

Master Thesis European Policy

Effective Multilateralism vs. Strategic Partnerships

The E.U. *or* European Union EU's response to the U.S. Rebalancing
refocusing to on Asia:

Effective Multilateralism vs. Strategic Partnerships

“While the EU is playing Ping-Pong, they are playing chess.”
(Brigadier General Jo Coelmont)

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List of Abbreviations

<u>A</u> <u>R</u> <u>F</u>	ASEAN Regional Forum
<u>A</u> <u>S</u> <u>E</u> <u>A</u> <u>N</u>	Association of Southeast Asian Nations
<u>A</u> <u>S</u> <u>E</u> <u>F</u>	Asia-Europe Foundation
<u>A</u> <u>S</u> <u>E</u> <u>M</u>	Asia-Europe meeting
<u>B</u> <u>R</u> <u>I</u> <u>C</u>	Brazil, Russia, India, China

E.C.	European Commission
E.Co.	European Community
E.E.A.S.	European External Action Service
E.C.S.C.	European Coal and Steel Community
E.U.	European Union
F.T.A.	Free Trade Agreement
G.A.T.T.	General Agreement on Tariffs and Trade
G.D.P.	Gross Domestic Product
G4	Group of Four (Brazil, Germany, India, Japan)
G8	Group of Eight (Canada, France, Germany, Italy, Japan, Russia, U.K., U.S., E.U.)
I.E.A.	International Energy Agency
I.M.F.	International Monetary Fund
N.A.T.O.	North Atlantic Treaty Organization
N.M.E.	Non Market Economy
N.P.T.	Non-Proliferation Treaty
O.E.C.D.	Organisation for Economic Cooperation and Development
T.P.P.	Trans-Pacific <u>Transpacific</u> Partnership
U.N.	United Nations
U.N.C.L.O.S.	United Nations Convention on the Law of the Sea
U.N.S.C.	United Nations Security Council
U.S.	United States
W.B.	World Bank
W.M.D	Weapons of Mass Destruction
W.T.O.	World Trade Organization

Introduction

~~_____~~ {The rise of new economies in Asia ~~has led~~ lead to a shift of the world economy. It ~~seems that the~~ appears world is ~~heading towards a~~ becoming multipolar ~~world that is~~ challenging the status quo of the liberal rules-based international order. This ~~shifting shift in~~ global ~~world~~ order ~~has will have~~ implications for U.S. hegemonic leadership and ~~the its~~ transatlantic partnerships.

~~_____~~ This thesis
I will provide an insight ~~in~~ to the changing international environment and the subsequent implications for the transatlantic partnerships and E.U. foreign policy. The American ⁴

refocus on rebalancing to Asia² has triggered much debate in Asia, Europe, and beyond etc. Since U.S. interests in Europe are in decline and the U.S. is rebalancing refocusing its efforts towards on Asia, the E.U. becomes is at risk of ‘falling into global irrelevance.’¹

This increased economic and military attention of the U.S. towards the Asia-Pacific; calls for a clear E.U. strategic vision of its role and priorities in this the area. Effective multilateralism and E.U. strategic partnerships are two important E.U. foreign policy tools. The case study will provide insight perspective in the E.U.’s response to the U.S.’s Rebalancing refocus to on Asia: did the EU respond to the U.S. rebalancing by becoming being more strategic, or by making more use of effective multilateralism? And Further, which foreign policy tool has been the most effective for serving the shared U.S.-EU interests in the region?}(Editor’s Note: Simplify this, you have three different theses here. 1) The rise of new economies in Asia shifted the world economy, 2) The E.U. is at risk of becoming irrelevant, and 3) The E.U. must create a clear vision of its role in the Asia Pacific region. This is problematic as you don’t have a clear focus. Furthermore, you use the term “liberal rules based world order” without defining this so called order. I’d ditch the political rhetoric altogether and focus on the primary parts of your paper. Lastly stop using “insight” so often and the phrase “will provide an insight”. We’ve already gathered that this paper is going to give us an insight.

the liberal rules based world order. Attention is paid to the changing international environment and the rise of Asia. More detailed information is provided about China, South Korea, India and Japan — since these countries are considered to be the EU’s strategic partnerships.

The second chapter will provide an insight in the factors that led to U.S. rebalancing to Asia. The rebalancing implies a greater relative focus of U.S. resources towards Asia, especially in military and economic terms. Also, the EU objectives in the Asia-Pacific will be addressed, since it has become necessary for the EU to develop a clear transatlantic vision towards Asia.

The final chapter examines the EU’s response to the U.S. rebalancing to Asia. The first part of this chapter will elaborate on two important EU foreign policy tools: effective multilateralism and strategic partnerships. The second part of this chapter will take theory into practice: what actions has the EU undertaken in the fields of effective multilateralism and strategic partnerships? In the fields of multilateralism, the EU is actively engaged in ASEAN and ASEM. With regard to the EU’s Asian strategic partnerships, special attention is given to China and South Korea, since these two Asian strategic partners exemplify the trade and security issues that the EU is facing in the region. To a lesser extent, the EU’s relationship with India and Japan will be discussed. shaping The first chapter will elaborate on the transatlantic relationship and it will provide an insight in the circumstances that helped. (Unnecessary summation. We already have an idea of what each section of this paper is about by the index, we don’t need this exposition.. Second note:***Important*** acronyms, such as; E.U., U.S., U.N., ETC must have periods between each letter unless the term is generally recognised without them. I’m not going to correct them for the rest of this paper please correct them yourself. Third note: Try to avoid similar acronyms for different organisations, even if their normally accepted acronyms are the same. This avoids confusion in the paper. See my changes above in the Abbreviation List.

1 Thomas Renard, ‘The Treachery of Strategies: A Call For True EU Strategic Partnerships’, *Egmont Royal Institute for International Relations*, (2011), p. III.

1. The Changing International Environment

1.1. The evolving transatlantic partnerships and its their role in global politics

Since 1945, the world order has gone through several important changes. The Second World War ~~has~~ left Europe in ruins. The reconstruction of Europe took place with the help of the United States' (U.S.) financial and political aid.² This intensive cooperation in the field of economics after the ~~Second World War WWII resulted in a deepening of~~ served to deepen the transatlantic partnership³, which is based on a common history and shared values, like; democracy, human rights, open economies, and justice before the law.⁴

The aftermath of the ~~Second World War WWII also~~ marked the beginning ~~of the and~~ creation of a rules-based liberal world order. According to G. John Ikenberry, this multilateral governance order was led by the U.S. and built around the principles of cooperative security and managed open markets.⁵ Although the liberal order aimed to be global, the West established the most important institutions of this order as a result of their shared transatlantic interests and principles.⁶

The principle of cooperative security was originally driven by the emerging Cold War and was focused on deterrence, containment, and creating the creation of alliances.⁷ Cooperative security can be explained as “a strategy in which states tie themselves together in economic and security institutions that mutually constrain one another”⁸. Examples of cooperative security initiatives are include; the collective security system of the United Nations (U.N.), the European Coal and Steel Community (E.C.S.C.), the North Atlantic

2 Fen O. Hampson and Paul Heinbecker, ‘The “New” Multilateralism of the Twenty-First Century’, *Global Governance*, nr 3 (2011), p. 299.

3 Sebastian Reyn, *Allies or Aliens? George W. Bush and the Transatlantic Crisis in Historical Perspective*, The Hague: Netherlands Atlantic Association 2007, pp. 121-122.

4 Andrew Moravcsik, ‘Striking a new Transatlantic bargain’, *Foreign Affairs*, nr. 4 (2003), pp.76-77.

5 ~~8~~ John G. Ikenberry, *Liberal Leviathan – The Origins, Crisis, and Transformation of the American World Order*, Princeton: Princeton University Press 2011, p. 217. p. 186, p. 161, p. 183

6 John G. Ikenberry, *Liberal Leviathan – The Origins, Crisis, and Transformation of the American World Order*, Princeton: Princeton University Press 2011, p. 186.

7 John G. Ikenberry, *Liberal Leviathan – The Origins, Crisis, and Transformation of the American World Order*, Princeton: Princeton University Press 2011, p. 161.

8 John G. Ikenberry, *Liberal Leviathan – The Origins, Crisis, and Transformation of the American World Order*, Princeton: Princeton University Press 2011, p. 183.

Treaty Organization (N.A.T.O.), and the [1960s U.S.-Japan military alliance](#). ~~military alliance of the U.S. and Japan of the 1960s.~~⁹

The [principle basis](#) of managed open markets was ~~led by~~ the conviction that open economic relations were essential to prevent another worldwide economic crisis ~~like such as~~, the Great Depression of the 1930s. It sought to create an open, stable, and managed economic order among the Western democracies. This economic order would enhance trade, and boost employment, and ~~grow economic~~ ~~economic growth~~.¹⁰ In 1944, the Bretton Woods agreements provided the establishment of a system of fixed exchange rates, and ~~the set-up of~~ the International Monetary Fund (IMF) and the World Bank (WB). In 1947, the General Agreement on Tariffs and Trade (GATT) was established. ~~This was it was~~ the predecessor of the World Trade Organization (WTO), ~~as~~ an institute that is based upon the principles of commercial reciprocity and non-discrimination.¹¹

~~During the Cold War, the international world order was characterized by the bipolarity between the U.S. and the Soviet Union.~~¹² ~~This period of bipolarity was characterized by a U.S. security driven geopolitical logic of balancing against Soviet influence.~~¹³ ~~The Cold War period was characterised by the U.S.'s drive for geopolitical security and opposition from the Soviet Union.~~

With the end of the Cold War, the security threat of the Soviet Union no longer existed. ~~It was feared that the disappearance of this security threat would fuel competition between the European countries and lead to instability on the European continent~~ ~~The loss of the Soviet Threat fostered new fears of competition between European countries, which lead to instability~~ [Editor note: what type of instability; economic, social, cultural?].¹⁴ John J. Mearsheimer argues ~~that the military presence of the U.S. of the U.S. Military, which pacified fears in on the Europe, an continent has accounted~~ ~~accounts~~ for the stability ~~in~~ Europe ~~experienced~~ after the end of the Cold War, ~~since its presence served as a pacifier~~.¹⁵ ~~Also Furthermore~~, the expansion of NATO to former Soviet countries ~~has~~ contributed to the

9 ~~—————~~ ~~-11~~ ~~—————~~ John G. Ikenberry, *Liberal Leviathan – The Origins, Crisis, and Transformation of the American World Order*, Princeton: Princeton University Press 2011, pp. 184-185, p.161 & 166-69, 159 & 195-96.

10 ~~—————~~ John G. Ikenberry, *Liberal Leviathan – The Origins, Crisis, and Transformation of the American World Order*, Princeton: Princeton University Press 2011, pp. 161, 166-169.

11 ~~—————~~ John G. Ikenberry, *Liberal Leviathan – The Origins, Crisis, and Transformation of the American World Order*, Princeton: Princeton University Press 2011, pp.159, 195-196.

12 ~~—————~~ John J. Mearsheimer, 'Why is Europe peaceful today?', *European Political Science*, nr. 3 (2010), p. 389.

13 ~~—————~~ David M. Andrews, 'The United States and its Atlantic Partners: the Evolution of American Grand Strategy', *Cambridge review of international affairs*, nr. 1 (2004), pp. 423-424.

14 ~~—————~~ John J. Mearsheimer, 'Back to the future: instability in Europe after the Cold War', *International Security*, nr. 1 (1990), pp. 6-7.

15 ~~—————~~ John J. Mearsheimer, 'Why is Europe peaceful today?', *European Political Science*, nr. 3 (2010), p.388.

stability in Europe. By incorporating these countries into the security umbrella of NATO, it which greatly reduced the possibility that these countries would compete with each other.¹⁶

After the fall of Communism, the international world order transformed into a unipolar system, with the U.S. as the 'world's remaining superpower'.¹⁷ The U.S. preserved its military dominance,¹⁸ and for most of the second half of the twentieth century the U.S. national economy was the largest in terms of gross domestic product (GDP).¹⁹ But Yet, above all else, the U.S. was perceived by the West as a moral leader[editor note: In what sense?]. John J. Mearsheimer stated that the Europeans 'had accepted the idea that the United States has a moral and strategic responsibility to run the world.'²⁰ The Europeans worked together with the U.S. to promote the liberal world and, - according to Mearsheimer, - Europe would become 'America's junior partner as they worked together to spread liberal democracy into conflict ridden regions like Central Asia and the Middle East.'²¹

In the 21st Century, it seems that the unipolar momentum of the U.S. is in decline,²² and new poles centers of power are emerging.²³ New developments are challenging the liberal rules-based international order, such as the rise of these new powers:, the global financial and economic crises, terrorism, climate change, and food and energy security.²⁴ Mariò Telo states that the emerging multipolar world has a heterogeneous character and that 'classical balance

16 —————, 17, 20, 21 ————— John J. Mearsheimer, 'Why is Europe peaceful today?', *European Political Science*, nr. 3 (2010), p.388, p. 389, p. 388, p. 392.

17 ————— John J. Mearsheimer, 'Why is Europe peaceful today?', *European Political Science*, nr. 3 (2010), p. 389.

18 ————— Christopher Layne, 'The Unipolar Illusion Revisited: The Coming End Of The United States' Unipolar Moment', *International Security*, nr. 2 (2006), p. 12.

19 ————— Robert H. Wade, 'Emerging world order? From multipolarity to multilateralism in the G20, the World Bank and the IMF', *Politics & Society*, nr. 3 (2011), p. 350.

20 ————— John J. Mearsheimer, 'Why is Europe peaceful today?', *European Political Science*, nr. 3 (2010), p.388.

21 ————— John J. Mearsheimer, 'Why is Europe peaceful today?', *European Political Science*, nr. 3 (2010), p.392.

22 —————, 23, 25 ————— Mario Telò, *State, Globalization and Multilateralism: The challenges of institutionalizing regionalism*, Dordrecht: Springer Netherlands 2012, p. 18, p. 21.

23 ————— Mario Telò, *State, Globalization and Multilateralism: The challenges of institutionalizing regionalism*, Dordrecht: Springer Netherlands 2012, p.21.

24 ————— Fen O. Hampson and Paul Heinbecker, 'The "New" Multilateralism of the Twenty-First Century', *Global Governance*, nr. 3 (2011), p. 299.

of power logic does not work because of the diverse and changing nature of each participating power.²⁵

However, as a result of the current global financial crisis, isolationist tendencies seem to be growing in Europe and the U.S. There is a risk that both parties will become self-absorbed and take the transatlantic partnership for granted. In order to cope with these new realities, it is important that both actors make use of the opportunity to work on a clear strategic vision for these challenges ahead.²⁶

1.2. *The rise of a multipolar world and Asia's growing importance*

— Countries that are often mentioned as upcoming poles powers are Brazil, Russia, India and China (the BRIC countries). In 2008, an economic crisis severely affected the American economy that and was subsequently manifested in the U.S. housing sector. As a result of the worldwide economic interdependence, the economic crisis rapidly spread out to other countries. However None the less, the economies of the BRIC countries were less affected by the economic crisis and could therefore continue to grow.²⁷

— In particular, Asia has experienced a period of rapid development. In particular, Asia has experienced a period of rapid development. It has growing in international importance as a result of its magnitude, its increasing population, and its economic growth.²⁸ According to the IMF, Asia experienced the strongest worldwide economic growth in 2012. It predicts that this growth will continue in 2013, and it is expected that Asian internal demand will increase as a result of the improving labour markets.²⁹

— Asian economic growth has also led to an increase in Asian energy demands. The International Energy Agency (IEA) stated that the global energy demand will experience an increase in demand of 35% in the period up to 2035, mostly as a result of the growing energy demands in China, India and the Middle East. Asia will be confronted with fast growing energy demands to an increase in Asian energy demands. The International Energy Agency (IEA) stated that the global energy demand will experience an increase in demand of 35% in the period up to 2035, mostly as a result of the growing energy demands in China, India and the Middle East. Asia will be confronted with fast growing energy demands making, which makes Asia an important continent.³⁰

25 ————— Mario Telò, *State, Globalization and Multilateralism: The challenges of institutionalizing regionalism*, Dordrecht: Springer Netherlands 2012, p.21.

26 ————— Emiliano Alessandri, 'Transatlantic relations Four Years Later: The Elusive Quest for a Strategic Vision', *The International Spectator: Italian Journal of International Affairs*, nr. 3 (2012), p. 21, 33.

27 ————— Gunilla Herolf, 'Multipolar world at the end of the first decade of the 21st century: how about Europe?', *Central European Journal of Public Policy*, nr. 1 (2011), pp. 5-6.

28 —————, 31 ————— Chellaney, B., 'The Resistible Rise of Asia?', <http://www.project-syndicate.org/commentary/the-resistible-rise-of-asia->, retrieved at 21 March 2013.

29 ————— IMF, 'Asia's key trends, potentials, opportunities and outlook', <http://www.imf.org/external/np/speeches/2012/050212.htm>, retrieved at 21 March 2013.

30 ————— International Energy Agency, 'World Energy Outlook 2012 — Executive Summary', (2012), p. 1.

_____ Challenges lie. However, there are also challenges ahead as Asia risks the danger of instability due to, because of looming territorial and maritime disputes. Economic growth also has its downside as, because social inequality, corruption, domestic discontent and environmental degradation are becoming become issues of increased importance in Asia.³¹

The next sections will provide more detailed information about China, South Korea, India and Japan. After the U.S. and the EU, China, India and Japan are respectively the third, fourth and fifth largest economies worldwide in terms of GDP.³² The next sections will provide more detailed information about China, South Korea, India and Japan. After the U.S. and the EU, China, India and Japan are respectively the third, fourth and fifth largest economies worldwide in terms of GDP,³³ and South Korea is also experiencing a rapid economic growth.³⁴ These four Asian countries are considered to be the Asian strategic partnerships of the European Union (EU), as will be discussed in Chapter 4. [Editor note: this is unnecessary, if you can't say this as a simple introduction to the section, then skip it altogether.]

1.2.1. China

_____ Although the global economic crisis has led to a decrease in growth forecasts for China, its economy has proven to be resilient. China experienced an economic growth of 8.25% in 2012, and is expected to rise to 8.75% in 2013.³⁵ The Organisation for Economic Cooperation and Development (O.E.C.D.) predicted that China will surpass the U.S. as the world largest economy in 2016.³⁶ and In February of 2013, China has already passed the U.S. as the largest trading country.³⁷ China is distinguished by its long period of economic growth;

31 _____ Chellaney, B., 'The Resistible Rise of Asia?', <http://www.project-syndicate.org/commentary/the-resistible-rise-of-asia>, retrieved at 21 March 2013.

32 _____ CIA – The World Factbook, 'Country Comparison: GDP (Purchasing Power Parity)', <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html>, retrieved at 21 March 2013.

33 _____ CIA – The World Factbook, 'Country Comparison: GDP (Purchasing Power Parity)', <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html>, retrieved at 21 March 2013.

34 _____ OECD, 'Economic Survey of Korea 2012', <http://www.oecd.org/korea/economicsurveyofkorea2012.htm#>, retrieved at 6 April 2013.

35 _____ International Monetary Fund, 'China Economic Outlook', (2012), p. 1.

36 _____ OECD, 'Balance of power will shift dramatically in the next 50 years', <http://www.oecd.org/newsroom/balanceofeconomicpowerwillshiftdramaticallyoverthenext50yearsaysoced.htm>, retrieved at 1 March 2013.

37 _____ MereoPress, 'China became in 2012 the world's biggest trading nation surpassing the U.S.', <http://cn.mereopress.com/2013/02/15/china-became-in-2012-the-world-s-biggest-trading-nation-surpassing-the-us>, retrieved at 1 March 2013.

a period of more than 30 years of continued growth, something that hasn't has not occurred in any other country in the last century.³⁸ TheChina's rapid growth since 1978 has been is mainly driven by exports.³⁹ Due to its enormity (China has an estimated population of 1.34 billion people); the economic growth of China has China has a significant impact on the world economy.⁴⁰ -

{China's economic growth is enhancing its regional influence.⁴¹ At the global level, China is seeking recognition as a world power.} [clunky rewrite] China is aiming for more influence on the international stage amingand it aims to be included into the Group of Eight (G8).- Furthermore it aims to and strengthen its position in the I.M.F. and the W.B.. However, this would imply a gradual revision of the current system of global governance, including a reduction in voting power for the 'established countries'.⁴² -

1.2.2. South Korea

— Although South Korea was hit by the global economic crisis, it still belongs to the fastest growing O.E.C.D. countries with a projected growth rate of 3.5% in 2012. It recovered fast from the crisis, and enjoys low unemployment and low government debt.⁴³ HoweverYet, despite its economic performance, it needs to improve social cohesion and it faces an aging population which could pose a threat to future economic performances.⁴⁴ South Korea also performs well in terms of democracy. The foundations for its democracy were secured in its constitution of 1988, which also provides for freedom of religion and free and competitive media.⁴⁵ -

38 ———, 38 ——— Adviesraad Internationale Betrekkingen, 'Met het oog op China – op weg naar een volwassen relatie' (2007), pp. 12-14.

39 ——— Adviesraad Internationale Betrekkingen, 'Met het oog op China – op weg naar een volwassen relatie' (2007), pp. 12-14.

40 ——— Economist Intelligence Unit, 'China Basic Data, <http://country.eiu.com/article.aspx?articleid=690097453&Country=China&topic=Summary&subtopic=Basic+data>, retrieved at 1 March 2013.

41 ———, 41 ——— Adviesraad Internationale Betrekkingen, 'Met het oog op China – op weg naar een volwassen relatie' (2007), pp. 30-31. pp. 38-39, 65.

42 ——— Adviesraad Internationale Betrekkingen, 'Met het oog op China – op weg naar een volwassen relatie' (2007), pp. 38-39, 65.

43 ———, 43 ——— OECD, 'Economic Survey of Korea 2012', <http://www.oecd.org/korea/economicsurveyofkorea2012.htm#>, retrieved at 6 April 2013.

44 ——— OECD, 'OECD economic surveys – Korea', (2012), p. 1.

45 ——— Freedom House, 'South Korea', <http://www.freedomhouse.org/report/freedom-world/2012/south-korea>, retrieved at 6 April 2013.

Of special interest relevance are the on-going tensions issues that South Korea is experiencing with North Korea. Since their separation in 1953,⁴⁶ military tensions between North and South Korea have remained. In 2003, North Korea withdrew itself from the international nuclear Non-Proliferation Treaty (NPT) and it has recently conducted nuclear tests. These developments make South Korea a of special strategic interest.⁴⁷

1.2.3. India

In the last decade, India has experienced an average economic growth of nearly 8%. This makes India, - together with China, - one of the world's fastest growing economies.⁴⁸ [Why are we listing India and China together as an economy?] On the other hand, India's fiscal deficit remains a source for concern, since the deficit rates of 2011 accounted for nearly 6% of GDP.⁴⁹ [Is this really a concern? The US debt accounts for nearly 76% gdp, further, please fact check, India's debt as a percentage of gdp is 51.9% as of 2012]

The international ambitions of India have grown along with its economic performances. Like China, India is aiming for more influence on the international stage. It aims for more influence in international institutions, like the WB and the IMF.⁵⁰ {India has held a non-permanent seat on the UNSC from 2011 onward and to including 2012.}[Reword, clunky] The Indian government is aiming for UNSC reforms arguing, and argues that it would be a logical step to grant India a permanent membership in a reformed UNSC.⁵¹ As president Pranab Mukherjee stated on the 6th of December 2012:

'By any objective criteria, such as population, territorial size, GDP, economic potential, civilisational/civilizational legacy, cultural diversity, political system and past and on-going contributions to the activities of the UN -especially to UN peacekeeping operations- India is eminently suited for permanent membership of the UN Security Council. India has affirmed its willingness and capacity to shoulder the responsibilities of permanent membership of the UN Security Council.'⁵²

46 CIA Factbook, 'South Korea', <https://www.cia.gov/library/publications/the-world-factbook/geos/ks.html>, retrieved at 6 April 2013.

47 Giovanni Grevi and Gauri Khandekar, 'Mapping EU Strategic Partnerships', *Friede*, (2011), pp. 40-41.

48 OECD, 'India – Sustaining high and inclusive growth', (2012), pp. 1-3.

49 OECD, 'India – Sustaining high and inclusive growth', (2012), p. 6.

50 Daniel M. Kliman and Richard Fontaine, 'Global Swing States – Brazil, India, Indonesia, Turkey and the future of the international order', *The German Marshall Fund of the United States*, (2012), p. 14.

51 Daniel M. Kliman and Richard Fontaine, 'Global Swing States – Brazil, India, Indonesia, Turkey and the future of the international order', *The German Marshall Fund of the United States*, (2012), pp. 13-14.

[Editor's note; NEVER EVER EVER end on a quote. Always summarize and lead into the next part.]

1.2.4. Japan

Japan is not considered to be an emerging Asian power due to, as a result of its lacking economic performances. Its export oriented economy was severely affected/impacted by the worldwide economic crisis that started in 2010.⁵³ In addition, the territorial dispute with China over the islands in the South China Sea has led to a decrease in Japanese exports trade.⁵⁴ {Another source of concern is the enormous Japanese public debt. With a projected 230% debt of GDP in 2014, Japanese consolidation measures seem to be unavoidable.}
[Clunky rewrite] The OECD therefore predicts low growth rates, with an estimated 0.75% annual growth in both 2013 and 2014.⁵⁵

On the other hand, Japan enjoys several advantages over the rising Asian economies. For instance, the Japanese population is well-educated⁵⁶, and according to Brahma Chellany 'it is nine times richer than China on a per capita basis and it possesses Asia's largest naval fleet and its most advanced high-tech industries'.⁵⁷

Together with India - and the other countries of the G4 (Brazil and Germany) – Japan is an active promoter of UNSC reforms. They aim for expansion of both the permanent and non-permanent Council, in order to make the Council more representative and effective.⁵⁸

52 _____ The President of India Shri Pranab Mukherjee, 'Speech by the President of India, Shri Pranab Mukherjee to the delegates of international conference of chief justices of the world on article 51 of the constitution of India New Delhi 6 December 2012', <http://presidentofindia.nic.in/sp061212.html>, retrieved at 22 March 2013.

53 _____ WSWS, 'Deepening economic crisis in Japan', <http://www.wsws.org/en/articles/2012/11/pers-n15.html>, retrieved at 25 March 2013.

54 _____ The Financial Times, 'China dispute hits Japanese exports', <http://www.ft.com/cms/s/0/ba98a396-4986-11e2-9225-00144feab49a.html#axzz2OYCaKdGg>, retrieved at 25 March 2013.

55 _____ OECD, 'Japan – economic forecast summary (November 2012)', <http://www.oecd.org/eco/outlook/japaneconomicforecastsummary.htm>, retrieved at 25 March 2013.

56 _____ OECD, 'Policies for a revitalization of Japan', April 2012. Available at: <http://www.oecd.org/economy/50190618.pdf>, p.5.

57 _____ Chellaney, B., 'The Resistible Rise of Asia?', <http://www.project-syndicate.org/commentary/the-resistible-rise-of-asia->, retrieved at 25 March 2013.

58 _____ United Nations, 'Permanent Mission of Japan to the United Nations', http://www.un.emb-japan.go.jp/topics.en/security_council_reform.html, retrieved at 25 March 2013.

2. The rebalancing to Asia

2.1. Understanding the U.S. rebalancing to Asia

The American ‘rebalancing to Asia’ has triggered much debate in Asia, Europe and in the U.S. itself. Former Secretary of State Hillary R. Clinton first made use of the phrase ‘pivot to Asia’ in her Foreign Policy article of November 2011⁵⁹. In this article, Clinton states that U.S. engagement in the Asia-Pacific region is essential, because the region is of growing importance in the field of politics, economics, energy, security and demographics.⁶⁰ Clinton aims for a regional strategy which is based on six action points:

- Strengthening bilateral security alliances;
- Deepening of U.S. working relations with emerging powers (including China);
- Engaging with regional multilateral institutions;
- Expanding trade and investment;
- Forging a broad based military presence;
- Advancing democracy and human rights⁶¹

Since mid-2012, the terminology ‘rebalancing to Asia’ became more into practice. By using the term ‘rebalancing’ instead of ‘pivoting’, the U.S. government aims to underline that the rebalancing implies a greater *relative* focus of U.S. resources towards Asia; rather than signifying a turning point of U.S. foreign policy.⁶² Also, the term ‘pivot’ was replaced by

59 _____ Hillary R. Clinton, ‘America’s Pacific century – The future of geopolitics will be decided in Asia, not in Afghanistan or Iraq, and the United States should be right at the center of the action,’ *Foreign Policy*, nr. 189 (2011), pp. 56-63.

60 _____ Hillary R. Clinton, ‘America’s Pacific century – The future of geopolitics will be decided in Asia, not in Afghanistan or Iraq, and the United States should be right at the center of the action,’ *Foreign Policy*, nr. 189 (2011), p. 57.

61 _____ Hillary R. Clinton, ‘America’s Pacific century – The future of geopolitics will be decided in Asia, not in Afghanistan or Iraq, and the United States should be right at the center of the action,’ *Foreign Policy*, nr. 189 (2011), p. 58.

62 _____ The Interpreter, ‘Asian pivot is really an Asian re-balance’, <http://www.lowyinterpreter.org/post/2012/06/22/Asian-pivot-is-really-an-Asian-rebalance.aspx>, retrieved at 4 March 2013.

'rebalancing' in order to point out that there has always been an American engagement in the region. In other words: the American attention for the Asia-Pacific is not a new phenomenon.⁶³ _

In January 2012, the U.S. government released a new U.S. new military security strategy⁶⁴ towards Asia. This security strategy sets the U.S. priority military missions for the 21st century in the context of the changing geopolitical environment. In order to ensure global security, the U.S. government rebalances towards the Asia-Pacific region out of necessity. With regard to China, the U.S. aims to safeguard its economy and security. As a result of the current expansion of China's military capabilities, the U.S. calls for more openness of China's strategic intentions in order to safeguard the stability in the region.⁶⁵ _

In this regard, the U.S involvement in the maritime boundary disputes over the South China Sea deserves special attention.⁶⁶ Currently, China, Malaysia, Brunei, Philippines, Vietnam and Taiwan are involved in this dispute by claiming sovereignty over several areas in the South China Sea, in order to obtain exclusive underground excavation and fishing rights.⁶⁷ The South China Sea is of great geostrategic importance because of the presence of natural resources, with an estimated presence of seven billion barrels of oil and 900 trillion cubic feet of natural gas. Also, the South China Sea is of great importance for energy transports. In 2011, half of global LNG trade was shipped through this sea route.⁶⁸ China is currently claiming over 80% of the South China Sea's territory on historical grounds. As a result, the other countries involved in the dispute are seeking closer diplomatic and military ties with the U.S. as a result of China's growing military capabilities. To protect its own trade interests and to counterweight China's military presence, the U.S. has expanded its military presence in the region.⁶⁹ _

63 _____ Weitz, R., 'Pivot out, Rebalance in', <http://thediplomat.com/2012/05/03/pivot-out-rebalance-in/>, retrieved at 25 March 2013.

64 _____ U.S. Department of Defense, 'Sustaining U.S. global leadership: priorities for 21st century defense', (2012).

65 _____ U.S. Department of Defense, 'Sustaining U.S. global leadership: priorities for 21st century defense', (2012), p. 2.

66 _____ Andrew H. Ring, 'A U.S. South Sea perspective: Just over the horizon', *Weatherhead Center for International Affairs Harvard University*, (2012), p. 5.

67 _____ Andrew H. Ring, 'A U.S. South Sea perspective: Just over the horizon', *Weatherhead Center for International Affairs Harvard University*, (2012), pp. 8-9.

68 _____ U.S. Energy Information Administration, 'The South China Sea is an important world energy trade route', <http://www.eia.gov/todayinenergy/detail.cfm?id=10671>, retrieved at 17 April 2013.

69 _____ Andrew H. Ring, 'A U.S. South Sea perspective: Just over the horizon', *Weatherhead Center for International Affairs Harvard University*, (2012), p. 4.

Also of special attention is the U.S.' security driven relationship with Japan and South Korea. Japan became part of the American security sphere 1960, with the signing of the Treaty of Mutual Cooperation and Security.⁷⁰ According to the U.S. State Department, 'the U.S.-Japan alliance is the cornerstone of U.S. security interests in Asia and is fundamental to regional stability and prosperity'⁷¹ In 2011, the U.S. had stationed 36.708 active military personnel in Japan, which accounted for nearly 72% of the total military personnel stationed in East Asia and the Pacific.⁷²

The relationship between South Korea and the U.S. originates in the Korean War (1950-1953), when U.S. troops fought alongside South Korean troops against an invasion of communistic North Korea. A North Korean torpedo attack on a South Korean vessel in 2010 has recently strengthened the U.S.-South Korea alliance, and has resulted in an alignment of their policies towards North Korea.⁷³

The U.S. government emphasises that this process of rebalancing is not only driven by defense priorities, but must be seen as a comprehensive U.S. strategy towards the region. As stated by Deputy Defense Secretary Carter in a meeting at the Woodrow Wilson Center on October 2012: 'Our political and military rebalance to the Asia-Pacific region is one of the most important tenets of the new strategy. There are several, this is the most important. Underlying our security engagement with the region is our support for long-standing principles that go well beyond security – of free and open access to commerce; of a just international order that upholds the rule of law; of open access to all domains; and of the peaceful resolution of disputes.'⁷⁴

Also in the field of economics, the U.S. government has been pursuing stronger economic partnerships. For instance, Obama undertook a nine-day trip to the Asia-Pacific in November 2011, with the purpose to strengthen the economic interconnections between the Asia-Pacific and the U.S.⁷⁵ The U.S. aims to conclude an Asia-Pacific Free Trade Agreement (FTA) and is

70 _____ The Treaty of Mutual Cooperation and Security between the United States of America and Japan of January 19, 1960.

71 _____ U.S. Department of State, 'U.S. Relations with Japan', <http://www.state.gov/r/pa/ei/bgn/4142.htm>, retrieved at 25 March 2013.

72 _____ U.S. Department of Defense, 'Active Duty Military Personnel Strengths by Regional Area and by Country (309A) –December 31, 2011' <http://www.protothema.gr/files/1/2012/05/28/usa%20ARMY%202011.pdf>, retrieved at 25 March 2013.

73 _____ Katrin Katz and Victor Cha, 'South Korea in 2011: Holding Ground as the Region's Linchpin', *Asian Survey*, nr. 1 (2012), pp. 52-53.

74 _____ U.S. Department of Defense, 'Shangri-La Security Dialogue as delivered by Secretary of Defense Leon E. Panetta', <http://www.defense.gov/speeches/speech.aspx?speechid=1681>, retrieved at 4 March 2013.

75 _____ CBSNews, 'Obama begins 9-day Asia-Pacific trip', http://www.cbsnews.com/8301-503544_162-57323616-503544/obama-begins-9-day-asia-pacific-trip, retrieved at 5 March 2013.

currently involved in the negotiations of the Trans Pacific Partnership (TPP). This FTA will give an impulse to the economies by increasing investments and exports and creating jobs on both sides of the Pacific.⁷⁶

The increased economic attention of the U.S. towards the Asia-Pacific is partly a result of the current crisis in the euro zone. This crisis has led to less faith in European markets, and the U.S. government is worried that the euro crisis will severely affect the American economy – since the European and American markets are still the largest and most integrated in the world. American diplomats have repeatedly summoned the European leaders to get their act together and to adopt necessary measures in order to bring stability back to the European markets.⁷⁷

To ensure American economic growth and the creation of jobs – an election promise that president Obama aims to deliver – the U.S. government is extending its economic opportunities by focussing more on the Asia-Pacific.⁷⁸ President Obama stated in November 2011: ‘Here, we see the future. As the world’s fastest-growing region - and home to more than half the global economy - the Asia Pacific is critical to achieving my highest priority, and that’s creating jobs and opportunity for the American people.’⁷⁹

2.2. *EU objectives in the Asia- Pacific*

The EU has issued several policy documents that outlined its approach towards Asia over the last two decades. The first EU policy towards Asia had a clear economic focus, and was issued in 1994.⁸⁰ This policy paper is written in the context of the changing international environment after the end of the Cold War and reference is made to the growing economic importance of Asian countries. Following the key developments that occurred since 1994, the EU released a revised strategy towards Asia in 2001.⁸¹ The growing worldwide

76 _____ The White House, ‘President Obama at the Asia Pacific Economic Cooperation (APEC)’, <http://www.whitehouse.gov/blog/2011/11/13/president-obama-asia-pacific-economic-cooperation-apec>, retrieved at 5 March 2013.

77 _____ Emiliano Alessandri, ‘Transatlantic relations Four Years Later: The Elusive Quest for a Strategic Vision’, *The International Spectator: Italian Journal of International Affairs*, nr. 3 (2012), pp. 30-31.

78 _____ The White House, ‘President Obama at the Asia Pacific Economic Cooperation (APEC)’, <http://www.whitehouse.gov/blog/2011/11/13/president-obama-asia-pacific-economic-cooperation-apec>, retrieved at 5 March 2013.

79 _____ The White House, ‘Remarks by President Obama to the Australian Parliament’, <http://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament>, retrieved at 5 March 2013.

80 _____ Commission of the European Communities, ‘Towards a new Asia Strategy’, COM (94) 314 final.

81 _____ Commission of the European Communities, ‘Europe and Asia: a strategic framework for enhanced partnerships’, COM (2001) 469 final, p. 3.

interdependence brings more responsibility for the EU and her partners in Asia, who have an interest in the promotion of peace and security worldwide.⁸²

From 2003 on, the security interests of the EU are given a more prominent role in its policy towards Asia. The security issues include the nuclear activities in North Korea and the nuclear risks in South Asia, as well as activities of terrorists and criminals in central or Southeast Asia.⁸³ In 2012, the South China Sea dispute was identified as a possible security threat for the EU, because of the importance of the South China Sea for the transports of the EU.⁸⁴ Also, threats that could affect the region’s economic performance are identified. These include the dispute across the Taiwan Strait and China’s competitive national tendencies.⁸⁵

Overall, one could say that the EU’s approach towards the Asia-Pacific has shifted in the last two decades from an economic dominated policy towards a more comprehensive approach that is increasingly including strategic issues.

Table 1. Overview of EU policy documents towards Asia

<u>Year</u>	<u>Title</u>	<u>Key points</u>
1994	<u>Towards a New Asia Strategy</u> ⁸⁶	<ul style="list-style-type: none"> ● <u>Clear economic focus</u> ● <u>Taking policies of other international powers into account (Japan and the U.S.)</u> ● <u>Contribute to stability in Asia by promoting international cooperation/ democracy and rule of law/ respect for human rights and fundamental freedoms.</u>
2001	<u>Europe and Asia: a strategic framework for enhanced partnerships</u> ⁸⁷	<ul style="list-style-type: none"> ● <u>Revision of 1994 Strategy</u> ● <u>Strengthening EU’s economic presence</u> ● <u>More emphasis on the deepening of political dialogue between</u>

82 _____ Commission of the European Communities, ‘Europe and Asia: a strategic framework for enhanced partnerships’, COM (2001) 469 final, pp. 3-4, 6, 11-12.

83 _____ European Council, ‘European Security Strategy: A secure Europe in a better world’ (2003), p. 6.

84 _____ Council of the European Union, ‘2012 Guidelines on the EU’s Foreign and Security Policy in East Asia’, 11492/12, 15 June 2012. Available at: http://eeas.europa.eu/asia/docs/guidelines_eu_foreign_sec_pol_east_asia_en.pdf, pp. 5-6, 19-20.

85 _____ Council of the European Union, ‘2007 Guidelines on the EU’s Foreign and Security policy in East Asia’. Available at: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/en/misc/97842.pdf, pp. 1-3.

86 _____ Commission of the European Communities, ‘Towards a new Asia Strategy’, COM (94) 314 final.

87 _____ Commission of the European Communities, ‘Europe and Asia: a strategic framework for enhanced partnerships’, COM (2001) 469 final.

		Europe and Asia ● Policy is geographically extended to Pacific region
2003	European Security Strategy: a secure Europe in a better world ⁸⁸	● Identification of EU security interests Asia: - nuclear activities in North Korea - nuclear risks in South Asia - activities of terrorists/criminals in central or Southeast Asia
2007	2007 Guidelines on the EU's foreign and security policy in East Asia ⁸⁹	● Guidelines build upon the 2003 Security Strategy ● Identification of threats to regional security that could affect the region's economic performance. ● Identification of threats that could directly affects EU's interests.
2012	2012 Guidelines on the EU's foreign and security policy in East Asia ⁹⁰	● Update of 2007 Guidelines ● Identification of South China Sea dispute as possible security threat for the EU

2.3. EU-U.S. policy coordination in the Asia-Pacific

The recent U.S. rebalancing to Asia is not considered as a zero sum game by the Obama administration.⁹¹ The Obama administration has repeatedly called on Europe to perform a common EU-U.S. strategic policy towards Asia. As former Secretary of State Hillary R. Clinton stated in November 2012:

“For example, we look to our long-time European allies to help improve security and build new economic relationships in Asia. And let me be clear: Our pivot to Asia is not a pivot away from Europe. On the contrary, we want Europe to engage more in Asia, along with us to see the region not only as a market, but as a focus of common strategic engagement.”⁹²

In July 2012, the EU and the U.S. released a joint statement on the Asia-Pacific region, which outlined the common EU-U.S. objectives in the Asia-Pacific region. The joint EU-U.S. declaration demonstrates the intention of both parties to commit themselves to closer consultation on Asia-Pacific issues. The joint statement focuses on three issues: peace and security, sustainable development and trade and economics.⁹³

⁸⁸ European Council, ‘European Security Strategy: A secure Europe in a better world’ (2003).

⁸⁹ Council of the European Union, ‘2007 Guidelines on the EU’s Foreign and Security policy in East Asia’. Available at: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/en/misc/97842.pdf.

⁹⁰ Council of the European Union, ‘2012 Guidelines on the EU’s Foreign and Security Policy in East Asia’, 11492/12, 15 June 2012. Available at: http://eeas.europa.eu/asia/docs/guidelines_eu_foreign_sec_pol_east_asia_en.pdf.

⁹¹ U.S. Department of State, ‘The Transatlantic Trends 2012 – remarks by Philip H. Gordon’, <http://www.state.gov/p/eur/rls/rm/2012/197802.htm>, retrieved at 6 March 2013.

⁹² U.S. Department of State, ‘U.S. and Europe: a revitalized global partnership’, <http://www.state.gov/secretary/rm/2012/11/201223.htm>, retrieved at 6 March 2013.

⁹³ European Council, ‘Joint EU-US statement on the Asia-Pacific region’, A 328/12 (2012).

With regard to peace and security, the EU and the U.S. commit themselves to counter piracy and resolving maritime disputes. Regarding the dispute over the South China Sea, the U.S. and the EU continue to encourage ASEAN and China to seek peaceful resolutions and to establish a Code of Conduct.⁹⁴ This is in the strategic interest of the transatlantic partners, as large volumes of goods are transported through the South China Sea.⁹⁵ Also, the EU and the U.S. aim to prevent further nuclear activities in North Korea, to support the development in Burma/Myanmar, and promote civil society, democracy and human rights - with special attention to women, children and minorities.⁹⁶

Sustainable development in the Asia-Pacific includes three key issues; the eradication of poverty, addressing climate change and securing access to energy resources. The EU and the U.S. acknowledge the urge for collective actions to combat climate change and the necessity for securing energy access.⁹⁷ The growth of Asian economies represents a challenge to global resource consumption, as a result of their rapidly rising energy demands - especially in India and China.⁹⁸

In the field of trade and economics, the EU and the U.S. are stressing the importance of open markets.⁹⁹ This can be explained by the trade issues that both the EU¹⁰⁰ and the U.S.¹⁰¹ have experienced with China as a result of Chinese government intervention in the economy.¹⁰²

94 European Council, 'Joint EU-US statement on the Asia-Pacific region', A 328/12 (2012), p. 2.

95 Talmadge, E., 'Battle for control of Asia's sea goes underwater', <http://sg.news.yahoo.com/battle-control-asias-seas-goes-143156460.html>, retrieved at 5 March 2013.

96 European Council, 'Joint EU-US statement on the Asia-Pacific region', A 328/12 (2012), p. 2.

97 European Council, 'Joint EU-US statement on the Asia-Pacific region', A 328/12 (2012), p. 2.

98 International Energy Agency, 'World Energy Outlook 2012 – Executive Summary', (2012), pp. 1.

99 European Council, 'Joint EU-US statement on the Asia-Pacific region', A 328/12 (2012), p. 2.

100 PressEurop, 'Geschil zonnepanelen kan uitmonden in handelsoorlog', <http://www.presseurop.eu/nl/content/news-brief/2647401-geschil-zonnepanelen-kan-uitmonden-handelsoorlog?xtor=RSS-18>, retrieved at 28 March 2013.

101 Wayne M. Morrison, 'China- U.S. trade issues', *Congressional Research Service* (2012).

102 European Commission, 'China', <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/china/>, retrieved at 28 March 2013.

Both partners attach value to the protection of intellectual property rights, reducing non-tariff barriers and providing a secure legal environment for investments.¹⁰³

It is striking that the joint-statement does not share a view on the challenges ahead for the standards of global trade, as a result of the rising Asian economies.¹⁰⁴ Asian countries are questioning the legitimacy of the current financial order, and are demanding more power in Western institutes. If current institutions fail to reform, it is possible that regional alternatives – such as the Chiang Mai Initiative – will bypass international financial institutions like the IMF.¹⁰⁵

It has become essential for the EU to develop a clear transatlantic vision towards Asia. Since U.S. interests in Europe are declining and the U.S. is rebalancing its efforts towards Asia, the EU is ‘at risk of falling into global irrelevance’.¹⁰⁶ The joint-statement on the Asia Pacific can undoubtedly be seen as an initiation of closer transatlantic policy-coordination in the Asia-Pacific. The publication of the EU’s 2007 Guidelines marked the beginning of greater harmonization with U.S. policy, as evidenced by the increased EU’s focus on security issues - which was previously perceived as solely an area of concern for the Americans.¹⁰⁷ Also, the European External Action Service (EEAS) has taken some promising steps towards Asia. Catherine Ashton, EU High Representative for Foreign Affairs and Security Policy, has visited China in 2012 and sought to establish closer cooperation with ASEAN.¹⁰⁸

On the other hand, the EU needs to be wary that it does not lose sight of its own interests in the region. The interests of the U.S. and EU overlap to a great extent, but are not considered to be identical. For instance, China is the EU’s second important trading partner, and aligning with U.S. policy towards China could have influence on its reputation towards China.¹⁰⁹ Also,

103 _____ European Council, ‘Joint EU-US statement on the Asia-Pacific region’, A 328/12 (2012), p. 2.

104 _____ Weidenfeld, W., ‘Asia’s rise means we must re-think EU-US relations’, http://www.iss.europa.eu/uploads/media/analy163_01.pdf, retrieved at 28 March 2013.

105 _____ Daniel M. Kliman and Richard Fontaine, ‘Global Swing States – Brazil, India, Indonesia, Turkey and the future of the international order’, *The German Marshall Fund of the United States*, (2012), pp. 9-12.

106 _____ Thomas Renard, ‘The Treachery of Strategies: A Call For True EU Strategic Partnerships’, *Egmont Royal Institute for International Relations*, (2011), p. III.

107 _____ Nicola Casarini, ‘EU foreign policy in the Asia-Pacific: striking the right balance between the US, China and ASEAN’, *European Union Institute for Security Studies*, (2012), pp. 1-2.

108 _____ European Council on Foreign Relations, ‘What is Europe’s role in Asia-Pacific?’, http://ecfr.eu/content/entry/commentary_what_is_europes_role_in_asia_pacific, retrieved at 29 March 2013.

109 _____ The Diplomat, ‘America and Europe’s Pacific Partnership’, <http://thediplomat.com/new-leaders-forum/2012/07/23/america-and-europes-pacific-partnership/>, retrieved at 29 March 2013.

the EU does not exert military presence in Asia and is – unlike the U.S. - not perceived as a balancing power in the region.¹¹⁰

3. The EU's response to U.S. rebalancing to Asia

3a. EU foreign policy – effective multilateralism and strategic partnerships

In order to understand the recent EU activities in Asia, it is necessary to provide for a framework for EU foreign policy. EU foreign policy is funded upon two important pillars: effective multilateralism and the EU's strategic partnerships. The first part of this chapter will elaborate on these two foreign policy tools of the EU.

The second part of this chapter will focus on the actions the EU has taken towards Asia in the fields of effective multilateralism and strategic partnerships. To what extent did the actions of the EU overlap with the shared transatlantic interests in the Asia Pacific? And which foreign policy tool of the EU – strategic partnerships or effective multilateralism – has proven to be the most effective for accomplishing EU objectives in Asia so far?

3a.1. Effective multilateralism

As described in chapter 1, the end of the Second World War marked the beginning of the setup of a rules based international order. Most of these initiatives were founded on the principles of multilateralism. Robert O. Keohane defines multilateralism as ‘the practice of co-ordinating national policies in groups of three or more states, through ad hoc arrangements or by means of institutions’.¹¹¹ John G. Ruggie adds a qualitative dimension to this definition and argues that multilateral institutions also act ‘on the basis of generalized codes of conduct’.¹¹²

Multilateralism is not a new phenomenon, and has existed since the setup of the modern sovereign state system. However, after the Second World War, the number of multilateral arrangements increased substantially.¹¹³ Keohane argues that the rise of multilateralism can be

¹¹⁰ Weidenfeld, W., ‘Asia’s rise means we must re-think EU-US relations’, http://www.iss.europa.eu/uploads/media/analy163_01.pdf, retrieved at 28 March 2013.

¹¹¹ Robert O. Keohane, ‘Multilateralism: an agenda for research’, *Canadian International Council*, nr. 4 (1990), p. 731.

¹¹² John G. Ruggie, ‘Multilateralism: the anatomy of an institution’, *International Organization*, nr. 3 (1992), pp. 567, 574.

¹¹³ John G. Ruggie, ‘Multilateralism: the anatomy of an institution’, *International Organization*, nr. 3 (1992), p. 584.

explained by the changing domestic interests of states after 1945, which made states more willing to cooperate in multilateral institutions.¹¹⁴ The increasingly interdependent world made cooperation more necessary, and the existence of contractual problems led to an increasing demand for multilateral institutions - in order to prevent states from behaving opportunistically.¹¹⁵ Ruggie states that American ideals and objectives have influenced the current forms of multilateral arrangements since 'it was the fact of an *American* hegemony that was decisive after World War II, not merely American *hegemony*.'¹¹⁶

Multilateralism lies at the heart of the collective identity of Europe after the Second World War, as proved by the set up of the ECSC, the European Community (EC), and the EU itself. According to John G. Ruggie, multilateralism also helped stabilizing the changing political environment that arose after the fall of the Berlin Wall in 1989.¹¹⁷ In comparison, he argues that the lack of multilateral institutions in the Asia- Pacific has attributed negatively to the security realm of the region. Therefore, Japan and the U.S. are reluctant to review their bilateral military agreement, as they fear that the removal of their military alliance will lead to more instability in the region.¹¹⁸

Since multilateralism has proven to be the cornerstone of European integration, the EU is committed to multilateralism as a foreign policy tool. The concept of *effective multilateralism* was designed in the context of the unipolar world¹¹⁹ and is according to Joachim Koops 'a response to the new post 9/11 and post- Iraq realities of international affairs and is an implicit admission that the application of traditional multilateralism has failed.'¹²⁰ It is an effort of the EU to make multilateralism more effective by being 'more active, more coherent and more

114 Robert O. Keohane, 'Multilateralism: an agenda for research', *Canadian International Council*, nr. 4 (1990), p. 742.

115 Robert O. Keohane, 'Multilateralism: an agenda for research', *Canadian International Council*, nr. 4 (1990), pp. 742, 744.

116 John G. Ruggie, 'Multilateralism: the anatomy of an institution', *International Organization*, nr. 3 (1992), p. 593.

117 John G. Ruggie, 'Multilateralism: the anatomy of an institution', *International Organization*, nr. 3 (1992), pp. 561-562.

118 John G. Ruggie, 'Multilateralism: the anatomy of an institution', *International Organization*, nr. 3 (1992), p. 563.

119 Manuel Montobbio, 'Reflections on effective multilateralism and global governance as guiding concepts of the European Global Strategy', *Elcano Royal Institute – European Global strategy Project*, (2013), p. 1.

120 Joachim A. Koops, 'Effective Multilateralism: the future of the EU's external identity in a system of trilateral security governance', paper presented at the Conference 'New Europe 2020: Visions and Strategies for a Wider Europe', Turku, Finland (2004), p. 5.

capable’¹²¹ The EU aims to raise the effectiveness of multilateralist institutions as well as the effectiveness of the EU itself.¹²²

In order to improve the effectiveness of the collective international world, the EU is committed to the international rule of law, the multilateral system and global economic and financial governance, such as embodied within the IMF and the WTO. Also, the EU considers the UN Charter¹²³ to be the fundamental framework for international relations. The EU does not shy away from a more hard power oriented culture¹²⁴, as it states that; ‘we need to develop a strategic culture that fosters early, rapid, and when necessary, robust intervention.’¹²⁵

In order to increase its own effectiveness, the EU is committed to strengthening its presence in the international community and to improve its internal coherence.¹²⁶ According to the EU, this effective multilateralism is highly needed in order to cope with global threats and markets. This way, security and welfare can be sustained.¹²⁷

In the follow-up report on the implementation of the European Security Strategy of 2008,¹²⁸ the EU acknowledges recognizes the need for reforms in the international multilateral system. Emerging powers are questioning the current representation in multilateral institutions, and are calling for reforms.¹²⁹ This calls for an improvement of the effectiveness and the

121 European Security Strategy, ‘A secure Europe in a better world’, Brussels, 12 December 2003, p. 11.

122 Manuel Montobbio, ‘Reflections on effective multilateralism and global governance as guiding concepts of the European Global Strategy’, *Elcano Royal Institute – European Global strategy Project*, (2013), pp. 1-2.

123 United Nations, ‘Charter of the United Nations’ (1945).

124 Joachim A. Koops, ‘Effective Multilateralism: the future of the EU’s external identity in a system of trilateral security governance’, paper presented at the Conference ‘New Europe 2020: Visions and Strategies for a Wider Europe’, Turku, Finland (2004), p. 5.

125 European Security Strategy, ‘A secure Europe in a better world’, Brussels, 12 December 2003, p. 11.

126 European Security Strategy, ‘A secure Europe in a better world’, Brussels, 12 December 2003, pp. 9-10.

127 European Security Strategy, ‘A secure Europe in a better world’, Brussels, 12 December 2003, pp. 9-10.

128 European Council, ‘Report on the implementation of the European Security Strategy – Providing security in a changing world’, S407/08 (20008).

129 Daniel M. Kliman and Richard Fontaine, ‘Global Swing States – Brazil, India, Indonesia, Turkey and the future of the international order’, *The German Marshall Fund of the United States*,

legitimacy of these institutions and together with the U.S., the EU can give an impetus to the multilateral world order.¹³⁰ _

3b.2. Strategic partnerships

The foreign policy concept of strategic partnerships was first introduced in the Conclusions of the European Council of 16 September 2010.¹³¹ This concept was developed in order to supplement multilateral diplomacy and was needed in order to cope with the rapidly changing world and the emergence of new powers.¹³² Improving the EU's bilateral ties with these emerging powers and other partners worldwide would improve the EU's strength on a global level.¹³³ The multipolar world has created the need for the establishment of these bilateral strategic partnerships, in order to foster the EU's influence.¹³⁴ _

Today, the EU has ten strategic partnerships with third countries: Brazil, Canada, China, India, Japan, Mexico, Russia, South Africa, South Korea and the United States. Catherine Ashton has distinguished between two types of strategic partners in her speech of 2010: the 'established' partners (U.S., Russia, Japan, Canada) and strategic partnerships with emerging powers,¹³⁵ of which the partnerships all have been established since 2003.¹³⁶

The EU defines its strategic partnerships as 'two-way streets based on mutual interests and benefits and on the recognition that all actors have rights as well as duties.'¹³⁷ Benefits should

(2012), p. 31.

130 _____ European Council, 'Report on the implementation of the European Security Strategy – Providing security in a changing world', S407/08 (2008), pp. 2, 11-12.

131 _____ European Council, '16 September 2010 Conclusions', EUCO 21/1/10 REV 1 (2010).

132 _____ European Council, '16 September 2010 Conclusions', EUCO 21/1/10 REV 1 (2010), p.1.

133 _____ Library of the European Parliament, 'EU Strategic Partnerships with third countries', <http://libraryeuroparl.wordpress.com/2012/10/02/eu-strategic-partnerships-with-third-countries/>, retrieved at 17 April 2013.

134 _____ Natalie M. Hess, 'EU relations with "Emerging" Strategic Partners: Brazil, India and South Africa', *GIGA Focus*, nr. 4 (2012), p. 7.

135 _____ Catherine Ashton, 'Europe and the world', http://europa.eu/rapid/press-release_SPEECH-10-378_en.htm, retrieved at 17 April 2013.

136 _____ Natalie M. Hess, 'EU relations with "Emerging" Strategic Partners: Brazil, India and South Africa', *GIGA Focus*, nr. 4 (2012), p. 2.

137 _____ European Council, '16 September 2010 Conclusions', EUCO 21/1/10 REV 1 (2010), p.2.

be focussed on trade, economic recovery and job creation. The EU expresses the aim to conclude ambitious FTA's, and to secure greater market access and market regulation with its major trading partners.¹³⁸

However, there exists no clear EU framework for dealing with the EU's strategic partnerships. The ten partners do not form a heterogeneous coalition, and therefore it is difficult to apply a 'one size fits all' policy to these partners.¹³⁹ In September 2010, EU president Herman van Rompuy called for a better definition of the EU's foreign strategic interests: 'We have strategic partners, now we need a strategy'.¹⁴⁰

Natalie M. Hess refers to the strategic partnerships as a 'strategy of cooperating while competing':

'When interests overlap, they can form interest coalitions to improve their market position or achieve their interests. Even though they are competitors in various dimensions, such as trade, they see a comparative advantage in teaming up in certain cases.'

Interestingly, Susanne Gratius suggests that the absence of common policies towards the EU's strategic partnerships gives the impression that the EU is pursuing a 'bilateral realpolitik' through its strategic partnerships, since it the EU is rather pursuing its interests instead of promoting its norms abroad.¹⁴¹

In the scientific debate, opinions differ about the role of the EU's strategic partnerships. Thomas Renard argues that the partnerships are at the moment only strategic in name and not in practice. He states that the Security Strategy of 2003 discusses mainly instrumental implementations, while important questions about the strategic content of the partnerships were left out.¹⁴² As a result, the EU does not cooperate with its strategic partners on the most strategic issues, such as the proliferation of Weapons of Mass Destruction (WMD), conflict

138 European Council, '16 September 2010 Conclusions', EUCO 21/1/10 REV 1 (2010), p.2.

139 Susanne Gratius, 'The EU and the 'special ten':deepening or widening Strategic Partnerships?', *Fride*, nr. 76 (2011), p. 2.

140 European Council, 'EU external relations', PCE 186/10 (2010).

141 Susanne Gratius, 'The EU and the 'special ten':deepening or widening Strategic Partnerships?', *Fride*, nr. 76 (2011), p. 5.

142 Thomas Renard, 'The Treachery of Strategies: A Call for True EU Strategic Partnerships', *Egmont Royal Institute for International Relations*, (2011), pp.8-10.

management and climate change.¹⁴³ Also, Renard expresses his doubts about the strategic relevance of the EU for its partners.¹⁴⁴

On the other hand, Giovanni Grevi argues that there is a justified reasoning behind the concept of strategic partnerships. It fosters international influence of the EU and it contributes to the objectives of the EU in on a bilateral and a multilateral scale.¹⁴⁵ He argues that the partnerships have become more focussed on an economic dimension over time, and are also complemented with other policy issues, such as foreign and security affairs. He acknowledges the slow pace of these developments, but argues that comprehensive bilateral dialogues are a requisite for the joining of forces on the world stage.¹⁴⁶

In addition, De Clerck-Sachsse argues that the EU is still a major trading partner for all of the rising economies. The EU possesses a lot of know-how, especially in the field of green technologies¹⁴⁷ – which could be of interest for the growing Asian economies who are witnessing rapidly rising energy demands.¹⁴⁸ Also, the EU could deploy its development aid more strategically, and use it to exert more pressure on political demands.¹⁴⁹

3.b. Theory into practice: EU's actions towards Asia

3.b.1. Effective multilateralism in Asia

The EU is currently actively engaged in several Asian multilateral initiatives, such as the Association of Southeast Asian Nations (ASEAN), the ASEAN Regional Forum (ARF), and the Asia-Europe meeting (ASEM).

Table 2. Members of Asian multilateral initiatives

143 _____ Thomas Renard, 'The Treachery of Strategies: A Call For True EU Strategic Partnerships', *Egmont Royal Institute for International Relations*, (2011), pp. 23-24.

144 _____ Thomas Renard, 'The Treachery of Strategies: A Call For True EU Strategic Partnerships', *Egmont Royal Institute for International Relations*, (2011), pp. 32-33.

145 _____ Giovanni Grevi, 'Why EU strategic partnerships matter', *ESPO – Fride*, nr. 1 (2012), pp. 7-8.

146 _____ Giovanni Grevi, 'Why EU strategic partnerships matter', *ESPO – Fride*, nr. 1 (2012), p. 20.

147 _____ Julia De Clerck-Sachsse, 'The EU's strategic partnerships – why the time to act is now', *Global Policy*, nr. 4 (2012), p. 511.

148 _____ International Energy Agency, 'World Energy Outlook 2012 – Executive Summary', (2012), p. 1.

149 _____ Julia De Clerck-Sachsse, 'The EU's strategic partnerships – why the time to act is now', *Global Policy*, nr. 4 (2012), p. 511.

<u>Name</u>	<u>Since</u>	<u>Participating countries</u>
<u>ARF (ASEAN Regional Forum)</u>	<u>1994</u>	<u>ASEAN countries + 17 dialogue partners (Australia, Bangladesh, Canada, China, EU, India, Japan, DPRK, Republic of Korea, Mongolia, New Zealand, Pakistan, Papua New Guinea, Russian Federation, Sri Lanka, Timor Leste and the U.S.)¹⁵⁰</u>
<u>ASEAN (Association of Southeast Asian Nations)</u>	<u>1967</u>	<u>Brunei Darussalam, Burma/Myanmar, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam.¹⁵¹</u>
<u>ASEM (Asia-Europe Meeting)</u>	<u>1996</u>	<u>EU member states + Norway and Switzerland + 20 Asian countries (Australia, Bangladesh, Brunei Darussalam, Cambodia, China, India, Indonesia, Japan, Republic of Korea, Laos, Malaysia, Mongolia, Myanmar, New Zealand, Pakistan, the Philippines, Russia, Singapore, Thailand, Vietnam) and European Commission and the ASEAN Secretariat.¹⁵²</u>

ASEAN

ASEAN covers ten Asian countries (table 2) and was established in 1967. It aims to promote economic growth, regional stability, and more active collaboration on matters of common interest.¹⁵³

Collaboration between the EU and ASEAN is considered to be a logical step, since both organizations are committed to regional integration and multilateralism – as a way to secure peace and stability in the region.¹⁵⁴ ASEAN-EU diplomatic relations started in the 1970s with a focus on trade, investment and development aid,¹⁵⁵ and cooperation was formalized with the signing of the multilateral economic cooperation agreement of 1980.¹⁵⁶ In 1994, the ASEAN Regional Forum (ARF) was established. The ARF serves as the only security forum of the region and consists of 27 participants (table 2). The EU, as a partner in this forum, contributes to a dialogue on political and security issues in the Asia-Pacific.¹⁵⁷

¹⁵⁰ EEAS, ‘EU-Asia Factsheet’ (2012).

¹⁵¹ ASEAN, ‘Member States’, <http://www.asean.org/asean/asean-member-states>, retrieved at 7 April 2013.

¹⁵² ASEM, ‘Members’, <http://www.aseminfoboard.org/members.html>, retrieved at 7 April 2013.

¹⁵³ ASEAN, ‘Overview’, <http://www.asean.org/asean/about-asean>, retrieved at 7 April 2013.

¹⁵⁴ Nicola Casarini, ‘EU foreign policy in the Asia-Pacific: striking the right balance between the US, China and ASEAN’, *European Union Institute for Security Studies*, (2012), pp. 1-2.

¹⁵⁵ Paul J. Lim, ‘ASEAN’s relations with the EU – Obstacles and Opportunities’, *EU External Affairs Review*, nr. 1 (2012), p. 46.

¹⁵⁶ EEAS, ‘Summary of Treaty’, <http://ec.europa.eu/world/agreements/prepareCreateTreatiesWorkspace/treatiesGeneralData.do?step=0&redirect=true&treatyId=373>, retrieved at 7 April 2013.

¹⁵⁷ EEAS, ‘EU-Asia Factsheet’, (2012).

Over the last decades, the ASEAN-EU relationship has evolved from economic cooperation towards more cooperation on political issues. The 1970s and 1980s were characterized by friendly ASEAN-EU economic cooperation. However, the 1990s were marked by disputes over the accession of Myanmar to ASEAN and the question of Indonesian human rights violations in East Timor.¹⁵⁸ These disagreements have led to a suspension of the ASEAN-EU relationship until 2000.¹⁵⁹ However, the terroristic attacks of 9/11 boosted the ARF and the ASEAN-EU relationship, since anti-terrorism cooperation was placed high at the agenda.¹⁶⁰

With regard to economic cooperation, negotiations for an ASEAN-EU FTA were launched in 2007.¹⁶¹ Nevertheless, these negotiations were paused after seven rounds in 2009. Currently, the EU is pursuing bilateral FTA's with some of the ASEAN member states. In the future, the EU aims to use these bilateral FTA's as elements for a comprehensive ASEAN-EU FTA.¹⁶² The mutual economic interests are high: with a share of 11%, the EU is currently the 3rd largest trading partner of ASEAN (after China and Japan). Vice versa, ASEAN is the 5th largest trading partner of the EU.¹⁶³

In order to extend ASEAN-EU cooperation, the 2003 Communication on a new partnership with South-East Asia¹⁶⁴ contained action points in order to improve ASEAN-EU relations.¹⁶⁵ These action points focused on security issues (regional stability and the fight against terrorism), normative issues (human rights, democratic principles, justice), and economic

158 _____ Paul J. Lim, 'ASEAN's relations with the EU – Obstacles and Opportunities', *EU External Affairs Review*, nr. 1 (2012), pp. 46, 49.

159 _____ Pakpahan, B., 'The EU's dynamic engagement with ASEAN between 2001 and 2009', *The University of Edinburgh and the University of Indonesia*, (2013), pp. 3-4.

160 _____ Paul J. Lim, 'ASEAN's relations with the EU – Obstacles and Opportunities', *EU External Affairs Review*, nr. 1 (2012), pp. 46, 50.

161 _____, B., 'The EU's dynamic engagement with ASEAN between 2001 and 2009', http://www.studyingpolitics.com/2013/UploadedPaperPDFs/1077_598.pdf, pp. 4-6, retrieved at 7 April 2013.

162 _____ European Commission, 'International Affairs – Free Trade Agreements', <http://ec.europa.eu/enterprise/policies/international/facilitating-trade/free-trade/>, retrieved at 7 April 2013.

163 _____ Europa.eu, 'EU-ASEAN Ministerial Meeting set to take relations with South East Asia to a new level', http://europa.eu/rapid/press-release_IP-12-405_en.htm, retrieved at 7 April 2013.

164 _____ Commission of the European Communities, 'A new partnership with South East Asia', COM (2003) 399 final.

165 _____ Europa.eu, 'A new partnership with South East Asia', http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/asia/r14211_en.htm, retrieved at 7 April 2013.

issues (trade and development assistance).¹⁶⁶ The European Security Strategy - released at the end of the same year – also identified some EU security interests in Asia, such as the nuclear activities of North Korea, the nuclear risks in South Korea and the activities of terrorists and criminals in central or Southeast Asia.¹⁶⁷

With these new strategies, it was clear that the EU aimed to expand its cooperation with ASEAN. Support for regional integration and dialogues on political and security issues were integrated in the ASEAN-EU cooperation.¹⁶⁸ This was also reflected in the financial assistance that Europe provided for its cooperation with ASEAN: for the years 2007-2010, the EU has made 400 million Euros available for ASEAN-EU cooperation on Asian regional integration, policy and know-how cooperation, and support for uprooted people.¹⁶⁹

In 2012, High Representative Catherine Ashton intensified her engagement in ASEAN. She co-chaired the 19th ASEAN-EU Ministerial Meeting and participated for the first time in the ARF.¹⁷⁰ Interestingly, the EU pursued a more security oriented approach towards ASEAN. Catherine Ashton stated at the ARF Ministerial Meeting of 2012:

‘The time has now come for our two regions to take their political cooperation one step further. I look forward to discussing with Foreign Ministers of ASEAN countries how to boost our cooperation, including in areas such as maritime security, crisis management, human rights and the non-proliferation of weapons of mass destruction’¹⁷¹

According to Yeo Lay Hwee, the security ambitions of the EU do not automatically imply that ASEAN also perceives the EU as a serious security actor in the region.¹⁷² ASEAN has welcomed the EU’s assistance in soft security issues such as anti-terrorism, development

¹⁶⁶ European Commission, ‘Forging closer co-operation with South East Asia’, http://ec.europa.eu/europeaid/where/asia/regional-cooperation/support-regional-integration/asean_en.htm, retrieved at 7 April 2013.

¹⁶⁷ European Council, ‘European Security Strategy: A secure Europe in a better world’ (2003), p. 6.

¹⁶⁸ Yeo Lay Hwee, ‘The EU as a Security Actor in Southeast Asia’, *Panorama: Insights into Asian and European Affairs - series of papers published by Konrad-Adenauer-Stiftung* (2009), p.12.

¹⁶⁹ European Commission, ‘Multi-Annual Indicative Programme for Asia 2007-2010’ (2007).

¹⁷⁰ EEAS, ‘EU-Asia Factsheet’, (2012).

¹⁷¹ Europa.eu, ‘EU-ASEAN Ministerial Meeting set to take relations with South East Asia to a new level’, http://europa.eu/rapid/press-release_IP-12-405_en.htm, retrieved at 7 April 2013.

¹⁷² Yeo Lay Hwee, ‘The EU as a Security Actor in Southeast Asia’, *Panorama: Insights into Asian and European Affairs - series of papers published by Konrad-Adenauer-Stiftung* (2009), p. 12.

assistance and humanitarian assistance.¹⁷³ Nonetheless, the EU is not perceived as a truly strategic player in the region, since it has not been able to form a clear stance in other – more urgent – security issues in the region, such as the dispute in the South China Sea.¹⁷⁴

Maritime security is considered to be of special European interest, since Asian waterways are important for world trade. However, the EU's influence in these disputes has been marginal. EU internal struggles have contributed to this marginal influence, since EU member states disagree on a common stance towards China. Also - unlike the U.S. - Europe does not have a substantial military presence in the region. However, Europe could commit itself to diplomatic dispute settlement with a focus on international rules on maritime law.¹⁷⁵

ASEM

In addition to ASEAN, Asia and Europe cooperate in the Asia-Europe meeting (ASEM) that takes place every two years. ASEM was established in 1996 and it can be defined as an informal multilateral dialogue and cooperation forum. It includes the member states of the EU, ASEAN, and other Asian countries (table 2).¹⁷⁶ ASEM consists of a political, an economic and a socio-cultural pillar. It is considered to be a unique platform, since it is the first European-Asian framework without U.S. involvement.¹⁷⁷ Also, in the margins of the first ASEM summit of 1996, the Asia-Europe Foundation (ASEF) was established. This organisation aims to promote people-to-people contacts between the members of ASEM.¹⁷⁸

At the start of ASEM, the EU and Asia were both experiencing a period of economic growth. They shared the hope that this forum would lead to a new economic and strategic partnership. However, shortly after the establishment of ASEM, the Asian financial crisis hit most of the Asian ASEM members. This led to a decrease in interest of European leaders in ASEM, as shown by the absence of some European leaders at the ASEM summits.¹⁷⁹ Fitriani's research

173 _____ Yeo Lay Hwee, 'The EU as a Security Actor in Southeast Asia', *Panorama: Insights into Asian and European Affairs - series of papers published by Konrad-Adenauer-Stiftung* (2009), p. 15.

174 _____ Yeo Lay Hwee, 'How should ASEAN engage the EU? Reflections on ASEAN's external relations', *EU Centre in Singapore*, working paper nr. 13 (2013), p. 7.

175 _____ Gauri Khandekar, 'Maritime security in Asia: what the EU can do', *Fride*, (2012), pp. 1-6.

176 _____ ASEM, 'Members', <http://www.aseminfoboard.org/members.html>, retrieved at 7 April 2013.

177 _____ Michael Reiterer, 'Asia-Europe Meeting (ASEM): fostering a multipolar world through inter-regional cooperation', *Asia Europe Journal*, nr. 1(2008), pp. 182, 189.

178 _____ Asia-Europe Foundation, 'History', <http://www.asef.org/index.php/about/history>, retrieved at 8 April 2013.

179 _____ Evi Fitriani, 'Asian perceptions about the EU in the Asia-Europe Meeting (ASEM)', *Asia Europe Journal*, nr. 1 (2011), p. 44.

(2011) showed that the absence of European leaders has led to disappointment among Asian diplomats, and one of these diplomats stated that they feel that ‘European side is not serious about ASEM. This perspective is shared by Chinese and other Asian fellows too.’¹⁸⁰

In the new millennium, the Asian economies started to prosper. This resulted in a renewed European interest in ASEM. However, as a result of the wide diversity in Asian countries, it was difficult to formulate common agreed economic standards. This was reinforced by the lack of a strong institutional set up of ASEM.¹⁸¹ However, one should take into account that - as Reiterer states- ‘it was never set up as an operational institution, but as an informal dialogue process among equals, and should therefore be judged against these expectations.¹⁸²

The 9th and most recent ASEM summit - titled ‘Friends for peace, partners for prosperity’ - was held in Laos, November 2012. Economic and finance issues were key topics at this summit.¹⁸³ The economic focus of the summit was also demonstrated in the ASEM opening speech of European Commission President Manuel Barroso, in which he highlighted the strong EU-Asian economic bond.¹⁸⁴ To a lesser extent, there were also discussions about global and regional issues. However, no agreement was reached concerning climate change.¹⁸⁵

Both examples of European involvement in ASEAN and ASEM show that the EU aims to engage more in the region by investing in multilateral institutions in the region. Currently, ASEM is primarily focussed on economic topics, while ASEAN covers a broader range of issues. ASEM is unique in its form due to the absence of U.S. involvement.¹⁸⁶ However, no concrete measurements in ASEM have been taken, as a result of its informal dialogue set-up.¹⁸⁷

180 _____ Evi Fitriani, ‘Asian perceptions about the EU in the Asia-Europe Meeting (ASEM)’, *Asia Europe Journal*, nr. 1(2011), p. 49.

181 _____ Michael Reiterer, ‘Asia-Europe Meeting (ASEM): fostering a multipolar world through inter-regional cooperation’, *Asia Europe Journal*, nr. 1(2008), pp. 180, 190-191.

182 _____ Michael Reiterer, ‘Asia-Europe Meeting (ASEM): fostering a multipolar world through inter-regional cooperation’, *Asia Europe Journal*, nr. 1 (2008), p. 193.

183 _____ Europa.eu, ‘Factsheet ASEM 9 Summit’, http://europa.eu/rapid/press-release_MEMO-12-819_en.htm?locale=en, retrieved at 8 April 2013.

184 _____ Europa.eu, ‘Speech by President Barroso at the Opening Ceremony of ASEM summit’, http://europa.eu/rapid/press-release_SPEECH-12-776_en.htm?locale=en, retrieved at 8 April 2013.

185 _____ EEAS, ‘Facts and figures concerning the EU’s engagement in the Asia-Pacific’, (2012), p. 6.

186 _____ Michael Reiterer, ‘Asia-Europe Meeting (ASEM): fostering a multipolar world through inter-regional cooperation’, *Asia Europe Journal*, nr. 1(2008), pp. 182, 189.

187 _____ Michael Reiterer, ‘Asia-Europe Meeting (ASEM): fostering a multipolar world through inter-regional cooperation’, *Asia Europe Journal*, nr. 1(2008), p. 193.

It is interesting to see that the EU has pursued a more security driven agenda within ASEAN in the last couple of years. With the launch of new EU strategies towards ASEAN in 2003, it was clear that the EU aimed to be more engaged in the region, and support for regional integration and dialogues on political and security issues were integrated in the ASEAN-EU dialogue. Also, in 2012 the EU intensified its activities in the region, as evidenced by Catherine Ashton co-chairing the 19th ASEAN-EU Ministerial Meeting. The EU even states that 2012 is a ‘Year of Asia’ for the EU.¹⁸⁸

It can be said that the ASEAN-EU relationship has evolved from economic cooperation towards greater cooperation on political issues. This is in line with the transatlantic interests in the region, as stated by the joint declaration of Ashton and Clinton of 2012.¹⁸⁹ However, the expansion of the EU’s security ambitions in the region does not automatically imply that the EU is actually perceived as a serious strategic actor in the region. The EU is not considered to be a balancing power in the region, and it has not been able to adopt a clear position on urgent security issues in the region, such as the dispute in the South China Sea. One could state that ASEAN and ASEM provide useful forums for discussing security issues in the region, but as a result of Europe’s indecisiveness, its influence on security issues is therefore still limited.¹⁹⁰

3.b.2. Asian strategic partnerships

The EU has concluded strategic partnerships with four Asian countries: China, India, Japan and South Korea. For the purpose of this thesis, the paragraphs below will focus on the EU’s relationship with China and South Korea, since these countries exemplify the trade and security issues that the EU is facing in the region. To a lesser extent, the EU’s relationship with India and Japan will be discussed.

Table 3. Overview of the EU’s Strategic Partnerships in Asia

	Strategic partnership since	FTA?	Trade
China	<u>2003</u>	<u>None</u>	<ul style="list-style-type: none"> ● <u>China is 2nd trade partner of EU</u> ● <u>EU is biggest trade partner of China</u>
India	<u>2004</u>	<u>Negotiations in progress</u>	<ul style="list-style-type: none"> ● <u>India is 8th trade partner of EU</u> ● <u>EU is biggest trade partner of India</u>
Japan	<u>1991</u>	<u>Negotiations in progress</u>	<ul style="list-style-type: none"> ● <u>Japan is 6th trade partner of EU</u> ● <u>EU is 3rd trade partner of Japan</u>
South Korea	<u>2010</u>	<u>Signed in 2010</u>	<ul style="list-style-type: none"> ● <u>South Korea is 10th trade partner of EU</u> ● <u>EU is 4th trade partner of India</u>

188 EEAS, ‘EU-Asia Factsheet’, (2012).

189 European Council, ‘Joint EU-US statement on the Asia-Pacific region’, A 328/12 (2012).

190 Weidenfeld, W., ‘Asia’s rise means we must re-think EU-US relations’, http://www.iss.europa.eu/uploads/media/analy163_01.pdf, retrieved at 10 April 2013.

China

The EU-China dialogue consists of three pillars: an economic and sectoral dialogue, a political dialogue, and a people-to-people dialogue.¹⁹¹ Cooperation is the most extensive in the fields of trade and economics. This mutual interest is explained by their trading figures: the total trade (goods and services) accounts for nearly 1 billion Euros a day.¹⁹²

However, challenges for the economic partnership remain. The EU has expressed its concerns about Chinese unfair trading practices, currency manipulation and intellectual property right infringements.¹⁹³ In turn, China has objected to EC-regulations on anti-dumping and its non market economy (NME) status.¹⁹⁴ Being has repeatedly asked the EU to raise their status to a market economy status, which will make China less susceptible to anti-dumping measurements.¹⁹⁵

In addition, the main obstacle with regard to European economic policy towards China is the lack of policy cohesion among the different member states. The past has shown that member states are competing against each other and are pursuing their national economic interests with regard to the Chinese market. This has resulted in a weaker EU position,¹⁹⁶ since ‘this European scramble for the Chinese market has been skilfully exploited by the Chinese leadership’.¹⁹⁷

Alongside the economic dialogue, the EU is also engaged with China in a political and a people-to-people dialogue. Europe - as a promoter of democracy, human rights and the rule of law - has been keen to foster these societal developments in China. However, Europe has not

191 _____ Europe China Research and Advice Network, ‘EU-China dialogue structure – main elements’, <http://www.euecran.eu/pdf/EU-China%20Dialogue%20Architecture%20231112.pdf>, retrieved at 8 April 2013.

192 _____ European Commission, ‘Trade – China’, <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/china/>, retrieved at 8 April 2013.

193 _____ Kong Qingjiang, ‘Trade disputes between China and the EU’, *East Asia Journal*, nr. 2 (2009), p. 84.

194 _____ Kong Qingjiang, ‘Trade disputes between China and the EU’, *East Asia Journal*, nr. 2 (2009), pp. 86-87.

195 _____ Internationale Betrekkingen, ‘Met het oog op China – op weg naar een volwassen relatie’, No55 (april 2007). Available at: [http://www.aiv-advies.nl/ContentSuite/upload/aiv/doc/internet_AIV_55\(1\).pdf](http://www.aiv-advies.nl/ContentSuite/upload/aiv/doc/internet_AIV_55(1).pdf). P. 54.

196 _____ Internationale Betrekkingen, ‘Met het oog op China – op weg naar een volwassen relatie’ (2007), p. 54.

197 _____ Nicola Casarini, ‘The evolution of the EU-China relationship: from constructive engagement to strategic partnership’, *European Union Institute for Security Studies*, paper no. 64, (2006), pp. 18-19.

been able to translate its economic force into political demands.¹⁹⁸ The EU does have an arms embargo on China since the Tiananmen Square protests of 1989.¹⁹⁹ However, the EU statement on the arms embargo lacks concrete standards, which has resulted in different interpretations by EU member states. It seems that this embargo is currently more of a symbolic measure instead of a practical one. Some member states are in favour of lifting the arms embargo, in order to give their military industries an impulse. This would however lead to a dent in the transatlantic relationship, since the U.S. is trying to counterbalance China's power in the region.²⁰⁰

The political dialogue also includes a dialogue on global issues, focussed on the financial crisis and climate change.²⁰¹ The EU places climate change high on the agenda and pursues a closer dialogue with China about the environmental consequences of climate change.²⁰² Since the political dialogue on the Kyoto Protocol seems to be in a gridlock,²⁰³ the EU is investing in green technologies that could be deployed in China. Interestingly, China is also aiming to take the lead in green technologies and it is already the world's largest producer of wind turbines and solar panels.²⁰⁴ The EU is China's biggest export market, and low prices due to oversupply of Chinese solar panels have led to trade tensions between China and the EU.²⁰⁵ At first glance, the dialogue on climate change seems to be a political salient issue, but in fact this dialogue is related to trade.²⁰⁶

198 _____ Chan, K., 'Images, visibility and the prospects of soft power of the EU in Asia: the case of China'

199 _____ EEAS, EU - China: a strategic partnership, <http://www.eeas.europa.eu/china/flash/>, retrieved at 9 April 2013.

200 _____ Richard Weitz, 'EU should keep China arms embargo', <http://thediplomat.com/2012/04/18/eu-should-keep-china-arms-embargo/>, retrieved at 17 April 2013.

201 _____ EEAS, EU - China: a strategic partnership, <http://www.eeas.europa.eu/china/flash/>, retrieved at 9 April 2013.

202 _____ EEAS, Delegation of the European Union to China – Environment', http://eeas.europa.eu/delegations/china/eu_china/science_tech_environment/environment/index_en.htm, retrieved at 9 April 2013.

203 _____ Miranda A. Schreurs, 'Breaking the impasse in the international climate negotiations: The potential of green technologies', *Energy Policy*, nr. 48 (2012), p. 6.

204 _____ Keith Bradsher, 'China is leading the global race to make clean energy', http://www.nytimes.com/2010/01/31/business/energy-environment/31renew.html?pagewanted=all&_r=0, retrieved at 17 April 2013.

205 _____ Modern Power Systems, 'China lodges solar complaint', *Modern Power Systems*, nr. 12 (2012), p. 6.

206 _____ Miranda A. Schreurs, 'Breaking the impasse in the international climate negotiations: The potential of green technologies', *Energy Policy*, nr. 48 (2012), p. 6.

Despite efforts to develop a strategic partnership, it seems that a dialogue on really strategic issues between China and Europe is currently lacking. There are several explanations for this. Firstly, as stated above, EU internal divisions make it difficult to talk with one voice with regard to China. Secondly, as China and Europe do not share the same political values, cooperation on normative grounds is being hampered. Thirdly, China does not perceive Europe as a truly strategic partner as a result of the EU's 'internal and external legitimacy crises.'²⁰⁷

In comparison, the biggest contrast with American policy towards China is the fact that the EU considers China to be a strategic *partner*. The U.S. rather pursues a policy of so-called 'conengagement'²⁰⁸, which can be described as a combination between containment and engagement. This means that the U.S. is seeking rapprochement with regard to economic issues, but aims to deter with regard to the military dimension of its relationship with China.²⁰⁹ Since the EU does not exert military presence in Asia – unlike the U.S. – it is not perceived as a balancing power in the region.²¹⁰

South Korea

South Korea is the most recent Asian strategic partner of the EU. In 2010, the EU and South Korea have concluded their strategic partnership, which is also focussed on trade and deeper political cooperation.²¹¹ A FTA was signed during the EU-South Korea Summit of 2010.²¹² EU-South Korean trade has grown over the last years, and South Korea is the EU's 10th largest trading partner, while the EU is South Korea's 4th trading partner.²¹³

207 _____ Jonathan Holslag, 'The Elusive Axis: Assessing the EU-China Strategic Partnership', *Journal of Common Market Studies*, nr. 2 (2011), pp. 310.

208 _____ Zalmay M. Khalizad, 'Congage China', *Rand Issue Paper*, (1999).

209 _____ Adviesraad Internationale Betrekkingen, 'Met het oog op China – op weg naar een volwassen relatie' (2007), pp. 53-54.

210 _____ Weidenfeld, W., 'Asia's rise means we must re-think EU-US relations', http://www.iss.europa.eu/uploads/media/analy163_01.pdf, retrieved at 28 March 2013.

211 _____ EEAS, 'EU relations with the Republic of Korea (South Korea)', http://www.eeas.europa.eu/korea_south/, retrieved at 6 April 2013.

212 _____ Europa.eu, 'EU-Republic of Korea Summit (Brussels, 6 October 2010)', http://europa.eu/rapid/press-release_MEMO-10-461_en.htm, retrieved at 10 April 2013.

213 _____ European Commission, 'Trade – South Korea', <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/korea/>, retrieved at 10 April 2013.

Both partners have committed themselves to deepen their relationship. Besides the economic cooperation, other fields of cooperation include ‘non-proliferation of weapons of mass destruction, human rights, terrorism, climate change, energy security and development assistance’.²¹⁴

The EU considers South Korea to be of ‘geostrategic importance in the Asia-Pacific region’.²¹⁵ This can be explained by the existence of military tensions between North and South Korea since their separation in 1953.²¹⁶ From the beginning of 2013, the tensions between North and South Korea are once again mounting. North Korea has been conducting nuclear tests and is threatening to attack a U.S. naval base that is located in the Pacific Ocean. The current tensions between North and South Korea have led to a reaffirmation of European support towards Seoul.²¹⁷ The EU has condemned the nuclear tests conducted by North Korea and they have stated that:

‘The EU calls upon the DPRK to re-engage constructively with the international community and in particular the members of the Six-Party Talks, in order to work towards lasting peace and security on a nuclear-free Korean peninsula and as the best means to secure a more prosperous and stable future for the DPRK. The EU stands ready to continue working with its partners in support of these objectives.’²¹⁸

Despite these European efforts, not everyone is equally positive about the importance of the EU-South Korea strategic partnership. Robert E. Kelly stated that he doubts if the EU and South Korea are able to deepen their cooperation beyond their FTA, since the partners are not relevant to each other’s security issues:

‘I find that deeper engagement is unlikely. Most importantly, neither side is relevant to the basic security issues of the other. Specifically, the EU cannot assist Korea in its acute security dilemma, and ‘sovereignist’ Korea does not share EU preferences for soft power, regionalization, and multilateral collective security.’²¹⁹

214 _____ EEAS, ‘EU relations with the Republic of Korea (South Korea)’, http://www.eeas.europa.eu/korea_south/, retrieved at 6 April 2013.

215 _____ Europa.eu, ‘EU-Republic of Korea Summit (Brussels, 6 October 2010)’, http://europa.eu/rapid/press-release_MEMO-10-461_en.htm, retrieved at 10 April 2013.

216 _____ CIA Factbook, ‘South Korea’, <https://www.cia.gov/library/publications/the-world-factbook/geos/ks.html>, retrieved at 6 April 2013.

217 _____ Europolitics, ‘Ashton backs Seoul as North Korea tensions escalate’, <http://www.europolitics.info/ashton-backs-seoul-as-north-korea-tensions-escalate-art350079.html>, retrieved at 17 April 2013.

218 _____ Council of the European Union, ‘Council conclusions on the Democratic People’s Republic of Korea (DPRK)’ (2010).

219 _____ Robert E. Kelly, ‘Korea- European Union relations: beyond the FTA?’, *International Relations of the Asia-Pacific*, nr. 1 (2012), p. 101.

With regard to South Korea's acute security dilemma, Kelly refers to the dispute with North Korea and the rise of China. Since the EU has no significant military capabilities in the region, it is likely that South Korea will feel more secured by the presence of U.S. military forces in South Korea.²²⁰

Not everyone is equally pessimistic about the EU's strategic relationship with South Korea. Grevi and Khandekar believe that the partnership is in 'very good shape'.²²¹ They believe that the EU and South Korea are well suited partners, since they share the same standpoints in global issues such as climate change, development aid and nuclear weapons. Therefore, the EU and South Korea will benefit from a further deepening of the relationship.²²²

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India and Japan

EU-India relationship has shifted since the early 1960s from a development focus towards a more economic oriented relationship. India and the EU are considered to be natural partners, and both are committed to multilateral institutions and the principles of democracy.²²³ India is aiming for more influence in the international institutions, like the UNSC, the WB and the IMF.²²⁴ However, EU member states do not agree on whether India should obtain a permanent seat in the UNSC or not.²²⁵

Another problem in the EU-India strategic partnership is that both parties do not share the same priorities. For instance, Europe is focussed on issues like trade, security, energy, climate change and strengthening multilateralism, while India aims to cooperate with the EU on issues like agriculture, development and technology sharing.²²⁶

220 _____ Robert E. Kelly, 'The future of EU-South Korean relations after the FTA', <http://www.eastasiaforum.org/2012/03/16/the-future-of-eu-south-korean-relations-after-the-fta/>, retrieved at 10 April 2013.

221 _____ Giovanni Grevi and Gauri Khandekar, 'Mapping EU Strategic Partnerships', *Friede*, (2011), p. 40.

222 _____ Giovanni Grevi and Gauri Khandekar, 'Mapping EU Strategic Partnerships', *Friede*, (2011), p. 40.

223 _____ Luis Peral and Vijay Sakhuja, 'The EU-India partnership: time to go strategic?', *European Institute for Security Studies*, (2012), p. 12.

224 _____ Daniel M. Kliman and Richard Fontaine, 'Global Swing States – Brazil, India, Indonesia, Turkey and the future of the international order', *The German Marshall Fund of the United States*, (2012), p. 14.

225 _____ Luis Peral and Vijay Sakhuja, 'The EU-India partnership: time to go strategic?', *European Institute for Security Studies*, (2012), p. 10.

226 _____ Giovanni Grevi and Gauri Khandekar, 'Mapping EU Strategic Partnerships', *Friede*, (2011), pp. 20-21.

With regard to Japan, the EU considers it to be its closest partner in East-Asia. This is the result of their shared values,²²⁷ like human rights, democracy and sustainable development. Also, Japan has a highly developed economy.²²⁸ Both partners are committed to the establishment of a comprehensive FTA and they aim to develop deeper political coordination on regional and global challenges.²²⁹

However, generally speaking, one could say that European and Japanese attention for each other has declined as a result of the rise of China.²³⁰ Since a truly EU-Japanese strategic cooperation on regional security issues is lacking, Japan feels that its relationship with the U.S. is better suited for safeguarding its strategic interests in the region – especially with regard to the military rise of China.²³¹ Interestingly, if the EU aims to become a normative power in the region, the EU-Japan partnership could be of use. Since Japan is considered to be a normative power in the region, establishing closer ties with Japan on strategic issues could enhance the EU's presence in the region.²³²

Differences and similarities between EU's Asian strategic partners

Overall, one could say that there are some similarities between the different Asian strategic partnerships of the EU. All of the partnerships have a clear economic focus. The EU and South Korea have established a FTA,²³³ and the establishment of FTA's with India and Japan are considered to be top priorities.²³⁴ In addition, EU-China trade figures are significant.²³⁵ Alongside the European economic cooperation with their Asian strategic partners, the EU

227 _____ Council of the European Union, 'The EU's strategic partnership with Japan – speech by Javier Solano EU High Representative for the Common Foreign and Security Policy at Keio University Tokyo 24 April 2006', http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/discours/89298.pdf, retrieved at 6 April 2013.

228 _____ Giovanni Grevi and Gauri Khandekar, 'Mapping EU Strategic Partnerships', *Fride*, (2011), p. 24.

229 _____ Marie Söderberg, 'Introduction: where is the EU-Japan relationship heading?', *Japan Forum*, nr. 3(2012), p. 249.

230 _____ Marie Söderberg, 'Introduction: where is the EU-Japan relationship heading?', *Japan Forum*, nr. 3 (2012), pp. 250-251.

231 _____ Giovanni Grevi and Gauri Khandekar, 'Mapping EU Strategic Partnerships', *Fride*, (2011), p. 25.

232 _____ Yuichi Hosoya, 'The evolution of the EU-Japan partnership: towards a normative relationship?', *Japan Forum*, nr. 3 (2012), p. 317.

233 _____ Europa.eu, 'EU-Republic of Korea Summit (Brussels, 6 October 2010)', http://europa.eu/rapid/press-release_MEMO-10-461_en.htm, retrieved at 10 April 2013.

234 _____ European Commission, 'EU Trade – overview of FTA and other trade negotiations', http://trade.ec.europa.eu/doclib/docs/2006/december/tradoc_118238.pdf, retrieved at 10 April 2013.

aims to develop a deeper political dialogue with all of its Asian partners. However, challenges remain with respect to each of the Asian countries.

The main obstacle for EU policy towards China is the lack of coherence among the EU member states, which is willingly exploited by China.²³⁶ There are several hurdles with regard to the China-EU partnership, such as concerns about unfair trading practices, intellectual property rights, China's NME status and the EU's arms embargo. With regard to the political issues, the EU aims to expand the scope of cooperation. However, the EU-China dialogue on climate change tends to be more an economic issue instead of a political one. Further cooperation on normative grounds is being hampered, since the EU and China do not share the same political values.

The strategic partnership with South Korea exemplifies the security issues that the EU is facing in the region. The EU considers South Korea to be of geostrategic importance in the Asia-Pacific. South Korea is experiencing tensions with North Korea, and the recent North Korean threats have led to a reaffirmation of European support towards South Korea. However, it is more likely that South Korea will seek further engagement with the U.S., since the EU possesses no significant military capabilities in the region. Therefore, doubts arise about the importance of the EU in this security dilemma.²³⁷

With regard to India, the main hurdle for deeper political cooperation is the lack of mutual priorities,²³⁸ despite the fact that India and the EU are considered to be natural partners.²³⁹ In addition, EU is not able to formulate a common position towards India's aspirations for obtaining a permanent seat in the UNSC.²⁴⁰ Japan is considered to be the EU's closest partner of the region.²⁴¹ However, the rise of China is putting a strain on the EU-Japanese

235 _____ European Commission, 'Trade – China', <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/china/>, retrieved at 8 April 2013.

236 _____ Nicola Casarini, 'The evolution of the EU-China relationship: from constructive engagement to strategic partnership', *European Union Institute for Security Studies*, paper no. 64, (2006), pp. 18-19

237 _____ Robert E. Kelly, 'Korea- European Union relations: beyond the FTA?', *International Relations of the Asia-Pacific*, nr. 1 (2012), p. 101.

238 _____ Giovanni Grevi and Gauri Khandekar, 'Mapping EU Strategic Partnerships', *Fride*, (2011), pp. 20-21.

239 _____ Luis Peral and Vijay Sakhujia, 'The EU-India partnership: time to go strategic?', *European Institute for Security Studies*, (2012), p. 12..

240 _____ Luis Peral and Vijay Sakhujia, 'The EU-India partnership: time to go strategic?', *European Institute for Security Studies*, (2012), p. 10..

241 _____ Council of the European Union, 'The EU's strategic partnership with Japan – speech by Javier Solano EU High Representative for the Common Foreign and Security Policy at Keio University Tokyo 24 April 2006', http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/discours/89298.pdf, retrieved at 6 April

relationship. And since the EU is not perceived as a military balancing power in the region, both Japan²⁴² and South Korea²⁴³ are focussing on the U.S. to counterbalance China's rise and North Korea's nuclear threats in the region.

Conclusion

The current changing world order is calling for EU responses. The U.S. is rebalancing its efforts towards the Asia-Pacific, and the liberal rules based world order is being challenged. It seems that the unipolar momentum of the U.S. is in decline and new poles are emerging. In particular, Asia is facing a period of rapid development.

Over the past decade, Asia has grown in international importance as a result of its magnitude, its growing energy demands and its rapid economic growth. Three of the four EU's Asian strategic partnerships are experiencing a period of economic growth. South Korea and India are experiencing growth figures of respectively 3.5% and 6% of GDP annually, and China has passed the U.S. as the largest trading country in 2013. Japan is perhaps the odd-one out, since it is experiencing a low economic growth at the moment. However, it enjoys advantages over the other Asian countries, since it has a highly developed economy and its population is well-educated.

The U.S.' rebalancing to Asia has resulted in a greater relative focus of U.S. military and economic efforts towards the Asia-Pacific. With regard to economics, the U.S. aims to develop stronger economic ties to ensure American economic growth and economic jobs. To protect its own trade interests and to counterweight China's and North Korea's military presence, the U.S. has expanded its military presence in the region. Also, the U.S. enjoys a special military relationship with South Korea and Japan. As a result of the U.S. military engagement in the region, the U.S. is considered to be a balancing power in the region.

The EU has also been engaged in the Asia-Pacific region for several decades. Its approach has shifted in the last two decades from an economic dominated policy towards a more comprehensive dialogue that is also to a greater extent including strategic issues. While the U.S. is rebalancing its efforts towards the Asia-Pacific, it has become essential for the EU to step up its engagement in the region. Otherwise, the EU is at risk of falling into global irrelevance. There are also some clear transatlantic interests in the region. The joint-statement by Ashton and Clinton can be seen as an initiation of greater transatlantic engagement in the region in the fields of peace and security, sustainable development and trade and economics.

The EU's foreign policy is funded upon 'effective multilateralism' and its 'strategic partnerships'. Effective multilateralism was designed in order to improve the effectiveness of

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242 _____ Giovanni Grevi and Gauri Khandekar, 'Mapping EU Strategic Partnerships', *Friede*, (2011), p. 25.

243 _____ Kelly, R.E., 'The future of EU-South Korean relations after the FTA', <http://www.eastasiaforum.org/2012/03/16/the-future-of-eu-south-korean-relations-after-the-fta/>, retrieved at 10 April 2013.

multilateral institutions and the effectiveness of the EU itself. In the Asia-Pacific, the EU is actively engaged in Asian multilateral initiatives such as ASEAN and ASEM.

The strategic partnerships were constructed in order to establish stronger bilateral relations emerging and established partners worldwide. This way, the EU would be able to cope with the rapid changing world and the emergence of new powers. The EU's Asian strategic partnerships are China, South Korea, India and Japan.

In the case study, the EU's response to the U.S. rebalancing has been examined. To what extent did the EU stepped up its engagement in the Asia-Pacific? Overall, one could say that the EU actually did intensify its engagement in the region in the last couple of years. The EU has even stated that it considers 2012 as its 'year of Asia' and it has intensified its contact with its bilateral and its multilateral partners in Asia.

With regard to its effective multilateralism in the region, the EU is to a greater extent discussing security issues in multilateral institutions such as ASEM and ASEAN. Catherine Ashton has also intensified her engagement in the region, by co-chairing the 19th Ministerial Meeting. However, these security ambitions of the EU do not necessarily mean that the EU is also perceived as a truly strategic partner in the region. The EU does not exert military power in the region and it has not been able to speak with one voice with regard to security issues. This is undermining the EU's position as a strategic player in the region. On the other hand, ASEAN welcomes cooperation in the soft security field, such as anti-terrorism, development and humanitarian assistance.

Where we can see that the EU is pursuing further cooperation on security issues in the multilateral forums, this is not the case for the strategic partnerships. All of the partnerships have a strong economic focus. With regard to China, there are many obstacles that hinder a true economic partnership. At the moment, it seems that the China-EU partnership is a 'strategy of competing while cooperating'. Tensions over economic and trade disputes remain, and the EU has not been able to form a clear stance towards China. The relationship of the EU with South Korea is an example of the security issues that the EU is facing. Europe has reaffirmed its support for South Korea with regard to the tensions that South Korea is experiencing with North Korea. However, since the EU is not perceived as a balancing power in the region as it exerts no military presence, it is more likely that South Korea will seek further engagement with the U.S.

Overall, one could state that the EU has stepped up its engagement in the region, but it remains a distance power. It is discussing a broader range of topics in Asian multilateral institutions, while the bilateral negotiations are more focussed on trade. In a way, one could say that EU foreign policy in the region has multiple faces. The EU has recognized that multilateral diplomacy is not effective enough on its own, since the rising powers are seeking rapprochement on a bilateral level. This vacuum is being addressed by the EU's strategic partnerships. However, in order to become a truly strategic player in the future, the EU should step up its security engagement in the region. For now, it seems to leave the hard security issues to the U.S.