own backyard as the US tilts to [the] Asia-Pacific.'³⁸

Afterthoughts: The Parallel Evolution of Interests – A Path to Stability

In viewing Europe's engagement with Africa solely in this context, Hammond may have overlooked one geopolitical reality which shows how interconnected the interests of the key global actors have become. Recently the EU has also begun to pay attention to Africa in the security context since many countries of the African continent, so close to Europe geographically, have come under the pressure of radical Islam. Recent developments in Mali, which necessitated direct military intervention by EU-supported French troops, are just the proverbial

tip of the iceberg. Enormous economic and societal instability in Africa, which leads to state failure, is likely to persist.⁴⁰ Notwithstanding the relative economic boom in a number of African states, nicknamed the “African Lions” (Nigeria, Kenya, Ghana, Zambia, Angola, Uganda, Rwanda and Ethiopia), Africa has many foci of security instability. Examples are the Darfur conflict in West Sudan; the existence of Somalia, a failed state serving as a base for terrorist and pirate groups operating in Sub-Saharan Africa; the Horn of Africa and the Gulf of Aden; and the September 2013 Islamist attack on a commercial centre in the Kenyan capital of Nairobi.

It is not only the us, freed to intervene in other world regions where its interests are at stake, that may benefit from Europe’s interest in Africa’s political, economic and military stability. Another beneficiary will definitely be China, which has been expanding rapidly into Africa in recent years. This can be described as an unexpected state of affairs among the three global actors. However, it should be noted that the EU and China take different approaches in their relations with African countries.

The Asia-Pacific region will reflect the real scope of the convergence of interests since it is a new geopolitical and economic centre of gravity of high importance for the us, the EU and China. The competition between the West and China for political, economic and security influence will definitely continue, but according to Henry Kissinger, the us, EU and China should focus on a co-evolution of interests and accept that these will never be identical. This veteran of American diplomacy, who opened the way for the normalising of us-China relations, believes this to be the only path towards the Pacific Community without which Asia’s future might copy that of Europe on the eve of the First World War (Kissinger 2011). With the centenary of its outbreak approaching, Kissinger’s words should not go unnoticed.



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Notes

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Leading American economist and Nobel prize winner Joseph Stiglitz notes that the top 1% of Americans receive about one-fifth of all income and control more than one-third of all wealth. More than 80% of income goes to the highest-earning 20% of the population, while the living standard of the middle classes stagnates. According to Stiglitz, the deepening welfare inequality in American society undermines economic growth and weakens democracy. See Stiglitz (2012) *The Price of Inequality: How Today's Divided Society Endangers Our Future*. W. W. Norton & Company, p.448.
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 - 18 Originally called *Varyag*, this rebuilt vessel (an aircraft cruiser in the Soviet classification) used to belong to the Soviet navy. Begun in the mid-1980s, its construction was in progress at the time of the breakup of the Soviet Union. The unfinished carrier was assigned to Ukraine, which, however, lacked money to complete the construction, and in 1998, auctioned the vessel off to China where it was to serve as an amusement park. China eventually decided to complete, modernise and use its purchase in order to gain experience in operating this category of vessels. The aircraft carrier was launched into service on 25 September 2012.
 - 19 H. Brown (2012), 'America's Trouble with China,' *Project Syndicate*, 19 November. Available at <<http://www.project-syndicate.org/commentary/from-competition-to-confrontation-for-the-us-and-china-by-harold-brown>> (accessed 14 September 2013).
 - 20 In April 2001, a US reconnaissance aircraft collided in mid-air with a Chinese fighter plane in the area between the Chinese island of Hainan and the PRC military base on the Paracel Islands. The pilot of the fighter plane died as a result of the collision, and the 24-member crew of the damaged US aircraft had to resort to an emergency landing at Hainan Island airport, where they were subsequently detained and interrogated. After eleven days, the Americans were released, and US representatives sent Chinese leaders what is known as the 'Letter of the Two Sorries.' It expressed regret at both the death of the Chinese pilot and the aircraft's unauthorised entry into China's airspace and emergency landing on Chinese territory.
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 - 23 *China Daily* (2013), 07-08 September.
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 - 27 D. Shambaugh. (2013), *China Goes Global: The Partial Power*, Oxford University Press. Shambaugh identifies seven main schools of thought: Nativism (isolationist nationalism); Realism (activist nationalism); the Major Powers School, which sees the conduct of international affairs in terms of a concert of powers; the Asia First group; the Global South School, which believes China's main international identity is that of leader of the developing world; Selective (realistic) Multilateralism; and Globalism (liberal

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institutionalism). As for the relative strength of these ideological positions in the various Chinese institutions relevant for foreign policy-making, the Chinese army is the domain of the Realists, while the Ministry of Foreign Affairs prefers the concert-of-powers perspective and leadership in the developing world.

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- 39 The "Sahel" working group of the Foreign Affairs, Defence and Armed Forces Committee of the French Senate has drawn up a report titled 'Sa-

hel: Pour une approche globale' (submitted for debate on 03 June 2013). This document estimates that the population of the Sahel, which comprises eight North African states, including Mali, will in thirteen years grow from the current 81 million to 120 million. This will naturally generate enormous welfare, health care, public health, nutritional and educational challenges, which may, in turn, create a breeding ground for Islamic terrorist groups, infiltrating into the everyday life of local societies. The report assesses the situation as a potential direct security threat at Europe's threshold.

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