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The EU-US-China Strategic Grand Triangle

Wishful Thinking or Work in
Progress ?

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**PROPOSED FLAG OF
THE CHINAPEAN UNION**

The EU-US-China Grand Triangle ?

- China expressed its desire for a “***strategic partnership***” with the EU in its first EU-policy paper in October 2003, when anger over the Iraq War had reached its peak in Beijing and European capitals.
- An acrimonious dispute arose over China’s demand to lift the EU arms embargo, imposed after the repression of 1989.
- The bungled dispute helped set in motion three global strategic dialogues on how to deal with “***the Rise of China***” : one between the EU and the US, another one between the US and China and a third one between the EU and China. The dispute is now “***in coma***”.
- As a result, trans-Atlantic inequality has been reduced; the relationship between Washington and Brussels has become less unbalanced as the US has become more aware of the limits of its military power. Is the Bush administration taking the EU more seriously now as a global strategic player ???



Pentagon vs. State Department ? Yes, but the Pentagon is also split



- In the Pentagon there is the **“Big War”** Faction of admirals and air-force generals who will go at any length to demonize China so as to get \$ 1.3 trillion in space war technology for the air-force, super-expensive submarines and battle-ships for the navy and bombers for both.
- Then there is the **“Small War”** Faction of army and marine corps generals who are preoccupied with the so-called 4GW (Fourth Generation Warfare = Counter-insurgency). They are underfunded as has been dramatically highlighted in Iraq.
- Rumsfeld’s, Cheney’s and Rice’s basic instinct is to play the **“China Hawk”**.
- That’s why the Iraq War had to be done on the cheap.

Rumsfeld brings the “China Threat” into the Open Again



4 June 2005: Some weeks prior to its publication, US Secretary of Defense Donald Rumsfeld highlights aspects of the Pentagon's annual assessment of China's military at the IISS Shangri-La Dialogue in Singapore.

- After a lull of over three and a half years, Secretary Rumsfeld brought the “China Threat” back into focus during the “Shangri La Dialogue” in Singapore in June 2005.
- ***“China's defense expenditures are much higher than Chinese officials have publicly admitted. It is estimated that China's is the third-largest military budget in the world, and now the largest in Asia. Since no nation threatens China, one wonders: Why this growing investment ?”***

America's "Complex" Relations with China



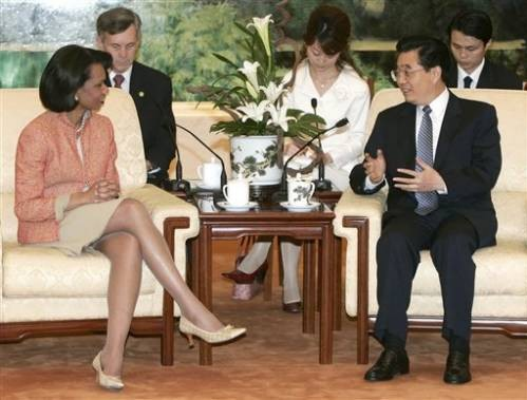
- Bush Administration split:
 - Pentagon Quadrennial Defense Review report made public February 6, 2006 bluntly states that China is the greatest potential challenge to the U.S. military and is rapidly building up its military.
 - John Negroponte, the director of National Intelligence, by contrast, described in the Annual Threat Assessment on February 2 China's rise neither as a military, nor as an economic threat.
- To deal with the threat of China and other emerging threats, the Pentagon report calls for “pursuit of investments that capitalize on enduring U.S. advantages in key strategic and operational areas.”
- The military currently is studying how to improve its capability for “deep strike” weapons that can reach inside continental China, including long-range missiles and bombers and possibly space weapons.



Inter-Military Divergent Views



- The commander of the Pacific Fleet, admiral Gary Roughead announced on February 15, days after the publication of the Pentagon QDR that the largest naval manoeuvres since the Vietnam War would be staged this year in the Pacific, involving 4 American carrier groups and navies from Australia, Chile, Japan, S. Korea and Peru.
- While the war games would boost bilateral and multilateral cooperation and improve military preparedness, it “***also provides a deterrent for anyone who would wish us ill***”.
- Three days later, the newly appointed chairman of the Joint Chiefs of Staff, Marine Corps general Peter Pace told a luncheon at the National Press Club: “I believe that there is so much more good possible than potentially bad. I believe that the more economic ties we have, ... the more the people of the US and the people of China benefit from open trade, the less likely it is that there'd be any kind of conflict.” Pace did not believe that China has the intent to be in military confrontation with the United States.



Condoleezza Rice: A Hawk on China



- While drafting the QDR, Pentagon officials initially wanted a section to focus on potential “**conflict scenarios**” with Beijing. But officials at the State Department and the NSC objected, saying that scenarios in such a widely distributed document would unnecessarily inflame Beijing. In response to those concerns, the section on potential areas of conflict was scaled back. Even without the scenario’s, the QDR still inflamed Beijing.
- The State Department is generally accomodating and businesslike towards China. However S.o.S Rice herself appears to be hawkish.
- It is her idea to encircle China with a cordon of democratic nations, including India.
- During a recent trip to Australia, she criticized China’s “expansionism” but her Australian counterpart distanced himself from her statement.
- If Rice is the bad cop towards China, there is a good cop, i.e. Deputy Secretary of State Robert Zoellick. At least that’s the way they play it.



JR. SATOKO KAWASAKI

The Cold Politics and Hot Economics of the China-Japan Relationship



- Sino-Japanese Trade grew by 12.7 % in 2005 to \$ 189 bn with a Chinese surplus of \$ 28.6 bn.
- Due to premier Koizumi's Yasukuni visits, other WWII issues and oil- and gas-disputes, political relations are ice-cold. Top business-leaders are concerned that if political relations don't improve, booming commercial ties will also suffer.
- Koizumi will leave office in September but may be replaced by another anti-China hardliner: Shinzo Abe or Taro Aso.
- FM Aso is the **bad cop** who routinely provokes China but there is also a **good cop**, minister of Economy, Trade and Industry Toshihiro Nikai.
- Aso advocated retaliatory action if China would start drilling at Chunxiao (Shirakaba). Nikai favors continuous negotiations and compromise.
- Other top LDP politicians have recently advocated that Japan and China establish a strategic partnership, based on equality. **"Tokyo can no longer afford to treat China as an upstart power"**, said Hidenao Nakagawa, policy director of the LDP.

Chris Hill: China-Japan Discord is not in the US Interest



- Many Chinese officials and academics think the US is inciting Japan (and Taiwan) against China and that US Congressional politicians and senior academics consider Sino-Japanese discord beneficial to US-interests.
- Christopher Hill, the US Assistant-Secretary of State for East Asian Affairs expressed the opposite in November last year. “We want Japan to have a good relationship with China. It's a little frustrating to the U.S. how bad the relationship has become between the two over these historical issues”. ... “It's not in our interest. So, we would like to see that situation between Japan and China, and Japan and South Korea to calm down”.
- An LDP MP told me last year that ratcheting up tension with China helps Japan “sell” the sort of “force transformation” and “reorientation” of the US military in Japan (on the mainland as well as on Okinawa) that Rumsfeld now seeks but which many Japanese quite naturally oppose.

Optimists, Pessimists and the Future of US-China Relations

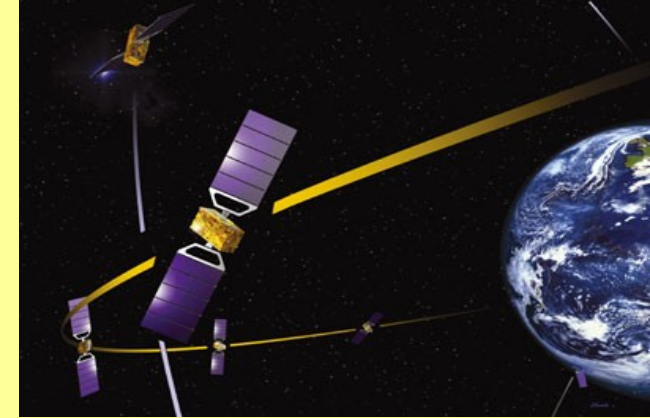
Theorists	Optimists	Pessimists
Liberals	Interdependence Institutions Democratization	PRC regime: Authoritarian, insecure, the perils of transition US regime: Crusading Democracy
Realists	PRC power limited PRC aims constrained Security Dilemma: muted	PRC power: rising PRC aims: expanding Security Dilemma: intense
Constructivists	Identities, strategic cultures, norms: flexible and “softening” via institutional contact	Rigid and “hardening” via shocks and crises

Aaron L. Friedberg, The Future of US-China Relations
Is Conflict Inevitable ? International Security, 30:2, Fall
2005

Will EU Members of NATO agree to closer NATO-Japan ties and how will China respond ?

- According to Yomiuri Shimbun (23 March) NATO will invite Japan's FM Taro Aso to attend a NATO meeting in Brussels early May to strengthen relations with Japan (also with Australia). Aso would be the first cabinet ranking Japanese to speak at a NATO meeting.
- Yomiuri elaborated that since the end of the Cold War NATO had been active in training missions in Afghanistan, earthquake relief in Pakistan, and that tasks outside of the treaty area were on the increase.
- It appears that strengthening links with Japan is also intended to restrain (*kensei*) China politically.
- The big question is whether the US will succeed in using its European allies as a “foreign legion” in its ambivalent China strategy.

The Galileo Satellite Navigation System



- The EU on July 28, 2005 signed contracts with a group of Chinese companies to develop a range of commercial applications for Europe's planned Galileo satellite navigation system.
- Although the US and EU signed an agreement on the full complementarity and interoperability of the American GPS system and Galileo, the Pentagon, which controls the rival ***Global Positioning System*** is dismayed over the potential military implications of EU-China Galileo cooperation.
- Beijing has contributed \$ 230 m to develop Galileo but has also urged the EU to gain access to Galileo's sensitive military data and technologies.

Will the EU gravitate back to the US or expand its Strategic Partnership with China ?

- The EU has better relations with the US and with China than the US and China have with each other but has it done much with the leverage that this entails ?
- Educated Chinese consider the EU as: “weak, inconsistent, protectionist and falling in line with the US too often”.
- The US and the EU still see eye to eye on many issues regarding China, e.g. human rights, China’s close energy-supply relations with rogue regimes: Burma, Iran, Sudan, Uzbekistan, Zimbabwe, trade issues, intellectual property rights violations, etc.
- It is still quite conceivable that trans-Atlantic links will regain momentum, particularly in the post Bush era and will maintain their precedence over Europe’s halting strategic partnership with China.

China-EU Quo Vadis ?



- An EU troika dialogue, of Austrian FM Ursula Plassnik, Finland's FM Erkki Tuomioja, foreign policy chief Javier Solana and commissioner for external relations Benita Ferrero-Waldner was held in February with Chinese FM Li Zhaoxing. Li refrained from raising the lifting of the arms embargo.
- The EU troika said the EU side would make concerted efforts to achieve a lot at the next EU-China summit in September, extending hopes that both sides take concrete cooperation measures on trade, civil aviation, environment protection and tourism.
- As the EU-China partnership needs a broader legal foundation to replace the 1985 Trade Agreement, negotiations on a **New Framework Agreement** have been planned for some time, but they haven't started yet and no progress is expected until the Summit.
- The EU requires a key **human rights clause** in all major agreements and it remains to be seen whether such a clause will be fully acceptable to the Chinese. Failure is not excluded.



Different European and American Approaches towards China



- **United States:**

- “Congagement”
- Arrogant, domineering
- Security Challenge; Rivalry
- Military alliances – Japan (Taiwan)
- Trade disputes handled by threats, sanctions
- M&A hostile; politicized
- US has little regard for international law
- Use a megaphone

- **European Union:**

- Engagement
- Equality
- Strategic partner in multipolar world
- Non-traditional security and soft power
- Compromises
- Relatively trouble-free
- In its foreign policy, China – like EU respects int. law
- Use the telephone

Preliminary Conclusions

- EU-US Strategic Dialogues on Asia in general and on China in particular took place in May and November 2005; US-China Senior Dialogues took place in August and December 2005; EU-China Strategic Dialogues took place in December 2005 and again in February 2006.
- A pattern of trilateral coordination seemed to emerge but this was interrupted by Rumsfeld's shift of the ambivalent pattern of US-China relations – called '**congagement**' -- from engagement into containment/confrontation mode again in June.
- Added to the confusion was the rejection of the European Constitution in France and Holland, which threw the CSFP in disarray.
- Depending on how US-China relations and China-Japan relations evolve (after Koizumi), the EU-China Strategic Partnership will survive but without much global strategic content and the three dialogue processes will also continue but without much coordination and trust.