

# Reshaping the East Asian Security Order: US-China Hedging and the EU's Strategic Choices\*

ATANASSOVA-CORNELIS, Elena\*\*

## Abstract

*This article examines US-China hedging in East Asia and its implications for the evolving regional security order. It also explores in what ways the dynamics in relations between Washington and Beijing influence the role of the external powers, namely the European Union, in shaping a stable security order in East Asia. The article argues that the competitive aspect of Sino-US hedging, not least driven by regional wariness of Chinese military rise, ensures the continuity of the US-led security system. The cooperative side of this mutual hedging assures Asian states that major power conflict has been minimised, thereby easing regional concerns about instability. For the European Union, with its limited role in East Asian geopolitical dynamics, the shifting balance between competition and cooperation in US-China relations leaves few options for influencing regional order building.*

## Keywords:

United States, China, hedging, East Asian security, European Union

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\*\* Lecturer in East Asian International Politics, Catholic University of Leuven & University of Antwerp, Belgium

## INTRODUCTION

The rise of China and its consolidation as a major power is one of the most important changes in global politics in the 21<sup>st</sup> century. China's rise presents a challenge to the international strategic order and US global primacy by questioning, in particular, America's hegemonic position in East Asia. Indeed, for more than half a century the US dominance in Asia has been sustained by the "hub-and-spoke" security system of bilateral military alliances between Washington and regional states, notably Japan and the Republic of Korea (ROK), as well as countries in Southeast Asia. American commitments in the political, economic and security areas have provided for regional economic growth and stability, thereby ensuring the US its leadership position in East Asia. However, America's regional primacy is no longer that obvious. Since the late 1990s the People's Republic of China (PRC) has strengthened its regional role and military posture, and, more importantly, has become the driving force of East Asia's economic dynamism. China's emergence as a locomotive for regional economic growth and its embrace of multilateralism has significantly reduced the "China threat" perception in the region. As a result, most Asian states have come to perceive China's rise as beneficial to Asian stability, which, in turn, has opened up the way for a reshaping of regional order along the lines of expanded cooperation and multilateralism.

The US and China have both responded to the strategic uncertainty of the changing balance of power in East Asia with mutual hedging strategies. Worried that the PRC may seek to alter the American-centred regional order as its power grows, Washington has reinforced its security alliances and partnerships in East Asia while simultaneously emphasising common interests and bilateral cooperation with Beijing. China, for its part, has seen the consolidation of the hub-and-spoke security system as directed at the PRC and hence aiming to constrain its rising power in East Asia. While seeking to expand areas of cooperation and avoid unnecessary conflict with America, China has focused on military modernisation and pursued active regional diplomacy. For Asian states, as they remain wary of Beijing's long-term strategic goals in the region but at the same time increasingly pulled into China's economic orbit, choosing a side would undoubtedly be the worst case scenario.

This article takes a closer look at US-China hedging in East Asia and

examines how the dynamics of major power relations are reshaping the evolving regional security order. It also explores the implications of US and Chinese policies for the role of the European Union (EU)<sup>1)</sup> in shaping a stable order in East Asia. The article starts by analysing America's post-Cold War security strategy in the region and Washington's approach towards the PRC. It then looks at the Chinese objectives in East Asia and its strategy towards the US. Subsequently, the discussion explores the recent dynamics in US-China relations under the Obama administration by emphasising also the policies of the Asian states, and examines the opportunities and constraints for the EU to influence the evolving regional order.

### **US POST-COLD WAR SECURITY STRATEGY IN EAST ASIA AND POLICY TOWARDS CHINA**

The US post-Cold War strategy in East Asia has largely aimed to preserve the American-led regional order, which was established in the early post-war years. The sustainability of the hub-and-spoke order during the Cold War was ensured by, what has been referred to as, the "grand bargain" (Ikenberry 2004) between the US and the Asian states. In return for providing security protection and opening its markets to East Asian exports, America expected the regional countries to support its global strategy of containment as Washington led the anti-Communist half of the bipolar divide (*ibid.*). Japan's spectacular economic growth in the 1970s and the 1980s, and, more generally, East Asia's economic development based primarily on export-oriented policies (for example, of South Korea, Singapore, Taiwan and Hong Kong), were to a large extent possible due to the US security guarantees and its absorption of regional goods. For America, on the other hand, its growing economic stake in the region complemented Washington's primary geopolitical objective of containing the Soviet power. By building military bases in Japan, the ROK and the Philippines, the US gained critical strategic access to East Asia and thereby established its hegemonic order.

With the demise of the Soviet Union and the disappearance of the Communist threat the balance of power dramatically changed both global-

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1) In this article, Europe and the European Union as a regional entity are used interchangeably. Accordingly, the discussion does not examine the policies of the individual EU member states towards East Asia.

ly and regionally. Although the US victory in the 1990-1991 Gulf War meant that America had emerged as *the* supreme military power, Washington faced a dilemma concerning the purpose of its power in the long-term and its objectives in East Asia (Pollack 2007). During the Clinton administration, it was stressed that in order to protect US security interests America should promote stability and prosperity in key regions of the world such as East Asia, and prevent or reduce a diverse set of threats, including those originating from states like North Korea (The White House 1998). Maintaining a credible military force in East Asia, as well as strengthening alliances with Japan and South Korea, among others, were identified as crucial for America's post-Cold War regional strategy (ibid.). Although China was not singled out as a potential threat at the time, and indeed the US underscored its interest in the PRC's "emergence as a stable, prosperous nation", Chinese growing military power was seen as presenting "an array of potential challenges" (US Department of Defense 1998: 31).

While America continued to rely on traditional, or military, instruments of power, Clinton's East Asia strategy also strongly emphasised the deepening of economic and trade ties, promotion of democratic values and political changes, and support for regional multilateralism (ibid.; The White House 1998). Washington's engagement policy towards the PRC, which could be discerned in President Clinton's decision in 1994 to end the conditioning of China's most-favoured-nation status on Beijing's human rights policies, may be seen from the perspective of this approach. Indeed, the US support for the PRC's entry into the WTO and its participation in various regional fora was representative of the administration's arguments that enmeshing China in Asian and global institutions would foster the government's compliance with accepted norms and rules of behaviour on various issues, including human rights, as well as make Chinese policies more in line with US interests (Ikenberry 2004; Sutter 2010). Engagement of the PRC was pursued, for example, by starting bilateral military-to-military exchanges, and especially high-level summits in the late 1990s between President Clinton and the PRC's President Jiang Zemin. Clinton then reaffirmed America's "one China policy" and the three "no's",<sup>2)</sup> while

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2) They refer to US non-support, first, for Taiwanese independence, second, for two Chinas, and, third, for Taiwanese membership in international organisations where statehood is required.

the two sides labelled their bilateral relations as a “constructive strategic partnership”. To be sure, this “embrace” of the PRC by the administration was not without its critics in the US. Opponents were to be found in the media, interest groups and in Congress, with those on the Left objecting what was seen as a sacrifice of America’s liberal ideals and values for commercial gains, and those on the far right side of the political spectrum demanding the containment of a rival (Pei 2007; Sutter 2010).

It was also during the Clinton administration that the competitive aspect of US China hedging started to emerge; it reflected America’s growing concern about the implications of China’s rise for US regional interests. This hedging was seen, in particular, in US relations with Taiwan and Japan, and became more pronounced under George W. Bush. US commitment to Taiwan’s defence was demonstrated when the Clinton administration deployed two aircraft carrier battle groups in the spring of 1996. Washington also sought to consolidate its alliances in East Asia and in 1997 adopted – together with Tokyo - the revised bilateral Defence Guidelines for cooperation. Issued one year after the 1996 Taiwan Strait crisis, the document included the ambiguous concept “situations in areas surrounding Japan” and left Beijing guessing whether a potential Taiwan conflict would fall within the scope of the alliance or not.

The US East Asia strategy during the Bush administration made a significant departure from Clinton’s policies in that it explicitly focused on preserving America’s primacy, preventing the emergence of a rival and embracing military instruments of power as primary tools for achieving US national security objectives (Pollack 2007). Concerning China, Washington’s approach in the first year of the administration suggested containment. The PRC was depicted as “a strategic competitor”, Bush approved a large arms sale package to Taiwan, and America appeared to move away from the long-standing “strategic ambiguity” towards “strategic clarity” in its policy towards the Taiwan Strait. However, in the wake of the September 11<sup>th</sup> terrorist attacks and the subsequent US preoccupation with the “war on terror” and Iraq, Washington’s China policy came to emphasise engagement. The PRC was now portrayed as a “responsible stakeholder” in the international system and, as a major expression of this US recognition, became a crucial partner to Washington in tackling terrorism and in dealing with the North Korean nuclear issue. On Taiwan, the Bush administration appeared to redefine America’s commitment to the island:

it openly criticised President Chen Shui-bian for what was perceived as his provocative behaviour towards the PRC and explicitly expressed the US government's non-support for a unilateral change in the status quo on either side of the Taiwan Strait (Chu 2007; Pollack 2007).

To be sure, the US engagement of China under Bush was arguably underpinned more by realist and pragmatic calculations than by a liberal agenda. Being "strategically" distracted elsewhere, 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 (Sutter 2010). As will be discussed in the following sections, the transformation of Chinese regional strategy and position in Asia, especially the decline of the "China threat" perception and the PRC's increasing role as a locomotive of regional economic growth, meant that any attempt to build a US-led containing coalition was doomed to failure. America's recognition of this new geopolitical reality, together with its deepening economic interdependence with China, also gave impetus to the US engagement policy under Bush.

While emphasising common interests and cooperation with Beijing, Washington simultaneously focused on contingency planning in case of deterioration of ties, hence adopted a policy of "hedged engagement" (Medeiros 2005; Pei 2007; Sutter 2010). Indeed, China's growing economic, military and diplomatic clout in East Asia, and the challenges these developments appeared to pose to US primacy in the region and, by extension, globally, contributed to the "China threat" perception in America. Uncertainties concerning Beijing's strategic goals led to worries in Washington that China, as it was becoming stronger, might seek to alter the structure of the regional order and hence contest the US leadership position, as well as its interests in East Asia (Medeiros 2005). In particular, US official documents during the Bush administration stressed that the PRC had the "greatest potential to compete militarily with the US", expressed concerns that China's military modernisation had implications going beyond Beijing's "immediate territorial interests" (i.e., the Taiwan issue) and repeatedly underscored the limited transparency in the PRC's defence policy, which was viewed as increasing "the potential for misunderstanding and miscalculation" (US Department of Defense 2006; *Annual Report to Congress: Military Power of the PRC*, various years).

The competitive aspect of US China hedging became more pronounced under Bush and included the reinforcement of America's security alliances and partnerships in East Asia, with its alliance with Japan playing a central role in this hedging strategy (Medeiros 2005). Although the primary rationale for the US-Japan alliance's strengthening in the post-Cold War era has been the North Korean military threat, shared concerns about the rise of Chinese military power have acted as an additional stimulus for Washington and Tokyo to deepen their military ties. The Bush administration's open support for Japan's more assertive security role, for example in the framework of the Afghan and Iraqi campaigns, and Washington's emphasis on a joint development of a Ballistic Missile Defence (BMD) system sought to cement Japan as a main pillar of the US-centred security system in East Asia. Additionally, America under Bush enhanced its defence ties with partners in Southeast Asia, including the Philippines, Thailand, Singapore and Vietnam, by means of anti-terrorism and maritime security cooperation, as well as provision of military aid (Medeiros 2005; Sutter 2009).

### **CHINESE POST-COLD WAR SECURITY STRATEGY IN EAST ASIA AND POLICY TOWARDS THE US**

China's regional strategy in East Asia and its approach towards the US reflect Beijing's foreign policy objectives, which, in turn, are driven by internal motivations. Following the dissolution of the Soviet Union and the decreased appeal of the communist ideology, the Chinese Communist Party (CCP) had to find other means in order to justify the legitimacy of its one-party rule. The top priority for the leadership became sustaining high levels of economic growth with a view to alleviating poverty, raising the standard of living and maintaining public support for the CCP. The "twin goals" of economic growth and domestic stability have become the primary motivations for the PRC's external behaviour, leading thereby Chinese decision makers to conduct foreign policy in a way most favourable to achieving these objectives (Medeiros 2009). Additionally, a historically-based perception that China has a legitimate right to retribution for past "humiliation", especially by Japan, and to "regaining" lost territories, including Taiwan and the disputed islands in the East China Sea (Terrill 2005), have shaped Beijing's policies. This "victimisation narrative" has

been fostered by the CCP as an important source of its legitimacy, as well as influenced the primary focus accorded to issues of sovereignty and territorial integrity in the country's diplomacy (Medeiros 2009).

The PRC's post-Cold War strategy in East Asia emerged more clearly in the late 1990s. It was a response to the growing "China threat" perception in the region and reflected the worries of the CCP leaders that a hostile external environment could jeopardise the primary goal of China's economic development. In addition to suffering international isolation in the wake of the 1989 Tiananmen incident, the PRC recognised by the late 1990s that Asian states had become increasingly suspicious of Beijing's intentions. The direct triggers were Chinese assertiveness in 1995 in pursuing its territorial claims in the South China Sea and its large-scale military exercises in the Taiwan Strait prior to Taiwan's presidential elections in 1996. While protecting "national sovereignty, territorial integrity, and maritime rights and interests" are defined as core Chinese national security goals (Information Office of the State Council of the PRC 2004), the PRC's assertiveness in addressing those interests in the 1990s appeared to raise the prospect of containment by the US and Asian states (Foot 2006).

America, in particular, came to be perceived as *the* power, which could pose the greatest threat to Chinese interests and regional ambitions, given its deep security and economic involvement in East Asia, as well as its global preponderance in power after the demise of the Soviet Union. For Chinese analysts, Clinton's regional strategy was simply seeking to preserve and consolidate the US hegemonic order: America was seen to engage the PRC in order to foster a political change towards democracy in the country, and to contain it by hindering reunification with Taiwan and strengthening its alliance with Japan (Li 2009).

It is in this context that Beijing's rhetoric about multi-polarity, which dominated Chinese discourse in the early 1990s, was replaced in the second half of the decade by a broader acceptance among the PRC's leaders and analysts of the inevitability of the US continuing dominance (Foot 2006). Chinese official documents, published during the Bush era, expressed criticism of (US) "hegemonism", "unilateralism" and "strategic dominance" in the international arena (Information Office of the State Council of the PRC 2004, 2006). At the same time, the PRC's leaders recognised that a *Pax Americana* in East Asia would likely endure for sometime

to come. Indeed, the Bush administration's reinforcement of the hub-and-spoke system showed that the US was intending to sustain its primacy. Washington's continuing security commitments were also welcomed by Asian states, especially by major US allies such as Japan. China, however, worried that the strengthening of the US-Japan alliance was directed at the PRC, with Tokyo being used by Washington as a major tool in its strategy of balancing the PRC's rising power (Wu 2005/6). Recognising the potentially high costs of confrontation with America and seizing the opportunity of the US strategic "distraction" with the war on terrorism, Beijing embraced a new approach towards America in the early 2000s. The PRC largely sought to accommodate US hegemony, while at the same time hedging against a possible negative impact of America's dominance, especially in East Asia, on Chinese interests (Foot 2006).

The cooperative side of the PRC's strategy towards the US included toning down its opposition to "hegemonism" and American power in East Asia, expanding areas of cooperation, and trying to avoid conflict while protecting its core interests (Foot 2006; Pei 2007; Sutter 2010). Examples of this, in all likelihood, well balanced approach include Beijing's restrained reaction to President Bush's shift in 2001 towards a policy of strategic clarity regarding Taiwan, as well as China's assumption of a leading role in the Six-Party Talks (SPT) in part due to US insistence for a multilateral settlement of the North Korean nuclear issue. At the same time, although CCP leaders sought to avoid escalation of tensions, they continued to remind the US (and its allies) not to encroach on core Chinese interests. In response to the 2005 US-Japan Joint Statement designating the peaceful resolution of the Taiwan issue as one of their "common strategic objectives", Beijing underscored that Chinese domestic affairs "should by no means be deliberated in the framework of the security alliance" (Xinhua 2005). The PRC also repeatedly protested US arms sales to Taiwan by describing them as "a crude interference in China's internal affairs" that "harms China's national security and peaceful reunification efforts" (People's Daily 2010; Information Office of the State Council of the PRC 2004, 2006, 2009).

The competitive side of China's US strategy focused on reducing the risk of containment by America and its East Asian allies, notably Japan, as well as deterring Taiwan from declaring independence and raising the costs of a third party involvement in a potential conflict in the Strait. The

continuing perception by many in China of the US as a major threat to the PRC's domestic stability and to its aspirations for a great power status has motivated Beijing to pursue policies that would create a regional environment conducive to Chinese interests, while limiting (but not openly confronting) America's hegemonic behaviour in East Asia (Wang 2005; Medeiros 2009). The main components of this hedging strategy are Beijing's diplomacy of regional reassurance and its military modernisation efforts (Medeiros 2005; Foot 2006; Pei 2007).

China's embrace of multilateralism since the late 1990s has emerged as a major aspect of its East Asia strategy and of its hedge against US dominance. Beijing has been active in the ASEAN+3 (APT) process, has strengthened its presence in the ASEAN Regional Forum (ARF) and has promoted the SPT as the best option for resolving the DPRK's nuclear issue. China has sought to engage ASEAN by using multilateralism in combination with other soft power tools (Atanassova-Cornelis and Mendes 2010), for example, by initiating a Free Trade Area (FTA). The PRC has also shown its commitment to ASEAN's principles of peaceful resolution of disputes and non-interference by becoming the first non-ASEAN state to sign the Treaty of Amity and Cooperation (TAC). Furthermore, 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 the regional institution building (Sutter 2010).

At a conceptual level, CCP leaders have focused on reducing the "China threat" perception and, linked to it, apprehension in East Asia regarding the PRC's rising (military) power. Beijing has promoted a defensive image by stressing that China "will not pose a military threat to any other country", and "will never go for expansion, nor will it ever seek hegemony" (Information Office of the State Council of the PRC 2004, 2006). China has also made efforts to increase its military transparency by publishing since 1998 biannual "White Papers on National Defence" and engaging in defence exchanges. Contemporaneously, it has launched the "new security concept", has articulated a "peaceful rise/peaceful development" discourse and has projected an image of a "responsible great power". Taken together, Beijing's active participation in various regional institutional arrangements and its new conceptual framework of China's rise have sought to reassure Asian states about its benign intentions, as well as to demonstrate the benefits of a stronger China. The PRC's regional diplomacy is thus a

recognition of the existence of the security dilemma in East Asia, as well as of the danger of a potential counterbalancing US-led coalition, which could jeopardise China's primary objective of economic and social development (Zhang and Tang 2005).

In parallel to its reassurance campaign, the PRC has since the 1990s pursued military modernisation, has seen a double digit growth of its defence spending and has implemented major organisational reforms in the People's Liberation Army (PLA). Most observers have concluded that, in the near-term, the primary goal for the PLA is to prepare for Taiwan contingencies (see Quadrennial Defense Review 2006; Annual Report to Congress 2009). China's modernisation especially of its nuclear and conventional missile arsenal, and the Hu administration's adoption in 2005 of the Anti-Secession Law suggest that Beijing is prepared to seek a more coercive approach to the reunification issue in the future. On the other hand, the PLA's deployment of short- and medium-range missiles has increased its ability of striking not only Taiwan, but also other targets in East Asia, including Japan and some of the main US military bases in the region. China's successful anti-satellite weapon test in 2007, and its plans for deploying ballistic missiles and special guidance systems that could target warships far from its shores have raised questions in Washington about the implications of the PLA's "anti-access/area-denial" capabilities for the broader US interests in the region. According to former US Defence Secretary, Robert Gates, "China's military modernisation could threaten America's primary means of projecting power and helping allies in the Pacific" (as quoted in, US-China Economic and Security Review Commission 2010: 74). For Asian states, especially Japan, but also countries in Southeast Asia, their wariness of the PRC's strengthened military power has translated into continuing support for the US security umbrella. This, in turn, has ensured that the hub-and-spoke security system remains in place.

## **SINO-US HEDGING UNDER OBAMA AND THE STRATEGIES OF EAST ASIAN STATES**

US-China hedging under Obama appeared to emphasise cooperation and engagement in the first year of the administration, and competition in the second year. Bilateral relations started well in 2009 and showed relative stability throughout the year. The relationship was labelled as "positive,

cooperative and comprehensive”, and a new, high-level Strategic and Economic Dialogue was established to elevate it to the level of a global partnership. The US administration focused on reassuring the PRC that it did not seek to contain China, and stressed, instead, that the cultivation of “spheres of cooperation - not competing spheres of influence” would lead to progress in the East Asian region (Murayama 2009). The message from Beijing reflected China’s US strategy since the Bush era and contained a similar focus on engagement, by proposing to expand areas of cooperation “on the basis of mutual benefit and win-win progress”, to increase mutual exchanges, and to handle differences “under the principle of mutual respect” (People’s Daily 2009). The two sides succeeded in preventing the escalation of tensions in the wake of a naval confrontation between US and Chinese ships in the South China Sea, and also appeared to converge on a tougher response to the DPRK’s second nuclear test.

These positive bilateral dynamics, however, turned in 2010 into more competitive and tense security relations, which reflected the strategic divergences, and mistrust between Washington and Beijing. Domestic politics was also at work: Obama, facing mid-term elections, had to respond to pressure from Congress and public opinion, by protecting US interests and values; the CCP, for its part, could not appear “weak” on the US if Chinese core interests were at stake and especially with the expected transition of power in 2013. Indeed, the Obama administration’s approval of a \$6.4 billion arms sale package to Taiwan led to a strong (and expected) protest from the PRC and its decision to suspend military exchanges with the US. While Washington argued that the sale was consistent with its long-standing policy of recognising only Beijing, but providing Taipei with defensive weapons to preserve the military balance in the Strait, Chinese leaders saw that as interference in the country’s internal affairs. The bilateral relations became further strained in the wake of North Korea’s alleged sinking of a South Korean naval ship, the *Cheonan*. President Obama accused China of “wilful blindness” due to its unwillingness to take a hard-line approach on the North, which was supported by Washington, Seoul and Tokyo.

Sino-US strategic divergences were accentuated by means of a display of military power and balance-of-power behaviour, together with tougher political rhetoric on both sides. The US conducted military drills with the ROK in the Yellow Sea, which sought to deter the DPRK from further

provocations, with Vietnam in the South China Sea, including the dispatch of the nuclear-powered aircraft carrier, USS George Washington, and, finally, with Japan. Following Gate's comments that the South China Sea was "an area of growing concern", Secretary of State Hillary Clinton asserted at the 2010 ARF summit that America had "a national interest" in freedom of navigation in the South China Sea and that territorial claims should be pursued peacefully. In the wake of the Sino-Japanese tensions over a collision near the disputed *Senkaku/Diaoyu* islands in the East China Sea, Clinton stressed that the islands fell under the US-Japan Security Treaty thus demonstrating Washington's security commitment to its ally. Beijing's response to these US moves included its own, highly publicised, military drills by the PLA and the increased dispatch of patrolling vessels to disputed waters. Chinese commentators sharply criticised what was perceived as "Washington's Cold-war mentality" of "enhancing American engagement in Asia, in particular in Southeast Asia", and of consolidating its alliances in Northeast Asia to "intimidate and contain China" (China Daily 2010b).

The essentially unaltered, since the 1990s, view in the PRC by many analysts and elites that US China policy in East Asia is based on a strategy of "strategic encirclement", which seeks to prevent the rise of a potential regional hegemon (Li 2009), may not be completely unfounded. The Obama administration has, after all, continued the US regional strategy by strengthening America's alliances and security partnerships in East Asia. Washington's efforts to deepen security relations with Seoul under President Lee Myung-bak and with Tokyo under Prime Minister Kan Naoto are cases in point. In 2010, Japan participated as an observer in the US-ROK joint military exercises, and the ROK observed the Japan-US joint drills. It was a first time in both cases. Furthermore, the main US "spokes" in East Asia - Seoul and Tokyo - agreed in January 2011 to boost bilateral defence ties, something welcomed in Washington. While the US appears to encourage the trilateral defence cooperation, particularly due to concerns about North Korea and China's increased maritime presence, South Korea and Japan have clearly reciprocated this mutual "embrace". Obama has also accorded more priority to America's relations with Southeast Asia: in 2009, the US signed the TAC and held its first ever summit with ASEAN. Furthermore, statements from Washington underscore the US determination to pursue multilateral diplomacy in Asia, as well as its

expectations to be fully involved in regional organisations. Rather than suggesting a departure from previous policies, however, this US behaviour indicates more a response to China's increased influence in East Asia. Obama's support for multilateralism, therefore, appears to supplement Washington's "spokes" and hence cement the US-centred security order.

On the other hand, wariness of China's regional strategic aspirations does persist in East Asia. The hub-and-spoke system, and US forward military presence continue to be seen as a major guarantor of Asia's peace and stability. To be sure, most states (and Japan no longer seems to be an exception) recognise the growing importance of the PRC in economic and political terms, and seek cooperative relations with Beijing. Indeed, the improvement in regional perceptions of China, especially in Southeast Asia but not in Japan, has been a significant change in comparison with the 1990s and hence a notable success for Beijing's reassurance strategy (Shambaugh 2006; Medeiros 2009) discussed earlier. However, the PRC's recent assertiveness in pursuing its territorial claims, supported by its strengthened military power, and a perceived hardening of its position on the South China Sea, which is now reportedly a "core interest" for Beijing, have heightened regional concerns and led to demands for a greater US involvement (Glaser and Billingsley 2010). Wariness of Chinese maritime policies has drawn Tokyo closer to Washington, which is seen in Prime Minister Kan's shift from a rather China-centred diplomacy of his predecessor to the traditional alliance bilateralism in Japanese foreign policy (Atanassova-Cornelis 2011). The two allies have agreed to strengthen bilateral strategic consultations on the PRC's military build-up, and its increasing maritime presence in the East and South China Seas. In Southeast Asia, regional 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 East Asia Summit (EAS) (Sutter 2010). Strongly supported by ASEAN and Japan, America will officially join the EAS in 2011. While Southeast Asian states have generally preferred to resolve their outstanding issues with China within a regional multilateral framework, it appears that Washington is now becoming an important part of this multilateral engagement of Beijing and of the conflict resolution process.

The so-called "pattern of dualism" (Sutter 2009) in Sino-US relations of competition and cooperation was emphasised once again under Obama

when both sides focused on reassurance to ease the tensions. Bilateral military exchanges were resumed in the second half of 2010. Although China refused to endorse a UNSC statement condemning Pyongyang for its November artillery attack of a South Korean island, Washington and Beijing reached a consensus toward the end of the year for pressing the North to seek rapprochement with the South before an eventual resumption of the SPT. To be sure, the US government's perceived "return to Asia" policy at China's expense continued to create uneasiness among Chinese observers. Nevertheless, the message from Washington, as stated by Secretary Clinton among others, sought to diffuse those worries and reassure Beijing that "there is no zero-sum calculation to our relationship - so whenever one of us succeeds, the other must fail" (China Daily 2010a). The Hu administration, for its part, was also keen on improving bilateral ties before the Chinese President's visit to the US in early 2011. The visit was important to cement Hu's legacy by showing to the Chinese people that the PRC was recognised as an equal partner to the US. It also suggested that mutual hedging would continue, however. Indeed, the commitment to a "cooperative partnership", based on mutual benefit, respect and common interests, was paralleled by an explicit reminder by Hu that the bilateral relations could "face constant trouble or even tension" if sensitive issues, such as Taiwan, were not handled properly.

## **OPPORTUNITIES AND CONSTRAINTS FOR THE EU'S SECURITY ROLE IN EAST ASIA**

Europe's increased interest in the Asian region stems from Asia's rising economic and political weight in the post-Cold War period. The deepening and widening of the Union, and, related to it, Europe's willingness and ability to assume a larger global role have additionally stimulated Brussels to seek a deeper engagement with East Asia.

The EU's Asia policy stresses the need for Europe to "develop a political dialogue" with Asia, "make a positive contribution to regional security" and economic development, and "build global partnerships and alliances with Asian countries" (European Commission 1994: 1-3; 2001: 3). The security dimension was accentuated in the 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 in-

ternational cooperation. 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” (European Council 2003: 4, 6).

The consolidation of democracy, the rule of law and respect for human rights in the region are the EU’s core objectives from the perspective of its foreign policy. Europe’s preference for “soft power” tools means that its focus in Asia is on non-traditional security cooperation, including the promotion of development, reduction of poverty, peace building and peace-keeping (e.g., in East Timor and in Aceh), and tackling environmental problems. As the world’s largest ODA and humanitarian aid donor the Union has extended assistance to a number of East Asian countries, including Cambodia, Thailand and North Korea, as well as to the victims of the Tsunami disaster. An important policy objective for Brussels is also the support for regional institution building in other parts of the world, for this is regarded as a means to enhance peace and stability both regionally (e.g., in Asia) and globally. Indeed, the Commission’s latest Asia paper indicates support for regional integration as one of the EU’s strategic priorities for cooperation in Asia (European Commission 2007). In this regard, Europe has sought enhanced dialogue with East Asia in the framework of the Asia-Europe Meeting and the ARF, as well as with ASEAN.

US-China hedging creates both opportunities and constraints for the EU to influence the evolution of a stable security order in East Asia. On the positive side, America and the PRC share common interests in regional stability and prosperity, as well as recognise that cooperation (both bilateral and multilateral) and mutual engagement are crucial for this. Therefore, they are likely to welcome Europe’s strengthened involvement in East Asia through soft power and promotion of multilateralism, for that would further their common objectives. In addition, they see Europe as a “benign power”, which is not part to the geopolitical rivalries in Asia and whose regional involvement does not exacerbate Asian security dilemmas. The East Asian states, for their part, look up to the EU as a model of regional integration and an example of how historical reconciliation (i.e. between France and Germany) can foster stability. By contrast, the US is seen as a threat by some Asian states (notably, North Korea and China) and has been criticised for not being attentive enough to regional institu-

tion building, especially promoted by China and ASEAN.

Indeed, the East Asian region has seen since the 1990s the establishment of multilateral fora and dialogues, which have helped build mutual trust and confidence. The growth of multilateral groupings also reflects the understanding by Asian states that closer collaboration is the best way for tackling common threats. As regional multilateralism focuses primarily on economic and non-traditional security areas of cooperation, such as combating terrorism, piracy and disaster relief, it is much in line with the EU's conceptualisation of security. The latter stresses the comprehensive nature of security threats (i.e. beyond the military dimension) and the variety of means (e.g., political, economic, civilian) needed to tackle them (European Council 2003). In addition to the EU's soft power contributions to the region, Europe should strengthen its involvement in regional security dialogues, such as the ARF. The ARF emphasises confidence building and preventive diplomacy, and thus reflects Europe's preferred approach to problem solving. The rise of nationalistic sentiments and mutual distrust between countries in East Asia (notably Japan and China) mean that the EU's multilateral engagement can exemplify the benefits of cooperation for reducing tensions.

On the US side, Obama's greater emphasis on regional multilateralism in Washington's East Asia strategy may lead to, what observers (Medeiros 2005) see as a necessary step to reassure China - more coordination between bilateral and multilateral mechanisms, especially in non-traditional security areas. This, in turn, could provide opportunities for Europe's increased role, as well as for trilateral US-China-EU cooperation. For Asian states, whose worst nightmare would be to choose between America and China, and whose priority, especially in Southeast Asia, is economic development, multilateral engagement with the EU and among the three powers would certainly be most desired. Finally, European convergence with 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 (Shambaugh 2005), is also positive for regional stability.

At the same time, the EU's own structural limitations and narrow approach towards the region primarily from a trade perspective, place major constraints on what Europe can contribute to Asian stability in the context of US-China competition. Although the EU under the European Security

and Defence Policy (ESDP) framework has succeeded in developing both military and civilian crisis management capabilities, its independent (from NATO) hard power capabilities remain limited and its missions are largely confined to Europe's immediate neighbourhood. Hence, it is not able to play a role in managing the two "hot-spots" in East Asia, i.e. the Korean Peninsula and the Taiwan Strait – a role assumed by the US. Furthermore, the EU is not a participant in the SPT and lacks a clearly defined position on the Taiwan issue, preferring to ignore the question of the military balance in the Strait (Casarini 2008). Indeed, this deficiency is liable to criticism given Brussels' increased rhetoric of seeking an expanded international role (Berkofsky 2006), as well as the implications of a potential conflict between the US and China over Taiwan for global stability. Although Europe's comprehensive approach to security is welcomed in East Asia, its inability to play a role in pressing hard security issues undermines its strategic value for Asian states and hence its participation in regional order building.

Europe also greatly diverges with the US concerning its understanding of China's rise (Shambaugh 2005). As discussed earlier, the perception of a rising Asian challenger is an important factor for the competitive aspect of America's China strategy, while concerns about Beijing's strategic intentions are shared by many Asian states. Whereas Washington focuses on the PRC's "external posture", i.e. its hard power and its potential threat to American interests in East Asia, Brussels focuses on the PRC's "internal scene" by seeking to assist China's domestic transformation and its sustainable development (*ibid.*). The debate in 2004-2005 about the possible lifting of the EU's arms embargo on China was a clear illustration of this divergence. Washington (and Tokyo) strongly objected such a move by Brussels due to concerns about the possible boosting effect of the lifting of the embargo on Beijing's military modernisation efforts, and that it might upset the military balance in East Asia as a whole. In addition, the EU's invitation to China to collaborate in the development of the Galileo satellite system, and European sales of weapons and defence technologies to Asian states have made Europe a part of the region's security dynamics (Casarini 2008). However, for the US and its allies, such as Japan, the EU's largely economic gains-centred approach towards the region and its perceived lack of understanding of the regional geopolitical dynamics are seen to undermine stability. Beijing, on the other hand, does not seem to

take Europe seriously as a security player in East Asia, not least due to Brussels' "timidity" on cross-Strait relations (Berkosfky 2006), and is not worried that the EU may shift the balance-of-power in America's favour.

US-China hedging, therefore, creates also constraints for Europe's ability to influence the evolving regional security order, in particular, due to the EU's limited role in hard security issues. Should US-China relations shift towards a major power rivalry, and confrontation over Taiwan or in the South China Sea, Europe will not be able to do much. The best choice for the EU, therefore, is to support Sino-US engagement, as well as to continue opting for soft power and promoting regional cooperation as primary means of its regional involvement. Finally, Brussels should also strive for a better understanding of East Asia's security dynamics in order to be taken seriously enough by regional states.

## CONCLUSION

The US-led security system in East Asia, centred on America's alliances with Japan and the ROK, and on its security partnerships in Southeast Asia, remains a primary component of the regional security order and hence ensures America its primacy. The competitive aspect of Sino-US hedging, which stems from the strategic mistrust between the two powers and their structural differences, is also driven by the persistent concerns of many Asian nations about the future of Chinese power and purpose. After all, if regional states were ready to embrace the PRC in the security dimension, the US would lose its spokes that allowed it to maintain its leadership in East Asia in the first place.

Given regional wariness, especially, of Chinese maritime policies and military modernisation, the hub-and-spoke system will likely endure for some time to come. This also means that regional fora, such as the ARF, APT and the EAS, while not completely irrelevant, will remain limited in their ability to solve serious conflicts and disputes, and hence focused more on less "sensitive", economic and non-traditional security areas of cooperation. To be sure, the cooperative side of US-China hedging, which reflects the economic interdependence between the two powers and their understanding of the need to tackle together issues of common concern, is in line with both Asian states' preference of engagement policy towards Beijing and the general emphasis in the region on economic development. Ad-

ditionally, the fact that the Taiwan issue is no longer such a major source of potential US-China conflict since the Ma Ying-jeou administration came to power in 2008 has been welcomed in East Asia, thereby easing regional concerns about instability.

Under Obama, the US has sought to “restore” its image of a great power that is attentive to regional concerns and multilateral developments. Furthermore, China’s more assertive behaviour in the past year, which has reflected its own growing clout in the region and the parallel perception of US decline, has arguably led to a renewed support in East Asia for US leadership. The fact that America since the Bush era has managed to handle well relations with China, thereby not pressing Asian nations to choose between the two powers, has also contributed to Obama’s success so far in strengthening its relations with the East Asian governments. At the same time, it should be stressed that China’s growing role as an economic and trade partner for the Asian states means that America does not have now the unrivalled ability to provide all public goods. Indeed, while the Asian nations continue to seek US security guarantees and even more so as the PRC becomes stronger, they do embrace China in their economic policies. This duality in the Asian countries’ strategic orientation makes the US-China hedging an even more complex interaction between competition and cooperation.

Finally, the uncertainty concerning the future of the relations between Washington and Beijing, especially in the context of the PRC’s military rise and its growing ambitions for regional leadership, presents external powers, such as the EU, with major challenges in influencing the evolving regional order in East Asia. As Brussels is not able and, indeed, not expected to get involved in the sensitive issues in the region, Europe’s role appears to be limited to supporting Sino-US cooperation and promoting regional multilateralism. It is clear that if the US hub-and-spoke security system were to be replaced by a new security arrangement it would result from the choices that Asian states themselves would make. At the moment, US-China hedging may seem to reflect the general perception in East Asia that the danger of a major power conflict has been minimised, Beijing’s power has been balanced, and common interests have contributed to easing tensions. Whether this will change and in what direction remains one of the main puzzles of international politics in the 21<sup>st</sup> century.

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The United States seems to be losing its imperialistic mojo most significantly in Asia and the Middle East, not only militarily but also diplomatically and economically. The situation is different in Europe and Venezuela, two geographical areas where Washington still enjoys greater geopolitical weight than in Asia and the Middle East. In both cases, the effectiveness of the two Sino-Russian resistance "in military, economic and diplomatic terms" is more limited, for different reasons. This situation, in line with the principle of America First and the return to the Monroe doctrine, will be t North Korea and the East Asian Security order: competing views on what South Korea ought to do. This article investigates South Korean views on how to deal with the two major security issues regarding North Korea: its nuclear threat and regime instability.Â In debating both the reintroduction of US tactical nuclear weapons and the development of a domestic nuclear deterrent force, South Korean lawmakers and government officials overwhelmingly address the nuclear question in terms of security or economic (i.e. material) concerns rather than normative ones.Â This is a chapter in a volume titled "Chinese-Japanese Competition and the East Asian Security Complex: Vying for Influence", edited by Jeffrey Reeves, Jeffrey Hornung, and Kerry Lynn Nankivell.