Asia's rise means we must re-think EU-US relations

Article by Werner Weidenfeld with commentary by Marcin Zaborowski, *Europe's World*, Spring 2007

How should European and American policymakers respond to the inevitable rise of China and India on the world scene? Werner Weidenfeld assesses the ways in which international relations will undergo change in the years ahead and looks to a new Atlantic partnership.

The global political landscape is about to enter a new era in which international relations will be reshaped. It will be a process characterised not only by political debates between old alliances but also by changed constellations involving new powers and different challenges.

East and South Asia will be competing for Middle East resources that at present flow to Europe and the US, so energy security will call for some major adaptation efforts by the West. Global interdependence, above all in security, means the European Union will have to raise its game substantially as a way to secure its relations with the United States. Conflict threats that will range from increasingly professional international terrorism and asymmetrical warfare to nuclear and WMD proliferation, along with regional crises and the fall-out from failed states will demand a combined US-EU effort on security and stability.

These new risks will combine with high energy dependency, growing migration pressures and the need to ensure that world trade is unimpeded as reasons for Europe and the US to safeguard the economic, financial, political, cultural and social ties between the two continents. This means that Europe and the US will need to re-define their roles in a world in which EU-US relations will no longer be at the heart of the international system. Both will have to act together because these future economic and political developments are going to demand the establishment of new forms of order.

China and India will be the fastest growing markets for the next 15 years, and the consequences for the world economy will be increasing demand both for commodities and for goods and services. More important still, this economic growth will have to be fuelled with huge amounts of natural resources. Both China and India have therefore been developing their own strenghtened economic ties with the Middle East, and Iran especially, so as to gain access to oil and gas. Beijing is increasing its oil diplomacy efforts in Africa, too, and the double-digit growth of Chinese military expenditure is already provoking great concern in Washington about China's strategic role. Chinese and Indian policymakers have similar attitudes towards traditional power-policy, attributing regional and global political influence to the size and amount of their military inventories, including nuclear weapons. Unresolved security issues in their direct neighbourhoods like Taiwan and the Korean peninsula, meanwhile, are putting additional pressure on the West to develop fresh political initiatives to integrate them into the international system. All these aspects of the situation are certain to have a direct impact on existing security-related ties between Europe and the United States.

COMMENTARY by Marcin Zaborowski

The bottom line is that Europe and America both want a stable China

The central thesis of Werner Weidenfeld's argument is that the rise of India and China will lead to the recasting of transatlantic relations and it is not only absolutely correct but is also already happening. There can be no doubt that for Washington the relative importance of transatlantic relations has declined; Europeans visiting Washington are quickly made aware that the EU no longer attracts much attention there. European officials find it increasingly hard to meet their American counterparts, seminars on transatlantic relations in the US attract a dwindling number of (mostly Democrat) pro-European diehards, while a meeting with, say, a Chinese Minister is guaranteed to attract a (mostly young and diverse) crowd. In the eyes of the Washington establishment, it is not Europe but India, China and the developing world that are worth getting excited about.

I agree with Weidenfeld's thesis that Europe needs to unite if it is to count on the global stage. To achieve this, the EU must first concentrate on its internal reform, and so move forward on the stalled constitutional treaty, and it must do so first and foremost on the provisions that relate directly to EU foreign policy. After all, these were not among the reasons the treaty was rejected in the Dutch and French referenda.

COMMENTARY continued

As the EU matures into a global player, its views on international issues, including the rise of China and India, will inevitably differ at times from those of the US. The debate about the EU embargo on arms sales to China shows that this has already begun to happen. The EU's decision on whether to lift the embargo has been delayed for the time being, and the US remains staunchly opposed to any European policy change on this, while the EU is concerned that if it does so it might seriously undermine any chances of a post-Iraq transatlantic rapprochement.

It has been argued that the EU's decision on this issue will be of more symbolic than practical significance. The issue is of course highly symbolic for EU-China relations, but it is also important for the EU itself and its emerging role as a foreign policy actor. The EU's suspension of its arms embargo decision is widely interpreted by both the Chinese and the Americans as evidence that the Union lacks both a strategic perspective and the ability to act independently vis-à-vis China. But transatlantic considerations in this decision seem exaggerated, if not misjudged. America's equally close allies Israel and Australia are selling arms to China, and so far that has not led to significant friction with Washington.

The arms embargo has been a major focus of the transatlantic debate on China, but there seems little doubt that the issue's importance has been blown up out of all proportion. On the majority of East Asia issues, the positions of the EU and the US are very close. Like the US, the EU is interested in a peaceful resolution of the Taiwanese issue and in preventing any risk of instability in East Asia. The EU is also as concerned as the US about the link between China's energy investment and its leniency towards Iran and Sudan. And like the US, the EU considers some of China's economic practices to be protectionist and it takes a similar position on the Chinese currency, demanding that it be allowed to appreciate in value. Finally, the EU shares and fully supports the US's demand that Beijing should crack down on intellectual property piracy.

Although similar, the interests of the EU and the US regarding China are not identical. Unlike the US, the EU is not militarily present in East Asia and does not represent an important element of the balance of power in the region. China's military modernisation clearly bothers the US, but that is not true of the EU, which tends to see it as a natural consequence of China's growing international status. The US debate focuses on the rapid growth in China's defence spending, while Europeans point out that even if China spends twice as much every year as the $35bn it declares, this is still a small fraction of the Pentagon's annual budget of over $500bn.

Never before has the global political agenda included so many issues at once. So far, though, Europe and the United States have conducted no substantive strategic dialogue about any of these challenges. Instead of agreeing a common approach to the emerging new powers, they have different, if not diverging, perceptions of steps that need to be taken. And of course, when it comes to East and South Asia, the two transatlantic partners have different interests. For Europe, the growing Chinese market is an economic opportunity, whereas for the US China represents a strategic security challenge. It is worth recalling the intensity of American reactions to the possibility of Europeans ending their weapons embargo against Beijing; there is quite obviously a need for better transatlantic agenda-setting and consultation.

Europe, for its part, does not share the American view of Indias' role as a strategic counterweight to China's emerging power. The civilian-use nuclear technology deal between India and the US in early 2006, which undermined the nuclear non-proliferation treaty, was not communicated to European governments in advance of its announcement. It was the sort of developments that does little to further the development of a common transatlantic approach towards the rising powers of Asia.

Transatlantic relations are in any case currently in poor shape. There are still many unresolved questions over the relationship between the European Security and Defence Policy (ESDP) and NATO. While the Atlantic alliance is itself engrossed in an intense debate over its own security strategy. The relationship between the EU and NATO in fact seems to be working quite well at an operational level in the Balkans, but the two still lack a solution to their differences at a higher political level. The constraints on transatlantic relations are anyway far from being limited to security issues; despite the increasing trade exchanges and rising flows of foreign direct investment in both directions, economic competition between the two has led to discordant notes and disputes within the World Trade Organization.

A major hurdle that has to be cleared before a new transatlantic understanding can be achieved is the EU's lack of a clear profile as an international security player. Contrary to many Europeans' expectations, and to their intuition that the end of superpower confrontation would free them from insecurity, the world today faces unprecedented disorder, risk, crisis and danger. It is therefore in Europe's own best interest to assume more global responsibility, but it would seem that neither the EU's citizens nor the vast majority of its member governments are aware of the importance of doing so.

In the United States, last November's mid-term elections may create a new opportunity for change. The Democrats' majority in the Congress and new leadership at the Pentagon may bring about changes to American foreign and security policy, even if it does not undergo a complete

COMMENTARY continued

Nor do Europeans always share America's security assessment in the region; they are unwilling to participate in the "China-hedging" strategy. As the EU further develops its foreign policy role, and as its political presence in East Asia
grows it seems inevitable that currently minor transatlantic differences over East Asia will become more apparent and perhaps more consequential. But it is far more important that Europe and the US should continue to share the view that a stable, prosperous and internationally responsible China is in their common interest.

reorientation. An adjustment of America's strategies both in Iraq and in the war against terrorism seems likely to happen, with the Americans increasingly in need of support from their European allies. Britain's Prime Minister Tony Blair has indicated the direction in which a new strategy could go when he called for a greater role of Syria and Iran in the Iraq stabilisation effort, thus breaking with the axis-of-evil approach of the Bush administration. This will also have consequences for the political approach towards China and India on non-proliferation and the nuclear question concerning North Korea. For Europe, all this means that further steps will need to be taken towards enhancing its role as an international security actor.

A number of important steps have in fact been taken since the ESDP's establishment back in 1999. The development of operational capabilities and the setting up of institutional structures for civilian and military crisis management, the launch of the European Defence Agency, the global deployment of civilian and military EU missions, and the adoption of the European Security Strategy all reflect a new political will in the EU to establish itself as a credible actor in international affairs.

But in spite of these different recent advances, security and defence policy in Europe is still characterised by divergent national policies and by persisting allusions to national sovereignty. Insufficient use has so far been made of the synergies to be gained from closer defence cooperation. By much the same token, Europe will remain unable to represent its interests on the global stage if it continues to follow its prescut approach of selective cooperation. All this reflects the complex structures and competences within the European Union where foreign and security relations are concerned. A recent and striking example of this came at the EU-US summit in Vienna last year, when no less than five European leaders representing different EU institutions met with US President George W. Bush and his Secretary of State Condoleezza Rice.

These structural deficits could easily be addressed by implementing the relevant parts of the EU's presently becalmed constitutional treaty, most notably by pressing ahead with the plan to appoint an EU Minister for Foreign Affairs. And because capability deficits still characterise the relationship between the US and Europe when it comes to security and defence policy, what is also needed is a much more determined effort to pool European defence capabilities.

In the long run, this may yet lead to the creation of a European army, with all the appropriate organisational and command structures it needs at a European level. The establishment by the EU countries of integrated armed forces could have positive internal and external effects. It would enhance Europe's military capabilities and promote the much more efficient use of national defence budgets that are at present under increasingly heavy pressure. Participating states would be further encouraged to establish a common market for defence equipment, and the creation of a European army would tie the states of Europe closer together in the field of security policy than at any time in their history. Interlinking national security and defence policies would push EU member states towards a common European culture of strategic thinking and planning. Once the EU begins to speak with one voice, its profile on the international stage and within the atlantic alliance will rise, and it will begin to play a more active role in shaping global developments. A common EU defence arm would also have far-reaching consequences for transatlantic security structures, as Europe would quickly become a more equal partner in NATO.

Europe's enhancement of its capabilities within the transatlantic partnership will involve not only military and civilian crisis management instruments but also a sharper definition of its international relations profile. If the emerging powers of Asia are to accept the atlantic alliance as a relevant player in the region and globally both of the Atlantic partners will need to agree a common agenda for re-defining and relaunching their partnership.

Werner Weidenfeld is Director of the Center for Applied Policy Research in Munich (CAP) and a member of the Executive Board of the Bertelsmann Stiftung

Marcin Zaborowski is a research fellow at the European Union Institute for Security Studies in Paris