

Transatlantic strategies in the Asia Pacific

Findings of a survey conducted among EU and US foreign policy experts

TOP TEN FINDINGS

1. The level of satisfaction with the EU's current performance in the Asia Pacific is low and the EU is expected to assume a more active role in the region.
2. Experts view trade and investment as the primary interest of both the EU and US in the region, followed by non-proliferation and military build-up, climate change, energy and resources.
3. Territorial disputes in the region and non-traditional security challenges are not among top priorities for either European or American experts.
4. The highest level of convergence between European and American interests in the region was suggested in the areas of promotion of human rights and the rule of law, mediation in nuclear disarmament and non-proliferation, transparency in currency practices and transparency in military build-up.
5. American experts see the EU's added value in the protection of economic and trade interests, the promotion of human rights and the rule of law and its ability to engage regional actors on global governance issues.
6. Europeans see the EU's strengths in the protection of economic and trade interests, the promotion of regional integration and in its ability to engage regional actors on global governance issues. American experts, on the other hand, see the US's strengths as lying in the protection of economic and trade interests, transparency in military build-up and mediation in nuclear disarmament and non-proliferation.
7. Neither the EU nor the US are viewed as capable of playing a prominent role in mediation in territorial disputes.
8. Experts on both sides of the Atlantic see resolving domestic economic problems as a top priority if the EU and the US want to play a more prominent role in the Asia Pacific.
9. A slight majority of European experts considers closer cooperation with China more important than cooperation with the US.

10. Whereas for American experts strengthening military alliances in the region and America's own defence capability is important for consolidating the US's position in the Asia Pacific, these are the two least popular options among European experts.

INTRODUCTION

In today's world, the Asia Pacific region is a hub of global economic development and prosperity. Two thirds of the world's trade takes place within this area, making trade flows in the region of crucial importance. Rising China and India's 'Look East' policy means that the region has drawn renewed attention from foreign policy analysts either by offering more opportunities for growth and cooperation or by suggesting scenarios about friction and power balancing.

The EU has slowly come to understand the importance of the region but it still lacks a strategic approach. Europe's economic interests in the Asia Pacific region are vast. However, it would be erroneous to believe that due to a lack of geographical proximity, Europe has no role to play in this area apart from a purely economic one. The challenges in this part of the world are multi-faceted, ranging from traditional power balancing questions to non-traditional security issues and human rights-related topics. Hence, the EU has a broad range of options to choose from and decide where it wants to get involved, in which way and with whom.

For the moment, the US presence in the region provides regional and extra-regional actors, including the EU, with security and stability that enable free navigation, trade flows, peaceful development, and avoidance of violent conflicts or confrontations. Dialogue with the US on many of these issues might constitute one of the crucial elements in strengthening the EU-US strategic partnership. However, the increasing US interest in strengthening European involvement in the region might be an indication that the time may have come to 'split the bill'. The question that arises, therefore, is the following: how can the EU assume a more active and strategic role in the region?

The following analysis is based on the results of an online survey conducted by the EU Institute for Security Studies in February-March 2012. The objective of this exercise was to explore the possibilities for a more strategic EU involvement in the region – both within and outside the framework of the transatlantic relationship. The survey was distributed to 564 European and American officials and experts. The response rate was 18 percent. In the light of this response rate and given the variation in the geographical distribution of recipients, the results presented here should be interpreted as reflecting a small sample of expert opinion.

TRANSATLANTIC INTERESTS AND PRIORITIES IN THE ASIA PACIFIC

According to the survey, there seems to be a high level of dissatisfaction among Europeans with regard to Europe’s involvement in the region. Whereas almost all respondents agree that the EU should assume a more active role in the Asia Pacific (96 percent), more than half (57 percent) are not satisfied with the EU’s performance. But the survey also revealed broad common ground for advancing cooperation in the region on the basis of shared interests and priorities.

Europeans regard the region as of great importance, highlighting trade and investment issues (88 percent) and climate and the environment (72 percent). Surprisingly, issues such as non-traditional security challenges or territorial disputes do not appear to be among the priorities with only 32 percent and 14 percent, respectively, of European respondents identifying them as being important to EU interests. The result is quite unexpected given that promoting peace and security is one of the EU’s top priorities. At the same time, the region is home to trade routes whose disruption could prove detrimental to world commerce and prosperity given that one-third of seaborne world trade transits through the region.

From the American point of view, the areas of interest that were identified as important are trade and investment (100 percent), non-proliferation and military build-up (76 percent) and energy and resources (62 percent). Ranked as of less importance are territorial disputes (48 percent), non-traditional security challenges (35 percent) and financial regulation (31 percent). Here the results are less surprising, apart from the fact that, again, territorial disputes appear to be only the fifth most important issue with less than 50

percent of Americans identifying them as an important concern. Bearing in mind the Obama administration’s focus on the peaceful resolution of the longstanding territorial disputes of the South China Sea and the East China Sea, one would assume that the issue would be considered to be of greater importance. Furthermore, the deployment of 2,500 US marines at the Darwin base in Australia on a rotational basis and the stationing of four littoral combat ships (LCS) in Singapore clearly have as an objective to deter any aggression stemming from conflicting claims in the South China Sea. By attributing such a small importance to territorial disputes, the experts put into question the value of US policy choices.

Comparing and contrasting those results, there seems to be unanimous agreement on the great importance of trade and investment issues. Other than that, the transatlantic partners agree that non-proliferation and military build-up issues are of high concern but environmental questions are not as appealing to Americans as they are to Europeans.

The general picture suggests that there is no broad consensus on prioritisation of areas of interest with the only exception being the great importance that both partners attribute to trade and investment.

Table 1. Importance of the Asia Pacific to EU and US interests (very important only)

European Union (%)	United States (%)
Trade and investment (88)	Trade and investment (100)
Climate and environment (72)	Non-proliferation and military build-up (76)
Non-proliferation and military build-up (48)	Energy and resources (62)
Energy and resources (41)	Climate and environment (52)
Financial regulation (33)	Territorial disputes (48)
Non-traditional security challenges (32)	Non-traditional security challenges (35)
Territorial disputes (14)	Financial regulation (31)

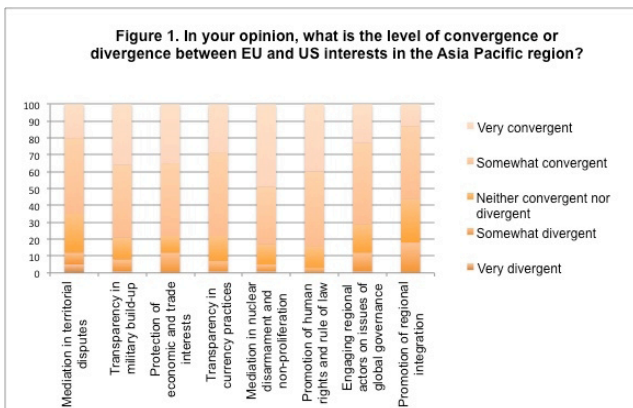
Colour coding: darker shading indicates areas where the Asia Pacific has greater importance for transatlantic interests. Only two areas (Trade and Investment and Climate and the Environment) were identified as a priority by a majority of experts on both sides of the Atlantic.

DRIVERS AND SPOILERS

The survey also examined the extent to which transatlantic interests may converge in a number of areas.¹

There seems to be a high degree of agreement that US and EU interests converge with regard to nuclear disarmament and non-proliferation issues, the promotion of human rights and rule of law, transparency in currency practices and transparency in military build-up.

When it comes to trade and investment – which were indicated as top priorities for both partners – a majority of respondents thought that there is a high degree of convergence between US and EU interests with regard to the protection of their economic and trade interests. Yet one in ten respondents were of the opinion that transatlantic interests are divergent in this area, which suggests the possibility of disagreement in the future. This confusing result may stem from the fact that some respondents interpreted convergence *vis-à-vis* China whereas others looked at it from a more bilateral perspective, meaning that EU-Asia economic goals will not always converge with US-Asia economic goals.



¹ This was the only part of the survey common to both European and American respondents.

Interestingly, respondents thought that the areas of least convergence lie in the promotion of regional integration and mediation in territorial disputes.

A closer investigation of the dynamics between convergence/divergence of interests and the priorities in the region was necessary in order to identify potential sources of conflict and cooperation between the EU and the US in the Asia-Pacific.

In order to identify potential spoilers and drivers in cooperation we have applied two criteria:

- **Drivers:** priority for the EU or for the US and high level of convergence. For instance, transparency in military build-up is a priority issue for the US with a relatively high level of convergence in interests. Hence, this could be a potential driver of cooperation.
- **Spoilers:** priority for the EU or for the US and low level of convergence, as in the case of economic and trade interests discussed earlier.

On that basis we have developed several categories of issues:

Priority	Convergence	
	High	Low
High	Dominant issue Cooperation	Dominant issue Friction
Low	Dormant issue Potential cooperation	Dormant issue Potential friction

This differentiation derives from the assumption that a high priority assigned to an issue does not automatically translate into cooperation. By bringing the levels of convergence and divergence into the picture, one can gain a better understanding of patterns of cooperation.

Table 2. Priorities and convergence of interests (in %)

	Priority to a large extent		Divergence and convergence of interests		
	EU	US	Very convergent	Somewhat convergent	Somewhat and very divergent
Transparency in military build-up	16	54	36	43	6
Mediation in nuclear disarmament and non-proliferation	24	52	49	34	5
Promotion of human rights and the rule of law	47	38	40	44	3
Protection of economic and trade interests	86	86	35	43	12
Transparency in currency practices	41	34	29	49	7
Engaging regional actors on issues of global governance	74	52	23	48	12
Mediation in territorial disputes	3	7	20	45	12
Promotion of regional integration	34	17	13	43	18

Colour coding: in orange, issues on which US could lead; in blue, issues on which the EU could lead: the darker the shading, the more chances for cooperation, while the lighter the shading, the more chances for conflict; in green, a dominant issue with potential for joint action but also conflict.

Based on the factors and responses presented in Table 2, we have identified transparency in military build-up, mediation in nuclear disarmament and non-proliferation, the promotion of human rights and the rule of law and engaging regional actors on global governance issues as areas conducive to fruitful cooperation.

Taking into consideration the importance that each partner attributes to these issues, the US could hold the lead in transparency on military build-up and mediation in nuclear disarmament and non-proliferation while the EU could take the lead in the promotion of human rights and the rule of law.

A quick look at other areas suggests the following model for division of labour:

US lead: Transparency on military build-up; mediation in nuclear disarmament and non-proliferation

EU lead: Promotion of human rights and rule of law; engaging regional actors on global governance issues

Potential joint action: Protection of economic and trade interests

Potential US lead: Mediation in territorial disputes

Potential EU lead: Promotion of regional integration; transparency in currency practices.

CAPABILITIES AND EXPECTATIONS

We asked our American experts to give us their views on the expectations that the US has been harbouring *vis à vis* EU policies in the Asia Pacific. American experts think that the EU could make a valuable contribution in the following areas: (i) human rights, (ii) the economy and trade and (iii) engaging regional actors on global governance issues. The Union's value appears to be limited, according to the respondents, regarding transparency in military build-up and nuclear proliferation and disarmament topics. Surprisingly, even though the 'EU as a soft power' stereotype is once again confirmed by these views, Americans do not think that the EU could contribute a lot when it comes to regional integration and peaceful resolution of territorial disputes. Regarding Europeans' expectations *vis-a-vis* the US, the latter is regarded as a crucial actor when it comes to military transparency, the protection of economic and trade interests and nuclear disarmament and non-proliferation.

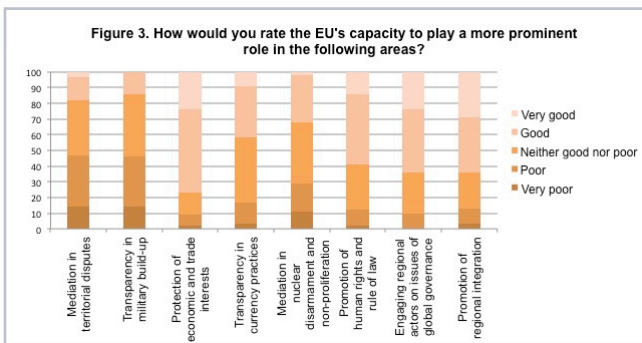
The EU's capacity to act as a more prominent player, as viewed from both EU and US perspectives, is not as high as we would expect. US experts recognise the EU's influence on questions related to trade given the latter's great economic leverage in the region and worldwide. Furthermore, the EU is regarded as a rather influential player in terms of its ability to engage other actors on global governance and human rights issues. These views confirm the stereotype that the EU can be a 'soft power' with great influence on issues relevant to its soft power character.

Surprisingly, almost half of the European experts think that the EU has either poor or very poor policy tools when it comes to mediation in territorial disputes.

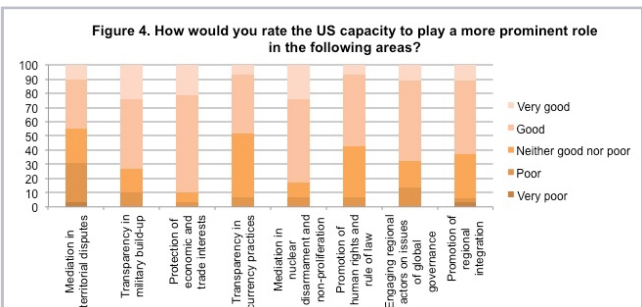
Interestingly enough, the US is not regarded as a power whose influence could contribute to a peaceful resolution of territorial disputes either. On the other hand, however, the US is considered to have the potential to influence military transparency-related questions as well as nuclear disarmament and non-proliferation issues. American potential to exert influence in the field of human rights and transparency in currency practices appears to be regarded as limited. Nevertheless, the US is perceived as the pre-eminent military power.

IMPROVING PERFORMANCE

Lastly, the participants were asked to identify the main policy tools that the EU and the US need to elaborate in order for them to be able to attain their objectives. Here the results shed a great deal of light on the prospects for transatlantic cooperation in the Asia Pacific. For the European experts, improving the economic performance of the EU looms as the top priority for the EU followed by more active participation in regional organisations.

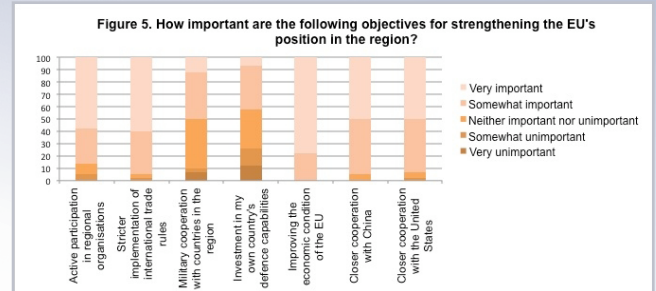


Closer cooperation with China is considered to be a more important policy tool for the Union than cooperation with the US. Finally, as might be expected, improving military cooperation with countries in the region or investing in national defence capabilities are the least popular options for Europeans. For the American position in the region to be

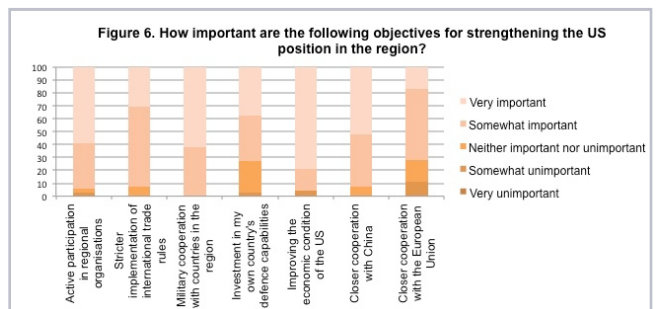


strengthened, American experts support the idea that the US needs to expand its military cooperation with Asia Pacific countries. Resolving domestic economic problems seems to be also a very popular choice among Americans along with active participation in regional organisations and closer cooperation with

* **Patryk Pawlak** is Research Fellow at the EUISS where he deals with EU-US relations and US domestic and foreign policies. He is currently involved in research on transatlantic cooperation in the Asia Pacific and interlinkages between the EU's CSDP and JHA policies.



China. Surprisingly, Americans do not believe that they need to invest more in their own military capabilities. Last but not least, Americans do not necessarily see their objectives in the Asia Pacific being accomplished more readily through cooperation with the EU, as this option emerged as the least preferable among our respondents.



CONCLUSION

These findings demonstrate a substantial potential for cooperation between the US and the EU in the Asia Pacific. The transatlantic partners should capitalise on the different and complementary qualities that each of them brings to the table. The division of labour pattern that emerges from this study suggests that the US could lead on transparency on military build-up and mediation in nuclear disarmament and non-proliferation. The EU, on the other hand, could offer leadership in promoting human rights and engaging regional actors on global governance issues. At the same time, both the EU and US need to be aware of a potential for friction, in particular in areas like the economy and trade. Strengthening the transatlantic dialogue on Asia Pacific issues, information sharing and clear articulation of each side's interests would be an excellent point of departure to forestall potential damage.

Eleni Ekmektsioglou has been working at the EUISS since January 2012. She is a non-resident fellow with Pacific Forum CSIS and has a Masters Degree from the War Studies Department at King's College, London.

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