The Future of the EU’s Security Role in a Transformed East Asia

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A fundamentally new security landscape is unfolding in East Asia due to the changing power structure among the great powers, particularly owing to the fast rise of China and the relative decline of the United States. This paper analyzes the dynamics of power transition in East Asia and assesses the possibility of the EU playing a meaningful role in the strengthening of security governance in the region. It begins by arguing that although the East Asian region is entering a transformation stage it will not likely lead to a major collision between the United States and China. This means the EU will have opportunities to become involved in East Asian security affairs, provided it further strengthens its multi-faceted, comprehensive engagement policies vis-à-vis the region. We focus particularly on the EU’s ability to promote the positive aspects of East Asian regionalism via deepened and expanded cooperative measures such as bilateral and multilateral framework agreements with regional countries and organizations. In addition to offering a reliable model for regional security governance, the EU will be able to contribute to regional security by cooperating with the United States and other East Asian countries and organizations in selected security issues, such as sea-lane protection, counter-terrorism, non-proliferation of Weapons of Mass Destruction (WMD), humanitarian operations, etc. Internally, we show that after the Treaty of Lisbon the EU is approaching incrementally a position wherein it can make greater CFSP/CSDP engagements—particularly those associated with peacekeeping/peacemaking and humanitarian operations—in the wider world including East Asia.

Keywords: power transition theory, East Asian security, common foreign and security policy, China’s rise, EU-East Asia relations

Introduction

Most foreign relations experts agree that the EU’s ability to exert influence in East Asia along the full spectrum of foreign policy is disproportionately small, given its economic importance in the region.¹ This judgment is just a specification of the general observation that the EU is “an economic giant, political dwarf, and military worm” (former Belgian PM Mark Eyskens); that the EU is not a serious international relations

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In the case of its role in East Asia, the EU’s weakness is a function of its long-standing inability to contribute significantly to ensuring regional security—a sine qua non for exercising decisive influence in the region, which, especially after WWII, has seen cultural disharmony, political instability, and territorial disputes lead inter-state security considerations to heightened importance. This inability, in turn, has been determined by two related, overarching states of affairs, one concerning the nature of the international system and the other internal to the EU itself.

First, persistent hegemony in the region has constrained the EU’s capacity to act independently. This stems from the Cold War, as U.S. security guarantees for Western Europe carried the quid pro quo that Europe be limited in hard-power projection in general, including in East Asia. From a European perspective, recognition of U.S. security leadership was a small price for the opportunity to free ride. As the Cold War ended and the United States became the global dominant power, that quid-pro-quo remained. To this situation of global domination was added the rise of China as a regional great power establishing commercial and (now) military strength sufficient to challenge U.S. domination in its neighborhood. These developments mean that the EU has largely been prevented from formulating and implementing a strategy for intervening in East Asia’s high politics. Second, of course, Europe’s conflict of supranationalism with state sovereignty has persistently inhibited EU external relations—and a fortiori the strategic outlook and hard power development necessary to assert a strong security role in East Asia.

Current consensus is that after 20 years of growing importance East Asia is entering a critical dynamic period. It is becoming (a) the new world center as it simultaneously is experiencing (b) the probability of a regional leadership transition, as the United States declines in relative power while China approaches parity.\(^2\) As the latter implies a shake-up in both global and East Asian regional power distribution, the EU will likely have opportunities to increase the security aspects of its foreign policy profile in East Asia, calibrating that profile with EU economic strength in the region. Indeed at the 2012 Munich Security Conference U.S. Secretary of State Hillary Clinton encouraged the EU to participate more in the strategic “opportunities that lie ahead in the Pacific-Asia region.”\(^3\) Given East Asia’s surge to global preeminence, it is not merely the case that the region’s potential leadership transition is an opportunity for the EU to increase its security profile (and therefore power) in the region, but rather doing so is an obligation imposed by the international system.

Of course, opportunity (a shake-up in East Asian regional leadership) and motive (principally economic interests) are not sufficient for action—means are also required. In the EU’s case, these include numerous political bases and institutions for decision-making, agencies for deploying/controlling resources, strategy documents and instruments, and requisite capabilities. A short list includes: the Common Foreign and Security Policy (CFSP) and Common Security and Defense Policy (CSDP), European External Action Service (EEAS), a Regional Programming for Asia Strategy, and regular strategic dialogue channels such as the ASEAN Regional Forum (ARF).\(^4\)

Beyond the means available for the EU to increase its East Asian security profile, there are many strategic options for responding to the region’s dynamism, and they vary according to at least three factors: (1) how the regional system changes (which

(IR) actor because it lacks a serious military dimension (Hedley Bull); or that EU foreign policy is often vitiated by the “capabilities-expectations gap” (Christopher Hill).
is also a function of how the global system changes); (2) what the nature of the EU as a global actor is; (3) what its interests and objectives in the region are. In this paper, we largely ignore (3); instead, we focus on elaborating (1) and (2).

As for (1), in our delineation of some of the changes that can be expected in the East Asian regional system, we employ a modified version of Power Transition Theory (PT theory). The resurgence of Chinese power and perceived relative U.S. decline—related developments inducing a reformation of the international system in East Asia and the world—are leading to a typical dyadic challenge that PT theory explains. As for (2), we show why the EU should be understood as a small/medium power when considering its nature as a foreign policy actor. When combined, the approaches to (1) and (2) are, in fact, intended to do two things. First, this establishes a framework for investigating the parameters limiting the EU’s pursuit of its interests in East Asia. Second, looking at the EU as a small/medium power in a PT theory framework will help fill a gap in the literature, as most PT theory centers on the dominant power and the great power-cum-challenger.

**Power Transition in East Asia**

Orthodox PT theory explains and predicts conflict (or its absence) between the “dominant power” in the international system and a potential “challenger” (the most powerful of a set of “great powers”). Since its inception, the PT research program has also been applied to regional level inter-state politics. The theory is distinctive for rejecting two principles of neo-realist balance of power theory: (1) the international system is not characterized by anarchy, but rather displays a variable degree of ordered hierarchy of states that are variously satisfied or dissatisfied with their position; (2) contrary to balance of power theory, an international system with a preponderant power is considered more stable than a balanced system.

PT theory views the international system as consisting in a dominant power, great powers, medium powers, and small powers. A dominant power substantially designs and maintains the international system’s key features, and is thus a status quo power. The remaining powers are satisfied or dissatisfied with the international system according to their position in it and whether it benefits them in a way commensurate to that position [Figure 1].

![PT Theory’s Ordering of Powers](image-url)
The power ranking is measured as a function of three variables: population size, economic strength (GDP), and the political system’s ability to extract and mobilize resources for state action. Population size is the sine qua non of dominant and great powers; it is also a long-term variable with significant developmental inertia. The political ability to extract resources is the most dynamic variable, as leadership and political institutions and systems are determinants for it. Its importance to power depends on a state’s other two variables: states with big populations and/or economic strength can be great powers even with weak political extraction of resources. This suggests that the political system’s ability to extract resources is most important at the margins of the state power classification hierarchy. As the variables for population size and politics’ resource extraction are relatively fixed and marginal respectively, PT theorists usually consider states’ relative economic strength as the key variable. That is, evolution in the international system largely occurs as states’ power increases and decreases as a function of differential economic growth rates.

Within this evolving international system PT theorists understand the possibility of conflict generation in terms of three conditions. First, at least one great power—a potential challenger—must be within a power parity window ranging up to 20% variance from the power of the dominant state [Figure 2]. Second, the challenger must be in the process of overtaking the dominant power, or have already done so [Figure 2].

Third, for conflict to occur it is necessary that the challenger be revisionist—i.e., dissatisfied with the established international system.

Together the first two conditions indicate that conflict results from the relative decline of a dominant power vis-à-vis a rising great power. However, even revisionist great powers will not initiate conflict if they are too weak compared to the dominant power, while, absent a sufficiently strong challenger, the dominant power has little incentive to risk preemptive conflict to defend its position. Regarding these first two conditions, PT theory has held up under empirical scrutiny. For example, as Organski and Kugler show, a $\tau_c$ correlation test ($\tau_c = (N_c - N_d) * \left[ \frac{2m}{n^2(m-1)} \right]^7$) of all Dominant Power-Challenging Power transition dyads from 1815–1980 yields...
\( \tau_c = 0.5 \) (probability < 0.05), a statistically significant figure. PT theory’s third condition—revisionism—is also crucial to explaining conflict: absent dissatisfaction a great power may eclipse and take the dominant power’s position, but transition will be peaceful. This is most likely to occur if the dominant power shares institutionalized values with the rising challenger. Such a situation implies that the rising challenger will likely benefit maximally from the existing international system once it occupies the apex position, while the dominant power can be confident that it will continue to benefit substantially from the system, even if no longer at its apex. A classic example of this kind of transition was the United Kingdom-U.S. transition during the 20th century.

Before discussing what the PT framework implies for the understanding of how East Asia is likely to change due to China’s rise and the U.S.’s relative decline, it is worth adding some detail to PT theory’s general understanding of conflict generation.

We note, first, that PT theory posits challengers as the probable aggressors during a transition phase. This is because the dominant power is by definition a status quo power, as its power ranking is already optimal and the system is designed in its interests. Any conflict can at best maintain the status quo, while there remains the risk that conflict could hasten the dominant power’s relative decline. The corollary of the system-conserving dominant power is that the challenger is more likely to want to change the rules of the international environment to achieve a new distribution of benefits. The challenger’s default bias is toward greater aggressiveness because there are some potential alterations produced by conflict that would contain a superior outcome (power ranking) than the status quo.

Second, for many IR scholars PT theory’s resistance to preventive war is faulty, as researchers have formed theoretical bodies of knowledge about this strategy. However, there is reason to believe that PT theory is correct about dominant power aversion to preventive war both with respect to transitions in the general international system and in the East Asian region. Obviously the reason is the existence of a strategic nuclear deterrent, which significantly constrains the onset of conventional war between international-level, nuclear-armed powers because of the risks of escalation. Two things are worth noting in this regard. First, the risk represented by nuclear weapons dampens conflict propensity both for the declining dominant power and the rising challenger. Second, this insight comes despite PT theory, which originally denied the deterrent effect because it was inconsistent with the thesis that power parity led to higher conflict probability. PT has thus been modified to incorporate the deterrent effect.

This modification of PT theory is important to understanding the coming East Asian transition. The general IR consensus is that China’s population size and economic growth make it a near certain challenger to U.S. domination in East Asia in the near future (with the 2020–2040 period often cited). Modified such that it incorporates the nuclear deterrent effect, PT theory can assume on stronger theoretical grounds—stronger at least than it could without the deterrent effect, relying solely on the risk-averse nature of the declining dominant power—that the Sino-U.S. dyad will very likely exclude preventive war during the transition.

Numerous scholars have applied PT theory to the rise of China in the international system, and, more particularly, to the East Asian transition process. This is natural given the theory’s emphasis on population size and differential economic growth rates, which are determining the Sino-U.S. relationship and thus East Asia’s future
geopolitical order. However, we should be careful, as it is still unclear how PT theory applies to multi-level power struggles. Notably this is what is occurring in East Asia, as power transition is happening within a regional system “nested” within a global system also undergoing a power transition.

Yet this caution in the application of PT theory to the Sino-U.S. dyadic relationship has several mitigating factors. First, there is the symmetry given with the fact that the regional power dominance competitors are clearly the same as the global power dominance competitors. This allows unambiguous identification of the principals and a better conception of the stakes. The situation would be harder to understand if there were additional potential global and/or regional challengers. Naturally India comes to mind, but its capacity to generate enough power to become a global challenger has been retarded by strategic miscalculation (notably its previous close relationship with the USSR). The United States currently courts India as a regional counterweight to China, but this strategy would be problematic if India appeared to challenge China as the challenger to U.S. global power dominance.

Second, one can modify PT theory in ways that simplify its application to the observed situation. For example, we can identify behaviors likely to happen independently of other events. As mentioned, one PT modification that reduces complexity is the readmission of nuclear deterrence as a power transition factor that cuts down conflict scenarios, and especially those generated by the declining dominant power. Another modification concerning the same behavioral issue—namely, the aggression or risk-aversion levels of declining dominant powers—comes from research into retrenchment by dominant and/or great powers. For example, Macdonald and Parent show that powers with global significance tend to retrench when in relative decline—depending on the definition, the retrenchment percentage reaches as much as 80 percent of decliners. Generally “[w]hen international conditions demand it, states renounce risky ties, increase reliance on allies or adversaries, draw down their military obligations, and impose adjustments on domestic populations.” This retrenchment tendency is an additional point—beyond the deterrent effect and revisionist-as-aggressor hypothesis—allowing us to assume that a U.S.-initiated conflict against China is improbable as a response to the latter’s challenger status both globally and in East Asia.

**U.S. Strategic Readjustment and the EU’s Security Profiles**

Barring a dramatic decrease in Chinese economic growth and increase in U.S. growth, Sino-U.S. power parity and overtaking will happen by at least 2040. Thus, both globally and in East Asia, an important variable for the power transition outcome is whether or not China’s leadership is basically satisfied with the status quo international/regional system. That is, will it consider the system’s distribution of benefits as adequately reflecting China’s new position as the dominant power? Will China’s leaders think that its interests can be better satisfied by trying to alter the rules of the international/regional system? Throughout its rise as a challenger and debut as dominant power, how involved will China be in the international system, how much institutional similarity will it share with that system, how economically interdependent will it be within the system, and how difficult and risky will it be for it to change the system given this involvement? To this variable is added a second: namely, a significant parameter for China’s power development will be constituted by the choices the United States makes regarding its
grand geopolitical strategy within East Asia and beyond. As we point out below, and in the next section, the EU has a role to play in both of these variables.

As mentioned, there is reason to believe that the United States will not initiate conflict, instead choosing to retrench militarily as force projection costs in the region become unsustainable. The U.S. establishment is already charting this course. Richard Haass, President of the Council on Foreign Relations and former Director of Policy Planning at the State Department, recently wrote that the United States will have to “rebalance the resources devoted to domestic challenges, as opposed to international ones, in favor of the former.” Martin Dempsey, Chairman of the Joint Chiefs of Staff, has stated that the U.S. military “will be smaller” as it arrives at “an inflection point … involv[ing] … a reexamination of the roles, missions, core competencies of the joint force. With each inflection point, there is a complication. The complication this time is our economic stature as a nation.” Indeed the U.S.’s Department of Defense (DoD) budget projections indicate near/medium term cuts to DoD appropriations (14% over the 2010–2016 period). The Congressional Budget Office also forecasts stagnating U.S. defense budgets for the period beyond 2016. These reductions are registered in specific budget items: during the 2010–2012 period all three main expenditure areas—personnel, operations and maintenance, procurement—face budget cuts. And for the 2012–2017 period the Pentagon plans to cut Army and Marine personnel by 13% (from 770,000 to 670,000). General Peter Chiarelli, Army Vice Chief of Staff, noted that maintaining end strength of current troop levels would be impossible because the necessary equipment would be financially unrealistic. Defense Secretary Leon Panetta’s budget priorities for 2013 eliminate 10% of U.S. tactical air squadrons, while the Navy’s fleet of eleven aircraft carrier groups will shrink under implementation of the Budget Control Act, which will almost certainly enter into force in January 2013.

Political evidence that budget cuts catalogued in the last paragraph will also affect East Asia is given by recent bi-partisan proposals from Carl Levin (Senate Armed Services Committee Chairman) and other U.S. Senators. Together with Senators McCain and Webb, Levin has called for the U.S. military to plan retrenchment in East Asia because future projections for base alignment are “unaffordable in today’s constrained fiscal environment.” The consequence is a policy shift, as a U.S. defense and security establishment in need of reliable future partners is now looking to the EU to increase its security-related presence: for instance, U.S. Ambassador to NATO Victoria Nuland called on “a stronger, more capable European defence capacity, [as] an ESDP with only soft power is not enough.” The same is true of U.S. regional partners in Asia-Pacific: at the 2012 Munich Security Conference Australian Minister of Foreign Affairs Kevin Rudd called on a European “common security and foreign policy voice beyond the continent itself, to help shape this emergence of a sense of common security across wider Asia.”

As mentioned, assuming this U.S. retrenchment strategy in East Asia, which diminishes the likelihood of a U.S.-initiated conflict with China, the way the region looks during and after power transition will be marked chiefly by how it evolves with respect to its institutional similarity to the prevailing system and economic interdependence within it. We will return to this point momentarily in terms of how the EU will promote China’s peaceful evolution within the prevailing East Asian system.

At this point, we return to this paper’s ultimate focus: what the East Asian power
transition means for EU opportunities to increase its security profile and role in the region. The first thing to remember is that—despite the uncertainties of the global financial crisis—the decline of the United States will gradually create an opportunity for EU security involvement in East Asia.\(^{24}\) On the one hand, a retrenching United States will likely rely more on allies to maintain strategic strength—as they share values and interests, the EU and U.S. are natural partners. On the other hand, this window will be limited; therefore, it is critical to increase the EU’s security role in the region before China becomes dominant enough to take the U.S.’s place in freezing out actors like the EU from having a meaningful regional security role. Although there is little chance that the United States would adopt a belligerent posture against China, it is conceivable that it could form threatening strategic alliances against it (especially with India and Japan). One of the EU’s security interests in East Asia will be the prevention of this kind of destabilization that could adversely affect EU economic activity. Central tasks will therefore be to contribute significantly to East Asian regional integration via ASEM, ARF, ASEAN+3, SAARC, etc., as well as to regional stability by carrying out certain civilian and military operations (like peace-keeping/peace-making or anti-piracy), while remaining closely allied with the U.S.

This strategy’s advantage is that it kills two birds with one stone. On the one hand, under an increasingly integrated East Asia the U.S. will have greater difficulty creating bi-/multi-lateral strategic alliances that might be (or appear) hostile to China (thereby provoking regional instability). The United States will have more or less difficulty resisting such integration—even if it considers it a negative for U.S. interests—to the extent that the integrated system structurally resembles the one the United States devised when it was dominant. On the other hand, the more that China is implicated in such regional integration—i.e., evolves institutionally in accordance with the prevailing system and in an economically interdependent fashion—the more it will find it difficult and risky to alter the regional system significantly, thereby ensuring continuity.

The EU’s opportunities to increase its security profile in East Asia as a result of the coming power transition are significant, but its scope and ability to capitalize on them will depend on what kind of foreign policy actor the EU is. We turn briefly to that question before coming to the final focus of the paper, a detailed sketch of what the EU’s strategic foreign policy in East Asia will look like.

The EU\(^{25}\) has been often criticized for a puny security and defense profile compared to its economic power: concerning the former it is a small power (at best), while concerning the latter it is a great power. In East Asia—where foreign policy is dominated by security issues (e.g., Chinese military expansion vis-à-vis its neighbors and the United States, the North Korean nuclear program, China-Taiwan relations, territorial disputes)—there is reason to question whether the EU can advance its other (particularly economic) interests in the transformed region because it is unclear if the EU will have the coercive resources and will to use them befitting a serious security actor. However, the institutional development of the EU CSDP—in concert with the CFSP and supported by numerous implementation agencies—has reduced the gap between expectations of military/security effectiveness and actually deployable capabilities. In following Asle Toje, it is now appropriate to consider the EU as a “small power” in a traditional IR framework, or a “medium power” in a PT theory framework.\(^{26}\) This implies four traits for the EU: (a) It can affect the given international system, but cannot determine it; (b) Its limited resources force it to prioritize
actions carefully and internationalize many responses; (c) It is defensive and risk-averse. However, although small/medium powers prefer to spend disproportionate resources on influencing their immediate neighborhood, they will venture farther afield if conditions are right (especially important is cooperation with other powers whom the small/medium power can complement). These traits reflect the EU’s nature as a small military power and great power in terms of economic, soft, normative, and civilian power; (d) Lastly, it benefits disproportionately from international rules and so advocates multilateral and regional institutions for governance and dispute/conflict resolution. This lowers the cost of implementing foreign policy and the likelihood of conflict (a situation where small/medium powers cannot compete).

As the following table shows, this last item in particular is reflected in the EU’s foreign policy strategies and instruments, which increasingly rely on numbers 3 and 4:

Table 1. EU Foreign Policy Strategies and Instruments

<table>
<thead>
<tr>
<th>Roles</th>
<th>A. Model (rule setter)</th>
<th>B. Player (rule negotiator)</th>
<th>C. Instrument (rule transmitter/implementer)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practices</td>
<td>Transfer of own rules through coercive means/taking advantage of asymmetrical power relations</td>
<td>Acting in contravention of international law and accepted multilateral commitments</td>
<td>Political/economic support to domestic actors in a target state explicitly bypassing this country’s ruling authorities</td>
</tr>
<tr>
<td>1. Unilateralist</td>
<td></td>
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</tr>
<tr>
<td>2. Bilateralist</td>
<td>Transfer of EU’s rules, but in ad hoc and differentiated ways (different speeds and width depending on the country)</td>
<td>Establishing privileged relationships for the pursuit of particular interests, out of the established multilateral frameworks</td>
<td>Political/economic support for tackling specific problems in particular states, without conditioning them to the adoption of externally promoted rules</td>
</tr>
<tr>
<td>3. Regionalist</td>
<td>Inclusion of neighboring countries in certain areas of EU integration Promoting regional integration in the image of the EU</td>
<td>Developing bi-regional strategic partnerships for the pursuit of particular interests, out of the established multilateral frameworks</td>
<td>Political/economic support for tackling specific problems involving a group of states, without conditioning their model of regional cooperation</td>
</tr>
<tr>
<td>4. Multilateralist</td>
<td>Projecting EU’s policies or model of integration to other international institutions or regional groupings</td>
<td>Establishing strategic partnerships/minilateral arrangements for developing global multilateral instruments and institutions</td>
<td>Political/economic support to states, regional organizations and international institutions for the implementation of international norms and rules</td>
</tr>
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</table>

is that the EU will continue to be unable to act independently in the region’s security architecture for the foreseeable future. Instead, it will work with allies—particularly the United States—to take some responsibility for East Asian security as China grows as an actual challenger to U.S. regional dominance and a potential threat to alter the regional system. As a relatively declining United States reduces its unsustainable security footprint in the region, it will look to offload some of its responsibilities to a status quo ally with similar, institutionalized values.

As a long-time regional ally (along with Korea) of the United States, Japan seems an appropriate candidate for this. However, Japan itself is in relative decline regionally and globally. Moreover, the country’s WWII history in the region poses problems. Its potential role as an enhanced U.S. security partner could prove unacceptable to some regional countries, which might be pushed more toward China unless Japan solves its legacy issues and territorial disputes. Yet precisely because the EU has been excluded from contentious security issues in East Asia over the past 60 years, it still retains regional respect as a soft/normative power. This is important for two reasons. First, the weaknesses of the United States in some elements of soft/normative power credibility mean that the EU’s strengths are complementary and in demand (given interest in dampening potential conflict). Second, if the EU decides to increase its hard power capacity in order to broaden its security capability, its soft/normative power track record could serve as a temporary cushion against objections to a growing militarization of EU foreign policy in East Asia.

None of this means that the EU’s entry into East Asian security affairs will be simple or ambitious. Clearly there are tricky issues to navigate. The arms embargo against China is an example. On the one hand, if the EU tried lifting the embargo (for commercial or geostrategic reasons) it would encounter U.S. pressure to desist, and acting independently could hurt U.S.-EU relations. On the other hand, resurgent China might demand the lifting of the embargo for several reasons—as a symbol of growing power, to divide the United States and the EU, etc. As for EU ambitions to have influence on East Asian security concerns, one should recall that prioritization is a key foreign policy behavior of small/medium powers. Wide-ranging and intensive involvement in East Asian regional security issues seems infeasible given the EU’s past actions and projected development. Indeed the principal objection to any expectation of future EU implication in East Asian security is that it has not yet succeeded in developing the capabilities (including decision-making mechanisms) or will to engage in the kind of foreign policy that commands international attention and a seat at the table of high politics: why should things change—There are several answers to this question. In the next section we provide four.

Possibilities for a Future EU Role in East Asia

In this section, we sketch four possibilities for an emerging EU security role in East Asia. First, the “entry barriers” into the East Asian security situation will be lower during the regional power transition. Certainly, one reason why the EU stayed out of the region’s security issues was obligatory deference to the United States. Moreover, the post-WWII East Asian environment has been hostile to entry of new influences because their room for maneuver was restricted by two major wars (Korea, Vietnam), the Chinese revolution and its complications (including Taiwan), inter-Korean tension,
and 30–40 years of Japanese and Chinese growth. Although some of these issues continue to weigh on the region’s international relations, many Cold War-era problems have evaporated and in general the coming power transition will render the region more dynamic. This will make it complex, but a fluid status quo is more amenable to new influences entering the arena. In any event as the region evolves economics explains it better than balance of power considerations—in this regard one need only consider the tangled trade and financial relationships between the United States, China, the EU, Japan, South Korea, and Taiwan. An environment where economics significantly drives foreign relations allows the EU to be more competitive than situations where economic relations are determined by international politics. In the future East Asia, this will encourage the EU to become more involved.

Second, another reason why EU implication in East Asian security issues should grow in response to regional system changes is that increased EU economic and soft power in the region will have spillover effects that catalyze improvements in the CFSP/CSDP. Spillover is a cornerstone of the neo-functionalist approach to advancing domestic EU politico-economic integration, and there is reason to think that it will also occur in the security domain of foreign policy. That is, economic relations and soft power application will increasingly generate new security-related foreign policy tasks to be addressed—sometimes using novel authorities or institutions—in order to achieve the original economic goal or soft power objective.

A spillover dynamic in the foreign policy realm will not be as prolific as in domestic affairs, but already EU economic/soft power in East Asia is reaching a critical point where their continued success demands more robust CFSP/CSDP engagement. For instance, EU foreign relations with China are dominated by a mixture of economic/soft power that promotes China’s economic rise; however, this simultaneously allows a Chinese military build-up with security implications outstripping the CFSP’s/CSDP’s capacities. Until recently the EU approach to this asymmetry was to ignore it. That is not a long-term option. First, because the EU’s own interests in East Asia may become endangered by China’s military development, and, second, because the United States will demand that the EU either changes its engagement strategy with China or develops foreign policy means to address the military and security consequences of its economic and soft power in the region. Mutatis mutandis the same argument holds for the EU’s soft power promotion of East Asian regional integration (a pillar of EU regional programming), actions to enforce human rights and the rule of law, environmental and migration interventions, deepened/diversified investment and trade links, all of which could impact strategic security equilibria, thereby requiring a more robust CFSP/CSDP.

The EU has recognized this spillover dynamic and laid foundations for harnessing it. For example, the “Berlin Plus” agreements ensure EU access to NATO capabilities for EU-led crisis-management and peacekeeping operations. Perhaps more significantly, increased political will to use CSDP instruments is found in the Lisbon Treaty’s Article 43, which clarifies and broadens the scope of the Petersburg Tasks’ military and civilian missions. Indeed presently 4,000 troops are deployed to CSDP operations in theaters across the world.

Third, the EU’s implication in East Asian security issues will also likely grow because the nature of the region’s changes is conducive to it. Namely, increasing regionalization has heightened interdependence. This is most the case of economic relations and less the case politically; in this regard it is clear that ASEAN, the seminal
East Asian regional association and, with its famous non-interference policy, a workable model for other regional bodies, serves as an influential hub for East Asia’s efforts at multilateral cooperation [Figure 3].

As more of East Asia’s economic and political relations—both intra-regionally and externally—occur via regional bodies, the EU’s foothold to participate in security issues will grow. Certainly this is the EU’s outlook, as the keystone of its East Asian Strategy is dialogue with and reinforcement of counterpart regional organizations. The dialogue aims at actually participating via soft power in the sculpting of the regional system, and the reinforcement aims at widening and deepening the regionalization dynamic so that the EU can continue to benefit from it going forward. This approach is natural for the EU insofar as it fits both its strengths and interests—that is, the EU leadership has (and knows it has) a comparative advantage in region-based, multilateral action.

The EU’s pushing of East Asian regionalization—e.g., promoting regional economic and political integration and feasible regional security architectures—also makes sense as its central strategic approach to a difficult area like East Asia because, as we recall, small/medium powers prefer internationalizing and multi-lateralizing foreign policy issues perceived as thorny and/or important. This is especially true in cases of conflict prevention/resolution, where small/medium powers can amplify influence through persuasion of partner blocs. All this is also particularly true of the EU’s situation in East Asia, where (a) its overriding priority is to prevent regional conflict during the power transition, and (b) its ultimate targets of influence are dominant powers and potential belligerents (United States, China) who generally are both unresponsive to soft power in the absence of its internationalization and dismissive of EU hard power.

For the EU, the strategic importance of promoting regionalized East Asian politics and economics in order to increase soft power influence over regional security issues results in two objectives:

(a) The EU should promote East Asian regional integration in a way that brings China into closer and more systemic economic relations with its neighbors, all the while pushing on the margins for spillover of economic regionalism into regional political
and foreign/security policy dialogue with teeth (although the latter’s success will be limited and slow). Whatever the other virtues of such a development, PT theory provides a sound rationale for this course of action: as it takes over the dominant power role China’s potential revisionist aims in the region (a source of potential instability) will be more or less curbed depending on its level of interdependence within the system and perception of the system’s benefit distribution. Given its relative lack of hard power, the EU’s ability to persuade China to embed itself in the regional system will require a mutually reinforcing combination of economic/commercial/trade power and soft power. Moreover, the “socialization” of China will need to be accomplished during a definite time window, namely when China is still reliant on outside investment and U.S./EU export markets, because a strongly self-sufficient and/or commercially diversified China will blunt the EU’s economic/commercial/trade leverage backing up its soft power.

(b) The EU should promote the regionalization of the East Asian security situation in a way that implicates the United States in the regional framework. This means not only that East Asia’s countries and regional organizations accept the U.S. in this capacity, but also that the U.S. government’s approach to the region—traditionally skepticism of regionalization’s effectiveness—be altered. Here again the EU’s facility with soft power persuasiveness will be called upon. In any event, from a perspective considering the EU’s interest in raising its security profile in East Asia, U.S. involvement is indispensable—ultimately an EU economic/soft power strategy in the region lacks hard assets, in turn limiting its ability to be a fully credible regional actor on security issues. The result—acknowledged by EU principals—is that it will continue to be dependent on the special security role of the United States in the region. Yet success at using soft power to bring the United States into deeper involvement with East Asian regionalism is critical to increasing foreign policy transparency, lowering the probability of spiraling security dilemmas, and thus contributing to greater stability in the region’s flashpoints—a condition for allowing the EU to participate in the regional security architecture.

On the one hand, convincing the United States to develop a regional approach to East Asia is a hard sell, especially if the United States perceives that greater East Asian regionalism will be relatively exclusive, leaving the United States out of much decision-making and policy structuring. This is a fortiori true if China were gaining influence at U.S. expense. On the other hand, convincing an ascendant China that the United States should play a role in outlining regional cooperation in China’s backyard is fraught. Clearly the EU’s diplomatic prowess will be required. Beyond logical persuasion, tactics for dealing with the United States and China in this regard focus on making each side aware of how important the EU is to attaining their objectives (this task is consistent with small/medium powers). For the United States this may mean increased EU commitment to assisting in military operations. For China, the EU will need to augment its economic leverage in order to ply it effectively in persuading China to accept a bigger U.S. role in East Asian regionalism than China might otherwise desire. In any event, if the EU succeeds in promoting greater East Asian regionalism, it will secure the foundation of a peaceful power transition necessary to protecting its interests in the region, and also increase its capacity as a security actor in the region.

A fourth reason to think that the EU’s implication in East Asian security issues will grow is that during the past decade the EU has improved the institutions, decision-making mechanisms, and resources for engaging in security-related operations.
Especially under the aegis of the CSDP, the willingness and capability to engage in such operations—including coercive ones—mark the EU’s transcendence of its status as a mere international organization equal only to the sum of its parts.

This is not the place to cover the development of the EU’s CFSP/CSDP institutions or operational history, which others have provided. Rather let us say: (a) consensus is that the EU has improved in this dimension of foreign policy, and (b) this is visible in a recent record of peacekeeping/peace-reinforcing operations in 20 flashpoints in Europe, Africa, and Asia. These actions provide evidence that the EU is capable of sending forces to prevent destabilization (or manage restabilization) in East Asia: potential examples include ensuring denuclearized sea lanes (Malacca and Korean Straits), combating piracy, facilitating a relatively smooth set of changes on the Korean peninsula in the event of North Korean regime collapse and its (especially migration) aftermath, and establishing and legitimizing peaceful political system changes that might otherwise threaten regional turmoil. It should be recalled that these are all security issues that will likely need to be dealt with in the mid-range future. Especially noteworthy, for example, is the success of EU CSDP participation (via EUNAVFOR’s Operation Atalanta, with 1,800 troops and four frigates) in combating piracy near Somalia. The EU is now even demonstrating situational flexibility in its hard power application in CSDP missions: in a watershed decision, the EU Council of Ministers has expanded Atalanta’s rules of engagement so that EU troops can fire on pirates and vessels on land and at harbor in Somalia. This is a qualitative shift in the mission, which previously was confined to sea engagements, and a sign of commitment to more robust CSDP activity. The Atalanta operation is thus fortuitous experience for the future. Namely, as experts point out, the Suez-to-Shanghai maritime corridor is set to be one of earth’s most strategically vital spaces at the same time that it faces threats like territorial disputes, piracy, and nuclear proliferation. The Atalanta operation is precisely the right kind of preparation for a potential CSDP role in an international intervention in the South China Sea or Malacca Strait.

Conclusion

Both as model and active participant the EU has already emerged as a meaningful player in the international politics of East Asia by contributing to the design of numerous multilateral and bilateral frameworks. While appearing primarily as a normative power facilitating the transmission of international norms and regulations, the EU has exhibited a wide range of instruments and resources to assist other actors to tackle specific problems on the ground. Numerous bilateral partnerships between the EU and East Asian countries, such as South Korea, Japan, Russia, China, etc., are regarded as a means for the EU to facilitate “effective multilateralism” in the region. The strengthening of these bilateral relationships, as well as promotion of regionalization, would certainly contribute to the spreading of key international norms and practices, and thus to the institutionalization of regional order in East Asia. In this regard, bilateral relations are not conceived as an end in itself, but a means for effective multilateralism, defined as the development of a stronger international society, well-functioning international institutions, and a rule-based international order.

For the EU, one scenario in East Asia is catastrophic to its interests in the region: serious conflict during the coming power transition. In the event of a regional security
disruption, the EU—as a small/medium power—cannot compete in hard-power terms with the region’s major actors. Therefore, it is critical that the EU devises a set of the above-mentioned relationships that obviate this contingency. In doing so the key is to deploy various power assets (primarily soft, economic/commercial/trade, normative) to promote continuation of East Asian regional integration, a species of a general development in which the EU has a certain comparative advantage.

In this context, we can say the following: The predicament caused by the upcoming East Asian power shift will be most effectively managed by building a comprehensive, durable institutional framework to which the EU has much to contribute. That is, on the one hand, in the short-term the new strategic “pivot” by the United States toward the Asia-Pacific should indeed produce measures conducive to an effective handling of the destabilizing factors, given the East Asian power shift. On the other hand, one should recognize that a declining United States will not be in a strong position to resist such a systemic alteration because in the mid-/long-term the United States will steadily decline vis-à-vis China (given the latter’s continued fast economic growth). This means that the United States must seek to build a multilateral foreign policy framework including construction of a new, workable security governance system in East Asia. Simply put, future complex spaces such as the South China Sea will require U.S. engagement beyond bilateralism, and the EU can facilitate such a dynamic. Moreover, an ascendant China still has time to be socialized to the evolving regional system, thus blunting revisionism. In the context of such developments the EU has an opportunity to play a significant role as a security actor in East Asia. Thus, the EU should hasten to convince China and the United States to enter into an East Asian regional framework.

Notes


4. Within the Lisbon Treaty framework, additional means for EU engagement in East Asia include the Military Committee/Staff and the Battlegroups concept. Dialogue fora include the Association of Southeast Asian Nations (ASEAN), ASEAN+3, Asia-Europe Meeting (ASEM), etc.

5. For conceptual reasons explaining why power is measured by these factors, see: Organski, World Politics; R.L. Tammen and Jacek Kugler, “Power Transition and China-U.S. Conflicts,” Chinese Journal of International Politics 1, no. 1 (2006): 35–55. First, large population is a necessary condition for great power because it translates into military size sufficient to defend/conquer vast territory and advance large-scale interests. To wit, neither
Great Britain nor Luxembourg can become great powers despite high economic performance; in fact Great Britain and France descended from the ranks of the great powers precisely when they lost their overseas colonies and territories, thereby being reduced to mid-sized states. Second, as, inter alia, Paul Kennedy observes [The Rise and Fall of the Great Powers (New York: Vintage, 1989)] economic strength (both total and per-capita GDP) is an obvious sine qua non for great power because it translates into capacity for both military and civilian production. This hints also at an answer to an interesting question relevant to PT theory: why not use military strength as the sole variable for measuring power? In addition to difficulties in measuring military strength, as well as the conceptual problem of tautology (namely, military strength is the effect one wants to explain, not the explanans), how would one explain the lack of conflict between the U.S. and U.S.S.R. during the Cold War, given their roughly comparable military strengths (factoring in the nuclear deterrent)? The reason, of course, is that despite military buildup and ideological confrontation, Soviet power was far less than U.S. power as measured along PT theory’s metrics, especially in terms of economic output for civilian goods (Tammen and Kugler, “Power Transition and China-US Conflicts,” 44). One might retort that this simply proves that balance of power theory is better at explaining conflict or its absence, but de Mesquita and Lalman (1992) show that balance of power theory is logically inconsistent, while Lebow (1994), Legro andMoravcsik (1999), andKugler andLemke (2002) give compelling accounts of why balance of power theory is empirically wrong. See: Bruce Bueno de Mesquita and David Lalman, War and Reason: Domestic and International Imperatives (New Haven, CT: Yale University Press, 1992); R.N. Lebow, “The Long Peace, the End of the Cold War, and the Failure of Realism,” International Organization 48, no. 2 (1994): 249–77; J.W. Legro and Andrew Moravcsik, “Is Anybody Still a Realist,” International Security 24, no. 2 (1999): 5–55; Douglas Lemke, Regions of War and Peace (Cambridge, UK: Cambridge University Press, 2002). Third—and finally—the necessity of great powers having political systems efficient at extracting output and implementing it toward state power is clear when one considers, for example, the cases of India and China. India is not vying for the position of global challenger to the United States, because, unlike China, with which it shares a similar population and economic size, its political system (due to a mixture of fractious democracy and powerful provinces) is limited in its ability to steer total output toward state goals. One notes that if an enriched China sees some provinces demand greater autonomy from Beijing (and correspondingly less routing of economic output to centralized authority), then China might not challenge the global dominance of the United States as quickly as estimates presume.

7. See Organski and Kugler (War Ledger, 1980) for concordant \[N_e=a(e+f)+bf\] and discordant \[N_d=c(d+e)+bd\] pairs.
9. Ibid.
12. Ibid., 9.
The Future of the EU’s Security Role in a Transformed East Asia


Table 1. U.S. DoD Total Budget Projections (constant dollars, in billions)

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<tbody>
<tr>
<td>Total DoD Budget</td>
<td>717.1</td>
<td>700.1</td>
<td>558.2</td>
<td>564.2</td>
<td>567.9</td>
<td>576.4</td>
<td>567.0</td>
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(USDoD, 2011, 7).


Table 2. U.S. DoD Budget Forecast By Expenditure Area (2012 constant dollars, in billions)*

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<tbody>
<tr>
<td>Personnel</td>
<td>144</td>
<td>155</td>
<td>175</td>
<td>156</td>
</tr>
<tr>
<td>Ops./Maintenance</td>
<td>226</td>
<td>248</td>
<td>284</td>
<td>248</td>
</tr>
<tr>
<td>Procurement</td>
<td>140</td>
<td>140</td>
<td>110</td>
<td>132</td>
</tr>
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(CBO, 2011, 4).

* Figures are estimates for future execution of defense plans current in 2012. One notes, first, that procurement stagnates for 2016–2021 before declining during 2021–2030. Second, personnel and operations/maintenance budgets stagnate when a comparison is made between 2021 funding and the 2012–2030 average. Third, the CBO highlights two important details:

(A) The 1.6% annual rise in the 2017–2030 operations/maintenance budget is overwhelmingly attributable to rising health care costs for service members (i.e., this expenditure rise is not for kinetic operations) (ibid., 6).
(B) The CBO acknowledges that figures do not reflect political responsiveness to fiscal pressure; yet already the Fiscal Commission plans military spending caps at 2008 levels by 2013.

17. USDoD, 2011.

Table 3. U.S. DoD Budget Projections By Expenditure Area (constant dollars, in billions)*

<table>
<thead>
<tr>
<th>Expenditure/Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>162.1</td>
<td>159.4</td>
<td>159.5</td>
</tr>
<tr>
<td>Ops./Maintenance</td>
<td>302.8</td>
<td>299.2</td>
<td>296.0</td>
</tr>
<tr>
<td>Procurement</td>
<td>140.0</td>
<td>136.3</td>
<td>128.0</td>
</tr>
</tbody>
</table>

(USDoD, 2011, 9).

*See: USDoD (2011, 65–6) for why trends in Table 3 should continue during 2013–2016 period.


20. Sebastian Bersick, “Strategic Considerations in the U.S.-China Relationship and the Role
24. Whatever the gravity of the financial crisis in Europe, historically the EU has achieved major integration advances particularly during crises. Stability breeds complacency; necessity is the mother of invention.
25. We are referring to the supranational EU, which remains a small/medium power even if France or Great Britain are major powers.
27. Ibid.
30. Ibid., 30–1.
31. Bersick, “European Soft Power,” 255. Consider also that the EU and most member states have established diplomatic relations with North Korea and exhibited willingness to engage in its development projects and the Siberian-Korean Peninsula gas-pipeline.
36. Non-interference is controversial even within ASEAN.
37. East Asian regionalism connotes various things, and regional actors have expressed competing visions that sometimes contain elements of manipulation of the regionalism process. This complicates EU involvement in the region, but the security dilemma that such behavior breeds calls for stabilizing external influences like the EU.
38. Ibid., 3.
41. Ibid., 261.
42. Biscop, “Military Strategy.”
44. We also recall the deepening interoperability of the EU and NATO, which is seeking a post-Cold War role, strengthening EU ties (e.g., the “Berlin Plus” agreement), and pushing operations into Asia (e.g., Afghanistan). See: Koehane and Valasek, “Willing and able”; Teixera, “European defense.”
46. Der Spiegel, “EU will Piraten auch am Strand beschiessen” (“EU also wants to fire at
pirates on land") (March 22, 2012) http://www.spiegel.de/politik/ausland/0%2c1518%2c823192%2c00.html (accessed on March 23, 2012).


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