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AND EUROPEAN AFFAIRS

SECURITY POLITICS IN ASIA AND EUROPE

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Preface

The global economy is still reeling from the aftershocks of last year's recession and to say that most economies have recovered even partially would be paltering with the truth. But economics isn't the only thing on the minds of global leaders at the moment. The globe today is crisscrossed by many potentially dangerous security threats in different parts of the globe with no promising signs of resolving most of them.

The situation in Afghanistan seems to be the most dire. The NATO-led International Security Assistance Force (ISAF) is struggling to maintain even a modicum of stability in a region which has historically been hostile and unrelenting to foreign interference. The Taliban is in a much stronger position now than it was in the years immediately following the American-led assault in 2001. The American and allied troops are embedded in more ways than one with their intention to rid the entire region of any Al-Qaeda elements which might prove dangerous to its own security considering the nuclear weapons possessed by neighbouring Pakistan.

The situation gets murkier if one includes the threat posed by a resurgent Iran. President Ahmadinejad has been his usual vitriolic self over the last few years as he denounces Israel's right to exist while criticizing the Americans and the British. The international community has virtually unanimously agreed on Iran's intention to produce a nuclear weapon but is still undecided on the course of action needed to stop it. Any military action faces numerous challenges such as the Americans being bogged down in Afghanistan and the Israelis' reluctance to take on the might of the Persians on their own. Sanctions are proposed by the US and the EU but are not really an option unless Russia and China acquiesce.

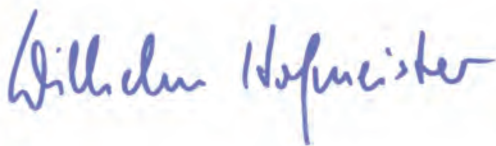
Russia itself has come out of its post-Cold War lethargy and is beginning to flex its muscles on many issues. The August 2008 war against American ally Georgia and the US decision to abandon a plan for placing ballistic missile defence (BMD) installations in Poland and the Czech Republic reflect a growing realisation that Russia is now a resurgent power, acutely aware of its power and sphere of influence. Its central role in Iran and Afghanistan reflect its status adequately.

The considerable military power of Russia also remains as a main challenge of the European Union. Besides that, the EU faces the necessity to engage in global politics even as Europe does not have its own instruments. It still relies on NATO for its own security and engagements in other parts of the world.

Although Europe does have bilateral relations with various countries in Asia and has played a significant role in many crises, it has still not attained a prominent place like the United States in the region.

In this issue of Panorama we bring together experts from Asia and Europe to offer the different dimensions of security politics in these two regions and its intersection with global security. This volume tries to present the various security political issues and factors which confront Asia and Europe.

The journal has been divided into two parts. The first part is preceded by an introduction of EU-Asia security relations. Subsequently, the authors analyse the security politics of Europe. They have assessed the European security policies, the role of NATO as a security institution in Europe, as well as its relation to Asia. In the second part, authors from various parts of Asia explain the different aspects of security politics in the region. They present the various issues which Asia as a region confronts: from the role of US in Asia, the rise of China in security politics, to ASEAN's role in the regional security of Southeast Asia, and security politics in South Asia.



Dr. Wilhelm Hofmeister

The EU as a Security Actor in Southeast Asia

Yeo Lay Hwee

Introduction

The European Union (EU), despite its recent efforts in developing a European Security and Defence Policy (ESDP) (renamed Common Security and Defence Policy now that the Treaty of Lisbon has entered into force), is still seen first and foremost as an economic power. Perception studies carried out throughout the East Asian region reflect limited knowledge of the European Union. In most Southeast Asian countries, EU is most commonly associated with being a trade giant, an economic power, and an economically oriented actor rather than a security actor. The EU is perceived as an important economic actor, but geographically, politically and militarily distant.[1]

In Southeast Asia, the EU has a long-standing partnership with the Association of Southeast Asian Nations (ASEAN). This group-to-group dialogue began informally in 1972, and was formalised in 1977 with regular senior officials and ministerial meetings. Dialogue with the European Community was sought because of economic reasons—the concerns over British membership into the Community and how this would impact the market access of primary exports from ASEAN countries. The British market was then one of the most important European markets for at least three of the five ASEAN member states. The dialogue was initially aimed at achieving greater market access and arriving at a price stabilisation scheme for ASEAN's primary commodities. However, with the formalisation of the dialogue

[1] Natalia Chaban and Martin Holland, "Perspectives on the Role of the European Union: A Study of Asian Stakeholders Opinion for Six Countries" (Stockholm, International IDEA: 2009).

and the signing of the first cooperation agreement between the European Community and the member states of ASEAN in 1980, engagement between EU and ASEAN expanded to include development cooperation, broader trade and economic dialogue.

EU-ASEAN cooperation in the last thirty-plus years has expanded in scope and depth despite the various ups and downs in the partnership. Tracing the development of this long-standing relation and the pattern of cooperation between EU and ASEAN would give us a point of entry into assessing the relevance and importance of the EU as a security actor in this region. Also crucial to the understanding and appreciation of the role of the EU in the region is the security discourse that is taking place within Europe and Southeast Asia, and the development of ESDP within the European Union. The discussions that follow will attempt to bring all these different elements together and lay out the problems and prospects of the EU's role in security matters in Southeast Asia.

An Overview of EU-ASEAN Partnership

EU-ASEAN formal ties were established in 1977 and since then both regions have developed a comprehensive dialogue that encompasses both economic and political components. Development cooperation and trade underpinned the early years of partnership but by the early 1980s, regular political dialogue between the two organisations with regard to Vietnam's invasion of Cambodia and the Soviet Union's occupation of Afghanistan became a regular feature of the ministerial meetings. The two organisations supported each other's position and condemned both Vietnam and the Soviet Union for their violation of the sovereignty of neighbouring states.

Yet, by 1990, with the end of the Cold War, and the Western euphoria over a democratic wave sweeping through Central and Eastern Europe, ASEAN and EU were at loggerheads over human rights issues and the politicisation of aid and economic cooperation policies. Relations returned to a more pragmatic course with the release of the EU's first Communication paper on Asia. The 1994 European Commission's Communication on "Towards a New Asia Strategy" underlined the need for EU to strengthen its relations with Asia in view of the economic dynamism of the region, and ASEAN, being one of the most successful regional organisations, would serve as the gateway to a stronger and broader Asia-Europe

partnership.[2] EU-ASEAN relations could serve as a cornerstone because trade and investment between the two has grown steadily over the years.

"Towards a New Asia Strategy" revealed the fundamentally "economic-oriented" approach of EU towards Asia. Its opening statement made it clear that the "main thrust of the present and future policy in Asia is related to economic matters…" and the very first overall objective was "to strengthen the Union's economic presence in Asia in order to maintain the Union's leading role in the world economy." There was no mention of the EU as a security actor, though if we try to place security in the discourse prevalent in the Union then, one could see its objectives of contributing "to the development and consolidation of democracy and the rule of the law, and respect for human rights and fundamental freedoms in Asia" as a "security role" to be played by the EU.

The 1997-1999 Asian financial crisis, and the enlargement of ASEAN to include Myanmar in 1997, had a dampening impact on EU-ASEAN cooperation which had been poised to take off after the 1994 strategy paper and the launch of a new trans-regional dialogue process—the Asia-Europe Meeting (ASEM). EU-ASEAN dialogue stalled for a few years, but was quickly back on track and further deepened because of various reasons. The increasing ties that ASEAN has forged with its Northeast Asian neighbours (China, Japan and South Korea) in the midst of the financial crisis put the Southeast Asian economies quickly back on the path of economic recovery and growth. A new sense of regionalism in East Asia emerged in the aftermath of the financial crisis as Southeast Asia and Northeast Asia came to realise the extent of their interdependence, and sought closer regional cooperation with the launch of many initiatives under the ASEAN plus three (APT) process. ASEAN also sought to deepen its own integration in the midst of all these changes.

The Asian financial crisis also led to various political fallout, including the change in regime in Indonesia. The resignation of Suharto quickened the pace of democratic transition in Indonesia, and the social costs of the financial crisis resulted in a push for political reforms. The democratisation of the region opened up

[2] Communication from the Commission, COM (94)314, "Towards a New Asia Strategy", 13 July 1994.

opportunities for new engagement. The events of September 11 and the threats of international terrorism, with the fear that Southeast Asia could become a second front in the war against terrorism, also provided the EU with new opportunities for greater involvement on non-traditional security issues of terrorism, piracy and money laundering.

The European Commission's Communication in 2003 in fact called for revitalising of EU's relations with ASEAN and the countries of Southeast Asia. This Communication identifies six strategic priorities of the EU towards ASEAN:

1. Supporting regional stability and fight against terrorism;
2. Promoting human rights, democratic principles and good governance;
3. Mainstreaming Justice and Home Affairs issues such as migration, organised crimes, and piracy;
4. Injecting a new dynamism into regional trade and investment relations;
5. Continuing to support the development of less prosperous countries; and
6. Intensifying dialogue and cooperation in specific policy areas.[3]

This new phase of EU-ASEAN relations was driven no longer purely by economics. The EU support of regional integration in ASEAN and political and security dialogue became an important component of the partnership. However, this does not necessarily imply that ASEAN sees the EU as a serious security actor in the region. This in part is because of the different conceptions of security.

How is Security Understood?

Security in Europe, particularly since the end of the Cold War, has been seen in a much broader context than the realist state-centric view of national security: territorial defence against threats from another state. Already in the late 1980s, scholars like Ole Waever

[3] Communication from the Commission, COM (2003)399, "A New Partnership with South East Asia", 9.7.2003.

and Barry Buzan have developed a broader concept of security embracing what is known as "societal security". Security here is seen as intimately bound up with societal identity and cohesion, and is defined by Buzan as "about the pursuit of freedom from threat and the ability of states and societies to maintain their independent and functional integrity against forces of change which they see as hostile…"[4]

The end of the Cold War opened the floodgate to the "enlargement" of the concept of security—a concept that is no longer synonymous with military threats but all sort of "non-traditional security threats" ranging from environmental degradation to migration; a concept that is no longer state-centric, but included the individuals and the global community. In particular, the concept of human security emerged as a new policy initiative that appeal to those "who believe in human rights and democracy as the core trend in world politics".[5]

The 1994 UN Human Development Report was the first document to attempt a definition of human security with its two major components of "freedom from want" and "freedom from fear" and to launch the concept at the global level. Its all too-embracing definition of security to include economic, food, health, environmental, personal, community and political security has been criticised by some as useless as a guide for academic research and policy-making.[6] It is also controversial because of its focus on the individuals, with the idea that the state can be a potential threat to its own people, and the likely erosion of the principle of state sovereignty.

In Europe, however, there is a push for the concept of human security to be accepted. As Mary Kaldor and her colleagues argued, "many Europeans crave a role for the EU on the world stage as a peace promoter in order to banish the demons of Europe's own conflict-ridden experience; they seek to extend beyond Europe's borders the zone of peace and stability which the integration project has helped to achieve; and they believe that the EU can use

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[4] Barry Buzan, "New Patterns of Global Security in the 21st Century", *International Affairs*, vol. 67, no. 3, 1991, pp 431-451.

[5] Arabinda Acharya and Amitav Acharya, "Human Security in Asia: Conceptual Ambiguities and Common Understanding", http://www.yorku.ca/robarts/archives/chandigarth/pdf/acharya_dehli.pdf

[6] Roland Paris, "Human Security: Paradigm Shift or Hot Air?", *International Security*, vol. 26, no. 2, 2001, pp 87-102.

its transformative power to persuade others to move from war to peace to universalise its own norms and ethics. The adoption of an explicit human security approach would be a way to reiterate and reinforce these foundational ideals…"[7]

The 2003 European Security Strategy (ESS) adopted by the European Council reflects the concept of human security, and the EU high representative for Common Foreign and Security Policy (CFSP), Javier Solana, said in 2004 that the EU adopt an explicit "human security doctrine".[8] The ESS adopts a holistic approach linking security and development, and its overall strategy based on preventive engagement and effective multilateralism seeks "to avoid conflict and crises in the first place by emphasizing core public goods—freedom from fear, freedom from want, democracy and human rights and social and economic rights."[9]

In contrast, within ASEAN, where sovereignty is jealously guarded, security is still primarily viewed in the most traditional concept of national security. Security is viewed from the realist framework of deterrence and balance of power, and the member states placed a high value on state sovereignty and eschewed the principle of non-intervention. However, with the ongoing democratisation process within the region, and increasing role played by the epistemic community, civil society activists and non-governmental organisations, the concept of human security is finding its way into the security discourse in the region. More importantly, it is because of the many transnational challenges ranging from the Asian financial crisis, the environmental haze from burning forests in Indonesia, the terrorist bombings in Bali, the outbreak of SARS, and the Indian Ocean tsunami coming all within a short decade that catalysed the increasing acceptance of the human security discourse.[10]

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[7] Mary Kaldor, Mary Martin, and Sabine Selchow, "Human Security: a new strategic narrative for Europe", *International Affairs*, 83:2, 2007, pp 273-288.

[8] Andrea Ellner, "Regional Security in a Global Context: A Critical Appraisal of European Approaches to Security", *European Security*, vol. 17, no. 1, 2008, pp 9-31.

[9] Sven Biscop, "The International Security Engagement of the European Union – Courage and Capabilities for a 'More Active' EU". Report from the 1st European Strategic Forum, Warsaw 2006, http://www.irri-kilb.be/papers/06/sec-gov/Biscop_Report%20Warsaw.pdf)-2007

[10] Yukiko Nishikawa, "Human Security in Southeast Asia: Viable Solution or Empty Slogan?", *Security Dialogue*, vol. 40, no. 2, 2009, pp 213-236.

Yet, despite the increasing human security discourse, and the concept of a people-centred ASEAN being introduced in the push towards the building of an ASEAN Community by 2020, for many policy makers in ASEAN, human security is primarily understood as "comprehensive security". Comprehensive security, introduced already during the Cold War era in ASEAN, emphasises a holistic view of security that includes both military and non-military threats; yet, it does so in relation to the overall well-being of states.[11] In short, it is still a state-centric approach with the referent object being the state. The emphasis on human rights is also missing from the concept of comprehensive security.

Nishikawa argued that there is only limited acceptance of the human security concept in the region as policy makers are still "wary of the liberal interventionist connotations of the concept". This is particularly in member states where the legitimacy of the government is in question. Furthermore, the ASEAN way frames the order of relationship largely in favour of states, and hence human security concept has limited usefulness in ASEAN.[12]

In its relations with the EU, ASEAN has welcomed EU engagement in helping member states address non-traditional security threats such as countering terrorism, development assistance to alleviate poverty and close the development gap between the more developed and less developed ASEAN member states, humanitarian assistance, and most recently, peacekeeping in Aceh. The EU has also been active in promoting "regional integration" in Southeast Asia in light of ASEAN's own soul-searching since the Asian financial crisis. The inability of ASEAN to deal with the fallout of the financial crisis, and a host of other transnational challenges, has led to a serious rethink of the direction and the modus operandi of the organisation. The financial crisis also led to new thinking and new initiatives on region-building in Asia with attempts to create a broader East Asian community as manifested in the ASEAN plus Three, and ASEAN plus Six (EAS) processes. These together with the democratising process within Southeast Asia itself pushed ASEAN towards

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[11] David Capie and Paul Evans, *The Asia-Pacific Security Lexicon, 2nd Edition* (Singapore: Institute of Southeast Asian Studies, 2002).

[12] Nishikawa, pp. 232-233.

embarking on a more ambitious project of building an ASEAN Community with three pillars—the ASEAN Political and Security Community, the ASEAN Economic Community, and the ASEAN Sociocultural Community. And to show that ASEAN is indeed serious about its community-building efforts, a bold step was taken in 2005 to look into the drafting of an ASEAN Charter.[13]

It was during these few years that the EU actively availed itself as a model or at least as a subject for study and for lessons-drawing. EU also offered to strengthen the institutional capacity of the ASEAN Secretariat through its ASEAN Programme for Regional Integration Support (APRIS).[14] Since then, the EU's engagement and assistance towards Southeast Asia has focused on regional integration efforts. For example, in the Regional Programming For Asia Strategy Document (2007-2013), around €1.3 billion has been committed for development cooperation to support the creation of the ASEAN Economic Community.[15]

Yet, the reality is that such an approach of the EU as a harbinger of regionalism that ASEAN can imitate has its limits. Instead of making ASEAN more rules-based and institutionalised like the EU, the ASEAN Charter seemed to have codified the old ASEAN way of consultation and consensus-based decision making and reaffirmed the principle of sovereignty and non-intervention. And this strong adherence to the principle of state sovereignty and non-interference remains a powerful obstacle to the full acceptance of human security in ASEAN. Without this full acceptance, the role of the EU as a security actor is somewhat ambiguous and uncertain in the eyes of policy makers in ASEAN. Policy makers still refer to the engagement of the EU and the desire to see stronger EU commitment to the region in the realist framework of balancing the influence of other major powers in the region. Such thinking limits ASEAN acceptance of the EU as a strategic security actor. The fact that the 2003 European Security Strategy neglected any mention of ASEAN and the rather lacklustre participation of the EU in the

[13] Yeo Lay Hwee, "EU-Asean Relations and Policy Learning", in Richard Balme and Brian Bridges, eds., *Europe-Asia Relations: Building Multilateralism* (Basingstoke: Palgrave MacMillan, 2008), pp 91-92.

[14] Ibid., p. 92.

[15] European Commission. Regional Programming for Asia: Strategy Document, 2007-2013, http://ec.europa.eu/external_relations/asia/rsp/07_13_en.pdf

ASEAN Regional Forum (ARF) only served to reaffirm the limits of the EU's security role, and also the limits of its influence.

The EU in its relations with ASEAN and its member states faces a choice of strategy. Is it content to focus on soft security issues and economic interests or does it have the desire and ambition to enhance future influence by pitching itself as a counter-balance to China and the US in the region? Much of this would have to do with the development of the EU's Common Foreign and Security Policy and the European Defence and Security Policy.

From European Security and Defence Policy (ESDP) to Common Security and Defence Policy (CSDP)

For the first thirty-odd years of the European integration project, the role of the European Community and later, the European Union, in the world was based on an extension of its common policies, such as the Common Commercial Policy and the Common Agricultural Policy. In the diplomatic, political and security realm, member states of the EU retain relative autonomy. It was only in 1991 that the EU attempted to move towards framing a Common Foreign and Security Policy (CFSP) and the Maastricht Treaty.

The crisis in Yugoslavia in the 1990s, however, showed up the weaknesses of the EU's CFSP—the lack of early warning and intelligence, and the lack of a defence dimension which would allow the Europeans to stage their own military operations in support of peace operations or crisis management. The December 1998 St Malo Franco-British Summit resulted in a joint declaration between the two. The Joint Declaration stated, "The EU must have the capacity for autonomous actions, backed up by credible military forces, the means to decide to use them and a readiness to do so, in order to respond to international crises…"[16] This paved the way for agreement in the EU for the emergence of a European Defence and Security Policy (ESDP).

[16] Joint Declaration on European Defence (Declaration issued at the British-French Summit, St Malo, France, 3-4 December 1998, http://www.fco.uk/resources.en/news2002/02/joint-declaration-on-eu-new01795)

Considerable progress has been made in the realm of security and defence since the 1998 St Malo declaration. The Helsinki headline goal of being able to deploy a 60,000-strong corps in six weeks and sustain it on the field for a year in support of the Petersberg task was achieved in 2003. And in 2003, the European Union launched its very first ESDP mission in Congo. The EU also issued its first European Security Strategy, "A Secure Europe in a Better World", which identified five key threats not only to European security but global security—terrorism, proliferation of weapons of mass destruction, regional conflicts, state failure and organised crimes. Addressing these threats required the EU to "develop a strategic culture that fosters early, rapid and when necessary, robust intervention."[17]

However, despite the ambitions of the ESS to transform the EU into a more pro-active security actor, and the developments of the ESDP, the EU still lacks the general consensus and political will to develop the capabilities and capacities necessary to be a conscious security actor. Several scholars (such as Menon, 2009 and Shepherd, 2003) also lament that the Union has failed to develop a strategic culture that "details and defines" a set of common interests and political rationale for ESDP covering issues such as when and where the EU should use force, and how they will be used. In short a comprehensive review of what should be the rationale, direction, utility and capabilities of the ESDP.

The Treaty of Lisbon that entered into force in December 2009 introduces some innovations that could potentially be of great implications for the EU's Common Foreign and Security Policy, as well as its attendant European Security and Defence Policy (renamed Common Security and Defence Policy). These include the creation of the double-hatted High Representative of the Union for Foreign Affairs and Security Policy who will also hold the post of vice-president of the Commission; the establishment of the External Action Service; expanding the range of Petersberg tasks; the introduction of Permanent Structured Cooperation in the field of military capabilities development; introduce "sub-contracting" to "coalitions of the able and willing"; and inclusion of a solidarity clause and provision for mutual assistance in the case of armed

[17] European Security Strategy, "A Secure Europe in a Better World", Brussels, 12 December 2003, http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf.

aggression. The European Security and Defence Policy is renamed Common Security and Defence Policy (CSDP) and is an integral part of the CFSP and can draw upon civilian and military assets to carry out missions outside the Union for "peacekeeping, conflict prevention and strengthening international security in accordance with the principles of the UN Charter".[18]

The new High Representative of the Union for Foreign Affairs and Security Policy combines the role of the former HR of CFSP and the Commissioner for External Relations, and is also expected to exercise, in foreign affairs, the functions which had been exercised by the six-monthly rotating presidency. The creation of this post supposedly would lead to greater coherence, consistency and effectiveness of the EU external policy. Supported by the External Action Service (the equivalent of a European diplomatic corps) the new HR/VP not only conducts security and foreign policy on behalf of the Council, but has the right of initiative to submit proposals and call for extraordinary meetings on emergency matters.

Two other important innovations that could have implications for the EU as a security actor is in the provisions for allowing the implementation of a mission of group of member states willing and capable of such a task on behalf of the Union and entrusted by the Council and the establishment of permanent structured cooperation in defence.

All these new provisions, new structures and the streamlining of functions and working methods open up opportunities for EU to become a more coherent actor on world stage. Yet, because CFSP and CSDP remains essentially inter-governmental in view of its sensitive nature, without full convergence of interest and political will, the EU's role as an international security actor would still be circumscribed no matter how much the institutions and procedures are revamped. The EU's ability to project power and play a pro-active role in international security depends more on political will than institutional design. The European Security Strategy has called for an active, capable and coherent EU security policy and for a common strategic culture in Europe. But the reality is that unless EU member states are able "to articulate a clear and coherent

[18] European Parliament, DG External Policies of the Union, Briefing Paper, "The Lisbon Treaty and its implications on CFSP/ESDP", Feb 2008, DGExPo/B/PolDep/Note/2008_014.

European strategic interest with which European public opinion would be able to identify with", the EU would not be seen as a serious security actor of consequence.

The EU as a Security Actor in Southeast Asia: Problems and Prospects

Southeast Asia is a region where traditional security issues remain a preoccupation of policy makers. The fact that most of the states in Southeast Asia have been colonised gave rise to certain sensitivity towards any signs of pressure or preaching by external powers. Domestic developments hampered by the diversity in ethnicity, culture, language and religion, led policy makers to be wary of external interference from other states in the region, and differences in political system and levels of economic development accentuate fears and suspicions among states in the region. These account for the staunch adherence to the principle of non-interference as the principal norm in inter-state relations.

The EU's relations with ASEAN in the early decades were dominated by trade concerns. The evolution of the EU's relations with ASEAN seems to have contributed to the persistent impression among Southeast Asian countries of the EU as primarily an economic power. For several decades, the EU, preoccupied with its own internal integration and distracted by challenges in its own backyard, accorded low priority to its relations with ASEAN. Hence, for most Southeast Asians, the EU is only a distant power and insignificant as a security actor. The major security player in the region despite the Vietnamese war is still the United States. Just as the US provided the security umbrella for Europe with the Atlantic Alliance, the security in Southeast Asia is underpinned by the various bilateral security ties between the US and various Southeast Asian countries.

In the immediate post-Cold War period, the propensity for the EU to see itself as a security actor, in the image of a provider of human security concerned with human life and dignity, and with an equal emphasis on freedom from want and freedom from fear, did not resonate in Southeast Asia. Clashes over human rights and Asian values, over Myanmar and incidents in East Timor, and over trying to impose conditionalities on trade and development cooperation, epitomise the differences.

Opportunities for the EU to become more involved in "soft" regional security issues in Southeast Asia presented itself in the aftermath of the Asian financial crisis and particularly in the post 9/11 era. The pervasive sense of insecurity—from widespread economic insecurity to socio-political fallout—that the crisis created, and the threat of international terrorism saw the EU's widening security engagement in the region—from addressing the social costs of the financial crisis, to a comprehensive strategy to combat terrorism, to supporting ASEAN integration and tackling climate change and environmental challenges.

In 2003 (after the Bali bombing) and in line with the EU's identification of key threats to international security, the EU and ASEAN made the fight against terrorism a key priority in their cooperation. In their Joint Declaration on Cooperation to Combat Terrorism, a comprehensive strategy which is multi-faceted in approach and comprising different dimensions to tackle the root cause of terrorism was emphasised.

The focus on non-traditional security threats (which is still state-centric in approach and dominated by government-to-government/official cooperation) rather than from a human security angle is a compromise framework that could see the EU becoming more and more involved in the "security" of Southeast Asia. The pragmatic approach by the EU to do what is possible, and focus on the "freedom from want" dimension of its security doctrine has see an increase in the EU's soft security role in the region, culminating in the rather successful Aceh Monitoring Mission (AMM) in Indonesia.

The AMM is the first ESDP mission in Asia, and was seen as a "role model" for future civil ESDP missions. The important role that the EU played in this extensive operation and the cooperation with ASEAN was held up as a success story of the multilateral approaches in the EU's foreign and security policy.[19]

Despite this success in Aceh, the image of the EU as a security actor still does not register strongly in many of the Southeast Asian

[19] Felix Heiduk, "ESDP in Asia: The Aceh Monitoring Mission in Indonesia", in Muriel Asseburg and Ronja Kempin, eds., *The EU as a Strategic Actor in the Realm of Security and Defence: A Systematic Assessment of ESDP Missions and Operations*, available at http://www.swp-berlin.org/en/common/get_document.php?asset_id=6631

countries. Again, this partly has to do with the way many Southeast Asians conceptualise security from a much more traditional and state-centric angle. However, with increasing democratisation, and as Southeast Asians themselves are questioning ASEAN's norm of non-interference, and as civil society activists and scholars push for a broader understanding of the concept of security, the value of EU as a "soft" security actor would come to be more and more appreciated.

In a recent consultation that the International Institute for Democracy and Electoral Assistance (IDEA) did in the Southeast Asian region concerning the EU's role in democracy building, there was a distinct call for the EU to be much more engaged in the region. Many civil society activists and non-governmental organisations want the EU to "devise multi-track engagement strategies with multiple actors and through multiple entry points".[20] In short, the EU should not only engage with the region from a purely inter-regional and official channel, but need to intensify its cooperation and partnership with different actors if it is to raise its profile as a key actor in Southeast Asia. However, this may not be shared at the official level, as most ASEAN member states, including the democratic ones, may not be entirely comfortable with rule of law, democracy and human rights as the basis for EU's engagement with ASEAN. Or, even for that matter, an engagement policy underpinned purely by the concept of human security.

It is also not clear if the EU would be up to its challenge in devising a comprehensive strategy of engaging Southeast Asia on security issues. The same questions that surfaced when examining the EU's CSDP as a whole would also be relevant in this context. What are the EU's interests and objectives in Southeast Asia—are they material in view of the close trade relations? ASEAN is after all the sixth largest trading partner of the EU and the EU is ASEAN's first overall trading partner. Or are they normative, with the export of its regional integration model being the most important objective?

Other geopolitical factors may also conspire to keep the EU as a "peripheral" security player in Southeast Asia. The reality of geopolitics and the influence and interests of several major powers

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[20] A Report of the International Institute for Democracy and Electoral Assistance, Democracy in Development: Global Consultations on the EU's role in democracy-building.

in Southeast Asia, from the pre-eminent United States, to China and Japan and possibly also India to the general shift in power from the Atlantic to the Pacific, meant less interest from Southeast Asia toward the EU. The growing dynamism of East Asia, which serves as the key driver of regional economic and political developments, further limits the EU's influence in the region.

Conclusion

The EU has raised its foreign and security ambitions with the CFSP and CSDP. Yet, in Asia, particularly Southeast Asia, it seems content to leave most of the "hard strategy and security contribution to the United States".[21] This could perhaps be explained by the low priority of this region to the EU in general since the European Security Strategy is focused on the EU's immediate neighbourhood and near abroad. The strategy called specifically for the strengthening of strategic relationships with key Asian actors—Japan, China and India—but was silent on the role of ASEAN in Southeast Asia. Hence, even with the long-standing partnership between the EU and ASEAN, and the increased cooperation on soft security issues, such as counter-terrorism and climate change issues, in the last few years, the security role of the EU is unlikely to see any significant thrust. The changes in the CFSP/CSDP structures and procedures made possible by the Lisbon Treaty are unlikely to have any impact on EU-ASEAN security relations. Despite the successful Aceh Monitoring Mission in Indonesia, the EU is unlikely to undertake joint strategic action in Southeast Asia in the foreseeable future. The EU's security role in Southeast Asia would likely continue to be passive, and ad hoc, and the EU would remain as a distant power without the ambition or desire to deepen its influence.

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[21] Francois Godement, "Europe-Asia: The Historical Limits of a 'Soft' Relationship", in Richard Balme and Brian Bridges, eds., *Europe-Asia Relations: Building Multilateralism* (Basingstoke: Palgrave MacMillan, 2008), pp 27-46.

NATO and Asia

Carlo Masala

Introduction

During the period of the Cold War, Asia has been for NATO member countries at best an afterthought in its policies or actions. The main purpose of the alliance from 1949 to 1989/90 was to defend the territory of its member states by counterbalancing the conventional superiority of the Soviet Union and its allies. During this period there has been no relationship whatsoever among the alliance and Asian countries. Of course the United States has had very close relations with some Asian countries in the political, economic, and even in the defence realm but it never tried to hook NATO upon this relations.

In recent years, however, NATO has gradually increased its institutional ties to some Asian and some Pacific countries, most notably to Japan, South Korea, Australia and New Zealand. Further to this, it maintains also ties (albeit loose ones) to China. The Asia-Pacific is about to become an important part of NATO's ongoing effort to create a global network. This article tries to answer three intertwined questions. First, what are the factors that drive NATO's increasing engagement with Asian-Pacific countries? Second, how are the relations between NATO and Asian-Pacific countries? Third, what could be a foreseeable future for NATO's relations with Asian-Pacific countries?

Why is NATO Interested in the Asia-Pacific?

When the end of the Cold War came about, NATO member states were faced with three strategic choices. The first was simply to dissolve since NATO had accomplished its principal mission—to deter the Soviet Union in its expansionistic drive. The second option would have been to maintain NATO as an alliance

designed to defend the territories of its member states from an armed attack, so keeping the organisation as a shell without any meaningful objectives or missions. The third option, which NATO obviously chose, was to adapt to the changing strategic environment and to take on new roles and responsibilities.

Relatively soon after the collapse of the Soviet empire, it became apparent that the world would not turn into a better, more peaceful place. The Iraqi aggression against Kuwait, the outbreak of ethnic conflicts in former Yugoslavia, the increase in the proliferation of weapons of mass destruction—just to mention a few developments—made NATO decide that the maintenance of a robust military alliance of nations who share also common values and norms seeking to protect their security while at the same time exporting stability outsides its borders was in the self-interest of its member states. A crucial aspect at that time (beginning of the 90s) was that NATO decided to get engaged outside its territory with the nations of the former Warsaw Pact and the republics of the former Soviet Union. At the minimum level, NATO sought to establish some kind of formal relationship to encourage regional stability and thus help these countries in their transition from authoritarian to democratic political systems. The central tool to assist these nations in their democratic transition has been and still is the Partnership for Peace (PfP), which encapsulates a number of political and military activities between NATO and participating nations. In addition, NATO established dialogue and cooperation frameworks with various Muslim countries, such as the Mediterranean Dialogue (MD) with countries from the Middle East and North Africa and the Istanbul Cooperation Initiative (ICI) with countries from the Arabian Gulf.

Besides this decision to get engaged with former adversary countries, NATO had to expand its geographical reach in military and political terms. The war in the former Yugoslavia—accompanied by massive migratory flows into the territories of NATO member countries—forced NATO to intervene militarily in Bosnia to save the Muslim majority population from ethnic cleansing. This marked the beginning of a new era for NATO. While alliance member states trained and planned for more than 40 years for a hypothetical situation—which luckily never materialised—the intervention into Bosnia catapulted NATO into the "real" world. In 1999, NATO had to intervene once again to come to the rescue of

Muslims in Kosovo.

So, by the end of the millennium, NATO had already transformed, slowly but steadily, from an alliance of collective defence to a hybrid institution, which had to pursue several goals such as collective defence of its member territories, political and military dialogue with interested states, and out-of-area operations to stabilise its immediate environment.

During the Cold War, NATO had no systematic links with Asia. Whatever modest connections that did exist were largely an indirect result of NATO's Cold War security requirements. Simply by virtue of the fact that the Soviet Union was the focus of NATO security concerns, military planning inevitably had to take into account all areas of the Soviet Union, including Central Asia.

Early post-Cold War NATO-Asia interaction was both limited and cautious. In 1992, NATO decided to seek an informal connection with Japan. However, both sides had been very keen at that time to limit its exchange to a low-level political dialogue. NATO did not want to give the impression of becoming engaged in Asian security issues.

The situation, of course, has been slightly different with regard to Central Asia. These countries were early participants in NATO's North Atlantic Cooperation Council, which later on evolved into the Euro-Atlantic Partnership Council, beginning in 1992. In addition, as early as 1992, NATO organised what was termed the Group of Defence Ministers. This Group was composed of the ministers of all sixteen NATO allies and the former Warsaw Pact and former Soviet republics, as well as Russia. The Group, among other things, provided an opportunity for dialogue between NATO and the Central Asian nations.

With regard to Asia, NATO's interest remained finite. The situation, however, changed dramatically after 9/11. The lessons NATO member countries had to learn with regard to the attacks have been:

a. Threats and risks to the security of NATO member states are deterritorialised nowadays, meaning that they can emanate from everywhere and that NATO has to be prepared to counter them at their places of origin.

b. In order to fight these threats and risks, NATO needs to evolve into a globalised alliance.

c. That NATO—in order to protect the security of its members—needs networks on a global scale, including

countries and international organisations.

NATO's relationship with Asian nations has increased significantly in large measure due to the ongoing work of NATO in Afghanistan. Whether these relationships would have emerged anyway is open to debate, but there is no doubt that concerns about Afghanistan and the security threat it could represent were important motivating factors for the growing connections. Australia, for example, has approximately 1,000 troops deployed with NATO in Afghanistan. There is an Australian contribution to a Provincial Reconstruction Team in Uruzgan Province, and a Special Operations Task Group deployed under an Australian commander in the same province that operates in direct support of ISAF. New Zealand has provided around 160 troops in Afghanistan. Japan's relationship with NATO is also primarily focused on Afghanistan, where Tokyo has supported peace and security-oriented operations. For example, Japan has conducted refuelling missions for US forces in Afghanistan and has financially supported a Law and Order Trust Fund to strengthen police activities. Japan has also committed funds in support of basic human needs projects in conjunction with NATO, and Japan may consider providing additional support for allied efforts in Afghanistan.

The participation of partners in NATO-led peace support operations is guided by the Political-Military Framework, which has been developed for NATO-led Partnership for Peace operations. The involvement of contributing states in planning and force generation processes took place through the International Coordination Centre at Supreme Allied Headquarters Europe (SHAPE). Besides this, every Asia-Pacific nation that helps NATO in its operations has a liaison officer within the two Strategic Commands.

Typically, forces of NATO's partners are involved in the decision making process through their association to the work of committees, and the posting of liaison officers in the operational headquarters or to SHAPE. They often operate under the direct command of the operational commander through multinational divisional headquarters.

As far as its relation to Asian countries is concerned, NATO had to think about expanding these relations and putting them on a more formalised but also substantiated level, simply because of the fact that countries like Japan and Australia were ready to help NATO in fighting terrorism and insurgency in Afghanistan.

The question inevitably arose at NATO as to whether a deeper relationship between NATO and Asian-Pacific countries should be developed. For this to happen, NATO had to consider what kind of relationship to establish, and whether to differentiate among the countries in terms of the nature or extent of the relationship.

The debate in Brussels and allied member states has focused at the beginning primarily on what NATO members might get out of such developments. In addition, from the alliance's perspective, there have been two issues that have been paramount. One has been the alliance's interest in sharing the burdens represented by such missions by attracting non-NATO, non-European countries willing and able to contribute military forces. Attracting such forces is increasingly critical as NATO members find themselves stretched to meet the demands of these new missions.

One of the outcomes with regard to these considerations was the creation of the so-called contact countries group at NATO's 2006 Summit in Riga. According to the final communiqué of this summit, NATO stated its willingness to

> increase the operational relevance of relations with non-NATO countries, including interested Contact Countries; and in particular to strengthen NATO's ability to work with those current and potential contributors to NATO operations and mission, who share our interests and values.

As a result of the Riga summit, annual work programmes have been developed with interested partner countries. Activities range from joint exercises and joint operations, through to language training and advice, and information exchange.

Individual Contact Countries choose in which areas they wish to be engaged with NATO, and the extent of this cooperation. Any inclusion of Contact Countries in alliance activities requires approval of the North Atlantic Council, NATO's principal decision making body, except in certain cases. Cooperation with Contact Countries should be mutually beneficial and reciprocal.

Most significantly, NATO has established a military-to-military relationship with Pakistan. Several years ago, a Tripartite Commission, including representatives from NATO-led International Security Assistance Force (ISAF), Afghanistan and Pakistan, was established to provide a joint forum on military and security issues. Representatives of the commission meet regularly to discuss security matters in the four main areas of cooperation:

intelligence sharing, border security, countering improvised explosive devices and initiatives related to information operations. Recently, NATO has taken the decision to enhance its interaction with Pakistan to ensure that Islamabad is aware of its concerns and interests regarding developments in Pakistan that may have an impact on NATO's efforts in Afghanistan.

India, of course, is also located close to Afghanistan and has its own interests in that nation and the region. For the time being, there is no formal interaction between NATO and India. Nevertheless, informal discussion within NATO circles regarding the possibility of establishing such formal contacts with India are taking places. And even in India there is a growing interest in establishing such kind of formal ties since the Indians and NATO share the same goal: to prevent Afghanistan from being taken over by the Taliban one more time.

South Korea's relationship with NATO is still in an embryonic stage. Seoul withdrew its small contingent of troops from Afghanistan in 2007 after a hostage crisis, and it never fully joined ISAF. The government in Seoul prefers to limit its contribution by providing medical and engineering support to separate US forces in Afghanistan. However, since relations with NATO are based on joint ownership, the door remains open at NATO for an enhanced relationship with South Korea.

Finally, Singapore and NATO recently established an official relationship that was announced at the NATO 2008 Summit in Bucharest. Singapore has deployed a very small contingent in Afghanistan, and its representatives do not regularly attend NATO meetings. However, there exists potential for training and exercises in the future since Singaporean authorities have occasionally expressed such possibilities.

Last but not least there is a political dialogue between NATO and the People's Republic of China, which originated upon Chinese request dated back in 1999.

To sum up: NATO nowadays, as has been shown in this chapter, maintains an intensive network of relations in the Asian-Pacific area, ranging from political dialogue to intensive political-to-political and military-to-military cooperation. But for the time being this network mainly serves NATO's purpose to win its war in Afghanistan. Every relationship NATO has in the area is geared towards this purpose. Not to be misunderstood—the goal

of stabilising Afghanistan is a shared one between NATO and its partners in Asia-Pacific; however, the structure of the relations is asymmetric.

NATO and Asia: The Way Ahead

Although NATO has established over the past few years structured relationships with several Asian and Pacific nations, and five Asia-Pacific countries have joined NATO's Tailored Cooperation Program—Australia, New Zealand, Japan, South Korea and Singapore—the relations are far from being easy. In particular, those countries that provide troops and other support for NATO-led operations have raised their concerns that they have the least access to NATO's decision making, even in comparison to some of the Central Asian PfP countries. NATO has reacted to this kind of criticism at its Bucharest Summit in 2008 by introducing a stronger political dialogue, which foresees meetings of the North Atlantic Council with ministers of the countries concerned, high level talks, and meetings with ambassadors. This decision has been welcomed but nevertheless falls short of a desired closer involvement in NATO's decision making structure.

In the long run this might lead to a major problem for the alliance, since governments in the Asia-Pacific who are contributing to NATO operations are becoming increasingly under pressure from their domestic audience; for example, questioning the fact that Australian soldiers are fighting under a NATO command without Australia having the possibility to raise its voice regarding the planning and the execution of such operations at the highest level.

A possibility NATO might look at is the opening of its decision making bodies to those countries substantially involved in NATO-led military operations. By creating special high level arenas where these countries could meet with NATO countries before NATO takes decisions would give them the possibility to get some kind of voice opportunities over NATO decisions without having a formal veto right. One framework could be North Atlantic Council+ Sessions, where the NAC meets with representatives of the respective countries before it goes into session to take decisions concerning the continuation of its military operations.

As is clear from the above overview, the NATO-Asia relationship is nascent but evolving. NATO has to make sure that

Asian-Pacific countries do not get the impression that they are only needed for carrying the NATO torch in Afghanistan. On the one hand, this requires more involvement on a high level, but at the same time a long-term vision (a "beyond Afghanistan" vision) for this relationship is required. What ties Asian–Pacific countries and NATO together for the time being is a common interest to fight common threats and risks. While Afghanistan has clearly been the key impetus, both NATO and various Asian nations ought to have an interest in developing a sustainable long term connection. The last section of this article tries to briefly sketch such kind of long term vision.

The future relationship between Asian-Pacific countries and NATO may be impacted by several determinants. For example, a growing awareness of NATO may result in a closer examination of its potential relevance as a model for Asian regional security structures. Obviously, there are significant historical and geographical differences between Europe and Asia, but there are some attributes of NATO that may be relevant. In particular, the more aggressive China will turn into in the future, the more an Asian-Pacific NATO might be needed in order to counterbalance a potential future Chinese threat to the sovereignty of Asian-Pacific countries.

But also the regional environment might call for the creation of a NATO-like entity. The on-going challenges that weak states face, as well as the kind of security problems (i.e. maritime piracy) that continue to beset the broader Asia-Pacific as well as the uncertain future of China might call for a more integrated response within the framework of a security alliance. While still more possible than probable, the optimal approach, one that can project not only a credible military force but also coordinate responses to specific political and non-traditional challenges, involves transforming the existing bilateral alliances in the Asia-Pacific into a multilateral cooperative security organisation similar to NATO.

It is important for NATO to convey to those countries in the Asia-Pacific who are still reluctant to work together with NATO or who perceive the alliance as an instrument of great powers, the message that NATO today is much more than just a military alliance; that, in fact, NATO in the 21st century has multiple identities, ranging from a military alliance to a security forum.

Conclusion

In recent years at NATO, there has been a growing acceptance of the proposition that the most important security threats are no longer geographically defined. As a result, NATO has developed a global network, and many cooperative political or military programmes and projects are underway to assess, prepare for or address current or potential threats to NATO's security from anywhere in the world.

NATO has become, among other things, a global security forum. At NATO, or under NATO sponsorship, nations from various regions, including Asia, convene to discuss security threats and challenges at regional meetings and also at major NATO gatherings, and ministerial meetings. NATO has also become a global security coordinator—the hub of a global network. Asian nations, among others, are working with NATO to develop military capabilities that can be deployed collectively should the political decision be made to do so.

It appears very likely, given NATO's global interests, that NATO and Asian nations will develop increasingly close relations. Therefore, NATO needs to focus even more on understanding this complex region and opening more up for Asia-Pacific countries who are interested in deepening their political and military ties with the alliance. At the same time, Asian nations also should take every opportunity to gain an enhanced understanding of NATO. Asian policy makers and policy organisations should visit NATO and initiate NATO-Asia meetings and conferences. Similar to initiatives undertaken by the EU, think tanks from NATO as well as from Asia-Pacific countries might set up track two initiatives in order to discuss all issues related to an Asia-Pacific-NATO rapprochement.

In this way, over time, NATO and Asia can establish closer relationships. NATO and interested Asian nations can develop increased security cooperation and prepare not only for military operations when necessary, but also for civil-military missions that address the challenges of failed states and failed territories within nations.

At the same time Asia-Pacific countries should intensify their dialogue on whether a kind of Asian-Pacific NATO is needed in order to tackle commonly perceived threats and risks in a more coherent and efficient manner.

In any event, it can be said that the NATO-Asia relationship will be a growing factor in international politics in the years ahead.

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EUROPE

Security Challenges for the Transatlantic Area

Julian Lindley-French

Introduction

Current discussions about the forthcoming 2010 NATO Strategic Concept will revolve around transatlantic security challenges as they concern the effective and efficient organisation of large means in pursuit of grand strategic ends. And, it is the need to re-discover grand strategy that is the main contention for a transatlantic relationship faced as it is with a) the need to maintain itself as a strategic cornerstone; and b) as great an array of challenges as at any time since at least 1945. But here's the rub (as Shakespeare would have it), for whilst the Euro-Atlantic community faces many challenges, very few of them constitute threats in the classical sense to the territorial integrity of any member of the Euro-Atlantic community. However, any one of these challenges/risks (or any number of them in combination) could rapidly become a threat, which highlights the profound dilemma faced by most North American and European leaders: what to plan for?

Or, rather, the challenge concerns where best to make the most reasoned security investments given the most reasonable assessment of likely need in what is a very fluid strategic environment. Fail and an opportunity cost will be paid in terms of the wrong tools in the wrong space endeavouring to cope with a set of threats for which they are ill-designed.

Thus, for the Euro-Atlantic community on the eve of NATO's new Strategic Concept and with the European Union's (EU) Lisbon Treaty having just become EU law, a fundamental question pertains: where best should the Euro-Atlantic community focus efforts that in a global context are necessarily limited? Even conceptually, the challenge is complex and fraught with difficulty and contention. Indeed, whilst all NATO strategic concepts prior to

1989 were focused squarely on the defence of Europe, and the 1991 and 1999 strategic concepts were concerned with the security of Europe in the aftermath of the Cold War and a Europe whole and free, for the first time, the role of the Atlantic Alliance has been considered in the Strategic Concept 2010. This will necessitate both ambition and modesty. Even the EU's Lisbon Treaty implicitly accepts the need for Europeans to look upward and outward. Therefore, after ten years of emphasis on inclusiveness by both NATO and the EU, the search for effectiveness is now urgent, and that will no doubt require a re-forging of a collective identity. In addition political courage to confront both the alliance and the world as it truly is, not as members would like it to be, is very important.

A Big Alliance of a Big West in a Big World?

Certainly, the Atlantic Alliance (the armed wing of the Euro-Atlantic community) is unique and remains the most important security grouping of states in the world. Moreover, the alliance is the natural forum for addressing defence and security issues by Europeans, North Americans and increasingly others, who share the same values and many of the same interests. However, given the changing centre of gravity of power in the world (and its increasingly diffuse nature), if the transatlantic security area is to become more secure, leaders on both sides of the Atlantic will need to have a better grip of the fundamentals of change both inside the West and particularly beyond. They will also need to recognise those challenges that could likely require the application of credible military power and those many challenges that will not. That is in essence the core message of this article.

To that end NATO remains pivotal because it is a big alliance for big events in a big world. The question underpinning current debates about how best to deal with dangerous complexity reinforces rather than diminishes the raison d'être of the Atlantic Alliance in a challenging world. This is not just to its public but also to a wider international community for which NATO has become a leitmotif of the commitment of the Atlantic Alliance as a whole to the secure governance of change and its global consequences. That is why for Europeans and North Americans, what happens in south Central Asia is so important. The days

of imperial influence are over and no one knows better than the West that this is the case. However, given the nature of the stated challenge terrorists pose to both Europeans and North Americans it is reasonable that they together seek to deal with that threat from whichever quarter it comes. Certainly, any Asian power would largely take the same view.

However, some twenty years on from the Cold War, strategic laziness and a lack of political courage have prevented the honing of old tools into new instruments. This is particularly important for NATO, but is also germane for the European Union. In a sense, NATO's Strategic Concept and the EU's Lisbon Treaty (through the creation of the Common Security and Defence Policy (CSDP)) must be about strategic renewal if they are to be worth the paper they are written on.[1] Specifically, that means re-examining and justifying both NATO and CSDP, considering the saliency and relevancy of their missions and structures as well as re-affirming fundamental purpose to create credible strategic unity of purpose and effort, which has been so self-evidently missing. Central to that challenge will be a profound consideration of where NATO and the EU can be most effective given the environment, their respective competences, the shared tenets of overall security policy, and, most importantly, the role of militaries therein.

Such strategic renewal will require in turn a fundamental reconsideration of NATO's and EU's means and ends to establish where both should focus their future efforts, and what organisation would best support that effort. More importantly, as the rate of European relative decline accelerates (which is now marked in the wake of the financial crisis and the challenges to both the Euro zone and the pound sterling), and given the situation in Iraq and Afghanistan, much will depend on the outcome of a re-defined set of security relations between the United States and Europe, and the extent an increasingly Asia-Pacific-focused America is prepared to continue to pay for much of Europe's defence.

[1] The Treaty of Lisbon states: "RECALLING that the common security and defense policy is an integral part of the common foreign and security policy; that it provides the Union with operational capacity drawing on civil and military assets; that the Union may use such assets in the tasks referred to in Article 28 B of the Treaty on European Union outside the Union for peace-keeping, conflict prevention and strengthening international security in accordance with the principles of the United Nations Charter; that the performance of these tasks is to be undertaken using capabilities provided by the Member States in accordance with the principle of a single set of forces", http://eir-lex.europa.en/JOHtml.do?uri=OJ.C.306:SOM:EN:HTML

The Crafting of Strategy

Therefore, unity of purpose and effort between North Americans and Europeans is weaker than at any time in decades and yet the need for concerted action to be credible across a myriad of security tasks and across the globe is pressing. The question for all Euro-Atlantic partners is thus simple: can such unity be crafted by policy before challenge becomes threat, or will it be a function of the consequence of threat, i.e. disaster? Grand strategy is in effect the *what*, the *where*, the *why* and the *how* of concerted action at the structural systemic level and yet only the United States amongst the partners has the level of ambition to be effective at such a level or seems willing to bear the costs associated with operating at such a level. Along with that it is the only one to possess a conceptual understanding of strategic change.

However, all the fault does not lie on the notoriously dilatory Europeans because this stuff is difficult, as any Asian leader will attest. However, given that for the first time what is needed is a grand purpose which is not Euro-centric in the world, the scale becomes apparent of the political and policy-security mountain to be climbed. However, Europeans prefer not to bother, and a) live with a higher level of risk; and b) pretend to their publics that no such risk exists. Thus, what level of security needs to be afforded and what level of security can be afforded are two very different questions for both Americans and Europeans. Here Americans and Europeans share very different outlooks, with Europeans traditionally in any case being prepared to live with a far greater level of risk than Americans do simply because risk has always been a fact of European life. It is however a very delicate judgement but the absolutist security culture of Americans and the relativist culture of Europeans will always make the forging of a coherent transatlantic grand purpose difficult, to say the least.

Take a Look Around…

A survey of the strategic environment would appear to emphasise centrifugal rather than centripetal forces on the Euro-Atlantic community from both within and without the West. That said, certain foreign and security policy truths would shape the limited choices of the alliance over the ten-year life of the new strategic concept.

First, Europe, in particular, faces an acute political dilemma: being too big to hide from "events" and too weak to individually influence big events critical to its security. Second, much of the next five years or so will be spent on extricating NATO armed forces from south Central Asia which will emphasise a close working relationship between the US and its European allies but which will without doubt lead to tensions that could further undermine the cohesion of the alliance. Third, credible military power matters but is not in itself sufficient to shape strategic events for challenges such as energy security, the search for life fundamentals (food and water), climate change, and the consequences of mass migration and poverty.[2] There is little or no policy cohesion within the Euro-Atlantic Community on these issues (or even between Europeans although they are stumbling towards more coherence). Fourth, influencing the US will remain the single most important foreign and security policy objective; although within Europe there is still a profound difference of opinion over whether security nowadays is a function of closer co-operation with the Americans or keeping some distance from the Americans. The damage done to the transatlantic relationship by the controversial US-led invasion of Iraq is still apparent. Moreover, the Iraq War has profoundly undermined the strategic self-confidence and national cohesion of America's closest European ally, Britain.[3]

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[2] New challenges are emerging to the international order as a consequence of the combination of poverty, and the search for life fundamental, piracy being a case in point. Jonathon Stevenson writes: "…Somali piracy has increased, presenting a threat to international security. Over the last two years a growing number of Somali pirates (estimated to exceed 1000 and counting), enabled by the absence of rule of law in Somalia, have staged increasingly frequent and brazen attacks on commercial vessels transporting vital cargo such as oil, food and weapons in the Indian Ocean and the Gulf of Aden." See Stevenson J., "Jihad and Piracy in Somalia", *Survival*, Feb-March 2010 (London: IISS, 2010), p.30.

[3] Dobbins, Jones, Runkle and Mohandas write: "The decision to treat Iraq as a conquered country freed the United States from the constraints normally associated with UN-mandated multilateral peace operations. The UN Security Council recognized American authority over Iraq but did not endorse it, nor was the United States under any obligation to report back to the Security Council or seek public renewal of its mandate. But whilst the arrangement left the U.S. government legally unbound, the lack of a UN endorsement also left it bereft of substantial external support. Only the United Kingdom had contributed significant forces to the invasion, and even the British troop commitment was soon cut drastically." See Dobbins, J, Jones Seth G., Runkle Benjamin, Mohandas Siddharth, *Occupying Iraq: A History of the Coalition Provisional Authority* (Washington: RAND, 2009), p.12.

However, the paradox for Europeans is that to achieve the *broad* foreign and security policy goals that Europeans do indeed share (stable environment, stable neighbourhood, stable energy, stable societies) and to help deal with the threat to European security posed by terrorism, American support will continue to be vital for the foreseeable future for European leaders long on challenges but short on forces and resources. Thus, the need for Europeans to leverage influence and create political options and security cost-effectiveness through solidarity with North Americans is both greater and less than it was a decade ago, because much of security which has driven the battle between power and weakness, particularly American power, has become the target, and in which weakness either means complete marginalisation or mutual dependency or both. In a sense, Europeans are conducting an experiment in security policy: replacing security instruments with political correctness in the hope that it will act as a security policy tool:

Afghanistan and Pakistan: Sustainable stability in Afghanistan and Pakistan will ultimately be achieved through political re-conciliation, enhanced governance, and macro-economic ideas, in all of which a credible EU would be well placed to assist the US-led military effort.[4]

Russia: An assertive Russia is highly unlikely to express its ambitions/concerns through direct military aggression. However, strategic reassurance through NATO will be critical to the stability of the continent by ensuring that Moscow understands that red lines do exist and must not be crossed. Equally, such strategic reassurance will be as relevant to the EU's Strategic Partnership with Moscow and the Union's Neighbourhood Policy as it is to NATO's Strategic Concept.

Energy security: Europe's regional-strategic role will also be vital for Europe's energy security not only in its relations with Russia but also the Mediterranean Basin and the wider Middle

[4] The current belief in Europe is that by and large the Wars of the Afghan Succession are unwinnable. However, evidence suggests otherwise. The authoritative Afghanistan in 2009: A Survey of the Afghan People states: "Respondents were asked how they expect the security situation on their local area to be in a year's time. Overall, the majority of respondents (75%) are optimistic. Nearly half (46%) say they expect it will be much better and just under a third (29%) say that it will be somewhat better." See *Afghanistan in 2009: A Survey of the Afghan People* (Washington: The Asia Foundation, 2009), p. 42.

East. However, energy strategy is as much about conservation as consumption and the need for a truly EU Common Energy Policy is pressing in which efficiency of use avoids over-dependence on one supplier. However, innovation helps to move Europe (and by extension partners) away from friction whichever greater consumption of ever-diminishing resources will unquestionably cause.[5]

Terrorism: The rise of international terrorism is linked to a host of local and cross-border conflicts in the Middle East, South Asia and the Horn of Africa. Confronting this rise will depend in the long term on societal solutions and the affording of legitimate and concerted action of NATO, the EU, and the wider international community (working in conjunction with partners many of whom are in Asia).

The Western Balkans: The Western Balkans is too easily forgotten in the lop-sided race of the Euro-Atlantic community to either confront or shrink from change in the world, seemingly in equal measure. The Western Balkans are an integral part of Europe and the next stage of political reconciliation and economic integration can only be afforded by NATO and EU membership to all states in the region.

Proliferation of Weapons of Mass Destruction: The democratisation of mass destruction is an accelerating phenomenon in Asia and across what is a great belt of instability. Ever-smaller actors will likely gain access in the near future to the kind of destructive power hitherto only controlled by states. Both North Americans and Europeans support arms control legal instruments as fundamental components in balanced security policy. However, with such instruments (the Nuclear Non-Proliferation Treaty, the Biological and Chemical Weapons Conventions) in danger of leaking, the test for Americans and Europeans will be the extent they can agree on both architectural reinforcements to security (missile defence) and interventionist reinforcements such as counter-proliferation and, of course, a new role for nuclear deterrence. It is imperative to note that without such steps they can find themselves spawning a new

[5] Peter Truscott writes: "Resource nationalism will alter traditional global power structures, making it vital that the European Union strengthens its relations with both non-OPEC and OPEC countries and OPEC producers. In order to stem the global decline in oil and gas production, it is essential that the EU fosters durable diplomatic relationships with future energy producers." See Trustcott P., "European Energy Security: Facing a Future of Increasing Dependency?", Whitehall Paper 73 (London: RUSI, 2010), p.89.

arms race. President Obama was trying to square that circle when he called for a world free from nuclear weapons.[6] There are also at least two European allies who are not so sure, given proliferation of what is now old technology. Indeed, the essence of globalisation is that all technologies (civil and military) proliferate, particularly old technology.

Iran: The role of the EU in attempting to deal with Iran's illicit nuclear ambitions suggests a way forward if France and Germany are truly prepared to accept Britain as an equal in the future development of EU's foreign and security policy. Equally, given Iran's proximity to Europe (and the range of its new missiles), no European would seriously contemplate engaging Iran without the US. Of course, the true test of the relationship might come earlier than many in the Euro-Atlantic community hope, if Iran does succeed in weaponising its nuclear programme.

Israel-Palestine: The greatest test, however, for the transatlantic relationship is the search of an enduring solution to the conflict between Israel and the Palestinians. This is particularly important because so many of the other challenges (Iran, terrorism, Afghanistan, Pakistan, and energy supplies) are directly or indirectly linked to it. Unfortunately, there is a large cleft in the attitude of Americans who tend to support Israel more or less unequivocally, and Europeans, who by and large feel sympathies for the Palestinians not least because of relatively large numbers of citizens of Arab extraction and Muslim faith. The best that could probably be hoped for is probably a "good cop, bad cop" role for both Americans and Europeans, with them respectively putting pressure on one side whilst the other supports the other. This would be entirely justifiable

[6] In a speech in Prague on April 5, 2009, President Obama stated: "I state clearly and with conviction America's commitment to seek the peace and security of a world without nuclear weapons. I'm not naive. This goal will not be reached quickly – perhaps not in my lifetime. It will take patience and persistence. But now we, too, must ignore the voices who tell us that the world cannot change. We have to insist, 'Yes, we can.' Now, let me describe to you the trajectory we need to be on. First, the United States will take concrete steps towards a world without nuclear weapons. To put an end to Cold War thinking, we will reduce the role of nuclear weapons in our national security strategy, and urge others to do the same. Make no mistake: As long as these weapons exist, the United States will maintain a safe, secure and effective arsenal to deter any adversary, and guarantee that defense to our allies – including the Czech Republic. But we will begin the work of reducing our arsenal." See The White House, Office of the Press Secretary, April 5, 2009, Remarks By President Barack Obama, Hradcany Square, Prague, Czech Republic, www.state.gov.org.

given how much aid Americans and Europeans pour into a conflict that sits squarely on Europe's doorstep.

The Military Dilemma

Thus, ten years into the 21st century, North Americans and Europeans face an abundance of choices, which by its very nature makes this moment a truly strategic moment. The good news is that they can still make such choices. The bad news is that if they dally a few years hence others might make those choices for them. Central to the Treaty of Washington and the Lisbon Treaty is the upholding of the values and systems central to the United Nations Charter. In effect, the military power of the Atlantic Alliance was conceived of as the ultimate military guarantor of stability, not just in the Euro-Atlantic community but beyond, with the "soft" power of the European Union designed to ensure that never again would war ever scar Europe's historic homeland. Both NATO and the EU are designed a) to create and assure a stable platform; and b) ensure that if need be security can be projected from it. Events have transpired such that for the first time in its history both the Atlantic Alliance and the Union are now called upon to play such a stabilisation role at a time when inner policy and even societal cohesion is weak.

Given this expanding context of the core purpose of both NATO and the EU and the shrinking political resolve, much of the debate in the transatlantic security community concerns how best to strike the balance between what needs to be done and what is possible. The broader security role of both the Atlantic Alliance and the Union, which the world is forcing upon reluctant Europeans and uncertain Americans within the framework of a transatlantic relationship, is in urgent need of modernisation, if it is to be fit for any purpose in the twenty-first century.

Specifically, the centre of gravity of that challenge is how best to adapt both NATO and EU militaries (they are by and large drawn from the same countries) to meet the challenges of a new and rapidly evolving strategic security environment. For the main transatlantic institution, NATO, this causes a real dilemma because to focus the main alliance effort on any one area could well lead to the opportunity cost discussed earlier. For example, the Red Army conceived of Article 5 as de facto automatic armed assistance in

the event of an attack across the North German Plain. Today, the September 12, 2001, decision to invoke Article 5 in the wake of the terrorist attacks on New York and Washington has established a precedent whereby an Article 5 attack is conceived of as any attack by a state or non-state actor that generates a big enough catastrophe for the North Atlantic Council to agree to the mobilisation of a large military (and increasingly non-military) response organised by NATO.

Thus, the meaning in the twenty-first century of collective defence in general and Article 5 in particular whilst central to Strategic Concept 2010 and relevant to the Lisbon Treaty raises a whole raft of strategic-legal questions with which Asians also grapple.[7] What constitutes an *armed* attack—terrorism, cyber-warfare, strategic criminality? What will constitute the main defence architecture—high readiness forces, missile defence and/or deterrence? What balance will need to be struck between protection (critical infrastructure, civil defence) and projection (deployable manoeuvre forces)? What roles should NATO and the EU respectively seek, and should those roles be closely co-ordinated or for the sake of strategic politesse should a distance be kept between them to emphasise the different and differing political identities of force?

Put simply, the context and the complexity of security has changed to such an extent that both the treaty underpinning the Atlantic Alliance, and the task-list implied by the elaborated Petersberg Tasks of the EU require a response that could well be global, and a level of policy and strategy cohesion which have been noticeable by their absence since the end of the Cold War.[8] Indeed, unity of purpose and cohesion is thus not only vital for members of

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[7] The Directorate-General for External Policies of the Union stated in February 2008 that "…a mutual assistance article (article 28A.7)…reads like a mutual defense clause in that it states 'if a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power...'. This reminds us of questions raised during the European Convention on whether the EU should have its own mutual defense clause *a la* NATO and on the fate of the modified 1954 Brussels Treaty and the remaining cell at the Western European Union.", http://www.europarl.europa.eu/document/activities/cont/200805/20080513ATT28796/20080513ATT28796EN.pdf

[8] The Treaty of Lisbon states: "The current tasks of the European security and policy, known as Petersberg, are specified by the Treaty on European Union (article 17). They encompass: humanitarian missions and the evacuation of nationals, peacekeeping missions and tasks of combat forces in crisis management, including peacemaking operations.", http://www.euromonde2015.eu/IMG/pdf/annexe6_en.pdf

both the alliance and Union but also for potential partners in other parts of the world, particularly Asia.

Another dilemma concerns competence. NATO's Strategic Concept needs to be both ambitious and modest in equal measure for it must not only establish the implications of the new strategic context for alliance action, but also recognise that NATO cannot do everything and that its primary responsibility (and necessity) is to guarantee military security and defence and organise an effective military response to security penetrations with catastrophic consequences. The Atlantic Alliance must therefore return to its military roots if it is to focus on effective response, but that in itself is a very political step requiring as it will a new form of campaign planning that will necessarily involve a far greater range of partners than hitherto, both civil and military. Politically, NATO will remain vital as a forum for consideration of strategic security but given the very non-military nature of the challenges outlined above, and given the need for the political identity of force to be as flexible as possible, its relationship with other institutions, most notably the EU, but also the UN and Organisation for Security and Co-operation in Europe (OSCE) will doubtless grow, as will the relationship with regional groupings such as ASEAN. However, the real contention between Americans, Canadians, Europeans, and others concerns the actual meaning of force as a tool of last resort, because without a consensus on that seminal issue, it is hard thereafter to plan together for the type of forces that would be needed.

Equally, even in the absence of such a consensus, the fact is that the only member of the alliance capable of sustained global missions is and will be the US, and because of that fact alone, the Americans will continue to exert massive influence over European security and defence. Therefore, the choice for Europeans is whether they seek to sustain America's role as the stabilising balancer in Asia and elsewhere, or should they focus on NATO, and the EU, in and around Europe, the Middle East, Central Asia and Africa, to relieve pressure on the US (which is in itself no mean challenge), or can they simply retreat into fortress Europe. That truly grand strategic debate has in fact only just started. Indeed, given that fact, even if NATO is a big military-security organisation able to reach worldwide, the idea of a global NATO is and will remain patently absurd.

That is because the implications of such a role are huge for the state sovereignty and national coffers of both Canadians and

Europeans. First, the US investment in military technology has rendered simple task sharing between allies almost impossible. Second, the alliance would become increasingly a mechanism for the organisation of Europeans and other partners in pursuit of overall global stability, implying a strategic culture that only Britain and France possess. Third, the smaller member nations would need to specialise and integrate their defence efforts to such an extent that either they would lose control over their armed forces or such a force would never be used. Thus, given the purpose of NATO is to create a contract for the efficient organisation of large means towards large ends, such constraints will need to be addressed and urgently.

The Vital Role of Partners

Therefore, implicit in the grand debate over transatlantic grand purpose is a further debate about the vital and growing role of partners, both civilian and military, both in the Euro-Atlantic community and beyond, particularly in Asia. There are many new actors and institutions emerging within the broad architecture of world security and given the sheer scale of complexity faced by all actors today (and by extension the security and military task-list so generated), the big question for the transatlantic relationship is where best should its efforts and energies be focused and with whom?

It is self-evident that the United States has global responsibilities with a security policy and armed forces to reflect such a leadership role, even if that role is being increasingly stretched thin by commitment. For Washington, the European allies are one set of partners vital to American security leadership, which is increasingly focused on Asia and the Pacific Rim, something which seems not yet to have sunk in with many Europeans long used to complaining about Americans and yet relying on them in equal measure. This is particularly the case as the centre of gravity of world security shifts from Europe to Asia. Herein lies a dilemma centred on the expectations that Americans have of allies and those that Canadians and Europeans have of Americans. Intellectually, Europeans might agree on the need for a partnership with the US in global security even as they retreat into parochial regionalism but the willingness to put such a role into practice after the experience of Iraq and Afghanistan is for most of them next to zero. Thus, a key

question Europeans face concerns the price Europeans are prepared to pay in terms of support for US policy and strategy to keep Americans engaged in European security.

Here the basis for a consensus might be emerging. For example, Canada's "5Ds" (Development, Democracy, Disarmament, Diplomacy, and Defence) is central to Ottawa's security policy and emphasises a civil-military effort that is strikingly similar to the emerging European strategic culture as expressed through the modified Petersberg Tasks in the 2009 Treaty of Lisbon. Moreover, whilst of the Europeans only Britain and France maintain what can be termed as a classical strategic culture with an emphasis on projectable robust military power (even as they develop new structures and doctrines for civil-military effect under the rubric of the Comprehensive Approach), Germany and several of the remaining Western European members see the utility of force primarily for policing and peacekeeping. Therefore, however counter-intuitive it may appear given the ineptitude with which Europeans have sought to develop an EU European Security and Defence Policy (ESDP now CSDP), the need for an effective NATO-EU relationship will be pivotal over the next decade to the transatlantic relationship. Such "subsidiarity" will pre-suppose a far greater level of political flexibility than hitherto, which will be essential when engaging complexity, because the political identity of engagement will be pivotal to the mission success. There will be times when flying an UN, EU, or OSCE flag on an operation will give more chance of success than flying a US, British, French, or NATO flag.

Equally, the allies are keen not to dwell to a great extent on old-fashioned adversarial concepts of security. Be it the G20 or the BRIC (Brazil, Russia, India and China), there are new players on the international stage with whom both NATO and the Union must work and contend with, and to that end various forms of strategic partnership are being sought. Many such groupings might be more effective both regionally and/or functionally than either NATO or the EU. Certainly, both NATO and the Union will need new power partners, such as China, Russia, India, Brazil and Japan. The Strategic Concept will need to further open the political door to such partnerships, particularly at the civil-military level. It is evident from operations in Afghanistan that relations with host and regional governments as well as those with civilians in international and non-governmental organisations are important factors in success.

There are always going to be states in and around Europe that seek either membership or close partnership with the Euro-Atlantic community. This causes a dilemma for both North Americans and Europeans for there are a plethora of so-called Frozen Conflicts (e.g. Moldova, Trans-Dniestria, Georgia, South Ossetia et al.) which remain on the borders of the Euro-Atlantic area. Russia remains as ever a dilemma.[9] The 2008 Russian invasion of Georgia at the very least suggested the limits of NATO expansion, if not that of the EU. It is also not at all clear if Ukraine will be either ready for membership or will be offered it given both the pivotal place Kiev occupies in European security and the very delicate balance internally. Therefore, what partnership will mean for states on the periphery that are critical to stability and security but unlikely to be offered membership on grounds of their own unsuitability will remain an important and open question. Turkey's difficult path to EU accession being a case in point.

Security Challenges for the Transatlantic Area

Ultimately, for all its many travails the transatlantic relationship will persist as "a", if not "the" strategic cornerstone of world security because in the end the Europeans are not going to contract out of global security, and the Americans will not contract out of Europe. To that end, five clear roles are suggested by the emerging strategic environment and driven by the need for cost-effective effectiveness. The first role will see the modernisation of Article 5 and main defence based on a new system of layered defence, which will need to include some form of missile defence, a commitment to effective cyber-defence (and attack) with a role for the alliance in consequence management. The second role will confirm the maintenance of intervention capabilities to strengthen counter-proliferation. The third role will emphasise stabilisation and recon-

[9] President Obama has reached out to Moscow by ending the Third Site plan for missile defence and offering a new strategic arms reduction treaty. In Prague he stated: "To reduce our warheads and stockpiles, we will negotiate a new Strategic Arms Reduction Treaty with the Russians this year. President Medvedev and I began this process in London, and will seek a new agreement by the end of this year that is legally binding and sufficiently bold. And this will set the stage for further cuts, and we will seek to include all nuclear weapons states in this endeavor." See The White House, Office of the Press Secretary, April 5, 2009, Remarks By President Barack Obama, Hradcany Square, Prague, Czech Republic, www.state.gov.org.

struction operations as part of hybrid warfare. The fourth role will see a re-statement of the commitment of both North Americans and Europeans to nuclear deterrence, even as efforts are made to reduce stockpiles. The fifth role must and will see reaching out to help partner states in areas such as Security Sector Reform (SSR) and Democratic Control over Armed Forces (DCAF).

Grand strategy is the organisation of large means in pursuit of large ends. That is the stuff of the transatlantic relationship and the essence of its role given transatlantic security challenges. Therefore, the transatlantic relationship will come to reflect twenty-first-century fundamentals. First, the world today is too complex for North Americans and Europeans credibly to manage global security alone, even though a strong transatlantic relationship will be essential for world security. Second, for the transatlantic relationship to play its wider military security role, the military stability of Europe (both members and partners) will remain central to the mission of both NATO and the EU. Third, NATO is a military security organisation and both its purpose and role is essentially limited to the generation and organisation of military effect relevant both in the Euro-Atlantic area and beyond.

Such a commitment will take honesty with publics and the political courage of true leadership reinforced by a commitment to communicate the necessity and utility of such a vision, which will be critical to publics, partners, and adversaries alike. Realism and resolve has always been the twin pillars of the transatlantic relationship even if it does represent also the shared values of the democracies that it comprises. The world will be a safer place if all-important unity of purpose can be thus re-established even within the diversity that is the twenty-first-century transatlantic relationship. The transatlantic relationship is by no means perfect and the transatlantic security area by no means free of challenge but the security relationship between North Americans and Europeans remains and will remain “a” if not “the” most important such grouping in the world.

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NATO at 60: The Global Security Provider

Karl-Heinz Kamp

When the twelve founding members[1] signed the North Atlantic Treaty in Washington D.C. on April 4, 1949, no one could imagine that they were present at the creation of the most successful politico-military alliance in modern history. What they initially agreed upon was an institutionalised conference of member states, which was developed only step-by-step to an international organisation with a powerful military capability. Today, NATO consists of twenty-eight member states with more waiting for admission. It conducts military operations on three continents, has institutionalised partnerships with some twenty countries and very close relations to key democracies outside of Europe, like Australia, New Zealand, Japan and South Korea.

Given this amazing evolution, the challenge lies in the question of how to structure NATO's history over the last sixty years. One possibility would be to take NATO's disputes and crises throughout the decades as a guiding principle. In 1949, the Washington Treaty was signed when the Soviet Union still kept up the Berlin-Blockade. At the same time, many alliance partners had severe reservation against the newly emerging Federal Republic of Germany. 1959 stood under the impression of ongoing Soviet pressure again with respect to the status of Berlin. In 1969, international protests against the war in Vietnam dominated the scene. A year before, NATO had passively witnessed the abatement of democratic tendencies in Czechoslovakia by Warsaw Pact forces—which was considered by some Europeans as weakness. In 1979, NATO members took the "Dual Track Decision" to cope with the

[1] Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, United Kingdom, United States.

emerging threat posed by Soviet SS-20 nuclear missiles in Europe. This was the prelude to one of the most severe NATO crises, which took the alliance close to breakup in the early 1980s.

Even after the collapse of the Warsaw Pact and the "victory" of NATO in the Cold War, disputes seemed to be the guiding element in the alliance's history. NATO enlargement, the crisis in the Balkans, Afghanistan, and Iraq are catchwords, which all stand for heavy transatlantic or inner-European clashes straining NATO's cohesion time and again.

NATO's Phases

However, focusing just on the crises leaves the question unanswered, of how NATO could survive and—even more—how could it emerge as one of the few real success stories in international politics?

Thus, this article will follow the classification made by Michael Ruehle, one of the most profound observers of NATO's policy, namely, taking historical developments as markers to divide NATO's evolution into three phases.[2] The first one was, by far, the longest one and stretched over four decades from the foundation of the alliance in 1949 to the fall of the Berlin Wall in 1989. During that time, NATO was primarily an instrument of Western self-assertion and self defence. It protected Europe against a clearly defined and visible threat posed by the Soviet Union, with its military forces standing immediately at the inner-German border. It kept the United States in Europe and de facto created Europe and North America as a single security space.

The second phase was from the collapse of the Berlin Wall to September 2001. It was characterised by NATO's interest in shaping the political order in Europe. Partnership, membership and, not least, military action in the Balkans were crucial for transformation in Eastern Europe and for filling the power vacuum left by the demise of the Soviet empire.

The terrorist attacks of September 11, 2001 marked the beginning of the third phase, in which NATO is now. This phase is characterised by NATO's evolution from a Euro-centric alliance

[2] Michael Ruehle, "NATO after Riga: A new direction?", *NATO's Nations*, 1/2007, S. 36-41.

into a global stability provider. NATO is no longer defining its tasks geographically but it takes on certain threats and challenges regardless of the region they emanate from.

Elaborating on these three phases more closely shows that NATO has over time developed a tremendous flexibility to constantly adapt to new international conditions caused by major historical shifts. It was this adaptability that led to NATO's institutional success.

Four Decades of Self Assertion and Self Defence

Founded more as a partnership framework without an automatic commitment, it took primarily the Korean War to transform NATO into a genuine military organisation.[3] Until June 1950, there were only a few Committees and Regional Planning Groups taking on certain aspects of transatlantic security. The fact that they were geographically dispersed (London, Rome, etc.) made coordination almost impossible. By the end of 1951 though, NATO had a Supreme Allied Command Europe, headed by General Dwight D. Eisenhower. The United States agreed to dispatch four divisions to Europe and started building up a coherent overseas command structure.

At the same time, plans were under way to establish a permanent civilian leadership of the alliance. Initially, the North Atlantic Council met only annually on the level of foreign ministers. In May 1950, there was agreement to establish a "Council of Deputies" which met for the first time in July of that year in London. Step-by-step, more responsibilities were given to these deputies and as a consequence, a secretariat was established in Paris. In early 1952, the Council agreed on a secretary general who should preside over the Council meetings and who should run all civilian agencies of the alliance.

Shortly after its foundation, the alliance was enlarged for the first time. With an eye on the Mediterranean, Turkey and Greece were invited to join NATO and in October 1951 a respective protocol to the Washington Treaty was signed. In February 1952, both countries became full members of the alliance. Three years

[3] See Lawrence S. Kaplan, *NATO Divided, NATO United* (Westport 2004), p. 9f.

later, in May 1955, the second enlargement occurred when the Federal Republic of Germany gained (almost) full sovereignty and joined NATO as the fifteenth member state. Only days later, the Soviet Union and its satellites signed the "Treaty of Friendship, Mutual Assistance and Co-Operation" in Warsaw: the Warsaw Pact was born and the bipolar bloc-confrontation, which would determine international relations for the next three and a half decades, had been cemented.

However, the stagnant international situation of two antagonistic political systems competing did not lead to standstill in the relationship between East and West. In fact, the Cold War was much less static as today's sometimes nostalgic retrospects to the allegedly stable and predictable area insinuate. Instead, the bipolar confrontation was characterised by a number of processes. One of them was the evolution of mutual nuclear deterrence, or, as it has been characterised, of "nuclear learning".[4]

NATO was in military terms right from its beginning a nuclear alliance. After the "atomic age" had started with the first nuclear test detonation on July 16, 1945 in the New Mexican desert, nuclear weapons were seen as an efficient and economic means to build up military power. Particularly in NATO Europe, where the war-torn and exhausted economies were unable to afford costly conventional forces, atomic bombs and missiles should help to create efficient capabilities. According to the general mood, nuclear weapons provided "more bang for the buck" (more destruction per dollar) and could easily make up for lacking tank battalions.

After the Soviet Union had achieved its own nuclear capability, it followed the same logic, mockingly circumscribed as nuclear weapons providing "more rubble for the ruble". This mutual trust in the value of nuclear forces (which coincided with the generally positive assessment of nuclear energy at that time) was the reason for thousands of nuclear weapons deployed on both sides of the Iron Curtain. It took many years and a number of severe international crises—like the Cuban Missile Crisis in 1962—to make decision makers in East and West look into the nuclear abyss and to have them understand that the employment of nuclear weapons would probably lead to the end of mankind.

[4] Joseph S. Nye, "Nuclear Learning and U.S.-Soviet Security Regimes", *International Organization*, No 3/1987, pp. 371-402.

The more the qualitative difference of nuclear weapons compared to all other kinds of arms or explosives got understood, the smaller got the temptation to use them in any military exchange. The growing notion of mutual assured destruction led to the increasing perception of mutual assured deterrence. This explains why, since Hiroshima and Nagasaki, nuclear weapons have never been used again despite the almost-70,000 nuclear warheads that had been deployed at the peak of the Cold War on NATO and Warsaw Pact territories.

Nuclear deterrence prevented the Cold War from becoming a hot one as it burdened even a conventional exchange with the danger of unlimited nuclear escalation. By doing so, deterrence indirectly fuelled another dynamic process throughout the first forty years of NATO, namely a fierce arms competition. The popular term "arms race" seems to be questionable, as it was a competition on two different levels. By and large, the Soviet Union—not bound by market economy conditions or public acceptance—banked primarily on amassing military equipment of all kinds. Much of it, particularly the nuclear posture, was built in so-called "secret cities"—places with artificial names not indicated on any publicly accessible map. NATO and, first and foremost, the United States instead tried to replace sheer quantities by technological quality. This faith in technological progress, which seems a constant in American culture, sometimes led to weird consequences, like the widespread faith in futuristic outer-space weaponry to counter Soviet intercontinental ballistic missiles ("Star Wars") in the early 1980s. In any case, as any military hostility was made prohibitive by the cataclysmic consequences of an all-out nuclear war, the two superpowers carried out their system antagonism on the field of armament rivalry. This arms competition had probably wasted an incredible amount of resources but has arguably saved the existence of mankind.

A third dynamic and somewhat contradicting process affecting NATO as an alliance and many member states individually was arms control. Although most of the arms control negotiations were bilateral between the United States and the Soviet Union[5], NATO

[5] Only the reduction of conventional forces in Europe, which was initiated in the second half of the 1980s and led to the Treaty on Conventional Forces in Europe (CFE Treaty) signed in November 1990, was negotiated between NATO and Warsaw Pact.

as an institution and individual alliance members were affected as well. One of the examples of a bilateral arms control process that stirred up the entire alliance was the Intermediate Nuclear Forces Treaty (INF). This agreement on the withdrawal of all intermediate and short range nuclear forces in Europe signed by US President Ronald Reagan and Soviet Secretary General Mikhail Gorbachev in December 1987 marked the end of a long and hefty dispute in NATO on American Pershing and cruise missiles in Europe.

It is up to debate as to whether President Reagan's costly armament programmes (like the Strategic Defence Initiative, or SDI) were the main reason to get the Soviet empire economically to its knees. Probably all processes—deterrence, arms competition and arms control—contributed their share to the end of the Warsaw Pact. Certainly, no one foresaw the fall of the Berlin Wall in November 1989. However, the longer the Cold War took, the more it became evident that in the long run, the communist regime could not win the contest against the economically superior and politically more attractive West with its constitutional elements of pluralism and freedom.

NATO as the "Midwife of Change"

Hardly any expression encapsulates NATO's role in the immediate post-Cold War period better than Manfred Woerner's depiction of the alliance as a "midwife of change".[6] Although the fall of the Berlin Wall came as a surprise for most decision makers in East and West, the then-NATO secretary general grasped much earlier than many others the historical chances stemming from the end of the East-West confrontation and the dissolution of the Warsaw Pact.

Still there was much confusion on NATO's future without the threat against which it had been founded. Against whom should the transatlantic defence capabilities be directed and where should the united Germany be institutionally located? Right after the collapse of the Iron Curtain, even odd scenarios seemed worthy to be seriously contemplated. It did not come as a surprise that Soviet voices called for an abrogation of both military institutions. The

[6] It is worth noting that Woerner used this phrase even before the Berlin Wall came down. See Manfred Woerner, "Address to the German American Roundtable of the Konrad Adenauer Stiftung", October 25, 1989, http://www.nato.int/docu/speech/1989/s891025a_e.htm.

request for a neutrality of a unified Germany was also an option, which seemed at least from a Soviet point of view justifiable. Other suggestions like Germany being a member in NATO and in the Warsaw Pact at the same time were simply bizarre.[7]

At the end, it was the primarily the close German-American coordination and the steadfastness of the political decision makers—first and foremost, George Bush and Helmut Kohl, but not least, Mikhail Gorbachev—which achieved a unified Germany as a full member in NATO—against the resistance of other key NATO members. This was not only a godsend for Germany itself but also a precondition for the viability of the North Atlantic Alliance. It showed that NATO and the transatlantic security relationship—despite the bygone Soviet menace—had its role in shaping the political post-Cold War order in Europe.

Still, the question remained: what will be the task of the new NATO (with a united Germany as a member)? Again, various options were intensively discussed in the international strategic community. Some pointed to the "residual threat" of the Soviet Union—Russia—which would further require a viable defence alliance. Others emphasised NATO's role of institutionally linking the United States to Europe—something that would be further necessary to ease possible tensions among NATO members themselves and to stabilise NATO internally.[8] NATO's remaining task in managing common defence planning was also mentioned as well as its ongoing relevance for political consultations among the member states. The option of NATO providing its military capabilities for operations under the auspices of the United Nations was also seen as a possibility as well as NATO's role as the prime facilitator of arms control in Europe. All in all, the debate showed tendencies of "anything goes" leaving the impression of an alliance that was desperately looking for a raison d'être to be communicated to an increasingly critical public waiting for the "peace dividend".

Two external developments brought some clarity in the question of NATO's future role and determined the alliance

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[7] John Lewis Gaddis, "For Stability, Germany Needs a Foot in Each Camp", *International Herald Tribune*, March 24, 1990.

[8] "By protecting Western Europe from others, the United States also protected the half continent from itself." See Josef Joffe, *The Limited Partnership: Europe, the United States and the Burdens of Partnership* (Cambridge, Mass, 1987), p. 179.

discussions in the years to come: the emerging crisis in the Balkans and the growing demands of former Warsaw Pact countries for membership in NATO. Both incidents were encapsulated in US Senator Richard Lugar's famous verdict spoken in 1993 of a NATO that would go "out of area or out of business". To remain relevant, NATO would have to expand its area of responsibility as well as its membership.

The smouldering Balkan crisis and the creeping dissolution of Yugoslavia blew up in mid-1991, when the Yugoslav National Army attacked Slovenia and Croatia to avoid their secession. The situation further escalated in early 1992 to heavy fighting in the entire Bosnia after the European Community acknowledged the independence of Bosnia-Herzegovina. NATO got formally involved in the crisis in the autumn of that year when it started the no-military-flight zone over Bosnia imposed by the United Nations. Still the situation got worse as neither NATO (except occasional air strikes), nor the United Nations or the European Union could agree on decisive action to stop the civil war in the former Yugoslavia.

In July 1995, Serbian forces seized the UN-controlled zone of Srebrenica, killing thousands of Bosnian people. This catastrophe emblematised the incapability of the "international community"—be it NATO, UN or EU—to get their acts together in order to stop the atrocities in the region. At the same time, Srebrenica was the wake-up call, particularly for the United States to get more seriously engaged in pacifying the Balkans. The result was the Dayton Peace Agreement, signed on December 14, 1995, which stopped the civil war between the different ethnic groups. Authorised by the United Nations, NATO provided the so-called "Implementation Force" (IFOR) to supervise the provision of the peace accord. Hence, NATO got a new role by taking a long term military engagement beyond its own borders. One year later, IFOR was replaced by the Stabilization Force (SFOR), which was in place until 2005.

The Kosovo war expanded NATO's portfolio even further. Rising violence of Serbian forces against the Kosovo-Albanians in the second half of the 1990s led NATO to seriously contemplate military action to pacify the situation. In late 1998, NATO had developed sophisticated plans for air strikes against the troops of the Serbian president Slobodan Milosevic. A couple of months later, on March 24, 1999, NATO began the bombing of Serbian air

defence sites. Without being attacked and without a mandate of the United Nations Security Council, NATO had started a war for the sake of humanitarian rights, which lasted almost three months and cemented NATO's role as peacekeeper on the Balkans. The NATO-led stabilisation force Kosovo-Force (KFOR) is still engaged in the region with more than 13,000 soldiers. Hence, the Balkans was the catalyst for NATO evolving from a pure defence organisation to a European stability force.

Parallel to the widening of NATO's tasks and responsibilities, the alliance expanded its membership as well. With the beginning of the 1990s, an increasing number of former Warsaw Pact countries raised the idea of their potential NATO membership. The motives differed from country to country—some were searching for protection from Russia; others wanted to visibly shift their sides from the "East" to the "West" or hoped for support in the process of transformation to democratic societies.

NATO's initial reaction was relatively reserved; also for various reasons. Some wanted to avoid any provocations vis-à-vis Moscow (which had apparently problems enough to fully accept the unified Germany in NATO); others were reluctant to take security and defence commitments for the countries of the former "Eastern Bloc". Moreover, the question was brought up whether decision making in NATO—already a structural problem for any consensus-based institution—would not be further complicated by new member states bringing their own sets of problems and disagreements into the alliance.

Thus, when German Defence Minister Volker Ruehe publicly raised the idea of NATO enlargement in March 1993[9], the echo was almost nil. Particularly the US administration was cautious as key figures of the Clinton administration (like the secretary of state, Warren Christopher, or the presidential advisor, Strobe Talbott) were pursuing a "Russia First" approach in order not to destabilise the delicate process of transforming the former Soviet Union. Instead of inviting new allies, the Clinton administration developed the "Partnership for Peace", which was a program to prepare applicant countries for the requirements of NATO membership.

[9] See Volker Ruehe's Alistair Buchan's Memorial Lecture, "Shaping Euro-Atlantic Policies - A Grand Strategy for a New Era", *Survival*, Nr. 2/1993, pp. 129-137.

Since the Partnership for Peace was perceived as a waiting loop for applicants, its acronym PfP was mockingly transmogrified into "Program for Procrastination" or "Partnership for Postponement". Still, PfP and the following partnership initiatives—like the "Mediterranean Dialogue" (MD), which was initiated in 1994—opened a new chapter in NATO's history. NATO increasingly became a supporter of military and political transformation far beyond its borders.

In late 1994, Washington changed its view on enlargement completely (mostly due to domestic reasons[10]) and spearheaded the membership debate in the following years. Despite pressure by the United States and Germany, it took until 1999 to admit the first three new members after the end of the Cold War; Poland, Hungary and the Czech Republic were admitted into NATO. Five years later, in 2004—after heavy debates with Moscow about whether the Baltic states as former Soviet republics could become NATO members—a group of seven countries (Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia) joined the alliance. After another five years, in April 2009, Albania and Croatia became members.

Taking both developments—enlargement and the Balkan crisis—together, NATO has proven that it can go out of area and can well remain in business.

NATO after September 11

Every year now, the United States and its allies commemorate September 11, 2001, as a tragic date, which changed the international security landscape as profoundly as the fall of the Berlin Wall or the end of the Soviet Union. It was not only the loss of thousands of lives in the Al-Qaeda attacks against New York and Washington D.C., which had a lasting impact on Western and particularly US security policy. Instead, the fact that a small group of people with limited organisational structures, imperfect skills and comparably scarce resources could do so much harm to the largest military power on earth has fundamentally changed

[10] Strobe Talbott was replaced by Richard Holbrooke, previously US Ambassador in Germany and a staunch supporter of the enlargement idea. Moreover, President Clinton did not want to provide an easy target for the Republicans in the upcoming mid-term elections in November 1994.

American threat perceptions and had long lasting repercussions on NATO in general.

The first one, the war in Afghanistan, is immediately affecting NATO until today. Legally backed by United Nations Resolution 1368[11] and politically supported by NATO, which had invoked Article V of the Washington Treaty (the alliance's collective defence clause) for the first time in its history, the United States started bombing Afghanistan on October 7, 2001. With its initial goal to oust the Taliban regime, which had provided safe haven for Al-Qaeda and its leader Osama Bin Laden, the operations in Afghanistan had a strong motivation of revenge. The incentive to stabilise and reconstruct the country emerged months later when the International Security Assistance Force (ISAF) was created in December 2001. In August 2003, NATO took the leadership of ISAF, assuming responsibility for securing the entire country.[12]

Since then, NATO is struggling with the colossal burden of helping to bring security and prosperity to one of the poorest countries in the world that had been torn by war and violence over decades. Much has been achieved so far but still the alliance is burdened by a number of contradictions and shortcomings. NATO's success in the region is highly dependent on a large number of non-military institutions (United Nations, European Union, World Bank, Non Governmental Organisations) that the alliance has hardly any influence on. Moreover, NATO has to communicate the fact that (unpopular) military actions are the precondition for the success of the (much more popular) non-military measures—a task which is not easy in democratic and media-oriented societies. Some allies even conceal the fact that in Afghanistan a war is going on, which can lead to harm and sacrifice on all sides. Lastly, although all NATO members emphasise the utmost relevance of succeeding in Afghanistan, only a few act accordingly and devote an appropriate amount of military and non-military resources to the common effort. Given these deficiencies—some implicit and some self inflicted—Afghanistan will remain NATO's top priority for many years to come.

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[11] This resolution condemned the terrorist attacks as "a threat to international peace and security" and emphasised the "inherent right of individual or collective self-defense" of those who were attacked.

[12] ISAF's role was originally limited to providing security to the Kabul area. Two months after NATO had taken over, ISAF's mandate was extended over the entire Afghanistan.

Despite all the difficulties at the Hindu Kush, one should not underestimate the high level of cohesion NATO showed over the last years. Afghanistan has been a bloody conflict that in the meanwhile has lasted significantly longer than the Second World War. Still there is consensus among all allies to stay as long as it will take to prevent Afghanistan from becoming a safe haven for Jihad terrorism again.

The second implication from September 11—the war in Iraq—was much more traumatic and led, as one insider had put it, to a "near death experience" for NATO.[13] Although the alliance as an institution was not involved in the regime change in Baghdad, the question of the legality and legitimacy of toppling Saddam Hussein led to some of the fiercest debate among NATO members in the alliance's history. The George W. Bush administration, supported primarily by the United Kingdom, claimed that Iraq was actively developing weapons of mass destruction. In addition, Washington insisted on the existence of close links between the regime in Iraq and the Al-Qaeda terrorist network. Both concerns taken together were interpreted as an existential threat for the United States and its allies, which justified military action against Iraq to establish a non-aggressive and democratic government in the country. Further reasoning, which had already been expressed by the Clinton administration, assumed that a regime change in Iraq would lead to a domino-effect towards freedom and democracy in the entire region. As a result, the bombing of Baghdad started on March 20, 2003.

The dividing line between supporters and opponents of an attack against Iraq did not go only through the Atlantic but right through Europe as well. The bitter disputes between the supporters of the war (primarily the Eastern European NATO members) and the critics (primarily France and Germany) were so damaging that many other key aspects of NATO policy were seriously affected. For instance, the security cooperation between NATO and the European Union, which was already a delicate affair due to Turkey's EU ambitions, got almost fully paralysed.

Still, even the critics of the operation did not want to cause too much damage to the transatlantic relationship.[14] Thus, in 2004,

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[13] These were the words of the former US ambassador to NATO, Nicholas Burns.

[14] Some countries opposing the war even clandestinely provided intelligence information to the US-led coalition.

NATO members agreed on a training mission for Iraqi forces, to help the build-up of an efficient and democratically controlled military in the country. Moreover, in the same year, NATO launched the Istanbul Cooperation Initiative (ICI) in order to outreach to the Middle East by establishing partnerships with key countries in the region.

Both wars, the broadly accepted one in Afghanistan and the disputed one in Iraq, spurred NATO's evolution to an alliance with global interests and a global horizon. This trend was further amplified when NATO, from 2005, conducted airlifting operations for the African Union (AU) in Darfur. Since then, NATO has become a true global actor, running military operations in four crucial regions: Europe, Middle East, sub-Sahara Africa, and Asia.

Towards a New Strategy

On its sixtieth anniversary summit in Kehl/Strasburg, NATO's heads of states and governments agreed on drafting a new and contemporary strategy for the alliance. The current document, the so-called Strategic Concept, had been approved in 1999 and could not stay abreast of the dramatic political developments of the last decade. Key events, like the defining moment of "9/11", the war in Afghanistan, NATO's "near-death experience", along with the transatlantic disputes over the war in Iraq or the admission of nine new member states, are not reflected in NATO's present strategy. Intermediate papers, like the Comprehensive Political Guidance (approved in 2006) or the Declaration on Alliance Security (approved in 2009), have been written to provide the alliance with at least some political guidance. However, given their very general character, codifying more or less the lowest common denominator, they could not provide serious strategic counselling for NATO's further evolution.

Thus, a new strategy was long overdue. The new Strategic Concept will be drafted in the coming months by a group of external experts—the so-called *Eminent Persons*—and is scheduled to be presented for approval of the NATO's heads of states and governments at their next summit in late 2010 in Lisbon.

Given the changes in the international political landscape,

[15] A term coined by the then-US NATO ambassador Nicholas Burns.

the new Strategic Concept has to meet at least five requirements at the same time. First and foremost, it has to clearly define NATO's roles and missions. This has been tried time and again throughout the recent years. However, the result was an entire collection of functions which were compiled in order to be prepared for all foreseeable contingencies.

Hence, the second requirement of the strategy will be to set priorities in order to bring demands in line with the resources. Such a hierarchy will imply that elements at the lower end of the spectrum might be omitted, even if some NATO members should have different preferences. On the other hand, clear priorities can function as a benchmark for the performance of NATO members.

Third, by defining a common vision for NATO, the new Strategic Concept must become a tool for re-engaging and re-committing all NATO member states to the core principles of the alliance. This must include the insight that undivided security can only be based on undivided solidarity. A new consensus on these basics is inevitable to counter the trend of a re-nationalisation of foreign, security and defence policy—as currently can be observed in Afghanistan, where the "we" in NATO's operations is crucially missing.

Fourth, the new strategy has to be grounded on the previous one but it has to be forward oriented. Just to reconfirm already agreed wording would be insufficient. Moreover, the new strategy should not be an intellectual "Maginot Line" that only codifies NATO's "acquis communautaire". Instead it must reflect political-military premises and implications in the broadest sense, in order to avoid strategic surprises.

Finally, NATO's new strategy must contribute to winning the battle of narratives. It has to be a public rallying point to gather support, particularly for the military dimension of security. It must be seen as a strategic communications tool vis-à-vis an increasingly critical public. This will be all the more important as many NATO governments fail in (or refrain from) sufficiently communicating the need for foreign and security policy necessities to their electorates.

As if all these were not already difficult enough, NATO members' positions on what the alliance is all about differ significantly. Different historical backgrounds (today, twelve of twenty-eight NATO countries stem from the former "Eastern Bloc")

and different geographical settings lead to fundamentally diverse views on NATO's current raison d'être. The questions of *how* to achieve security and stability against *whom* and with *what* kind of means are answered differently.

Diverging Views

The differences among the alliance members become particularly apparent with respect to three key issues: the mutual security commitments according to Article V of the Washington Treaty, NATO's relationship with Russia, and the future role of nuclear weapons.

With respect to the security commitments, the divergence is obvious. NATO is a political-military alliance whose key purpose is to provide collective security and collective defence for its members. Article V of the NATO Treaty encapsulates this duality by implying the right to protect the population, the security interests, and the territory of all NATO states. However, contrary to many popular views, Article V is not a "security guarantee": it does not oblige NATO states to immediately defend their allies militarily. Instead, in the case of an attack, each member is required to take "such action as it deems necessary" to restore the security of the transatlantic area, and military action may be one of the measures.

Despite this flexibility in the wording, NATO's security commitments had been credible during the Cold War. The first Warsaw Pact soldier stepping on NATO's territory (probably in Germany) had triggered the Article V mechanism and the military presence of many NATO allies on German soil had made a concerted military response highly likely.

Today, the meaning of Article V is much more difficult to define and many alliance members have their doubts with regard to the credibility of NATO's security assurances. Moreover, there is no consensus on what it is that has to be defended. At least four questions require clarification and consensus:

- How to balance NATO's role in *self defence* (NATO territory) vis-à-vis *security* (expeditionary operations and stabilisation missions far beyond NATO's borders)? Is there a trade-off between both tasks? Can NATO's mission in Afghanistan really be seen as "Article V at a distance"? Is NATO currently able to defend all NATO territory at any time when the brunt of its deployable forces is in a long term commitment at the Hindu Kush?

- How to maintain the credibility of Article V? If NATO constantly emphasises the relevance of defence commitments, how can they be made plausible to allies and to potential aggressors? Is there a need for contingency plans or military exercises that simulate territorial defence scenarios (probably on the territory of NATO's eastern members)?

- When does Article V apply? During the Cold War, NATO awaited proof that an aggression was under way before its own defence operations started. In an age of missile technology proliferation, vital threats may materialise before troops are sent in, for instance, when long range missiles tipped with weapons of mass destruction are prepared for launch by potentially hostile regimes. To await the proof of aggressive intentions would mean to wait for the launch of the missile—with hardly any chance of avoiding the deadly consequences. Given these dangers, can NATO shirk from discussing the element of pre-emption as a means to provide security to its members?

- How to deal with collective self defence against new threats? Article V only defines "armed attacks" as the trigger to commit allies to mutual assistance. However, attacks against computer networks (cyber attacks), the release of hazardous material or the cut-off of energy supplies can hardly be seen as armed attacks but will still require solidarity and common action. Is there a need to amend the wording of the Washington Treaty?

Closely connected to the question of NATO's role of both defence and security is the question of how to deal with Russia. This is a major issue in almost all NATO debates as it has major implications for other elements of NATO policy, like the open door policy (enlargement) or the development of missile defence components.

The dilemma is striking: on the one hand, NATO and Russia are engaged in a unique partnership "at 29" (28 NATO members plus Russia) organised in a special forum, the NATO-Russia Council. On the other hand, a large number of NATO allies—given their histories and geographic locations—view Article V as primarily directed against Russia, since there is hardly any other country imaginable that would be able to launch a military attack against NATO territory.

The Georgia crisis in 2008 has worsened the situation. The media in the Baltic states raised the question of how NATO might have reacted if Russia had chosen to take military action in order to "protect" Russian minorities in Estonia or Latvia. In the meantime, NATO has declared that it will not return to "business as usual", but,

at the same time, that it will re-establish relations between Brussels and Moscow. Hence, it still remains unclear how NATO intends to deal with a partner as important as it is difficult to handle. Some of the open questions are:

- Shall a lasting relationship between NATO and Russia be primarily based on values or on common interests? Apparently, the popular but hollow term of "strategic partnership" is not enough to describe the realities of the relationship with Russia. Can NATO as a community of values be engaged in a special partnership, if a common value base is missing? Is Russia really an indispensable partner for NATO when at the same time Moscow undermines all efforts to impose pressure on Iran in order to stop Teheran's efforts to acquire nuclear weapons?

- How to keep up a close relationship if Russia's self-assertiveness (and, in the eyes of some allies, its aggression) increases? Can NATO agree on a common position vis-à-vis Moscow if the historical experiences with Russia differ so widely within the alliance? How can there be true cooperation when a significant number of NATO members regard Russia as a threat to their security and territorial integrity.

- How much influence on NATO's decision making can and should be granted to Russia? How to deal with those cases where both sides differ fundamentally (such as missile defence and enlargement)? Can both sides agree to disagree or will Russia always expect a solution that takes its own positions into account?

One topic that long seemed to be of secondary interest but is likely to come back into the political limelight is the nuclear question.

The reasons for the nuclear renaissance in NATO's strategic debates are manifold. Iran is actively pursuing a military nuclear programme which could not be stopped either by the threat of sanctions or by political or economic incentives offered by the international community. As the pace of Iranian nuclear developments goes on unconstrained, Teheran might be able to conduct a nuclear test explosion soon. This might force other countries in the region to strive for nuclear weapons as well and would catapult questions of nuclear threats and nuclear deterrence high on the political agenda. The current unrest in Iran is not likely to change this doom picture as the desire of developing nuclear capabilities finds bipartisan support in the country.

A similar situation could emerge in Asia. North Korea, which

joined the club of nuclear powers in 2006, is not willing to scrap or return the nuclear devices it has already produced, regardless of its promises to end the nuclear programme. The country has even executed another nuclear test and is actively pursuing the development of long range missile technology. Depending on the coming developments, the danger of further nuclear proliferation will increase in this region as well.

These ongoing trends will not only end the recurring pipedreams of a nuclear-free world but will also require NATO to reflect more thoroughly about the role of its nuclear capabilities. The 1999 Strategic Concept limited itself to very general statements about the further relevance of nuclear weapons. Today, pertinent questions need to be answered:

- What is the purpose of NATO's nuclear forces stationed in Europe? Against what kind of opponents are they directed? Is there any likely contingency in which they have a role?
- Are NATO's current nuclear capabilities in line with the deterrence requirements of the 21st century? If not—how to bridge the gap between military hardware and political needs?
- Is the deployment of US nuclear weapons on European soil necessary for the credibility of nuclear commitments or of NATO's resolve? If not, can they be withdrawn? How might the Eastern European NATO members react to a potential removal of US nuclear forces from Europe?

None of these questions—be it on Article V, on Russia or on nuclear deterrence—can be answered right now. Thus, to develop a new, meaningful strategy, which sets a clear course and provides guidelines for sober prudent planning, will be an extremely demanding task. The process might deepen the cracks in the alliance and display the fundamentally different positions. On the other hand, NATO cannot avoid a painful but mind-clearing strategic debate in order to prepare the alliance strategically for the challenges of the forthcoming years. This requires, however, that all NATO governments engage their public in an educated debate about the basics of foreign and security policy requirements—an obligation many capitals flinch from taking seriously.

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The Five Structural Problems of EU Foreign Policy

Jan Techau

Assessing the European Union's relevance as a foreign policy player is one of international analysts' favourite pastimes. Is Europe already an important international player, a force to reckon with, a geopolitical powerhouse? Alternatively, is the EU a notorious underperformer, a political dwarf unable to live up to high expectations abroad, grandiose rhetoric at home, and significant responsibilities worldwide? Only very recently, in a much-covered twist of events, the world's most important practitioner of international politics, the president of the United States, handed down his own verdict in this ongoing dispute: Barack Obama decided in early February that he would not attend the upcoming EU-US summit, scheduled to be held in Spain this spring. Commentators around the world almost unanimously considered this a snub and saw Obama's decision as further proof of the EU's lack of real global importance, its political impotence, and as a sign of the president's disappointment with what he once considered his most important international ally.

Moreover, the president has a point. These days, even the most ardent pro-Europeans admit that the Common Foreign and Security Policy (CFSP) of the EU is the big un-kept promise of the otherwise hugely successful European integration process. Analysts familiar with the immensely technical nature of the EU's inner workings will point to streamlined provisions in the Lisbon Treaty, reformed institutions, and new instruments designed to improve the EU's external oomph. They will also point at the significant ground covered since the EU first aspired to a unified role on the international stage in its 1992 Maastricht treaty, most notably the more-than-twenty police and military missions and operations conducted under the EU's auspices. Nevertheless, these improvements are small change when compared to what Europe

could potentially be if only its performance was commensurate with its size, wealth, and accumulated political experience. What then keeps this dormant giant from assuming its proper role in the world?

Five structural problems lie at the heart of Europe's lacklustre foreign policy performance.

1. The Comfortable Post-World War II Bargain

After World War II, a morally and economically bankrupt continent began reconstructing itself. In this reconstruction process, an external player, the United States, played a decisive role. Not only did America provide the capital for jump-starting the devastated economies of Europe (by means of the European Recovery Program, a.k.a. the Marshall Plan), it also provided the security umbrella under which the war-torn nations of the old world could start their social and political healing process. Europeans and Americans struck a tacit but fundamental bargain. The Europeans agreed to delegate sovereignty over their own security to the Americans, who, by means of NATO and hundreds of thousands of troops, established a permanent foothold in Western Europe. The US shouldered the lion's share of the Cold War security workload and was granted the status of a veto power in European affairs. In return, the Europeans, freed, for the most part, of the economic and political burden to guarantee their own security, could concentrate on building up their expansive welfare states and on putting their nations on the path to social cohesion, internal stability, and, subsequently, European integration. Both measures were intended to create a durable and sustainable peace inside Europe while the US was trying to keep the external enemy at bay. This great bargain worked out brilliantly. Internal conflict in European societies was kept at an astonishingly low level (especially when compared with the conditions in preceding decades), economic recovery unfolded at stellar speed, and the integration process, despite the occasional hiccup, proved to be immensely successful.

However, this golden European age came at a price. The European social model rested on the assumption that the United States would subsidise it indefinitely by permanently granting Europe a free ride on American security services. Not only were European societies not accustomed to spending huge amounts on

security and defence, in addition, their welfare states grew big and unsustainable—yet politically untouchable. Furthermore, the reliance on American leadership and the Pax Americana made Europe intellectually lazy on most strategic matters. The continent got used to not having to answer to its own existential questions. Europe, thus, became vulnerable. Should, for whatever reason, the dominant role of America end at some point, Europe would have to learn to play the tough game itself, with all costs, political, social, and economic, that this might entail.

The end of the Cold War in 1991 and the relative decline of US global power since 2001 have laid this vulnerability bare. Granted, the American security guarantee, ultimately symbolised by the nuclear umbrella it provides for Europe, is still in place. But Europe has become less crucial for US strategic planning, budgets are becoming more restrained, and political will in Washington to keep engaged in Europe is diminishing. It is thus simply a matter of time that the grand bargain will come to an end.

In addition, there is no lack of insight into this fundamental truth. But Europe, still hooked on the great advantages the great post-World War II bargain offered, finds it difficult to change its political posture. Even though the EU, for almost 20 years, tried to muster the means to become a self-reliant player, this process is far from being complete. Some say it has barely started. The Old Continent finds it tough to reverse the bargain and get back to normal. It cannot simply cut back on its welfare states without risking political upheaval. Nor can it easily start building the muscle needed to play a more independent role in the world without creating nervousness amongst its peace-loving peoples.

The most visible immediate foreign policy result of the great post-war bargain is the utter absence of any serious European military capacity in Europe. The comparatively small assets Western Europeans had amassed during the Cold War were significantly reduced after the fall of the Berlin Wall as part of the post-Cold-War "peace dividend". What remains are military capacities nominally the size of the US military, but considerably less advanced and less usable in today's security landscape. This deficit has a direct impact on the Europeans' ability to be a relevant foreign policy player, for at the heart of all diplomacy lies strength to back it up if needs be. Europe does not need sophisticated military assets to invade countries or occupy

large swaths of territory. It needs these means to keep Russian aspirations of influence over Central and Western Europe at bay. And, more importantly, it needs them to assume the role as security guarantor in areas of strategic importance, such as the Middle East, Eastern Europe, Central Asia, and Africa. Only as a security guarantor will the EU be able to exert a mediating influence over warring parties in hot conflicts. Only then will it credibly and independently be able to look after its volatile neighbourhood in the southeast, around the Mediterranean and, potentially, in the far north.

Due to the protracted cosiness of the grand post-war bargain, however, Europe is neither mentally, nor politically, nor materially prepared to assume that role any time soon.

2. The Absence of a Unifying Mechanism

The EU is a club of twenty-seven sovereign nation states. In a large number of policy fields, these states have communalised decision making by giving up national veto powers, thereby facilitating compromise-building considerably. Not so, however, in the realm of foreign policy. Here, where notions of sovereignty and independence are most affected, and where the histories, political cultures, and geo-political necessities of nation states are most prevalent, the political game is a strictly inter-governmental one, meaning that all decisions have to be supported by member states, with Brussels institutions playing a facilitating role at best.

The Lisbon Treaty has not changed this, and it was never intended to do so. From the beginning of the process that eventually led to the new compact, there was consensus among member states that this fundamental part of the European order should not be changed. However, being acutely aware of the utter necessity to streamline the tedious decision making processes in the European Council Secretariat and amongst member states, a number of considerable changes were introduced in Lisbon. A new permanent president of the Council was created to bring about more continuity in the inner-institutional proceedings. The office of the High Representative of the European Union for Foreign Affairs and Security Policy was established with footholds in both the Council and the European Commission to speed up decisions and to enhance policy cohesiveness. Also, a European diplomatic service, called the

External Action Service, was introduced to represent the Union abroad and to synchronise external efforts formerly conducted by separate institutions.

While all of these changes might well lead to progress on the technical level, they do not heal the central illness of the EU's foreign policy i.e., its lack of a forceful and reliable unifying mechanism with the capacity to quickly and effectively synthesise member states' individual positions into a common EU stand. Instead, in situations requiring a timely common response of all twenty-seven, especially in crisis management, national instincts tend to prevail over unified actions.

The great task of the new institutions created by the Lisbon Treaty will therefore be to initiate a reversal of instinct. It will be a daunting task, reversing ages-old habits and reducing national pride to a secondary virtue. With their instincts reversed, member states would act very differently in moments of crisis. They would search for a unified position first and revert to national policies only if no unified approach can be found. The good thing about this is that the reversal of instincts would not take any of the jealously guarded sovereignty away from member states who so eagerly guard their foreign policy prerogatives. It will only mean that they first put a serious effort into consulting with their EU partners before going it alone.

How can this be accomplished? It is mostly a matter of timing, trust, and quality. The permanent president and the high representative will have to propose a common position to all member states' governments almost instantaneously. The suggestions would have to be of such high quality and would diplomatically take into consideration the various national sensitivities that it would be very difficult for individual member states to reject them and go for it alone. Crucially, the president and the high representative would have developed such a trusting relationship with EU governments and such smoothness in their own apparatus that member states would see their work as an asset rather than a liability. The ultimate aim would be to establish this mechanism so firmly that it would work regardless of the people holding office at any given time.

Over time, this practice, if done with diligence and prudence, would create a unifying dynamism without formally undermining nations' sovereignty. Even more importantly, it would gradually raise the political costs of breaking out of the suggested EU

position. Nations still could do it alone (national sovereignty being intact) but there would be a strong incentive not to do so (the hefty political price tag being attached). Slowly but surely, this mechanism could create the kind of unity that is required to develop a common strategy, speak with one voice, and ponder strategic considerations. With Lisbon being in place, external pressures steadily rising, and no substantial further step toward integration being in the pipeline, the time is now to establish this informal mechanism of instinct reversal. It would be an informal step forward. But it would be a step far more important than any of the formal reforms of the institutional setup. In addition, you would not even have to write a new treaty for it. Admittedly, from today's perspective, it all clearly sounds like science fiction, but what is the alternative?

3. The Lack of Strategic Scope

If the historic background and the absence of effective tools are grave but manageable problems, the lack of strategic scope is a far more fundamental one. For it is vision and political willpower that are indispensable when it comes to developing a strategic culture. In their absence, hope for change becomes futile for only they can compensate for insufficient rules and overcome path dependencies. Only they can motivate entrenched elites and an indifferent public to underwrite and accept massive reforms.

Unfortunately, political leaders in the EU's twenty-seven have, for some time, failed to portray a common understanding of what the EU's foreign role should be and what goals should be achieved by it. Even though there is certainly no lack of declaratory output, this output falls short of producing clear political guidance going beyond the general and mostly vague default language. This also holds true for the European Security Strategy of 2003, the mere existence of which was a sensation at the time. What are regularly missing from these documents are operational elements, which point the way to policy implementation, and a clear prioritisation of policy objectives. What is also missing is a clear public stand taken by European leaders explaining to the people the political imperatives of our day.

To make things worse, it does not look much better on the

practical side of things. In some of the great geostrategic questions of the day, such as energy policy vis-à-vis Russia, enlargement policy vis-à-vis Turkey, or the EU's role in the Middle East peace process, the EU portrays little sense of common purpose. EU policies on these questions are rarely guided by a common purpose and a common strategy that would flow from that purpose.

Furthermore, the big member states must accept a large share of the blame for the lack of strategy in the EU. Germany has no appetite for a more pro-active, globally oriented foreign policy posture, thus doing its utmost to stall progress on CFSP. Britain, albeit equipped with a naturally global outlook on things, has never managed to shed its inborn scepticism vis-à-vis the integration process. For example, its commitment to increased defence co-operation in the EU has been repeated many times, but London shows little ambition to institutionalise these efforts. And France has traditionally looked at the EU as a mere vehicle to further its claims of national greatness abroad. Furthermore, France's role as a leading player in EU security affairs was severely hampered by its absence from NATO's integrated command structure, a situation that has changed only very recently.

By and large, the inward-looking approach to Europe seems to prevail over the outward-looking one. This approach focuses on the EU as a club of states that regulate their inner-European business by means of a fixed set of rules. The proper functioning of the institutions and the gradual improvement of the rules are the main objective of this school of thought. Proponents of this philosophy usually hold sceptical or hostile views concerning the accession of Turkey into the EU. They argue that a country the size of Turkey would cause irreparable harm to the inner workings of the EU, leading to eventual break-up of the institutions, and subsequently of the entire integration process.

In contrast, the outward-looking approach does not deem institutional considerations unimportant but it refuses to make them the central rationale of the European project. This school of thought considers the development of a meaningful, muscular, and sustainable foreign policy posture of the EU the next big project of the integration process. Based on a more geopolitical and less institutional understanding of international politics, proponents of this approach argue that a mere look at the map and

at international realities should instruct the EU to develop into a unified foreign policy player. For them, Turkish accession to the EU is a geopolitical imperative of historic proportions.

Traditionally, the outward-looking approach has been the rather less popular one in Europe. Fear of globalisation and the loss of national identities have made this rather bold concept even more unpopular in recent years. Solid majorities in Germany, Austria, and France are against Turkish accession to the EU. A significant portion is against any further enlargement. Even an open-minded and outward-looking nation such as the Netherlands has recently turned inward-looking, triggered by a severe soul-search and an acute feeling of lost identity. Despite overwhelming global necessity for the EU to actively engage the world and become a stabilising force in its vicinity, the inward-looking view of Europe has gained support over the last few years and will presumably remain a tough sell for some time to come.

In sum, the strategic understanding of Europe's role in the world is notoriously underdeveloped both in most national governments and in most EU populations. The commonplace insight that globalisation will shape our lives, regardless of whether we like this or not, is widely disregarded. The fact that in a changed setting no EU member state is big enough alone to make much of a difference in the world, and that all long-term strategy would be best conducted in accord with other member states, has very little real-world impact. The negative impact of this parochialism, however, can be quite concrete. Russia continues playing member states against each other to maximise its political and business gains. In the Middle East, the EU's status as the largest donor does not translate into policy relevance in the crucial questions. Enlargement policy, one of the EU's greatest foreign policy accomplishments, is losing its appeal to both the domestic and the foreign audiences.

Europe's lack of a strategy for its external policies stands in stark contrast with its economic clout, its wealth, and its accumulated historic knowledge. Europe is neither living up to its own claims of global importance, nor to expectations in both its immediate surroundings and overseas. If this does not change, Europe will lose even more credibility and political influence worldwide. In an age that increasingly requires global decision making, this does not bode well for the pursuit of EU interests.

4. Europe's Demographic Decline

The most important socio-economic mega-trend affecting the EU's ability to play a strategic role in the world is the continent's dismal demographics. The core of the story is well researched and publicised: in the medium term (i.e. over the next 30 to 40 years) there will be fewer Europeans and these fewer people will be significantly older. According to the estimates of the Brookings Institution, a US think-tank, the median age of Europeans will rise from 27.7 in 2003 to 52.3 in 2050. During the same time period, the median age of US citizens will only reach 35.5. While, according to the United Nations, the world's population will be increasing from 6.1 billion in 2000 to 9.2 billion in 2050, Europe's population will decrease from 727 to 691 million people. Europe will thus not only be less populated in absolute terms but also very much smaller when compared to the other regions of the world. Europe's share of the world's population will fall from almost 12 percent in 2000 to 7.6 percent in 2050.

In addition, fewer people will work, making the European economy less dynamic and less innovative. Over the last two decades, European growth rates, productivity, and GDP have all significantly underperformed when compared to those of the United States. The European Union's Lisbon strategy, intended to turn the EU into the most competitive economic area worldwide, is now officially acknowledged by the European Commission to have failed. All of which indicate that the EU's economic dynamism is already stagnating, if not declining. How the financial crisis of 2008 and 2009 will affect Europe's economic capacity remains to be seen.

As one consequence of this long-term negative trend, more and more people will seek entitlements from public coffers—ranging from retirement pay to health insurance to welfare handouts—thereby making most established welfare state schemes unsustainable. Political systems in Europe will consequently be very busy dealing with internal distributory conflicts, eagerly seeking to avoid social unrest as traditional notions of communal solidarity collapse.

The demographic crisis in Europe, generally speaking, will make societies less affluent, thereby reducing one crucial source of political and military power: wealth. It will make societies more risk-averse and less willing to place the preciously scarce

remaining human capital in harm's way. It will, in sum, make the affected societies less capable of pursuing and defending their vital interests if need be.

Low-birth-rate societies will have a strong demand for substantially increased immigration in order to sustain their work-force, thereby increasing the potential for inner-societal conflict even further. At the same time, older, less dynamic, less affluent, and more conflict-ridden societies will naturally be less appealing to elite immigrants and less convincing as role models abroad, thereby losing much of their soft power that was once based on the credibility of their social models.

As neither incentives to increase the birth rate nor mass immigration will be able to change the pattern of demographic decline, Europe's significance in the world will inevitably be reduced in the medium and long term. It is important to note that this decline will be a relative one, for Europe will, of course, remain an important market and economic stronghold for some time to be. Only that this strength will count for less, and that it will buy less influence over world affairs.

Given these developments, it will become increasingly difficult for European leaders to play a leading role in world affairs. Europeans will be hard-pressed to find a remedy for this silent farewell to world power. One of the safest bets for Europeans to make up for the lack of numbers is to become a highly innovative player in international economic and political affairs by providing cutting-edge solutions to global problems such as climate change or by providing the most innovative ideas in emerging business fields. Given the relative weakness of European universities in international rankings, the continent's highly regulated research environment, and rather backward-oriented government policies on secondary and higher education in many European countries, this strategy seems to be unfeasible at least for now.

Demographics, as they play out in Europe today, are an almost overpowering force. But it should also sharpen the senses for the urgency of swift action on CFSP. Time is running out for the Europeans if they want to matter in the future. If twenty years down the road, the EU will still look as uncoordinated and splintered in foreign affairs as it does now, it will be too late.

5. The NATO-EU Deadlock

In theory, the European Union should find the North Atlantic Treaty Organization (NATO) a natural partner for its aspirations to become a viable foreign policy player. Membership of the two organisations is largely but not entirely identical, the capabilities of both are complementary in many ways, and American scepticism about the EU turning into a counterweight to the US-dominated alliance has almost entirely disappeared in recent years. Still, both organisations have virtually no meaningful official relationship, let alone any concrete common missions or operations.

Any attempt to make the common NATO-EU agenda more meaningful is vetoed by Turkey (a NATO member) which does not diplomatically recognise the Republic of Cyprus (an EU member) and will thus not accept any EU-NATO cooperation of which that country is part of. Turkey recognises the so-called Turkish Republic of North Cyprus, an entity created a few years after the Turkish military occupation of Northern Cyprus in 1974, but not recognised by the international community. The EU, quite naturally, will not accept any project that would exclude one of its full members, in this case Cyprus. Turkey, NATO, and the EU have been unable to find a practical solution to this deadlock, which for both sides is treated as a matter of principle. The situation is further aggravated by Turkey's ongoing negotiations for EU membership, which have partly been suspended because of Ankara's unwillingness to grant Cypriot ships free access to Turkish ports. In essence, Ankara refuses to "normalise" relations with a full member of a club that it intends to join.

This is even more unfortunate as, after a long and sometimes bumpy prelude, NATO-EU relations seem now to bear great potential for both sides. Both organisations had very little programmatic overlap until after the end of the Cold War, when both became partners in tying Central and Eastern European countries firmly to the West. Both organisations, by means of their respective enlargement strategies, exercised one of the most successful operation of stability export in history. For most countries from the former Warsaw Pact, membership in NATO and EU were two sides of the same coin.

Furthermore, a long period of US-led scepticism about Europe's own security-related ambitions slowly ended after the

United States realised that the EU did not and could not aspire to replace NATO or the United States as key pillars of European security. Under the 2002 *Berlin plus* agreement, which regulates the cooperation between both organisations and which essentially declares the EU to be NATO's junior partner in all matters security, the EU could potentially use NATO military assets if not vetoed by any NATO member. Two EU operations have been conducted under the provisions of *Berlin plus*: Operation Concordia (2003), designed to implement the Macedonian Peace Agreement of 2001, and Operation Althea (2004), which oversaw the implementation of the Dayton agreements in Bosnia and Herzegovina. Initially, Operation Concordia was delayed for almost five months because of Turkish reluctance to allow the EU to make use of *Berlin plus*.

NATO and EU have plenty of common business to mind. Resurgent Russia is as much an issue for the EU as it is for NATO. Afghanistan shows that common ideas and coordinated strategies for civil reconstruction and state building are direly needed. In an age of internationally networked terrorism, the dividing lines between domestic (or homeland) security and international security has become increasingly hard to define. Energy security is high on the list of both the EU and NATO. For these and a good number of other issues, real cooperation between the two would appear to be all but indispensable.

It is a good sign that French President Nicolas Sarkozy has taken his country back into the integrated command structure of the Alliance—against much public discontent in France about the move. France's full re-commitment should strengthen the EU's foreign policy potential, and it will most likely strengthen the European position within NATO, at least informally. Whether this move will also create new momentum for the now defunct official relationship between the two bodies remains to be seen.

In case the situation does not improve, it will hurt the EU more than it would hurt NATO. It is the EU that is aspiring to take on a more relevant and significantly expanded role in the world, and it is the EU that needs the alliance's expertise, assets, and, on occasion, even its consent. Should the deadlock continue, and all signs indicate that it will, another major obstacle for the EU to unfold its foreign policy potential will remain firmly in place.

What is Ahead?

So far, we have discussed underlying, structural problems of the European Union's Common Foreign and Security Policy. They will, at least in the medium term, determine the outcome of many foreign policy debates within the EU. But, apart from short-term crisis management, what will be central on the EU's agenda over the next two to three years? One institutional issue and three policy issues will stand out.

a. Institutionally, the big question is how the new rules of the Lisbon Treaty will play out in practice. What will the new power balance between the member states, the Council Secretariat, and the Commission look like? Will the new rules really lead to the much-needed streamlining of decision making? Can they bring about the reversal of instinct described above? Alternatively, will they, as some observers fear, lead to infighting and not more but less clarity about who is in charge? How will the newly named permanent council president, Herman von Rompuy, and his colleague, High Representative Catherine Ashton, shape the new offices? Will they be able to exceed the generally low expectations that were voiced after the posts were filled? Will the new external action service gain the kind of momentum and strength so that it could, at least partially, replace the member states' own diplomats in foreign countries? There is some evidence that even some of the bigger European nations are already adjusting, i.e. scaling down their own institutional diplomatic setup in order to accommodate the new European realities. And, finally yet importantly, can the European Parliament continue to gain political weight and power vis-à-vis the Commission and the European Council? Increasingly, critical voices can be heard, claiming that the EP has become overly confident and is overplaying its cards.

The new set of rules is an unprecedented institutional experiment with an uncertain outcome. If they work out well, many things will be easier in Brussels. In the end, however, their importance for the EU's foreign policy is limited. After all, the member states hold the key to success or failure of the EU's foreign policy. No institutional setup can replace political leadership and willpower coming from the national capitals. Whether they will be

ready to exercise this leadership will be the most interesting issue to watch in the coming years.

b. The three outstanding policy issues are (1) the relative decline of US global power, (2) resurgent Russia, and (3) the question of Turkey's accession to the EU. In a positive scenario, America's weakness will force the EU to get serious about its own diplomatic and military capacities; Russia's robustness will force the EU to speak with one voice; and the unresolved Turkey conundrum will force the EU to embrace a strategic role and resist its inward-looking temptations. In the negative scenario, America's weakness will drag Europe down with it, leading to a severe decline of Western influence around the world; Russia's power politics will splinter the EU on some of the most important strategic questions (including energy security and the territorial integrity of central and western European states); and the Turkey issue will become the symbol of a European Union as a self-absorbed, inward-looking giant unaware of its strategic potentials and obligations.

All three questions, of course, are inextricably intertwined. Without the development of a strategic European mindset, there will be no improved military capacity. Without a more unified approach to its external affairs, there is no Europe that could even make use of either strategy or military muscle.

The European Union, once more, is at the crossroads. Foreign policy remains the one major remaining unresolved issue on its agenda. The need for real change is gigantic. But the EU also has formidable obstacles to overcome, some of which are implanted very deeply at the very heart of the organisation itself. Positively turned, one can say that this is the moment for European leaders to make history. Maybe the EU is lucky and will find a new Schuman, de Gaulle, Adenauer or de Gasperi. For the future of Europe, one can only hope that it will.

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Russian Foreign and Security Policy—A Strategic Overhaul?

Andrew Monaghan

Since Dmitri Medvedev became president, Russia has conducted a major overhaul of its foreign and security policy documentation for the first time in a decade. In summer 2008, Moscow published a new foreign policy concept. Subsequently, a new National Security Strategy was published in May 2009 and then a new Military Doctrine in February 2010.[1] Simultaneously, Moscow has launched a series of initiatives proposing the reform of the international security, energy, and financial architectures.

These moves underscore the duality of Russia's reappraisal both of its own position in international affairs and the wider international context as a whole. Moscow argues that Russia has emerged as a regional power with global horizons—and as a result is in a position to assert its own national interests as a responsibility to contribute to international affairs. These points take on added import given the second argument— that international affairs are essentially increasingly competitive and unstable and that the current institutional frameworks are simply unable to address today's challenges but exacerbate them.

This article examines Russian foreign and security policy, first by examining its broader conceptual basis. It then turns to assess the Russian proposals for international reform before finally considering some of the shortcomings of the current overhaul.

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[1] For more detailed examination of the new documents, see Monaghan, A., *Russia Will Propose a New Foreign Policy Concept to NATO* (Rome: NDC, June 2008), available at http://www.ndc.nato.int/research/series.php?icode=3; and the NATO Defense College Review Series, particularly Giles, K., *Russia's National Security Strategy to 2020* (Rome: NDC, June 2009); Idem, *The Military Doctrine of the Russian Federation, 2010* (Rome: NDC, February 2010). Both are available at http://www.ndc.nato.int/research/series.php?icode=9

Russia's Strategic Horizons

Russia's strategic horizons have evolved significantly and rapidly reflecting a sharp recovery from the weakness and national political focus of the 1990s. As Vladimir Putin's presidency progressed, and particularly during his second term, Russia emerged as a state with a regional horizon, increasingly seeking to assert its influence in Eurasia. As Dmitri Medvedev began his presidency, Russia's position was one of a regional power with global horizons and ambitions. Thus Putin declared that Russia "has returned to the world stage as a strong state, a country that others heed and that can stand up for itself." Indeed, he did not think anyone was "tempted to make ultimatums to Russia today". Medvedev too espouses such views. Prior to his election, he stated that Russia has changed, becoming stronger and more successful, a transformation accompanied by a return to a fitting place in world affairs and a change in the way others treated it. He emphasised this view again during one of his first major foreign policy speeches as president, in Berlin in June 2008 and then again in August 2008 after the war between Russia and Georgia. Such views were then encapsulated in the yearly survey by the Russian Ministry of Foreign Affairs, which noted that Russia has "finished a stage of 'concentration' and returned to the international arena in the role of one of the world's leading states".

Moscow thus considers Russia to have a right to sit among other leading powers and have its interests and views considered, even when they differ from those of the West. As one Russian commentator suggested in 2006, Russia had previously seen itself as "Pluto in the Western solar system, very far from the centre, but still fundamentally part of it. Now it has left that orbit completely."[2] Indeed, at that time, Moscow began to consider Russia to be an indispensable global actor and partner for leading states, based on its roles as a key producer and transit state in global energy security and as an ally in the war against terrorism. Officials in Moscow thus state firmly that Russia is now a "subject" in international relations, not simply an "object", and as such a "subject" power, Russia has "responsibilities" to make proposals to

[2] Dmitri Trenin, "Russia leaves the West", *Foreign Affairs*, 85:4, Jul-Aug 2006.

address and to seek to resolve international problems.

This new position highlights two further inter-linked features of Russian foreign policy thinking—first, that Russia has no permanent friends (though potential partners will be revealed by their response to Moscow's proposals and initiatives); second, Russia's rise to this status, along with the rise of other regional powers—such as China, India and Brazil—illustrates that a real multi-polar world is materialising, within which there is an emerging competitive market for (equally valid) ideas on the future world order. This is all the more important since Moscow argues that the influence of the West is receding. In this context, all states should be free from twentieth-century "bloc discipline" to choose their own path of development.

According to Moscow, therefore, a world is emerging in which there is not confrontation but competition between value systems and models—and Moscow argues that Russia is a legitimate political model along the lines of a Sovereign or Conservative Democracy. Russia sees an opportunity to present itself as a valid "value centre", and posits the legitimacy of Russia's own values. In part to counter ongoing Western influence, in part to benefit from its recession, Russia must become attractive politically, economically and culturally.[3] Moscow believes that such a model is particularly relevant in Eurasia and Asia. Commentator Sergei Karaganov has argued that Russia, by showing the post-Soviet and developing societies, has proven that they can fruitfully organise their economies in ways other than the EU (which entails significant and expensive reform), and is "restoring albeit very slowly, its ability to attract medium-developed states". He believes that "many neighbouring states…are eager to emulate the sovereign system of Russia which is showing growth and is better governed."[4]

Thus, one of the aims of this conceptual basis is that Moscow sees Russia becoming a Eurasian regional financial, energy, and security hub, and political model. Moscow seeks to establish a ruble area, energy interrelationships in Central Asia and the Far East (as envisaged in the new Energy Strategy to 2030), and

[3] Interview with Sergei Lavrov, *Izvestiya*, 31 Mar. 2008.

[4] Karaganov, S., "A new epoch of confrontation", *Russia in Global Affairs*, no. 4, December 2007.

security cooperation in the shape of organisations such as the Collective Security Treaty Organisation (CSTO) which is promoted, for instance, in the National Security Strategy as the main inter-state instrument for resisting regional threats of a military political and military strategic nature. The Military Doctrine also emphasises the importance of the CSTO and states that Russia will contribute forces to the CSTO's rapid reaction group and explicitly emphasises the CSTO's collective defence provision.

Indeed, in some respects, the financial crisis has therefore been good for Russian foreign policy. Not only does Moscow argue that it has highlighted the ineffectiveness of Western-dominated institutions, and the concomitant decline of Western influence, but it has also created the opportunity for Moscow to extend assistance to states worse affected than itself. The crisis curtailed Moscow's ambitions to establish the ruble as a reserve currency, but because of its huge financial reserves built up as a result of high hydrocarbon prices, Russia has been in a position to extend financial support to neighbours in an attempt to gather together the remaining "loyal" members of the Commonwealth of Independent States (CIS). This was best exemplified by the decision to form a $10bn Eurasian Economic Community anti-crisis fund and through loans to states and the formation of a customs union between Russia, Belarus and Kazakhstan.

Moscow's Initiatives for International Reform

Nevertheless, the competitive multi-polar world is rendered unstable by the inadequacy of existing organisations and institution—not least because Moscow argues both that it is left out of strategic decision making and that the existing architectures are insufficiently representative of the rising powers which exacerbates international tension. Indeed, this sense of exclusion lies behind the significant deterioration in Russia's relationships with the West and Euro-Atlantic community writ-large, symbolised so clearly by the Western reaction to the war between Russia and Georgia. It is in this atmosphere—fractious already for several years—that Moscow has made a range of proposals, which have emerged since President Medvedev called for a pan-European security conference at a speech in Berlin in June 2008. Subsequently, in early spring 2009, Moscow published its proposals

for reform of the international financial architecture prior to the G20 summit in London. Finally, during a visit to Helsinki in April, Medvedev launched his energy proposals, which were in large part triggered by the dispute between Gazprom and Naftogaz Ukraini.

In fact, the three sets of proposals build on long-standing Russian arguments. The ancestry of the security proposals can be traced from Russian negotiations leading to the Istanbul summit of 1999, through Vladimir Putin's speech at the Munich Security conference in 2007. Moscow seeks to tie its energy proposals back to its G8 presidency focus on energy security, but the ideas can be found in the longer-term arguments behind its rejection of the ECT. The financial proposals are couched in the longer-term objective to establish Russia as a financial hub and the ruble as a reserve currency. All three sets of proposals seek to broaden international representation in decision making to be more reflective of this emergent multi-polarity—to enhance the role of the G20 in financial matters, and bring the USA, China and Norway into a broader Energy Charter framework, for instance.

The security proposals have taken particular prominence, forming the key thrust of Russian foreign and security policy. Arms control, conflict management, and confidence building lie at the heart of Moscow's proposals. Officially launched by President Medvedev in June 2008, they have evolved from a rough, short draft circulated in the autumn of 2008 through a more developed series of ideas outlined by Foreign Minister Lavrov at the OSCE Annual Security Conference in June 2009 to the publication of a draft treaty text at the end of November 2009. They emphasise the role of the 1999 Charter for European Security's Platform for Cooperative Security as a mechanism for the coordination of activities of existing organisations.

Lavrov's June 2009 speech emphasised the four main "blocks" of the proposals:

> - The affirmation into a legally binding format of basic principles of relations between states and their uniform interpretation, particularly regarding the inadmissibility of the use of force or its threat against territorial integrity or political independence of any party to the treaty.
>
> - Establishing the basic principles for arms control regimes, confidence building measures and definition of what is meant by "substantial combat forces".

- Establishing clear rules for conflict resolution, enshrining negotiation and uniform approaches to the prevention and peaceful resolution of such crises.

- Addressing arrangements for cooperation between states and organisations to counter new threats and challenges.

An overall aim—which should be seen closely together with Moscow's energy proposals—appears to be a "peace treaty", drawing a line under the Cold War, ending Moscow's isolation and thus binding Russia and Europe together in a fashion similar to the European Coal and Steel Community. Moscow argues that the development of a "Greater Europe" or "Bigger Europe" is essential to European—and Russian—success in competing in the new, multipolar international environment.

A Political Idea Lacking a Strategy?

In each of the sets of proposals there are a number of problems. Not the least of these is that the strategic view about the role Russia does and could play that has resulted from Moscow's overhaul of doctrine and planning, and on which the proposals are based, might be called "aspirational", even fanciful.

The strategic documentation published, while broadly reflective of a whole, on occasion clash and on occasion omit important developments. The National Security Strategy, for instance, published in May 2009, hardly discussed terrorism, and the Military Doctrine barely discussed the important reforms being undertaken in the Russian armed forces. Indeed, the two documents themselves at times seem ill coordinated—the Security Strategy appears to look forward in a more positive light, avoiding emphasis of international hostility and conflict. Published less than one year later, however, the Military Doctrine again emphasises the possibility of military security threats, particularly in the shape of NATO, which is labelled a "danger".

Furthermore, the three sets of reform proposals are light on substance, being apparently simply documents to launch discussions. What substance there is, is often inconsistent and contradictory even regarding Russia's own policy—for instance the assertion of respect for sovereignty, territorial integrity and political independence, which contradicts Russia's own recognition of South Ossetia and Abkhazia. It also remains unclear how these

proposals sit alongside the existing arrangements such as CFE and the ECT—is Russia leaving them? Are the proposals intended to complement existing formats or replace them? While Russian officials argue that hard security is the main focus of the security proposals, it remains unclear where the other baskets of the wider security agenda fit. Grushko has suggested that issues such as the rule of law, human rights, and energy should be addressed separately in appropriate fora. This does not exclude the new treaties to cover issues exceeding those of the political-military sphere but it raises the question of how many separate treaties does Moscow envisage?

Finally, whether Moscow has sufficient capital, in terms of bureaucratic capacity, resources, and international political capital, to advocate and sustain all these proposals at once is open to question. Essentially, therefore, the question is whether Moscow can formulate the proposals clearly and then persuade a sceptical Euro-Atlantic audience that may not be either willing or able to renegotiate agreements which it has reached and ratified but of which Moscow disapproves at a time of many other (more) pressing priorities. The impact of the financial crisis on Russia and the range of serious domestic problems Moscow faces, including ongoing instability in the north Caucasus, decrepit infrastructure across the Russian Federation, and serious problems of corruption, dilute Moscow's own focus on its foreign and security policy aims. The Russian energy sector, on which so much depends, continues to suffer from underinvestment and inefficient management. Russia also faces important health and demographic problems, with a populations beset by low birth rates and life expectancy, and rising rates of HIV/AIDS and TB. The health situation is considered so grave as to be a security issue, and it has major implications for the future of Russia's workforce and thus economy.

Indeed, much of the conceptual thinking that forms the basis of both the strategic aims and the proposals for reform have a strong flavour of *status quo ante*: many of the plans were conceived for a booming economy, one for which the conditions of spring 2008 were ideal. They were not prepared for times of economic strain and have not been suitably reconsidered after the financial crisis.

On the other hand, beyond the Presidential Administration and specific governmental departments, the process of formulating more detailed sets of proposals appears to remain somewhat

underdeveloped and ill-defined. The financial crisis has only highlighted the lack of joined-up thinking and decision making in Russian political and government circles: in emphasising the lack of mechanisms for articulating policies and particularly for responding to problems, the crisis also underscored the difficulties Moscow faces in implementing the coordination not just of wider interests but even inter-departmental interests. While Moscow might have a political idea of what it seeks to achieve in the long term, it does not have a clear strategy of how to get there. It remains largely reactive to both domestic and international problems and has significant difficulty in shaping the international agenda.

Conclusions

The publication of new strategies and the launching of initiatives for international reform suggest a degree of general consensus amongst the Russian foreign and security policy elite. The somewhat haphazard nature of their formulation and the lack of substance "in letter" should not overshadow the importance of the "spirit" in which they are proposed.

Yet, it remains unclear either whether Moscow has a developed and coherent idea of its eventual goals beyond headline statements and drafts, or, importantly, whether Russia has the domestic resources and international political capital available to implement what is a very ambitious agenda of security, energy, and financial reform, both domestic and international. Indeed, there appear to be important contradictions both within proposals—such as the proposed need for respect for state sovereignty and the inadmissibility of the use of force in international relations, arguments which appear difficult to sustain after the war with Georgia and the recognition of South Ossetia and Abkhazia—and between strategic documents, such as the National Security Strategy and the Military Doctrine. However, the centrality of the strategies and proposals to Russian foreign policy suggests that they will not simply be dropped by Moscow: it would be a major policy and strategic reversal/U-turn, with no clear subsequent direction or domestic support.

A blurred, dual picture is thus emerging in which Moscow increasingly calls for debate and proffers drafts and increasingly counts on positive responses—and yet rejects criticism and

underscores proposals through suspension of current mechanisms. If the idea of a treaty fails, Lavrov has stated, the pan-European space is faced with the prospect of a full-scale re-nationalisation or privatisation of security.

By the same token, there appears to be a rather ambiguous picture of what Moscow seeks to achieve in its foreign policy—on one hand seeking to attract neighbours to its model, on the other asserting its national interests in such a robust way as to drive potential allies and partners in the region away.

Finally, an equally important calculation in Moscow will be how Russia emerges from the crisis compared to other states—China, one of the most important states for Russia, despite Moscow's overall apparent focus on the West and the threat coming from it, appears to be emerging strengthened. This will pose important questions for Russian policy of how to react to an international situation dominated by the US and China. To be sure, Russia's economic, security and political relationships with China are significantly improved, but it is striking that China is so often absent from publicly visible strategic discussion. Moreover, the Russian economy is the worst performing of the emergent states, and failing to emerge amongst the first few states is likely to undermine Russian global ambitions in the short term.

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State Building as a Challenge of Development and Security Policy

Christoph Grams

This article aims to reflect about state building, which is one of the most important crossroads of security and development policy. Afghanistan is the most prominent example for that at present, aspects of which have to be considered in order to understand the problem and challenges of state building.

Fragile Statehood as a Security Problem?

The expectation of ever-lasting peace in relief at the end of the Cold War in 1989/90 has been a heavy disappointment. Not later than 1993/94, the international crisis—created through the civil war in former Yugoslavia—made rather clear that the "end of history" was not about to start. Security and its guarantee should stay as a relevant topic on the world stage—this trend was confirmed by the attacks on the United States in September 2001 and the following wars in Afghanistan (2001-today) and Iraq (2003). Consequently, Islamic terrorism is seen as one of the main threats of our time, together with transnational crime and the proliferation of weapons of mass destruction.

Furthermore, new powers appear on the world stage, represented by their share in trade and economic strength that are rising higher-than-average compared to the "old powers" in Europe, North America or Japan. Economic policy reflects this most clearly through the enlargement of international fora (i.e. from G8 to G20). Nevertheless, this growing economic and financial strength translates also into political power—and will increase the responsibility of these powers (i.e. China and India) for the stability of the international order at the same time.

Simultaneously, the increasing dynamics of globalisation changed the setting of the global stage during the 1990s.

Globalisation can be understood as a condition defined by mutually assured dependence and as being not controllable. The dramatic rise of interconnectedness in nearly all dimensions (communications, economy, ecology, and social life) changed the strategic framework fundamentally and continues to do this until today. Furthermore, economic, social or ecological risks can have global impact on security (i.e. climate change and migration). Through this interconnectedness, functioning statehood gains even more importance as a pillar of international stability than it used to have before.

Additionally, we have seen in the last twenty years a growing number of intra-state conflicts with massive violence and human rights abuses, especially in sub-Sahara Africa. These dramatic intra-states conflicts feature the potential of destabilising whole regions through flows of refugees; often mingle with organised crime that offers the necessary resources to continue with fighting (i.e. "blood diamonds"); and offer terroristic structures the freedom to act as they wish in state-free areas. Non-state actors play a major role in these kinds of conflicts, which means that many of those groups are not interested in (peace) agreements. Therefore, "governance" (and the question of how to create it in complex scenarios like Afghanistan or the Democratic Republic of Congo/DRC) became a major topic of security and development policy discussions at the same time.

If the 1990s witnessed the death of the old rule-sets in international politics and security, the new century has not yet brought the new ones clearly into the spotlight. However, it became clear that fragile statehood is not a problem as such for international security necessarily, but has to be seen as a promoting factor for risks and evolving threats. Therefore, strategies of securing stability for the international order have to start with "governance" if they want to succeed. The creation of governance must be accompanied by development successes in order to keep it sustainable. That means that for the emerging new rule-sets, security became unthinkable without development.

Who is Affected by Fragile Statehood?

Experiences have shown that the global scope of the problem is remarkable. Different rankings by various development institutions

illustrate that clearly (i.e. List of Low Income Countries/World Bank, Human Development Index/UNDP, Governance Indicator/World Bank, Country Policy and Institutional Assessments/World Bank, and Failed States Index/Fund for Peace). Surely, one can doubt the methodology and statistics outreach of single statements made in these rankings, but they all conform to the overall picture: fragile statehood is a global phenomenon.

These rankings show also that the following characteristics of countries are affected by fragile statehood: they are higher-than-the-average affected by poverty or by war and violent conflict. Often they are countries in post-conflict situations bearing a high risk of falling back into violent conflict or they show characteristics of authoritarian rule that excludes huge parts of their populations from political and economic participation. Usually, one may find these characteristics in combinations. Geographically, countries affected by these symptoms are mainly located in sub-Sahara Africa, but also in Southeast and Central Asia.

Getting Closer to Fragile Statehood

The ideal state assures a stable framework for its citizens in three dimensions: security, rule of law, and welfare. In these dimensions, the state defines the standards and—most important—is capable of enforcing them. But as usual, the picture is more complex: a state's ability to enforce standards can differ in the aforementioned dimensions—being strong on security, but being weak on welfare at the same time. That means: if one speaks about fragility, one has always to speak about a spectrum of fragility in specific cases. Failed states are rare, but failing states are more common.

This diagnostics does not mean that no set of rules or instruments are existing in the dimensions of weak statehood. Mechanisms of local governance fill the blank space left by the incapable public structures: clientelism, informal power sharing, instrumentalisation of violence or conflicts, mobilisation of traditional structures or the optimisation of external influence for own goals can be named. These management instruments of local elites for coping with fragility might change quickly or exist in parallel. Against this background of complex and too often unknown local structures, the promotion of "governance" becomes a very different task if the decision was made to intervene in a

specific scenario.

Security policy actors have accepted the logic that interventions far away might be needed in order to keep threats at a strategic distance, although this approach comes into conflict with the classical understanding of national sovereignty. Additionally, actors out of the field of humanitarian assistance and development have designed a universal "responsibility to protect" that was adopted by the UN finally. The atrocities in Rwanda (1994) accelerated this openness on the international stage for interventions in a state that is not at war with the acting states. For future approaches of stabilisation and state building in the framework of the UN, it will be important whether emerging global powers like China will share this analysis. Until today, China keeps up the classical understanding of sovereign nation states.

State Building as an Answer?

If "governance" is the answer to the strategic quest of both development and security in areas of special interest, state building comes to the fore. It can be defined by its goal: the sustainable consolidation of state structures and institutions. In general, state building consists of three phases, although they are not strictly sequential:

1. Stabilisation of existing structures (if useful),
2. Transformation of existing structures (to enable them to perform better),
3. (Re-)Construction of non-existing structures.

That is easier said than done. As showed, the mechanisms of local governance have to be understood extremely well, which requires cultural, regional, and historical expertise of the given scenario. Even if one understands the scenario and the conflict history fully, one has to consider and bear in mind that state building is multi-level politics. The intervening force has to handle the interaction between the local actors, between the local and the external actors, between the different external actors in the field, and between the external actors on the strategic level. How difficult that multi-level politics is has been demonstrated by the ISAF mission in Afghanistan every day.

Finally, state building should not be confused with nation building or peace building, although it overlaps. The latter aims to build peace and reconciliation within a society, and is far more ambitious and requires a longer engagement than state building.

Strategies of State Building

State building is complicated. Thus, the reflection about different approaches or strategies in order to decide how to achieve the objectives in the most efficient way is of great importance—simply said: it needs a lot of time and requires a lot of resources (personnel, budgets, etc.). Four main schools of thought exist:

I. Liberalisation first

a) Priorities:

- Promotion of human rights and democratisation
- De-regulation and privatisation
- Integration into the world market

b) Time Horizon: short / medium-term

c) Paradigm of political theory: Liberal approaches (i.e. democracy/peace theorem, market-oriented integration/trade).

II. Security first

a) Priorities:

- Strengthening of security sector (i.e. SSR, DD&R)
- Strengthening of monopoly of coercion
- Disarmament and segregation of conflict parties

b) Time Horizon: Short / medium-term

c) Paradigm: Realism (i.e. overcoming the intra-state security dilemma)

III. Institutionalisation first

a) Priorities:

- Strengthening "rule of law"
- Strengthening of administrative capacities (i.e. budgeting, taxes)
- Strengthening / establishment of institutions for peaceful conflict negotiation

b) Time Horizon: medium / long-term

c) Paradigm: Institutionalism (i.e. bargaining processes, socialisation of actors)

IV. Civil Society first

a) Priorities:

- Promotion of non-state-actors (i.e. NGOs, unions, parties)
- Improvement of political participation
- Mobilisation of marginalised groups, policies of reconciliation.

b) Time Horizon: medium / long-term

c) Paradigm: Social constructivism (i.e. change of identities).

Reasonably, these strategies will not be implemented purely, but rather combined with each other, depending on the needs of the specific scenario. Furthermore, flexible thinking has to be in place: if the overall situation changes, the strategic emphasis might have to change as well.

The current ISAF mission in Afghanistan is again a good example: once, it started with a two-fold emphasis on liberalisation and security, which was expressed by the first democratic elections of president and parliament on the one hand and the defeat of the Taliban on the other hand. Since 2007/08, the single emphasis of the international engagement is on security and accompanied by the postponement of the elections for parliament in 2010.

Challenges for State Building

If one conducts state building, several general challenges have to be observed on the field level:

(a) Interventions always disrupt or at least influence the local power balance, because that is their aim. But the question is how interventions can be conducted in order to avoid escalations, which undermine the goal of intervening itself. Therefore, it is important to understand the different approaches of civilian and military actors.

(b) Interventions usually have to be violent in order to accomplish their goals. On the intervening side there should be a consensus about the handling of escalations and spoilers before the intervention starts and while it is ongoing. Intervention forces have to be prepared properly in order to deal with spoilers if necessary.

(c) Interventions for state building are usually not a national, but a multinational, endeavour that is mandated by the United Nations (UN). Hereby, it is critical for success that there is a coherent understanding of time horizons and resources in order to be successful. The communication has to be trustworthy and stable.

(d) Interventions for state building aim to build up sustainable governance structures, which are still functioning after leaving the scenario. A choice about integration or non-integration of local governance structures has to be made, and this requires a broad knowledge about the scenario. Usually, not all intervening partners have the same knowledge and understanding of the scenario.

But there also typical challenges that have to be taken into account on the strategic level:

(a) Strategic planning of the international community: it seems to be difficult enough to ensure strategic planning in a national context—Germany is a good example with complex structures on national government level. But it gets even more problematic once you need to reach a satisfying compromise with multiple actors and their differing perspectives. Usually, the responsible body for the strategic planning does not have the executive power needed to "force" the contributors (i.e. UN)—it has to deal with the assets that have been given voluntarily by those contributors, but cannot plan with what it requires to solve the challenge.

(b) Coherence of policies on national and international level: the simple fact that the international community has reached an agreement does not mean at the same time that the main elements of this strategy are executed as decided on the national level of contributors. Domestic politics might change the substance of the agreement through a number of reasons (i.e. caveats of NATO member states in ISAF).

(c) Mobilisation of resources: although governments are willing to take responsibilities in international matters and accept resulting obligations, they might find it difficult to mobilise the necessary resources, either because they failed to prepare their institutions structurally (police, armed forces, aid workers, etc.) or they simply underestimated the tasks.

(d) Strategic patience: state building is an endeavour that takes decades, as the case of the former Yugoslavia shows. Against this background, the difficulty to sustain the political support over years is tremendous. Even worse, if the tide of public opinion turns against the strategic aim of the government, it is impossible to succeed in the long run. The volatile strategic patience in contributing countries is the Achilles heel of state building.

(e) Acceptance through local population: if one wishes to succeed with an intervention one should not be blind for the needs of local communities. To forget or underestimate them is one of the most important reasons of failing interventions. It is not sufficient to have them looking neutrally on the activities of the intervening forces—one needs them supporting actively or governance will not be restorable.

(f) Definition of success: experiences of interventions show that it is rather easy to start with an intervention, but nearly impossible to stop the engagement if one wishes sustainable stabilisation. Theoretically, such an involvement could continue into eternity. The challenge lies in the definition of the criteria of success and an exit strategy built upon them. Potential conflicts of objectives between different actors have to be considered.

These challenges illustrate very well why the necessary comprehensive approach (CA) for state building is difficult to realise. Next to the classical blue helmet missions of the UN, different approaches have been tested in order to make CA work: either the Anglo-Saxon approach of close guidance of development in service to security, or the German approach of a limited independence of development from security. Both have been executed in Afghanistan and have only limited results. It is highly recommendable to conduct an analysis about the strengths and weaknesses of both models after the current intensification of all military and civil efforts in Afghanistan.

Conclusion

Through the changes of the international order and the establishment of new and strong dependencies between its actors, the problem of fragile statehood has become a major topic of international politics since 1990.

In the recent 20 years, many efforts in different regional contexts (i.e., ex-Yugoslavia, Democratic Republic of Congo/DRC, and Afghanistan) have been made in order to find an answer to this challenge. Being far away of ultimate perfection, the thinking about the general idea of state building and both its chances and limits continues in international security and development policy.

Next to the analysed challenges of state building at the crossroads of security and development policy, an important aspect of these future debates will be the interaction with emerging global

powers like China and India. The concept of national sovereignty has changed with the growing number of failed and failing states, because international responsibility with the right to intervene is seen as more important than national sovereignty on the level of the UN and many member states. But this perception is not shared by all relevant powers internationally. The strategic debate about the nexus of power and responsibility has not yet started fully.

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ASIA

ASEAN And Regional Security In East Asia

Rizal Sukma

Introduction

Despite all its weaknesses, the Association of Southeast Asian Nations (ASEAN) has arguably played a significant role in shaping and contributing to regional security in Southeast Asia and beyond. Even though it has not ridden itself completely from sources of conflicts and tension, Southeast Asia has enjoyed a rather long period of peace and stability. By the 1990s, ASEAN had managed to incorporate former "enemies" such as Vietnam and Laos into the grouping, and even completed the idea of ASEAN-10 with the admission of Cambodia and Myanmar as members. Indeed, within Southeast Asia, ASEAN has played a central role in ensuring that war is no longer an acceptable instrument of conflict resolution among its members. The focus of inter-state relations among regional countries soon turned into regional economic cooperation and building trust.

ASEAN's security role has also extended beyond Southeast Asia. After the end of the Cold War, ASEAN managed to maintain its relevance by embracing the process, and taking an active part in shaping the post-Cold War regional security architecture in East Asia. It managed to place itself at the centre of multilateral security arrangements in East Asia, which links the two sub-regions of Southeast Asia and Northeast Asia. This has been well demonstrated in the proliferation of ASEAN-based multilateral institutions in the region since 1993, such as the ASEAN Regional Forum (ARF), the ASEAN Plus Three (APT) process, and the East Asian Summit (EAS). Consequently, ASEAN-based multilateral institutions have become one of two main pillars of regional

security architecture in East Asia. The other pillar is the bilateral alliance system led by the United States (US).[1]

East Asia, however, has always been a dynamic region constantly characterised by challenges. The future of regional security has now increasingly been shaped and influenced by two key developments: the inevitable emergence of China and India as major powers and the growing salience of non-traditional security (NTS) problems. While the first development would bring about a major geostrategic shift in East Asia, the second development complicates the security challenges facing the region. As such, ASEAN faces an increasingly more complex strategic environment within which its security role will be tested. If ASEAN wants to maintain its relevance and role in a rapidly changing East Asia, it is imperative for the association to consolidate itself.

This article discusses the challenges facing ASEAN's role in managing East Asian regional security within the context of a set of challenges associated with the emergence of a new regional order. The discussion is divided into three sections. The first section describes the strategies and principles employed by ASEAN in managing regional security over the last four decades. The second section examines the new challenges that could erode ASEAN's role as a manager of regional order. The third section suggests some practical measures that ASEAN needs to take in order to maintain its role as a security actor in East Asia.

ASEAN as a Manager of Regional Order: Strategies and Principles

When it was established in August 1967, ASEAN constituted an experiment at ensuring regional security through an agreement to create a regional order which permitted member countries to pay more attention to, and devote their resources for, the more pressing task of internal consolidation and economic development. This approach to regional security had served member countries well. Indeed, the preservation of regional stability and the maintenance of internal order allowed ASEAN countries to achieve remarkable

[1] See William Tow and Brendan Taylor, "What Is Regional 'Security Architecture?'", paper prepared for the ISA 2008 Annual Conference, San Francisco, 26-29 March 2008, p. 2.

achievements in accelerating domestic economic development. As ASEAN's confidence grew, the association began to extend its security role beyond Southeast Asia. With the establishment of the ARF in 1993, the APT in 1997, and the EAS in 2005, regional order in East Asia was increasingly characterised by ASEAN-centred processes. Indeed, through these initiatives, ASEAN managed to position itself as a manager of regional order of some sort, not only within Southeast Asia but also in the wider East Asian region.

ASEAN's transformation from a modest sub-regional association into an organisation that underpinned multilateral process in East Asia reflected its relative success in coping with security challenges, both within Southeast Asia and beyond. ASEAN's approach to security has never been driven by an overriding concern over a single issue.[2] Since its inception in August 1967, ASEAN has always approached security matters in a comprehensive manner. For Southeast Asian countries, security has always encompassed wide arrays of issues in social, cultural, economic, political, and military fronts. Problems in those areas—especially within the domestic context—are seen to have the potential to destabilise nation-states and regional peace and security. Based on such a conception of security, ASEAN has always distinguished security in terms of traditional and non-traditional threats. However, until very recently, ASEAN countries tended to see non-traditional security issues primarily as domestic problems of member states, which required national solutions. The growing salience of non-traditional problems since the end of the Cold War, however, forced ASEAN to recognise the importance of inter-state cooperation in dealing with such issues.

In resolving regional security issues, both at national and regional levels, ASEAN from the outset undertook two interrelated approaches. First, threats from non-traditional security problems were left to individual member states to resolve, especially through nation-building measures. Second, to enable individual states to resolve those problems, regional cooperation is necessary to

[2] The following analysis is partly drawn from Rizal Sukma, "ASEAN, Regional Security and the Role of the United States: A view from Southeast Asia", Paper Presented at Conference on "A New Horizon for Japan's Security Policy: Basic Concepts and Framework", Institute for International Policy Studies (IIPS), Tokyo, 30 November-1 December 2004.

create a peaceful external environment so that states would not be distracted from domestic priorities. These approaches later evolved into a strategy of building regional resilience, a conception influenced by Indonesia's thinking of *ketahanan nasional* (national resilience). Such thinking postulates that "if each member nation can accomplish an overall national development and overcome internal threats, regional resilience will automatically result much in the same way as a chain derives its overall strength from the strength of its constituent parts".[3] In other words, ASEAN believed that the management of inter-state relations in the region should be founded on the sanctity of national sovereignty of its member states. Regional cooperation was sought in order to reinforce, not erode, that sovereignty.

Despite its appearing to be inward looking, ASEAN's strategy to nurture and maintain regional security did not ignore the role of external powers. Indeed, during the Cold War, Southeast Asia had always been a theatre for rivalries and competition among major powers, notably China, the US, and the Soviet Union. Aware of such reality, however, ASEAN sought to limit the negative effects of rivalries among major power on the region. ASEAN also maintains its preference for regional solutions to regional problems, and agreed that the presence of foreign military bases is temporary in nature. In 1971, ASEAN declared the region as a Zone of Peace, Freedom, and Neutrality (ZOPFAN), and in 1995, the region was declared as a nuclear free zone (SEANWFZ). For the most part of the Cold War period, however, these measures served as no more than declaration of intent. Due to differences in security interests of ASEAN member states, the role of major powers remained a significant factor in the security of the region. For example, it has been acknowledged, "since the end of World War II, the U.S. has provided Southeast Asia with a security umbrella that has been a stabilising factor for the development of the region."[4]

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[3] Jusuf Wanandi, "Security Issues in the ASEAN Region", in Karl D. Jackson and M. Hadi Soesastro, eds., *ASEAN Security and Economic Development*, Research Papers and Policy Studies no. 11 (Berkeley, CA: Institute of East Asian Studies, University of California, 1984), p. 305.

[4] Tommy Koh, "Southeast Asia", in Kim Kyung-won, Tommy Koh, and Farooq Sobhan, *America's Role in Asia: Asian Views* (San Francisco: The Asia Foundation, 2004), p. 38.

With the end of the Cold War, ASEAN's approach to regional security began to change. First, while some ASEAN countries began to be more flexible, the notion of sovereignty as the basis for regional cooperation remains paramount. For example, ASEAN has recognised the imperative for cooperation among member states to resolve domestic problems with cross-border effects. Such an acknowledgment, however, is more visible among the old members of ASEAN, especially Indonesia, Thailand, and the Philippines. However, the principle of non-interference is still jealously guarded by ASEAN states. Second, ASEAN countries continue to believe that security challenges facing the region are numerous and take multiple forms, especially in non-traditional forms. For most Southeast Asian countries, the threat of terrorism is but one problem alongside other security problems such as extreme poverty, transnational crimes, piracy, children and women trafficking, communal violence, and separatism. On the traditional front, ASEAN is also concerned with the situation in the South China Sea, bilateral territorial disputes among ASEAN member states, and the possible rivalry among major powers. Third, in coping with security challenges, ASEAN believes that multilateral approaches would be more realistic and more beneficial to both regional and extra-regional players.

Indeed, ASEAN has played an instrumental role in instituting a multilateral security framework in Asia-Pacific. The creation of the ARF is a testament for that. With ASEAN's role as a primary driving force, the ARF serves as the only multilateral forum for security cooperation in the region, involving not only Southeast Asian, South Asian, and Northeast Asian countries, but more importantly also Russia and the US. Through the ARF, member countries are expected to seek and attain national security with, not against, the regional partners. ASEAN also expects the ARF to serve as a constructive venue for major powers—especially China, Japan, and the US—to engage each other in a spirit of cooperation. Indeed, for ASEAN, the ARF—despite its shortcomings—serves as a venue through which its security interests, and the interests of extra-regional powers, could be best attained.

Within ASEAN itself, member countries have begun to deepen their cooperation in political and security areas. During the 9th Summit in 2003 in Bali, Indonesia, ASEAN leaders reached an important agreement to work closely in order to transform the

association into a security community by 2020. In the Bali Concord II, ASEAN leaders affirmed that the ASEAN Security Community (ASC) "is envisaged to bring ASEAN's political and security cooperation to a higher plane to ensure that countries in the region live at peace with one another and with the world at large in a just, democratic and harmonious environment".[5] The agreement reflects ASEAN's commitment to create a community of nations at peace with one another and at peace with the world, characterised not only by the absence of war, but also by the absence of the prospect of war among ASEAN member states. It is expected that the ASC—which was later modified into an ASEAN Political and Security Community (APSC)—would strengthen ASEAN's commitment to resolve conflicts and disputes through depoliticised means of legal instruments and mechanisms, and through other peaceful means.[6]

For more than five decades, the success of ASEAN's security role has been supported by six principles of cooperation adhered to by the association.[7] First, ASEAN had from the outset avoided tackling "sensitive" issues in its agenda of cooperation. Indeed, for more than two decades since its inception in August 1967, explicit reference to security cooperation had been conspicuously absent in the agenda of ASEAN. Despite the political and security background of its establishment, ASEAN had tended to avoid the necessity for deeper and more institutionalised political and security cooperation. While it sets out the task of promoting "regional peace and stability" and strengthening "the foundation for a prosperous and peaceful community of Southeast Asian nations", the Bangkok Declaration clearly reflects the belief in "the economic road towards peace". Indeed, cooperation was only deemed necessary on "matters of common interest in the economic,

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[5] The Bali Concord II, Bali, Indonesia, 7 October 2003.

[6] An analysis on the challenges facing ASEAN in realising such an ideal can be found in Carolina Hernandez, "The Current State of ASEAN Political-Security Cooperation: Problems and Prospects in Forming an ASEAN Security Community", paper presented at the Fourth U.N.-ASEAN Conference on *Conflict Prevention, Conflict Resolution, and Peace Building in Southeast Asia: ASEAN Security Community and the U.N.*, Jakarta, 23-25 February 2004.

[7] Analysis on ASEAN's principles of cooperation is drawn from Rizal Sukma, "Trust-Building in East Asia: The Case of ASEAN", paper presented at Conference on "Regional Cooperation: Experience in Europe and Practice in East Asia", organised by KAS and CIISS, Beijing, 10-11 October 2006.

social, cultural, technical, scientific and administrative fields." In other words, cooperation among ASEAN states began on the non-sensitive areas.

Second, the focus on economic cooperation, however, does not mean that ASEAN completely ignored the imperative of managing political and security problems among member states. Indeed, it has been noted, "the necessity to co-operate [among ASEAN countries] is deemed a function of a 'hostile' environment"[8] both in domestic and external context. The presence of common interests in economic development did not result in a fierce inter-state competition. On the contrary, the governments of Southeast Asia saw the necessity to create a regional order which would permit member countries to pay more attention to, and devote their resources for, the more pressing task of internal consolidation and development. Such an objective necessitated a friendly relationship among regional countries, which was sought through the adherence to the principle of non-interference in domestic affairs as the primary means of conflict prevention. In other words, political and security problems were managed through a strict adherence to the principle of non-interference.

Third, in addressing political and security matters, ASEAN member states preferred a bilateral approach rather than a multilateral one, and through quiet diplomacy. Indeed, the notion of quiet diplomacy in the Southeast Asian context has often been defined in terms of "the ASEAN Way". It has been argued, for example, that the principle of quiet diplomacy forms a significant element of the so-called ASEAN Way.[9] Through this approach, "each member refrains from criticising the policies of others in public" and this, in turn, "allows the ASEAN members to subdue any bilateral tensions."[10] When problem occurred between member states, governments did not air their differences in public. Instead, they worked closely, often behind the closed door, to iron out those differences, and tried their best to keep the media out of

[8] Zakaria Haji Ahmad, "The World of ASEAN Decision-Makers: A Study of Bureaucratic Elite Perceptions in Malaysia, the Philippines, and Singapore", *Contemporary Southeast Asia*, vol. 8, no. 3, December 1986, p. 204.

[9] Hiro Katsumata, "Reconstruction of Diplomatic Norms in Southeast Asia: The Case of Strict Adherence to the ASEAN Way", *Contemporary Southeast Asia*, vol. 25, No. 1, April 2003, p. 107.

[10] Ibid.

the process. More importantly, ASEAN countries strictly refrained themselves from commenting on each other's domestic issues or internal situation.

Fourth, the quiet diplomacy practiced by ASEAN should also be understood within the context of the association's preference for informality in managing conflict and dispute-settlement. Even though a formal mechanism for conflict management and conflict resolution is provided for by the Treaty of Amity and Cooperation (TAC), ASEAN has never used it. Instead, ASEAN member states prefer to manage disputes "outside the parameters of formal structures and institutions",[11] especially in managing bilateral territorial disputes. As one scholar has aptly argued, "ASEAN was not about formal dispute settlement or conflict resolution *per se*, but rather about creating a regional milieu in which such problems either did not arise or could be readily managed and contained."[12] In other words, ASEAN was also a process of conflict avoidance or prevention.

Fifth, informality became more effective when leaders developed closer personal ties. Within ASEAN, leaders or governments of member states or conflicting parties employed the quite diplomacy as a means of managing conflict, not by an "outside" third party institution. As such, it depended greatly on the personal relationship among the leaders themselves. Indeed, during the first two decades since its inception, ASEAN has provided a venue for leaders of member states, especially among the original fives,[13] to forge close personal ties. The institutionalisation of the summit on an annual basis has also helped strengthen personal ties among ASEAN leaders.

Sixth, ASEAN cooperation progresses at a pace comfortable to all. Despite the need for greater cooperation, ASEAN leaders continued to adopt a gradual approach to cooperation in order to develop a sense of comfort among member states. For example, it took one decade before ASEAN convened its first summit in 1976. More importantly, the inclusion of political and security

[11] Mely Caballero-Anthony, "Mechanisms of Dispute Settlement: The ASEAN Experience", *Contemporary Southeast Asia*, vol. 20, no. 1, April 1998, p. 52.

[12] Michael Leifer, *The ASEAN Regional Forum: Extending ASEAN's Model of Regional Security*, Adelphi paper No. 302 (London: IISS, 1996), p. 16.

[13] The term "original fives" is used to refer to the founders of ASEAN, namely Indonesia, Malaysia, Singapore, Thailand, and the Philippines.

cooperation as an official agenda of ASEAN cooperation only took place in 1992, almost 25 years after its establishment. Again, by focusing cooperation more on "non-sensitive" areas, ASEAN managed to develop a habit of cooperation and trust among member states that would expectedly allow the gradual inclusion of sensitive issues into formal cooperation. The same principle has also been used as the basis of security cooperation by the ARF.

A New Challenge: Coping With the Implications of Strategic Changes

The strategies and principles described above have served ASEAN well for more than four decades. However, the East Asia region has been increasingly subject to pressures emanating from strategic changes in major power relationship in East Asia, with significant implications not only for regional security but also for the role of ASEAN in the region. Within the current context, ASEAN's role in fostering the habit of cooperation and in mitigating hostile behaviour among its members needs to be acknowledged. However, the utility and merits of ASEAN's model of multilateral security cooperation among non-ASEAN participants has increasingly been questioned. Its efforts in extending the so-called ASEAN model of cooperation into the wider Asia-Pacific context are still far from being effective. Indeed, while ASEAN remains relevant for addressing transnational security challenges in the region, it is not clear if the ASEAN model would be able to cope with security challenges in the wider East Asian region, especially in addressing the challenges brought about by the changing power relationship among major powers.

In this context, there are three challenges facing ASEAN. The first is how to position itself properly in a changing strategic relationship among major powers, especially in US-China-Japan relations. The current dynamics in the US-China-Japan triangle clearly demonstrate the emergence of a new regional order in the Asia-Pacific region. The relationship among these three major powers in the region will continue to be a complex one. While the three countries are seeking to establish cooperative relations among themselves, signs of emerging competition are also evident. China, clearly a rising power with its own interests, seems to see Japan and the US as two powers that might pose a

limit to its regional pre-eminence. Japan is anxious about policy direction that China might take in the future; a feeling shared by some ASEAN countries, including Indonesia. Meanwhile, the US is clearly opposed to the rise of a new power that might pose a challenge to the country's pre-eminence in the region. Managing the uncertainties in the future direction of major power relations, therefore, serves as a major challenge for ASEAN.

The second challenge is how to respond to the rise of China. Over the last ten years or so, China has consistently demonstrated its ability to sustain economic growth at an impressive rate higher than those of its Southeast Asian neighbours. Along with its economic development, China's military capability has also improved significantly vis-à-vis Southeast Asian countries. The concern with China relates primarily to the question of how Beijing is going to use its new stature and influence in achieving its national interests and objectives in the region. Moreover, in economic terms, it is not yet clear whether China would become a competitor or a partner to ASEAN states. However, it is important to note that China has repeatedly assured regional states that its rise would be peaceful and China would continue to play a positive role for the stability and security of the region.

The third challenge points to the need for a new regional architecture that could remedy the problems and weaknesses of the ASEAN-driven model of Asia's current security architecture. Indeed, the most fundamental weakness lies in the uncertainty regarding its future viability. The ASEAN-driven processes are not comprehensive enough to address strategic challenges in the region. Is it capable of accommodating the rise of China and the emergence of India? Would it continue to assure the prominent place of Japan and the US as existing crucial players in the region? Would it continue to guarantee that the interests of lesser powers would be served? Are the existing structures of the architecture strong enough? It has been acknowledged "there is a persistent perception that they are not, that the security burden is too heavy for the structures the architects have given us."[14]

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[14] Richard Smith, "Regional Security: Is 'Architecture' All We Need?", *Policy Analysis Brief* (The Stanley Foundation, December 2007), p. 4.

Concluding Remarks: The Imperative of Change

If that is the case, the region needs an architecture that will guarantee that relationship among major powers—the US, China, Japan, and India—would be primarily cooperative rather than competitive. It should prevent strategic rivalry among the four major powers from becoming the main feature of regional relations. At the same time, it should also prevent the emergence of a concert of powers among the four powers at the expense of other lesser powers in the region. The current ASEAN-driven processes or system has not yet provided such guarantee. Various changes and strategic re-alignments in the relationship among the major powers, because of global transformation and regional power shift, have the potential to marginalise the central role of ASEAN within the current security architecture. Northeast Asian countries, for example, have begun their efforts at laying the foundation for regional security cooperation of their own. It is not clear also whether the ASEAN-based regional security institutions—the ARF, the APT, and the EAS—would be adequate for coping with future uncertainties resulting from strategic power shifts—because of the rise of China and India—currently taking place in East Asia.

ASEAN, therefore, needs to embark upon new initiatives to maintain its relevance. Unfortunately, ASEAN itself is in a deep crisis in facing the ongoing strategic transformation. Even though ASEAN leaders, on the initiative by Indonesia, have agreed to consolidate and strengthen ASEAN's cohesiveness through the promise of an ASEAN Community, the process towards that direction is still fraught with difficulty and uncertainty. Different levels of economic development, and diversity in political system, would lead to more divergent interests among ASEAN members. The ugly face of Burma has also undermined ASEAN's image further. All these problems have in turn undermined ASEAN's credibility. If these unfortunate trends continue, then it is likely that great powers would begin to look beyond ASEAN in their efforts to craft a new security architecture best suited to their individual and common strategic interests. If a great-powers-driven security architecture becomes a reality, ASEAN would soon find itself in the passenger's seat.

What should ASEAN do in order to maintain its relevance as a security actor in a rapidly changing strategic environment in East Asia? As things stand today, ASEAN has no other choice but to strengthen its commitment to implement what it has already pledged to do. First, it is imperative for ASEAN to improve the ASEAN Charter. After five years, the ASEAN Charter allows a review to be undertaken, and ASEAN needs to take this opportunity to refine the Charter. Stronger emphasis on the mechanism for ensuring compliance, for example, needs to be made. It is also important for ASEAN to seriously consider the mechanism for interactions with elements of civil society so that the promise to become a people-centred ASEAN can be fulfilled.

Second, ASEAN needs to take into account the complaints by non-ASEAN powers with regard to the ARF. In this regard, ASEAN should take more initiatives to bring the whole cooperation into more concrete areas. The current focus on how ARF countries could cooperate to manage natural disasters is an important starting point. However, other concrete areas of cooperation need to be expanded also. Cooperation on maritime security, for example, can be expanded further. So can cooperation on other non-traditional security issues.

Third, ASEAN should begin to realise that its future role will depend on how deep intra-ASEAN cooperation can be realised. In this regard, the ASEAN Political and Security Community Blueprint has provided a great opportunity for ASEAN to really consolidate itself. Therefore, as Indonesia has made clear, it is imperative for ASEAN to implement the document rather than trying to come up with new declarations or joint communiqués in the future. It is time for implementation, not for new vision or ideals.

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Cooperation for Competition: China's Approach to Regional Security in East Asia

Li Mingjiang

China is a giant in Asia. The phenomenal economic growth over the past three decades has empowered the nation to play a much larger role in East Asian regional affairs. With the growth of Chinese power and influence, observers throughout the world are now contemplating what impact China's rise is likely to have on the future international relations and regional security in East Asia. The views are very diverse and in many regards oppositional.

Pessimists believe that China's increasing influence in Asia will have grave negative consequences for the East Asian regional order and security.[1] They believe that China's regional security policy has centred on an attempt to expand its strategic and security influence at the expense of other major powers. They are generally suspicious of China's long term strategic goals. Many of these pessimistic assessments are also based on the fact that China is involved in many hotspot security problems in East Asia, for instance, the Taiwan issue, territorial contentions with Japan in the East China Sea, and disputes in the South China Sea. This school of thought is usually associated with the realist paradigm. Analysts in this school tend to highlight the competitive aspects in China's regional security affairs and, as a result, describe China's behaviours as part of a zero-sum

[1] Steven W. Mosher, *Hegemon: China's Plan to Dominate Asia and the World* (Encounter Books, 2001); Wayne Bert, *The United States, China and Southeast Asian Security: A Changing of the Guard?* (University of British Columbia, 2005); Randall Doyle, *America and China: Asia-Pacific Rim Hegemony in the 21st Century* (Lexington Books, 2007); Robert G. Sutter, *China's Rise in Asia: Promises and Perils* (Rowman & Littlefield, Oxford, 2005); Gerald Segal, "East Asia and the 'Constrainment' of China", *International Security*, vol. 20, no. 4 (Spring 1996), pp. 107-135; Aaron Friedberg, "Ripe for Rivalry: Prospects for Peace in a Multipolar Asia," *International Security*, vol. 18, no.3, Winter 1993/94, pp. 5-33.

game in East Asian international relations.

Another group of analysts tends to view China as an actor for stability in the region and partner for other states.[2] Using the liberal institutionalist approach, they focus on China's efforts in improving bilateral relations with its neighbours and intensifying economic interdependence, its moderate approach to security and territorial disputes in the region, and its active participation in regional institutions since the mid-1990s. David C. Kang, for instance, provides a provocative view on Asia's future by saying that East Asia's future will resemble its past: Sino-centric, hierarchical, and reasonably stable.[3]

A third school of thought, largely employing the social constructivist approach, has focused on the cognitive processes of socialisation in China's interactions with regional actors and the norms in regional international relations.[4] These analysts tend to believe that China's policy on regional security has been mainly cooperative and positive because the process of social learning has helped Chinese decision makers change their previous negative perception of the regional political and security environment. While this group of scholars more or less acknowledge the positive transformation in China's security policy in East Asia since the end of the Cold War, they do not offer clear-cut predictions about China's security posture and role in various regional security issues in the future.

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[2] David Shambaugh, "China Engages Asia: Reshaping the Regional Order", *International Security*, vol. 29, no. 3, Winter 2004/05; Evan Medeiros and M. Taylor Fravel, "China's New Diplomacy", *Foreign Affairs*, vol. 82, no. 6, Nov/Dec 2003; Morton Abramowitz and Stephen Bosworth, "Adjusting to the New Asia", *Foreign Affairs*, vol. 82, no. 4, July/August 2003; Zhang Yunling and Tang Shiping, "China's Regional Strategy", in David Shambaugh, ed., *Power Shift: China and Asia's New Dynamics* (California: University of California Press, 2005).

[3] David C. Kang, *China Rising: Peace, Power, and Order in East Asia* (Columbia University Press, 2007).

[4] Alastair Iain Johnston and Paul Evans, "China's Engagement with Multilateral Security Institutions", in Alastair Iain Johnstong and Robert Ross, eds., *Engaging China: The Management of an Emerging Power* (London: Routledge, 1999), pp. 235-72; G. John Ikenberry, "The Rise of China: Power, Institutions, and the Western Order", in Robert S. Ross and Zhu Feng, eds., *China's Ascent: Power, Security, and the Future of International Politics* (Ithaca: Cornell University Press, 2008); Amitav Acharya, "Will Asia's Past Be Its Future?" *International Security*, vol. 28, no. 3, Winter 2003-04, pp. 149-64; Alice D. Ba, "Who's socializing whom? Complex engagement in Sino-ASEAN relations", *The Pacific Review*, vol. 19, no. 2, June 2006.

In this paper, however, I argue that using any single theoretical approach to examine China's regional security policy is insufficient for our understanding of the essence of China's policy in the past two decades. Observing China's security policy through any single theoretical framework obscures the reality and complexity in China's security strategy in East Asia. I contend that in practice, China has essentially learned to employ liberal institutional and social constructivist means for realist purposes. In other words, China has been able to compete with other major actors for influence and to secure its security interests in East Asia through cooperative means, which in most cases were deemed benign by most countries in the region. In addition to the introduction, this paper contains two main parts. In part one, I briefly introduce the security environment that China faced and China's perception of its security challenges in the early 1990s. Part 2 analyses China's regional policy since the mid-1990s. I explain how China adopted its security strategy: cooperation for competition. In the conclusion, I briefly dwell on the policy implications for regional states and external powers.

China's Perception of Its Post-Cold War Security Environment

The end of the Cold War brought no relief or excitement for China as it did for much of the rest of the world. Coupled with the tragic event at Tiananmen in the summer of 1989, the collapse of the Cold War posed a serious challenge to China's security in the early 1990s. China's security environment dramatically worsened in much of the 1990s as compared to the previous decade. Being the only major socialist state and in the aftermath of the Tiananmen suppression, China was viewed with much distrust by the Western world. In fact, for much of the 1990s, Beijing was politically isolated.

In East Asia, China also began to face a totally different security environment. This was the case largely because of US security posture and realignment in the region.[5] Initially, Chinese

[5] This section draws from Li Mingjiang, "China's Proactive Engagement in Asia: Economics, Politics and Interactions", RSIS working paper, no. 134, July 2007.

anxiety originated from US-led international sanctions and the perennial scrutiny of China's human-rights record in the aftermath of the 1989 Tiananmen suppression. Top CCP leaders believed that the United States was poised to politically "Westernise" China and "split" China by blocking its reunification efforts with Taiwan and meddling in Tibet. A flurry of unfortunate episodes in Sino-US relations in the 1990s—the US Congress's moves to block China's bid for the 2000 Olympic Games in 1993, NATO's bombing of the Chinese embassy in Belgrade in 1999 and the collision of a US EP-3 spy plane with a Chinese jet fighter in April 2001—also reinforced the Chinese perception that Washington would not hesitate to adopt a coercive approach towards China under certain circumstances.

A particular concern for the Chinese leaders is Washington's efforts to maintain and enhance its bilateral alliances with many of China's neighbouring states. Beijing clearly understands that dominance of its neighbouring areas by the United States would not only significantly circumscribe China's role in regional affairs but also, more importantly, militate against China's modernisation drive. China has been particularly apprehensive of the strengthening of the US-Japan security alliance since 1996. With growing scepticism in Japan's continued commitment to a peaceful foreign policy, Beijing took special umbrage at the new treaty's call for Japan to assume greater responsibilities in crisis situations in Japan's periphery, claiming that the change in US-Japan alliance was targeted at China.[6]

At the beginning of this century, many Chinese elite still believed that they have good reason to be wary of US intentions. Annual reports by the US-China Economic and Security Review Commission (USCC), a bipartisan body established by the US Congress, have continuously depicted China as challenging the United States economically, politically and militarily, particularly in Asia.[7] Former president George W. Bush's perception of China

[6] Zhang Guocheng, "*Ling Ren Guanzhu De Xin Dongxiang: Ri Mei Xiugai Fangwei Hezuo Fangzhen Chuxi*" [New Moves Worth Watching: A Preliminary Analysis of the Revisions of Japan-US Defence and Cooperation Guidelines], *People's Daily*, 14 June 1997.

[7] USCC (US-China Economic and Security Review Commission), *Report to Congress of the US-China Economic and Security Review Commission*, 2002, available online at www.uscc.gov.

as a "strategic competitor" in 2001, when he first came to power—particularly his pledge to protect Taiwan militarily—further contributed to China's anxiety over the United States's strategy towards China. China has paid close attention to Washington's and, to some extent, Japan's moves to woo India and Australia into some sort of loose strategic alliance to constrain China. Beijing is also concerned with the fact that the United States has expanded its defence and security ties with some Southeast Asian nations, including Singapore, Thailand, the Philippines, Indonesia and Vietnam, all in the name of anti-terrorism. Many Chinese analysts suspect that Washington desires to gain predominance in Southeast Asia under the pretext of counter-terrorism.[8]

Most Chinese observers concur that these US moves are designed to create structural restraints to China's influence in East Asia and that the US security challenge is the biggest variable in China's Asian policy. A popular argument by many Chinese analysts is that the United States has been pursuing a two-pronged strategy towards China in the post-Cold War era. On the one hand, Washington is keen to develop commercial ties with China in order to benefit from China's economic growth and seek cooperation with China on major international traditional or non-traditional security issues. On the other hand, Washington has evidently pursued a hidden or partial containment policy or, according to more moderate observers, a dual strategy of engagement and containment, to curb China's influence.[9] Others regard US strategic moves in Asia as a de facto encirclement of China. For instance, even when there were already significant improvements in China's security situation in the region by 2003, some Chinese analysts still argued that China was essentially encircled by the United States.[10]

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[8] Saw Swee-Hock et al., "An Overview of ASEAN-China Relations" in Saw Swee-Hock et al., eds., *ASEAN-China Relations: Realities and Prospects* (Singapore: ISEAS Publications, 2005), p6.

[9] Wu Guoguang and Liu Jinghua, "Containing China: Myth and reality" [*Weidu Zhongguo: Shenhua Yu Xianshi*], *Strategy and Management* [*Zhanlue Yu Guanli*], no. 1 (1996); Niu Jun and Lan Jianxue, "*Zhongmei Guanxi Yu Dongya Heping*" [Sino-US Relations and East Asia Peace], in Yan Xuetong and Jin Dexiang, eds., *Dong Ya Heping Yu Anquan* [Peace and Security in East Asia] (Beijing: Shishi Chubanshe, 2005), p47; Rosalie Chen, "China Perceives America: Perspectives of International Relations Experts", *Journal of Contemporary China*, vol. 12, no. 35, 2003.

[10] Tang Xizhong et al., *Zhongguo Yu Zhoubian Guojia Guanxi* [China's Relations with Neighbouring States] (Beijing: China Social Sciences Press, 2003).

These pessimistic views are reportedly shared by top Chinese leaders as well. Former vice-premier Qian Qichen opined in October 2002 that the United States was strengthening its containment moves against China and that Washington would never change its dual strategy towards China.[11] President Hu Jintao, reportedly in a private conversation, warned that the United States had "strengthened its military deployments in the Asia-Pacific region, strengthened the US-Japan military alliance, strengthened strategic cooperation with India, improved relations with Vietnam, inveigled Pakistan, established a pro-American government in Afghanistan, increased arms sales to Taiwan, and so on." He added: "They have extended outposts and placed pressure points on us from the east, south, and west. This makes a great change in our geopolitical environment."[12]

The "China threat" thesis that was quite popular in the United States in the 1990s also found its receptive audience in China's East Asian neighbourhood, in particular in Southeast Asia where many of these smaller states had experienced enmity and even hostility with China during the Cold War era. In addition, there were territorial disputes between China and a few Southeast Asian nations in the South China Sea. In fact, the frictions between China and the Philippines in the mid-1990s in the South China Sea significantly added to the strategic apprehensions of neighbouring states with regard to China's long term security behaviour in the region. Beijing was essentially concerned that some other small neighbours might be tempted to closely engage with Washington to constrain China's security role and influence in the region. China also understood that in order to dampen the "China threat" rhetoric it would be a better strategy to work on those small neighbouring countries to convince them that China intended to be a benign power.

On top of all the political and security concerns, Chinese leaders were obviously first and foremost worried about the domestic economic growth, the most crucial factor in sustaining the legitimacy of the ruling elite in the reform era. Chinese decision

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[11] Qian Qichen, "The Post-September 11 International Situation and Sino-US Relations", *Xuexi Shibao* [Study Times] (Beijing: Central Party School, October 2002), p. 6.

[12] Andrew J. Nathan and Bruce Gilley, *China's New Rulers: The Secret Files* (London: Granta, 2003), pp207-208; cited in Rosemary Foot, "China's Regional Activism".

makers believed that having a stable and peaceful regional environment was a prerequisite for them to concentrate on domestic economic modernisation. East Asia was also regarded as one of the most important regions for the success of China's export-led economic growth. East Asian nations have been China's indispensable markets, source of foreign direct investment, and source of energy and raw material supplies.

China's Security Approach in East Asia: Cooperation for Competition

In light of the challenging security situation in East Asia, China had basically three major options. First, it could use its hard power and adopt a hardline approach to confront the United States and its allies and coerce regional states to remain either neutral or closer to China. Second, China could attempt to come up with various proposals to shape the structure of the security environment in East Asia to sabotage US preponderance. The third option is to work within the existing regional security system in an attempt to maximise Chinese security interests. For the first option, China really did not give it much thought. Sober-minded Chinese decision makers clearly understood that it was simply a non-starter given the huge disparity of national power between China and the United States in the 1990s. The former leader Deng Xiaoping's dictum of maintaining a "low profile" international posture was a clear indication of this kind of strategic thinking. For the second option, China did make some efforts to reconfigure the security relationships in East Asia. For instance, in the late 1990s, China pushed for a "new security concept" which emphasises equality, mutual trust, dialogue, confidence-building, and institutionalised multilateralism. Part of the purpose was to weaken US-dominated security alliance arrangements in Asia. Nevertheless, so far, the Chinese effort in reshaping regional security structure through major reform measures has had very little effect. What Beijing essentially focused on doing was the third option: fostering and strengthening cooperative relationships under the existing regional system in order to better compete with the US and other major powers.

The cooperative aspect of China's regional security strategy has been demonstrated in improving bilateral relations with almost

all neighbouring countries, maintaining normal working relations with other major powers, active participation in various regional institutions and multilateralism, downplaying territorial disputes, participating and even taking the lead in various regional economic cooperation projects, providing preferable loans and assistances to neighbouring nations, and engaging regional states in non-traditional security issues.

It is worth emphasising that China's relations with its neighbours have never been better since the mid-20th century. Many scholars believe that China has essentially used its soft power to achieve this goal.[13] While there is still significant strategic rivalry and political distrust in China's relations with Japan and India, the two bilateral relationships are steadily moving forward. Beijing has consistently applied its policy of cultivating cooperative relations to all regional states regardless of the extent of their security ties with the United States or whether they have territorial disputes with China. For bigger neighbouring countries, economic interests served as the glue in their relations with China. For those smaller and less developed states, Chinese financial and other assistance programs were very attractive. Due to various reasons, we are not sure about the full extent of China's overseas development aid, but two sets of numbers might reveal the tip of the iceberg in China's assistance in Southeast Asia. In Cambodia, China provided at least US$800 million in 2005 and 2006, with most of the money being used for infrastructure and hydropower projects.[14] China has proffered US$1.8 billion to the Philippines on various development projects and will provide US$6 to 10 billion in loans over the next three to five years to finance infrastructure projects in the country.[15] In October 2009, at the 12th China-ASEAN summit in Thailand, China pledged to set up a US$10 billion China-ASEAN

[13] Joshua Kurlantzick, *Charm offensive: How China's Soft Power is Transforming the World* (Yale University Press, 2007); Mingjiang Li, ed., *Soft Power: China's Emerging Strategy in International Politics* (Lanham, Lexington Books, 2009); and Thomas Lum, Wayne Morrison, and Bruce Vaughn, "China's 'Soft Power' in Southeast Asia", Congressional Research Service report for US Congress, January 4, 2008.

[14] Elizabeth Mills, "Unconditional Aid from China Threatens to Undermine Donor Pressure on Cambodia", *Global Insight*, 7 June, 2007.

[15] *Business World*, Manila, 3 January 2008.

Investment Fund and extend US$15 billion of loans to ASEAN countries.[16] Over the years, Beijing also provided quite substantial assistance to the less developed neighbouring countries in areas such as human resources, agricultural production, infrastructure, education, and public health.

In the early 1990s, China was very suspicious of various regional multilateral institutions, viewing them as mainly the political tools of the United States. Even ASEAN was regarded as a partially anti-China grouping. After several years of cautious participation in various regional multilateral forums in the second half of the 1990s, Beijing realised that its previous perceptions of East Asian regional institutions were not accurate. Chinese officials began to understand that China's participation in those multilateral activities was helpful in reducing the "China threat" rhetoric in its neighbourhood and creating a more benign China image. Moreover, China found that it could use those regional institutions to better protect its national security interests. For example, at the ASEAN Regional Forum (ARF), China found that many smaller states in East Asia shared its position of opposition to setting up formal preventive diplomacy mechanisms in international crisis management in the region. This has helped China diffuse the political and diplomatic pressures from those active proponents of preventive diplomacy, primarily the United States.

Over the years, China has taken a proactive stance on bilateral and multilateral economic cooperation. China has worked hard to push for bilateral FTAs with various East Asian states, e.g. South Korea and Japan, and at the same time has also strenuously pushed for economic collaborations at the multilateral level. In 2001, Beijing proposed an FTA with ASEAN together with some flexible measures such as the early harvest scheme. This move is widely believed to be partially driven by the Chinese political goal of reassuring ASEAN countries of China's benevolence and further defusing the "China threat" rhetoric in the region. There are also other multilateral projects in Southeast Asia in which China plays an active role, for instance, the Greater Mekong River Sub-

[16] http://www.china-asean.gov.cn/html/news/info/2010/2010128/201012842873.html, (accessed January 25, 2010).

region project and the emerging Pan-Beibu (Tonkin) Gulf regional economic zone. In Northeast Asia, China is also engaged in a number of multilateral economic projects, such as the Tumen River regional development initiative and the Bohai economic circle. China is also enthusiastic about a trilateral FTA among China, South Korea, and Japan in Northeast Asia.

China has cooperated extensively on non-traditional security issues with other countries in Asia. Bilaterally with ASEAN, in 2000, China signed an action plan with ASEAN on countering drug trafficking. In 2000, China participated in the Chiang Mai Initiative for East Asian cooperation on financial security. In 2001, China, Laos, Myanmar, and Thailand held a ministerial-level meeting on fighting drug trafficking and publicised the Beijing Declaration. In 2002, China and ASEAN signed a joint declaration on cooperation in non-traditional security area, which specified issues of cooperation between the two sides, drug trafficking, human trafficking, piracy, terrorism, arms trafficking, money laundering, other international economic crimes, and crimes through the internet. In the Declaration on the Conduct of Parties in the South China Sea (DOC) that China and ASEAN signed in 2002, China pledged to cooperate with various parties concerned on marine environmental protection, search and rescue, and anti-piracy. In 2003, China and ASEAN held a special summit meeting to tackle SARS and initiated a cooperation mechanism on public health. In 2004, China signed a MOU with ASEAN on NTS cooperation, which further emphasised the need for Sino-ASEAN cooperation on NTS matters.

On thorny issues regarding territorial disputes, China has taken a significantly different approach as compared to its policies before the mid-1990s. Take China's approach to the South China Sea (SCS) dispute as an example. Chinese policy and behaviour in the South China Sea since the mid-1990s have been described as "considerable restraint."[17] It is largely a soft power approach. On one hand, China, like other disputants, never explicitly abandoned its sovereignty claim. On the other hand, there have also been important changes in China's approach, which include gradually engaging in multilateral negotiations in the late 1990s, stronger

[17] Shee Poon Kim, "The South China Sea in China's Strategic Thinking", *Contemporary Southeast Asia*, March 1998; 19, 4.

eagerness to push for the proposal of "shelving disputes and joint exploitation", and accepting moral as well legal restraints on the SCS issue. These changes are reflected in China's signing of the DOC, its accession to the ASEAN Treaty of Amity and Cooperation, and various joint actions with other disputant countries in the South China Sea, for instance, the joint resource exploration program conducted with Vietnam and the Philippines.

The same moderate approach also applies to the East China Sea dispute with Japan and the Taiwan issue. In the East China Sea, the diplomatic contentions have been tense between China and Japan, but Beijing has consistently argued for "joint development" of oil and natural gas in the area with Japan. In fact, the two governments signed an in-principle agreement to jointly exploit the resources in the East China Sea. For the Taiwan issue, since the mid-1990s, mainland China has quite strongly pushed for economic ties across the Taiwan Strait. In recent years, particularly since the KMT came to power in March 2008, cross-strait relations have seen dramatic improvements, both in the socio-political and economic arenas. It looks like Beijing has become more willing to deal with the Taiwan issue from a status quo basis.

In international relations, no nation is altruistic. China is no exception. All the above-mentioned cooperative means were aimed at achieving various strategic and security goals. Over the past two decades, Beijing has consistently attempted to compete against the possibility of containment or constrainment led by the US, compete for a better China image in the region, compete to create a more propitious regional environment for its domestic economic development, compete with other major powers, especially the US and Japan, for regional influence, and compete to consolidate a long term solid strategic position in the region.

All the above strategic and security goals centre on the question of how to cope with American dominance in the region and hedge against possible future US efforts at containment using China's neighbours. Through active participation in regional institutions, China competes to show it is more supportive of Asian interests and initiatives than the US. In some ways China appears more of a supporter of the status quo in Asia than the United States. Washington's aid to regional states is often accompanied by demands for liberal democratic reforms, whereas China makes no such demands. Indeed, China's strict concept of sovereignty

and non-interference is more compatible with regional values, particularly in Southeast Asia.

China's regional economic cooperation has placed it in perhaps the best position to compete for a long-term strategic position in the region. The ASEAN-China Free Trade Agreement is likely to further link the economies of Southeast Asian states to China, giving the latter more influence in the region. Chinese officials have talked about reorienting their economy and increasing domestic consumption, which would provide a vast market for Southeast Asia-produced goods. Moreover, through the various regional cooperative projects noted above, China is putting in place the infrastructure to facilitate trade with regional states, as well as increase regional tourism and communication, further tying the region together

Conclusions

In the post-Cold War years, in response to various security challenges in East Asia, Beijing adopted a regional strategy that could be best characterised as "cooperation for competition". Beijing understood that to retain a solid strategic position in its neighbouring regions in the long run, China would have to focus on domestic economic growth. This understanding necessitated a regional approach of using international policy to serve the imperatives of its domestic economic agenda. Chinese efforts in solving land border disputes, participating in various multilateral forums and institutions, pushing for regional integration, and improving bilateral relations all aimed to create a stable environment in China's neighbourhood and build an image of a rising but benign power. Gradually, Beijing realised that employing cooperative instruments was most effective to compete with other major actors in achieving its strategic goals and protecting its security interests.

Many signs indicate that China intends to continue to carry out this strategy in the foreseeable future. Such a strategy might continue to contribute to regional stability and peace as it has in the past two decades. By downplaying the security disputes and promoting various cooperative measures, it helps create an overall positive political atmosphere to better manage those disputes. It also makes it possible for various parties to engage in

communications and talks with regard to those disputes. However, it should be emphatically noted that China's cooperation for competition strategy is far from an attempt to seek final solutions to those security problems. It has largely been premised on Beijing's acknowledgement of the status quo of those security issues. There are still many uncertainties with regard to the possible scenarios of those disputes, particularly when China's military becomes much stronger in twenty years. This is exactly why many regional states still harbour strategic suspicions of China.

The growth of China's strategic influence in East Asia, largely as a result of its cooperation for competition strategy, has become a serious concern for Washington and Tokyo. In fact, observers in the strategic circles in the US are now alarmed by the increase of China's influence in the region. They worry that China is making all the strategic gains at the expense of the US. Indeed, China's approach of using the "charming offensive" to compete at the strategic level is a very difficult challenge to the US. Washington would have a much easier time to cope with East Asian international affairs if China had adopted either an aloof stance towards many of its neighbours or an assertive and heavy-handed strategic approach.

How should the US respond to China's cooperation for competition strategy? Policy makers in Washington need to understand four things. First, China's relentless efforts in managing its international relations in East Asia in the past two decades have entailed a regional situation in which containment or constrainment of China has become an unfeasible option. Second, with the increase of Chinese power and interactions with neighbouring countries, Beijing will naturally become more important to other states in East Asia. Willingly or unwillingly, Washington will have to recognise the fact. Third, China's increased strategic influence in East Asia has not been translated into any dramatic rise of its security profile. For the foreseeable future, many regional states will still look upon the US, not China, for security protection. Fourth, China's cooperation for competition strategy has also created or expanded areas of international interactions, for instance, non-traditional security in the region. Officially Beijing does not seek to exclude the US in any of the policy areas in the region for fear that doing so would aggravate the strategic suspicions in Washington and many capitals in East

Asian, while at the strategic level China would be happy to see the gradual decline of US strategic weight in the region. This essentially means that a good strategy for the US is to step up its involvement in various policy areas in East Asia and to stage a similar "charming offensive" strategy.

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Japanese Foreign and Security Policies under Prime Minister Yukio Hatoyama—Some Changes, A Lot of Continuity

Axel Berkofsky

I. Introduction

What will be new and what will remain the same on Japanese Prime Minister Yukio Hatoyama's foreign and security policy agenda in the months and years ahead? "Probably very little and most of it" is only a mere possibility. This paper seeks to examine the various issues and policies which could be manoeuvred on the prime minister's foreign and security policy agenda.

Japan's (relatively) new government which took office last September is currently reviewing some of the policy initiatives and policies which gradually, but nonetheless, fundamentally, transformed the quality and impact of Japan's regional and global foreign and security policies initiated and implemented under former prime minister Junichiro Koizumi from 2001-2006. Amongst others, Koizumi back then oversaw Japanese military providing US forces engaged in the war in Afghanistan with logistical support in the Indian Ocean (2001-2010), dispatched military personnel to Iraq (2004-2006), and had his government adopt a series of laws enabling Japan to participate in and contribute to international military missions.

Currently, as will be shown below, parts of that "upgrade" of Japan's regional and global security profile, promoted and indeed taken for granted by previous governments run by the Liberal Democratic Party (LDP), are subject to change and adjustments.

For starters, Prime Minister Hatoyama announced a re-visiting of some of what he called "asymmetries" of the US-Japan security alliance aimed at transforming the alliance into one of

"equal partners". In fact, an envisioned "emancipation" within the security alliance with Washington was the central issue on his election campaign agenda and along with it were plans to re-visit and possibly change an US-Japan agreement on the re-location of US forces in Japan, possibly further reducing the US military presence in Okinawa. This has been illustrated in the later half of the paper.

Hatoyama's first foreign policy initiative after taking office last September was to cease the extension of Japan's refuelling mission in the Indian Ocean. (The mission begun in November 2001 and eventually was terminated on January 1, 2010.) His first months in office were dominated by US-Japan friction over his decision to seek to review an existing US-Japan agreement dealing with the US forces' realignment plans for Japan in general and the US military presence in Okinawa in particular. In December 2009, the Hatoyama government decided, at least temporarily, to reduce the funds for the development of the envisioned joint US-Japan missile defence system.

The Asian security environment and challenges Prime Minister Hatoyama's Japan is confronted with will remain unchanged in the months and years ahead, thereby leaving limited room for fundamental or radical changes on Japan's regional foreign and security policy agenda. In the region, Japan will continue to deal with a "quasi- nuclear" North Korea (which after years of multilateral pressure and negotiations remains reluctant to abandon its nuclear ambitions) and an economically and militarily growing China.

As will be shown below, Japan's North Korea policies in the months ahead will essentially and by default remain unchanged even if we will probably experience less of what Japan scholar Christopher W. Hughes calls "super-sizing" the North Korean threat to justify increases in the defence equipment purchases. Japan's policies towards China too are very unlikely to experience fundamental changes in the months ahead and the analysis below will seek to explain why.

II. Middle-Power Diplomacy?

For what it is worth, there is wide agreement amongst analysts that Prime Minister Hatoyama is most probably a supporter of Japan

formulating and implementing so-called “middle-power diplomacy” foreign and security policies, a foreign and security policy concept advocated by Yoshihide Soeya, professor at Keio University in Tokyo amongst others. This concept stresses multilateral diplomacy within Asia while at the same time acknowledging the US-Japan security alliance as the cornerstone of Japanese national and regional security policies.

However, Hatoyama’s path towards effective and result-oriented “middle-power” diplomacy is not free from controversy and is yet suffering from a lack of details. While currently Japan’s US alliance policies is still being dominated by a controversy over a 2006 US-Japan troops re-location agreement, Japan’s envisioned concepts of promoting and indeed leading regional economic and financial integration in general and the establishment of a so-called “East Asian Community” (EAC) in particular are yet fairly vague and short of concrete policy initiatives.

III. Regional Integration and The East Asian Community

Some commentators and analysts attributed a lot of importance to Prime Minister Hatoyama’s announcement during last year’s ASEAN plus 3 summit in Thailand in October to resume the promotion of an East Asian Community (EAC) under Japanese leadership. Some (admittedly over-enthusiastic) analysts referred to that announcement as a “defining moment” in reorienting Japan’s foreign policy under Japan’s new prime minister. However, up to date the Japanese government and prime minister have offered very few details on possible Japanese policy initiatives pointing to a leadership role with regard to Asian integration through the promotion of the envisioned East Asian Community; to be sure, not least because the concept of an East Asian Community itself (discussed once a year on an intergovernmental level on the framework of the East Asian Summit (EAS), taking place in the framework of the yearly ASEAN summit) remains very vague and offers very few tangible details on how an East Asian Community will promote and possibly lay a further basis for the institutionalisation of Asian integration.

For the foreseeable future the EAC will remain what it has been since the first EAS in Kuala Lumpur in 2005: an informal gathering of Asian heads of states agreeing in very vague terms

on the project to deepen regional integration without however committing themselves to equip the EAS with the instruments, mandate, and (legally-binding) authority to implement further (political) integration. In other words, the EAS will in the years ahead not transform itself from a forum to an institution thereby turning a political vision of an EAC into a measurable political reality.

Hatoyama's EAC vision has been criticised for running counter to Japan's traditional endorsement of so-called "open regionalism" as Hatoyama's idea of an EAC does not explicitly include the US (to be sure, while not explicitly excluding it either). However this criticism and fear that Japan could join China in seeking to exclude the US from Asian regional integration is hardly new and first gained prominence in the run-up to the first East Asia Summit in Kuala Lumpur, Malaysia in 2005. Back then, (mainly US) concerns about a possible "exclusion" from Asian integration through the exclusion from the EAS turned out to be very short-lived when it became clear that the EAS is more than anything else an informal gathering of Asian heads of state discussing a very vague and opaque vision of an East Asian Community.

The idea of an EAC, however, will remain just that in the years ahead and the Japanese prime minister's aim to put the establishment of an EAC on top of Tokyo's regional foreign policy agenda is very unlikely to transform the situation. To be sure, Japan, as one of the few Asian democracies, would (at least in theory) be equipped with the means, instruments, and capabilities to foster further (possibly EU-style) Asian political and economic integration, if one subscribes oneself (as this author does) to the theory that democratic structures and the willingness to share assign parts of its sovereignty to institution are the very preconditions for meaningful political integration.

Consequently doubts emerge if other Asian nations which are non-democratic in nature like China will be interested to follow a Japanese lead in fostering Asian political integration, especially if the countries have to give up a part of their political sovereignty like the members of the European Union.

Up to date, Asian regionalism and regional integration is, above all, about (or almost exclusively) economic integration through free trade agreements and other networks of trade, investment, and industrial collaboration. This is very unlikely to

change in the years ahead. However, with Japan's economic and financial resources and capabilities as well as its regional trade and investment relations it would indeed be possible for Tokyo to intensify (or re-activate) its leadership role with regard to regional economic and financial integration.

However, apart from adopting a free trade agreement with ASEAN in 2008, discussion with South Korea (with occasional interruption) have yet to bring out any concrete and relevant Japanese initiatives which could point to a Japanese regional leadership role as regards to economic integration. Also, Hatoyama's vision for Japanese leadership in establishing an Asian monetary fund as well as promoting a common Asian currency has not yet been translated into concrete policy initiatives.[1]

Mr. Hatoyama's predecessor Taro Aso also presented himself as an active supporter of expanding the so-called Chiang Mai Initiative, a multilateral system set up in 2000 to enhance multilateral currency swaps.[2] Prime Minister Hatoyama too is in favour of strengthening regional financial integration but he has yet to offer details on how exactly he would achieve this role. It remains very doubtful that the region (for various reasons, above all due to the lack of an institutional structure equipped with the mandate to manage and implement financial integration) will in the months and most probably years ahead experience further sustainable financial integration, let alone a common Asian currency as envisioned by some in Asia.

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[1] See for example John De Boer, "Hatoyama's Vision for a New Japan", *JPRI Critique*, vol. XV, no. 4, November 2009, Japan Policy Research Institute (JPRI), http://www.jpri.org/publications/critiques/critique_XV_4.html; George Mulgan, Aurelia, "Is there a Japanese Concept of an East Asian Community?", *East Asia Forum*, November 6, 2009; John Hemmings, "Understanding Hatoyama's East Asian Community Idea", *East Asia Forum*, Jan 22, 2010, http://www.eastasiaforum.org/2009/11/06/blurred-vision-is-there-a-japanese-concept-of-an-east-asia-community/; http://www.eastasiaforum.org/2010/01/22/understanding-hatoyamas-east-asian-community-idea/

[2] See for example Eric Talmadge, "S. Korea, China, Japan Show Unity at First Summit", *The Daily Yomiuri Shimbun*, Dec13, 2008; also "Asian giants agree economic plan", *BBC News*, December 13, 2008, http://news.bbc.co.uk/2/hi/asia-pacific/7781027.stm; Jun Hongo, "Tokyo, Beijing, Seoul Unite in Face of crisis", *The Japan Times Online*, Dec14, 2008, http://search.japantimes.co.jp/cgi-bin/nb20081214a1.html

IV. Hatoyama's Zero-Sum Diplomacy?

In the context of Hatoyama's vision of further concrete regional integration, some US commentators argue that Japan's alleged "new directions" of its foreign policy will be beneficial for both the US and Japan. This assessment is based on the assumption that Japan will assume a more active role in promoting Asian integration (and hence Asian stability), and will automatically serve US political and economic interests in the region. For other US analysts (mostly realist and at times "alarmist"), Tokyo's plans to intensify its regional diplomacy and its promotion of regional integration under Japanese leadership signifies the fact that Japan is "drifting away" from the US-Japan security alliance. According to these "zero-sum" scenarios the expansion of Japan's bilateral ties with Asia (above all with China) would automatically lead to Japan "neglecting" Washington and hence lead to the deterioration of bilateral relations between the United States and Japan.

Realistically, however, Japan's (on paper) plans to strengthen its diplomatic and political relations within Asia cannot be understood in zero-sum terms, due to two reasons. First, Japan will continue to depend on US military protection in the case of a regional military contingency, such as a missile attack from North Korea. Further, the lack of US security guarantees would almost inevitably lead to Japan having to drastically increase its defence budget. Instead, Prime Minister Hatoyama has confirmed Japan's financial commitment to continue jointly developing a regional missile defence system with the US even if some in his government question the effectiveness of that system.

Second, although China and Japan will continue to perceive each other as strategic rival and competitor, however, political relations and exchanges will be far less intensive and more bilateral trade and business ties will take place in the future.

V. US-Japan and the Futenma Controversy

Japan is hosting roughly 47,000 US troops on Japanese soil, of which 75% are stationed on Okinawa (occupying 20% of Okinawa's territory). Tokyo is co-financing the US presence in Japan, annually contributing roughly $5 billion.

Throughout his election campaign in 2009, Hatoyama

announced plans to revisit the 2006 Japan-US agreement codifying the re-location of the US Marine Corps Air Station Futenma from the residential area of Ginowan in the southern densely populated part of Okinawa to Henoko, a less densely populated area in the northern part of the island. As part of the agreement (which was signed after 13 years of bilateral and often controversial negotiations), Washington agreed to reduce the number of US military stationed in Japan by re-locating 8,000 marines from Okinawa to Guam by 2014.[3]

Washington has in recent months increased the pressure on Tokyo to stick to the existing agreement, announcing that the White House might not be able (or willing) to request a budget allocation from the US Congress for the planned transfer of the US marines from Okinawa to Guam in the budget compilations for fiscal year 2011 if Tokyo does not stick to the 2006 agreement.

While Prime Minister Hatoyama has promised to decide by May, whether Tokyo will or will not stick to the existing agreement, numerous US analysts have in recent months been arguing that Hatoyama's decision to resist US pressure on the re-location agreement is putting the US-Japan alliance at risk, eventually jeopardizing Japanese national security.

Realistically, however, US criticism and analysts fearing a rupture of US-Japan security ties can be described as having an unrealistic assessment of Japanese requests to re-negotiate the existing bilateral agreements.

The Pentagon's frustration with Japan after all these years of trying to solve Futenma is probably understandable, but it is not unusual in international politics that a new government reviews bilateral agreements negotiated under the previous governments.

To be sure, re-negotiating the base re-location agreement is not Washington's preferred option (to put it mildly) as US Secretary of State Hillary Clinton let her counterpart Katsuya Okada knew in mid-January. At a meeting in Honolulu, Clinton urged Tokyo again (and again) to stick to the existing agreement and Japan's

[3] See Axel Berkofsky, "Okinawa Call to Shape new US-Japan Era", *The Asia Times*, Feb 6, 2010, http://www.atimes.com/atimes/Japan/LB06Dh01.html; same author, "Tokyo Plays Hard to Get with Washington", ISN Security Watch, Dec 18, 2009, http://www.isn.ethz.ch/isn/Current-Affairs/Security-Watch/Detail/?lng=en&id=110649

alleged "commitment" to re-locate the marines from Ginowan to Nago. Indeed, the agreement is, at least as far as Washington is concerned, "non-negotiable" as has been stated by US Secretary of Defence Robert Gates during his visit to Tokyo last November.

In Japan in the meantime, there is no shortage of (largely unrealistic) suggestions coming from within the Hatoyama cabinet on where to re-locate the base. Over recent months, amongst other, there has been a suggestion to move the marines to Shimoji, a small island about 280 km southwest of Okinawa's main island or to Iwoto island close to Tokyo. Furthermore, there was a proposal to leave the US Marine Corps Air Station Futenma in Ginowan and transfer some of its helicopter drills in these areas to a place referred to as "Remote Island".

Some of these proposals have been categorically rejected by the US in the past and, given the lack of realistic alternatives within Japan, it cannot be excluded that the prime minister might eventually be obliged to stick to the existing agreement. If it turns out in May that the US-Japan base re-location agreement remains unchanged, the Social-Democratic and the New People's Party, the DPJ's junior coalition government partners, could in protest decide (as they have threatened last December) to leave the coalition, potentially blocking or at least slowing down Japan's lawmaking process. Given that there is a very small number of seats in parliament, the DPJ government will not come down if the SDP and the New People's party decides to leave the coalition. However it would hamper the DPJ's ability to get bills passed through both chambers of the Japanese parliament as the DPJ does not have the necessary majority in Japan's Upper House (the second chamber of Japan's parliament) to turn bills into laws without the approval of the opposition.

In its fiscal budget for 2010, Tokyo has allocated 28.8 billion yen for the re-location of the US Futenma air station and has put aside 34.6 billion yen for the transfer of US marines from Okinawa to Guam. Washington and the US Congress have done the same last December by adopting a $310 million budget for the transfer of US marines from Okinawa to Guam in 2010, not without threatening to delay the allocation of funds beyond 2010, if Tokyo decided not to stick to the 2006 troops re-location agreement.

In sum, Japan's prime minister is not (at least not yet) prepared to do what the LDP predecessor governments have done

over decades: putting the main burden of US military presence in Japan on Okinawa regardless of decade-long protests and problems associated with and caused by US military presence in Okinawa.

VI. US-Japan Missile Defence

Hundreds of North Korean missiles are reportedly aimed at Japan (and South Korea) and it is being estimated that Pyongyang's Nodong missiles are able to reach Tokyo in less than 10 minutes. Since 1998, Japan along with the United States is preparing to defend itself better against a (admittedly very unlikely) North Korean missile attack by jointly working on the development and deployment of a regional missile defence system.[4] The US has urged Japan for years to increase its contributions to the costly missile defence system into which Japan invested $1.8 billion in 2008.[5]

Currently, some policymakers within the ruling DPJ, notably Foreign Minister Okada, however, (despite the recent successful tests, i.e. the system's ability to intercept and shoot down a missile), question the effectiveness of the system, urging the prime minister to verify whether the invested funds will bring desired results in the years ahead.

While the Hatoyama government remains in principle committed to jointly developing ballistic missile defence (BMD) (with Japan allocating funds in 2010 and beyond) it has in December 2009 announced to suspend the allocation of additional funds requested from Japan's Ministry of Defence for the deployment of new Patriot Advanced Capability-3 (PAC-3) surface-to-air interceptors. These were first requested by Japan's Ministry of Defence after North Korea's missile tests in 2009.

Last December, Japan's cabinet approved defence-spending guidelines for the 2010/11 financial year, which excluded the

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[4] For details see for example Hughes, Christopher W., C Beardsley, Richard K, *Japan's Security Policy and Missile Defence* (Routledge/Curzon, 2008).

[5] For details see for example Under Fukuda, "Japan Accelerates Ballistic Missile Defense Cooperation with the United States", WMD Insights, February 2008, http://www.wmdinsights.com/I22/I22_EA5_JapanAcceleratesBMD.htm; also "Japan Looking to Expand Missile Defense & Military Spending", *Defense Industry Daily*, Sep 5, 2006. www.defenseindustrydaily.com/japan-looking-to-expand-missile-defense-military-spending-02576/;

allocation of additional funds after April 2011 for additional PAC-3 units envisioned by the previous LDP government. This decision will delay the ministry's plans to deploy PAC-3 units at three more Japanese military bases over the next five years.

The missile shield in Japan—made up of Patriot Advanced Capability-3 (PAC-3) surface-to-air missiles and the warship-installed Standard Missile 3 (SM-3)—had been set for completion by early 2011. In view of the December 2009 budget cuts, however, this seems now unlikely. However, it cannot be excluded that the government's decision to cut funds for PAC-3 will be revised in the course of 2010, should the government reviews its defence policy guidelines and comes to the conclusion that additional PAC-3 capabilities are necessary. While the cost-effectiveness of the PAC-3 element of the ballistic missile defence system is currently discussed controversially amongst policymakers, analysts like Christopher W. Hughes from Warwick University, point out that the Ministry of Defence is likely to make most of the day-to-day choices on procurement, meaning that opponents of the system within the ruling DPJ might not necessarily have a veto over the ministry's decision to expand Japan's missile defence capabilities.

Furthermore, there is overall support for missile defence in Japan and the realisation that Japan can hardly afford to terminate the development of the missile defence system after having invested significant resources for over 10 years.

VII. Ties with China

Prime Minister Hatoyama, admittedly like his LDP predecessor Taro Aso, envisions a so-called "strategic partnership" with China, a concept long advocated by the influential DPJ secretary-general Ichiro Ozawa. However, Prime Minister Hatoyama has yet to explain what exactly the "strategic" dimension of this partnership is, and to what extent will be the expansion of existing business and trade ties between them.

Japan and China are committed to and interested in further (economic) Asian integration and have in recent years entered into competition with each other. For example, in the adoption of free trade agreements within Asia. As long as the outcome of Sino-Japanese competition is further Asian economic and trade integration, such competition can be referred to as "healthy".

For example, Japan has followed China's example of signing a free trade agreement (FTA) with ASEAN in 2007 and is currently envisioning and negotiating other bilateral FTAs.

Aside from territorial disputes (for details see below) and regional rivalry between Japan and Chinese over a leadership role about regional integration, Japan's default strategy will be to continue economic and political engagement with China in East Asia. Bilateral trade between Japan and China amounted to US$266.4 billion in 2008, Japan remains the biggest investor in China, and more than 10,000 Japanese companies operating in China are employing 11 million Chinese workers.

However, growing economic interdependence notwithstanding, Japanese regional defence and security policies will, despite Hatoyama's engagement policies, also be driven and defined by a real or imaginary "China threat" potentially derailing Japan's economic engagement strategy. As long as Prime Minister Hatoyama and his DPJ are in power this risk is probably relatively low, but it cannot be excluded that Hatoyama could have difficulties containing inner-Japan antagonism and mistrust towards China should for example Chinese "research ships" and warships like in the past intrude into Japan's exclusive economic zone (EEZ) in the East China Sea, around the disputed Senkaku Islands (or Diaoyu Islands in Chinese).

In sum, Japan's policies towards China will continue to take place in the framework of a two-dimensional China strategy in a fragile balance influenced by mutual mistrust and antagonism.

VIII. Japanese-Sino Territorial Disputes

Tokyo and Beijing have for years and indeed decades argued over territories in the East China Sea referred to as "Senkaku Islands" in Japanese and as "Diaoyu Islands" in Chinese. Not necessarily the islets itself, however, but the natural gas and oil resources around the island are the main issue of the dispute. Japanese-Chinese friction over disputed territories will continue to remain on the Japanese-Chinese agenda in the years ahead and the scope for concessions and compromise will continue to remain very small.

Occasionally causing protests in Tokyo and usually bilateral diplomatic friction, Chinese vessels (Beijing typically refers to them as "research ships") enter into Tokyo's so-called Economic

Exclusive Zone (EEZ), in vicinity of the disputed territories in the East China Sea.[6] Furthermore, Beijing is being accused by Tokyo of having in the past drilled for oil and gas in the disputed territories.

In 2008, former LDP prime minister Fukuda launched negotiations on concluding a treaty over a joint gas development project in the disputed waters in the East China Sea and ever since (and like never before) Tokyo and Beijing have demonstrated willingness (at least on paper) to seek a "mutually beneficial solution" to the territorial disputes. However, Beijing is yet to officially agree on the idea of institutionalising Sino-Japanese exploration and there are currently no indications that Chinese policymakers are planning to do so anytime soon.

Indeed, given the sensitivities of the territorial issue neither the government in Tokyo nor the one in Beijing could for domestic reasons afford to abandon the claimed territories in the East China Sea. Consequently, possible joint exploration of natural resources in the East China Sea will continue in the years ahead. It is doubtful if Tokyo and China can reach a mutually benefiting solution to this problem in the near future.

IX. North Korea

Japan's approach towards North Korea under Japan's new administration will essentially remain unchanged. Japanese economic sanctions will remain in place unless there is a radical policy shift (which is unlikely) or North Korea resumes the dismantlement of its nuclear facilities as agreed in the framework of the so-called Six-Party Talks, a multilateral forum (US, China, Russia, Japan, South Korea and North Korea) hosted by Beijing since 2003.

Leaving North Korea's alleged nuclear ambitions aside, another issue which is of importance is the so-called "abduction issue" in Japan. In the 1970s and 1980s, North Korean secret service agents abducted up to 100 Japanese citizens amongst others to "employ" them as Japanese language "instructors" teaching Japanese language to secret service agents.

[6] See for example Christopher W. Hughes, "Japan's Response to China's Rise", *International Affairs*, vol. 85, no.4, July 2009, Chatham House London.

Kidnapped Japanese

Back in 2002 during the last Japan-North Korea Summit in Pyongyang, North Korea admitted to having abducted Japanese citizens in the 1970 and 1980s and officially apologised for the kidnappings. While Pyongyang considered the issue to be settled through this official apology back then, Tokyo on the other hand continues until the present day to ask for more and more important verifiable information on what happened to the kidnapped Japanese after the abductions decades ago. In 2003, some kidnapped Japanese who were forced to live in North Korea for decades were allowed to return to Japan for what the government in Pyongyang referred to as "holiday". The "holiday" in Japan, however, turned into a permanent one after Tokyo decided not to let the kidnapped Japanese-turned-North Korean citizens return to North Korea. The episode became even more absurd when Pyongyang accused Japan of having "kidnapped the kidnapped Japanese".

In 2008, Pyongyang has promised a "re-investigation" of the case, but so far it has not provided Tokyo with information beyond the information available centring around highly implausible explanations that the kidnapped citizens died from rare diseases or car accidents over the last decades.[7]

In view of the strong Japanese public opinion on the abduction issue[8] no Japanese government could afford to initiate progress towards the normalisation of relations with North Korea without a resolution to the abduction issue on Japan's terms, meaning that Tokyo's sanctions imposed on North Korea will very likely remain in place.

[7] There were almost no limits to what Pyongyang would invent as absurd and non-credible explanations as to what happened to the abductees in North Korea since their abduction from Japan.

[8] The participation of the Japanese public in Japanese day-to-day politics—domestic and external—is typically very low in Japan. The "abduction issue" is a notable exception in this context.

Japanese Economic Aid and Sanctions

After the official apology was offered to Japan by North Korea for kidnapping Japanese citizens, Japan had hoped that this apology will be followed by an explanation of exactly what happened to the kidnapped Japanese in North Korean captivity over the decades. Therefore, Tokyo had offered Pyongyang a large-scale economic aid package in return for progress on the denuclearisation and abduction issues. However, Pyongyang considered the issue to be settled through this official apology back then. After an establishment of diplomatic relations with North Korea, Tokyo was reportedly considering an economic aid package in the range of $5-$10 billion, which in proportion would have corresponded to what Japan offered South Korea after diplomatic relations in 1965. Japan's comprehensive assistance package would have consisted of grants, low-interest long-term loans, humanitarian assistance, and financing credit for private firms. The amount of funds considered would have been a very significant amount of money given that the entire North Korean economy was estimated to be worth $20 billion in 2003.[9]

The current Japanese economic sanctions on North Korea were first imposed in 2006, when North Korea conducted a long-range missile test in July of that year.[10] The sanctions included banning all North Korean imports and stopping its ships entering Japanese territorial waters.[11] It had considerable impact on North Korea's export of produce like clams and mushrooms, which earned foreign currency in Japanese markets. The sanctions were banning port calls by a ferry that ethnic Koreans in Japan used to send hard currency back to their homeland. Over decades these shipments have been an important source of hard currency revenues in North Korea and it is estimated that up to $250 million dollars per year—mostly gained from the lucrative pachinko business run

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[9] For details see for example Mark Manyin, "Japan-North Korea relations - Selected Issues", CRS Report for Congress, November 26, 2003, http://fpc.state.gov/documents/organization/27531.pdf.

[10] See "Japan extends sanctions against North Korea", *CCN*, April 10, 2009.

[11] See for example "Japan announces N Korea sanctions", *BBC World Service*, 11 October 2006.

by ethnic Koreans in Japan—were shipped to North Korea on an annual basis.[12]

In June 2008—after an interruption of almost one year—Tokyo and Pyongyang resumed bilateral talks after Pyongyang North Korea promised a "re-investigation" of the fate of Japanese citizens abducted by Pyongyang in the 1970s and 1980s.[13] Furthermore, Pyongyang for the first time voiced its willingness to hand over to Japan the four remaining members of the nine hijackers of a Japan Airlines jet in 1970. In return, Tokyo agreed to partially lift sanctions against Pyongyang, allowing certain North Korean ships to make port calls in Japan.[14] Tokyo was also ready to lift restrictions on individual travel and charter flights between the countries.[15] After North Korea's rocket launch in April 2009, Japan then announced to extend economic sanctions by one year, including the ban on imports imposed in 2006. Tokyo also announced to tighten oversight of fund transfers from Japan to North Korea and decided to strengthen a ban on selling luxury goods to North Korea, including pricey beef, caviar, alcohol, and cars.[16] The Japanese cabinet back then also approved measures to tighten monetary transmission rules to North Korea requesting that any monetary transmission to North Korea over 10 million yen ($100,000) and cash delivery over 300,000 yen ($3,000) has to be reported to the government.

[12] Roughly half of Japan's pachinko parlors (pachinko is a pinball form of gambling generating huge amounts of revenue) are owned by ethnic Koreans in Japan. Other sources, on the other hand claim that North Korean remittances are much lower than that having declined to as little as $30-million level since the early 1990s, following the bursting of Japan's economic "bubble" and the decade-long economic crisis throughout the 1990s. Fact is that many of Chosen Soren's credit unions went into bankruptcy in the 1990s and several of these have been when revelations surfaced that some credit unions had transferred money to the regime in Pyongyang.

[13] See Kin, Kwan Weng, "Japan lifting some curbs on North Korea", *The Straits Times*, August 14, 2008, http://www.asianewsnet.net/news.php?id=812&sec=1.

[14] See David Kang, Lee-Ji-Young, "Japan-Korea relations: tentative improvement through pragmatism" Comparative Connections, Pacific Forum, CSIS, Hawaii, July 2008, http://www.csis.org/media/csis/pubs/0802qjapan_korea.pdf

[15] "N. Korea, Japan agree to investigation terms", *China Post*, August 13, 2008.

[16] See "Japan strengthens North Korea sanctions", *Wall Street Journal*, April 9, 2009.

During a Japan-South Korea summit late last year, Prime Minister Hatoyama supported South Korea's President Lee's proposal of a "grand bargain" to resolve the nuclear crisis indefinitely. Such a "grand bargain" calls on the North to take irreversible steps to dismantle its nuclear programs in return for a security guarantee and economic aid from US-led negotiating partners, including South Korea, Japan, China, and Russia. This is, in essence, what North Korea has already agreed to do (but failed to implement) in the framework of so-called February 2007 "Nuclear Agreement" negotiated and in the framework of the Six-Party Talks in Beijing.

Pyongyang has in May 2009, conducted an underground nuclear test after its first nuclear test in October 2006. A day after the May 2009 nuclear test, Pyongyang test-fired two short-range missiles off an east coast base in North Korea, followed by the test firing of another two short-range missiles into the Sea of Japan on May 27, 2009. Part of Japan's defence establishment will continue to use the potential military threat from North Korea as justification (or pretence as the critics claim) to request an upgrade of Japan's military capabilities. "Super-sizing" the North Korea threat is a part of the defence establishment's strategy to justify and request an upgrade of Japan's defence capabilities as Japan scholar Christopher W. Hughes puts it in a paper published by Asian Survey in 2009.[17] That strategy, however, is unlikely to be successful under Japan's new administration, not least due to the shortage of funds in view of Japan's soaring public debt amounting to 200% of the GDP's in 2009.

X. Japan's "Peace Constitution"

The main reason why Tokyo refers to its armed forces since their establishment in 1954 as "Self-Defence Forces" (*jietai* in Japanese) is because of Article 9 of the Japanese Constitution which does not permit Japan to maintain armed forces. A minority of left-leaning scholars and activists continue to question the constitutionality of Japan's armed forces, but the political mainstream and large parts

[17] See Christopher W. Hughes, "Supersizing the DPRK Threat-Japan's Evolving Military Posture and North Korea", *Asian Survey*, vol. XLIX, no.2, March/April 2009.

of the country's population have accepted the existence of Japan's armed forces decades ago.[18]

Constitutional Revision—
Revising Article 9 of Japan's Constitution

In order to solve the contradiction between the existence of Japan's armed forces and the pacifist Article 9 of Japan's Constitution, Japanese governments led by the Liberal-Democratic Party (LDP) have sought since the early 1990s, to put constitutional revision in the top of Japan's domestic policy agenda. The *Yomiuri Shimbun*, Japan's biggest daily newspaper, and the country's defence establishment have been supporting these plans and over the last 10 years numerous parliamentary studies and expert groups have presented various draft constitutions and proposals on how to revise the constitution. The proposals centre around the revision of Article 9 in order to make Japan's armed forces constitutionally and formally legal.

However, it is doubtful if Japan's constitution will be revised any time soon, unless the legal requirement of how to change or amend the Japanese Constitution will be changed. A two-third majority in both chambers of the Japanese parliament (Lower House and Upper House) is required to change the constitution, which is virtually impossible given the current political constellations in Japan. This two-third majority in both chambers of the parliament would then have to be followed by a popular referendum and even if the Japanese voters increasingly lean towards constitutional revision per se, recent survey data has shown that the majority of the public would not vote for the abolition of Article 9 of the Constitution.

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[18] For a critical assessment see for example Martin, Graig, "The Case Against 'Revising Interpretations' of the Japanese Constitution", *Japan Focus*, http://japanfocus.org/_Craig_Martin-The_Case_Against; also Samuels, Richard, "Politics, Security Policy, and Japan's Cabinet Legislation Bureau: Who Elected These Guys, Anyway?", JPRI Working Paper No. 99 (March 2004), Japan Policy Research Institute (JPRI), http://www.jpri.org/publications/workingpapers/wp99.html; Axel Berkofsky, "Japan's New Army to the Rescue of US Forces", *The Asia Times Online*, April 3, 2004, http://atimes.com/atimes/Japan/FD03Dh02.html

Prime Minister Hatoyama is officially in favour of constitutional revision and has repeatedly voiced his intention to deal with constitutional revision on his domestic policy agenda.[19] Realistically, however, constitutional revision is very unlikely to make it anywhere near the top of the country's policy agenda in the months ahead, not least in view of the problems associated with Japan's current economic crisis and other important issues.

The last Japanese prime minister who sought to put constitutional revision on top of Japan's policy agenda was Shinzo Abe who governed Japan for more than one year from 2006/2007. Abe back then did not get any support from the Japanese electorate for his plans to push constitutional revision on the domestic policy agenda and was (rightly) accused of setting the wrong priorities in times of economic transformation in Japan (Abe resigned in September 2007).

XI. Hatoyama and Japan's International Missions

A. Refuelling Mission on the Indian Ocean

Authorised by Japan's 2001 so-called Anti-Terrorism Special Measures Law the Japanese navy has since November 2001 been refuelling US, British, and other nations' vessels engaged in the war in Afghanistan. The law expired after one year and was consequently submitted to the parliament and was adopted several times from 2001 till present. The last time this was adopted was in December 2008 when the then-governing LDP used its two-third majority in Japan's Lower House for over-ruling the political opposition's Upper House majority, thereby enabling the refuelling mission to continue until January 2010.[20]

At the end of 2009, Japan's new government decided not to re-submit the bill to the parliament, instead announcing that Japan's refuelling mission would end on January 1, 2010. Hatoyama's decision late last year to end Tokyo's refuelling mission in the Indian Ocean is without a doubt an indication that Japan led by

[19] See for example Funabashi Yoichi, "Tokyo Trials", *Foreign Affairs*, Nov/Dec 2009.

[20] See Yamaguchi, Mari, "Japan OKs extension of anti-terror navy mission", *The Yomiuri Shimbun*, Dec12;,Kato, Jun, Shima, Chikara, Ogawa, Satoshi, "Law's enactment renews commitment; MSDF's refueling mission unlikely to provide solution to Afghan problems", *The Daily Yomiuri Shimbun*, Dec13, 2008; also, "Japan extends Afghan mission", *BBC World Service*, Dec12, 2008.

the DPJ and Hatoyama is decisively less prepared than LDP-led predecessor governments to contribute to the US-led war against terrorism (strong US pressure "helped" Japan's former prime minister Junichiro Koizumi to adopt the Anti-Terrorism Special Measures Law back in November 2001).

Even though it was widely agreed over the years that Japan's refuelling operations is a merely "symbolic" contribution to the ongoing war in Afghanistan, Washington has nonetheless (and unsurprisingly) reacted negatively to the termination of Japan's refuelling mission in the Indian Ocean.

B. Anti-Piracy Mission in the Gulf of Aden

Japan's anti-piracy mission in the Gulf of Aden, which began in March 2009, will continue in the months ahead. Piracy in the Gulf of Aden off the coast of Somalia has a direct impact on Japan's economic and energy security and is being perceived as such by large parts of the Japanese public. More than 2,000 Japanese commercials vessels are sailing through the Gulf of Aden shipping above all crude oil to Japan.

The DPJ, at least for now, is committed to continue the navy's anti-piracy-mission even if there is no consensus within the ruling DPJ, let alone amongst the coalition partners, whether and to what extent the Japanese navy is authorised to use military force.

C. Afghanistan

The Japanese prime minister announced in January 2010, to assign an additional $5 billion in reconstruction aid to Afghanistan over the next three to four years. Out of the $5 billion, Tokyo will provide assistance to Afghanistan of roughly $800 million in 2010. The Japanese government plans to focus the funds towards 1) enhancing Afghanistan's capability to maintain security (such as e.g., providing training for police and security personnel), 2) reintegration of former insurgents and 3) advancement of sustainable and self-reliant development (in sectors such as agriculture, education, infrastructure development). From a US perspective, Hatoyama's recent pledge of $5 billion in reconstruction aid to Afghanistan over the next four years stands for Tokyo's willingness to support US in their global security objectives. From a Japanese perspective, however, Hatoyama's initiative to increase Japan's financial and personnel contribution to the reconstruction

and pacification of Afghanistan is not necessarily a Japanese contribution to the US-led war against terrorism but rather (at least according to the government's official rhetoric) a Japanese "soft" and "civilian power" contribution to global peace and security.

XII. Conclusions

As shown above, much of what has been formulated and "done" in terms of regional and global Japanese foreign and security policies in recent years will most probably continue to be done in the future; therefore, leaving limited room and opportunities for Tokyo to initiate qualitatively and fundamentally "new" regional and global foreign and security policies.

Nonetheless, the Japanese prime minister's plan to seek to re-negotiate the existing 2006 US forces relocation agreement and his decision to end the navy's refuelling mission in the Indian Ocean in favour of expanding Japan's civilian engagement in Afghanistan are indications that unlike his LDP predecessors, he is not prepared to follow a regional and global US foreign policy lead unconditionally. What's more, Tokyo's plans to change the so-called US-Japan Status of Forces agreement which protects American troops from legal prosecution in Japan and the government re-emerging requests to reduce Japan's so-called "Host Nation Support", i.e. Japan's financial support for US military in Japan, are further signs that Tokyo alliance policies under Prime Minister Yukio Hatoyama might no longer be "business as usual".

As regards Tokyo's alleged "new" and regional economic and political integration policies discussed above, it must be concluded that as long as more details and concrete Japanese policy initiatives do not emerge, Hatoyama's rhetoric suggesting a Japanese leadership role in the framework of an East Asian Community will remain a vague political vision as opposed to the reality of Japan's foreign and security policy agenda. However, it is still "early days" of the Hatoyama government and it should not be excluded that the Japanese prime minister will in the months ahead make more concrete proposals on the kind of Japanese leadership role with regard to regional economic, political, and financial integration he envisions.

Leaving territorial disputes and yet unresolved disagreements over the interpretation of World War II history aside, Tokyo's China policies will, in view of the bilateral economic interdependence, continue to be centred around economic and political engagement. Nonetheless, the territorial disputes discussed above will continue to have the potential to occasionally derail Japan's economic engagement policies.

Tokyo's North Korea policies too are bound to remain unchanged in the months ahead unless Pyongyang turns to giving Tokyo what it wants: reliable as opposed to bogus information on the abductees and the suspension and dismantlement of its nuclear program and facilities. Both of which are unlikely to take place any time soon.

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India: Regional Security Challenges

Brahma Chellaney

The ongoing power shifts in the world are primarily linked to Asia's phenomenal economic rise. How far and rapidly Asia has come up can be gauged by reading the 1968 book *Asian Drama: An Inquiry into the Poverty of Nations*, by Swedish economist and Nobel laureate Gunnar Myrdal, who bemoaned the manner impoverishment, population pressures, and resource constraints were weighing down Asia.[1] With the economic rise, the strategic landscape in Asia also is changing rapidly.

Accentuating Asia's strategic challenges is the fact that it has weak or non-existent security mechanisms and that attempts to design an institutional structure have been in limbo. There is not even agreement whether a new security architecture should extend across Asia or just be confined to East Asia, itself an ill-defined construct.[2] The United States, India and several other states have taken the position to treat the Asian region as a single entity so that the quest for a new security architecture does not become some kind of a zero-sum game.[3] China, on the other hand, has sought to plug away on a separate "East Asian" order. A pan-Asian security vision thus seeks to counter Beijing's desire for a China-driven East Asian security order.

[1] Gunnar Myrdal, *Asian Drama: An Inquiry Into the Poverty of Nations* (New York: Pantheon, 1968).

[2] China, for example, has sought to define East Asia narrowly, while the East Asian Summit (EAS) includes India, Australia, and New Zealand in the concept of an East Asian Community (EAC).

[3] At an address at Peking University on June 6, 2008, Indian Foreign Minister Pranab Mukherjee argued for "an open and inclusive architecture" in Asia, saying: "We will need to evolve a security architecture which takes into account the conditions prevailing in Asia." US Defense Secretary Robert Gates, for his part, in a May 31, 2008, address on "The Challenges to Stability in the Asia-Pacific", said: "The collaborative reality of Asia's security today is to the exclusion of no single country. It is instead a continuously developing enterprise undertaken with allies, friends, and partners. But it can only succeed if we treat the region as a single entity. There is little room for a separate 'East Asian' order."

With new economic powers in its fold, Asia faces new challenges. It has to cope with entrenched territorial disputes, competition over scarce resources, maritime security threats, improved national military capabilities, increasingly fervent nationalism, and the rise of religious extremism. At the same time, Asia is on the frontline of climate change. Diverse transborder trends—from terrorism and insurgencies, to illicit refugee flows and human trafficking—add to its security challenges. Asia, though, is also becoming interdependent through trade, investment, technology, and tourism.

Add to the picture the manner the qualitative reordering of power in Asia is beginning to challenge strategic stability. The emergence of China as a global player is transforming the Asian geopolitical landscape like no other development. China is not yet a great power in the true sense. It lacks a worldwide military reach, and its diplomatic reach, while growing steadily as underlined by the Chinese forays into Africa and Latin America, does not cover the entire globe thus far. However, the fact remains that China harbours global ambitions, with its military spending having grown for more than two decades at a double-digit clip annually.

It is against this complex background that one must examine the various security challenges in the region that India perceives and what its policies and options are.

India's Very Difficult Neighbourhood

One of the most striking things about the larger Asian strategic landscape is the arc of failing or troubled states around India. This harsh geographical reality is India's most-glaring weaknesses—one that weighs it down regionally. Its neighbourhood is so chronically troubled that India confronts what can be called a tyranny of geography.[4] As a result, it faces serious external threats from virtually all directions.

It is locked in an arc of failing or authoritarian states that seek, in different ways, to undermine its secular, multiethnic, pluralistic character. To India's west lies "an arc of crises stretching from Jordan to Pakistan"—to use the title of one of the workshops at

[4] Stanley A. Weiss, "India, the Incredible and the Vulnerable", *International Herald Tribune*, April 23, 2008.

the 2008 World Policy Conference at Evian, France.[5] A contiguous belt of political disorder stretches from Lebanon to Pakistan, with incalculable consequences for regional and international security. Rapid Talibanisation and spreading militancy threaten to devour next-door Pakistan, with a task force of the US-based Atlantic Council warning in a report that, "We are running out of time to help Pakistan change its present course toward increasing economic and political instability, and even ultimate failure."[6]

There is continuing reluctance in the international policy discourse, however, to face up to a central reality: the political border between Afghanistan and Pakistan (or "Afpak" in Washingtonese) has now ceased to exist in practice. The so-called Durand Line, in any event, was an artificial, British-colonial invention that left the large Pashtun community divided into two.[7] Today, that line exists only in maps. On the ground, it has little political, ethnic, and economic relevance, even as the Afpak region has become a magnet for the world's jihadists. A de facto Pashtunistan, long sought by Pashtuns, now lurks just below the horizon, on the ruins of an ongoing Islamist militancy.

The disappearance of the Durand Line seems irreversible. While the writ of the Pakistani state no longer extends to nearly half of that country (much of Baluchistan, large parts of the North-West Frontier Province, and the whole of the Federally Administered Tribal Areas), even larger swaths of Afghanistan are outside the control of the government in Kabul. The Pakistani army has lost increasing ground to insurgents in the western regions not because it is weaker than the armed extremists and insurgents but because an ethnic, tribal, and militant backlash has resulted in the state withering away in the Pashtun and Baluch lands. Forced to cede control, the jihadist-infiltrated military establishment and its infamous Inter-Services Intelligence (ISI) agency have chosen to support proxy militant groups, especially the Taliban. However, with its own unity unravelling, Pakistan is paying a heavy price

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[5] 2008 World Policy Conference at: http://www.worldpolicyconference.com/

[6] Atlantic Council, *Needed: A Comprehensive U.S. Policy Toward Pakistan*, Report of Task Force co-chaired by former Senator Chuck Hagel of Nebraska and Senator John Kerry of Massachusetts (Washington, DC: The Atlantic Council, February 2009).

[7] Set up in 1893 as the border between British-led India and Afghanistan, the Durand Line had been despised and rejected by Afghanistan for long as a colonial imposition.

for having fathered the Taliban. Indeed, an Islamist-ruled Pashtun state, even if a de facto one, would set in motion the unravelling of Pakistan and Afghanistan, two artificially created states that have searched endlessly for a national identity.

The international reluctance to come to terms with the disappearance of the Durand Line is because of the fundamental, far-reaching issues such acceptance would throw open. It is simpler to just keep up the pretence of wanting to stabilise Pakistan and Afghanistan within their existing political frontiers. Take US policy. As if determined to hide from this reality, the Obama administration is now pursuing, at least outwardly, a military approach toward Afghanistan through a troop "surge" and a political strategy toward Pakistan pivoted on dispensing billions of dollars in additional aid—or what Pakistani Foreign Minister Shah Mahmood Qureshi calls a "civilian surge". The Obama policy rejects the Bush administration's institution-building approach in Afghanistan as an attempt to create "some sort of Central Asian Valhalla".[8] Yet, the new administration has unveiled $3.2 billion in annual civilian aid, a historic high, for an increasingly radicalised Pakistan to win hearts and minds there—a Valhalla even more distant.

India has little choice but to brace up to the greater threats to its internal security that are likely to come from the Afpak belt. The international community had agreed to focus on institution-building, demobilisation of existing militias, and reconstruction to help create a stable, moderate Afghanistan—goals that have prompted India to pour massive $1.4 billion aid into that country and start constructing the new Afghan Parliament building. But that investment now is at stake as the Obama administration abandons the goal of institution-building in Afghanistan and seeks to strike a political accord with the "moderate" Taliban (as if there can be moderates in an Islamist militia that enforces medieval practices).

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[8] In his first appearance before the Senate Armed Services Committee on January 27, 2009, as President Barack Obama's defense secretary, Robert M. Gates sought to scale back US goals in Afghanistan, saying, "If we set ourselves the objective of creating some sort of a Central Asian Valhalla over there, we will lose. Because nobody in the world has that much time, patience or money, to be honest."

To India's east are the problem states of Burma and Bangladesh—the first facing a humanitarian catastrophe in the face of widening US-led sanctions and the ruthlessness of its military regime, and the second in danger of becoming another Pakistan in view of the rising Islamic fundamentalism there.

Bangladesh is not a Brunei or a Bhutan but the world's seventh most populous nation. It has a history of political turmoil almost since it was born in blood. There have been 22 coup attempts there thus far—some successful. The present prime minister, Sheikh Hasina, survived when gunmen assassinated her father—Sheikh Mujibur Rahman, the founder of Bangladesh and its first prime minister—and executed her extended family late one summer night in 1975. She survived again when assassins hurled 13 grenades at her political rally in 2004, killing two dozen people. The two-day February 2009 mutiny of Bangladesh border guards—which left dozens of senior Army officers massacred at the force's headquarters, their bodies hurriedly dumped into shallow graves and sewers—came as a reminder of the perennially unstable situation in that country and the fragile relationship that exists between Bangladesh's civilian leaders and the military, which has a proclivity to meddle in politics.

Today, the main threats Bangladesh faces are from Islamic radicalisation, a powerful military, and a rising frequency of natural disasters, which are set to grow in scale and intensity due to global warming. In addition to the millions of Bangladeshis that have already illegally settled in India, many Bangladeshis have moved from rural areas to the capital city, Dhaka, as "climate refugees", driven out by floods, cyclones, and saltwater incursion from the Bay of Bengal.[9]

Like in Pakistan, the military intelligence agency in Bangladesh, called the Directorate General of Forces Intelligence, or DGFI, and the National Security Intelligence agency have nurtured jihadist groups, employing them for political purposes at home and across the national frontiers. Domestically, the DGFI has a long record of carrying out operations against political parties and journalists, committing human-rights abuses against the tribal population in the Chittagong Hill Tracts in southeastern

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[9] Emily Wax, "Food Costs Push Bangladesh to Brink of Unrest", *Washington Post*, May 24, 2008.

Bangladesh, and spearheading the persecution of Ahmadiya Muslims—a heterodox sect of Islam. In addition, the DGFI has established close ties with Pakistan's infamous Inter-Services Intelligence agency, allowing the latter to use Bangladesh as a staging ground for covert operations in India and to foment insurgencies in the restive northeastern Indian region.

In that light, the security challenges that India faces vis-à-vis Bangladesh are no mean matter. Besides the imperative to foil cross-border intelligence and terror operations from Bangladesh, India confronts a major humanitarian issue with serious long-term security implications. It is likely to get not only more economic refugees from Bangladesh, but also an influx of climate refugees. In an earlier study, this author had pointed out: "For India, the ethnic expansion of Bangladesh beyond its political borders not only sets up enduring trans-border links but it also makes New Delhi's already-complex task of border management more onerous. As brought out by Indian census figures, Indian districts bordering Bangladesh have become Bangladeshi-majority areas. It is perhaps the first time in modern history that a country has expanded its ethnic frontiers without expanding its political borders. In contrast, Han China's demographic onslaught on Inner Mongolia, Xinjiang and Tibet was a consequence of the expansion of its political frontiers."[10]

The troubled situation in Burma (which the ruling junta has renamed as "Myanmar") has brought thousands of political and ethnic refugees to India, now an important hub of the pro-democracy movement by exiles. Even as the junta has scheduled national elections in autumn 2010, Burma remains one of the world's most isolated and sanctioned nations.

Burma's present problems and impoverishment can be traced back to the defining events of 1962, when General Ne Win deposed elected Prime Minister U Nu, an architect of nonalignment. Ne Win, a devotee of Marx and Stalin, sealed off Burma, banning most external trade and investment, nationalising companies, halting all foreign projects and tourism, and kicking out the large Indian business community. It was not until more than a quarter-century

[10] Brahma Chellaney, *Asian Juggernaut: The Rise of China, India and Japan* (New Delhi: HarperCollins, 2007), p. 117.

later that a new generation of military leaders attempted to ease Burma's international isolation through modest economic reforms. Such attempts, without loosening political controls, came after the military's brutal suppression of the 1988 student-led protests that left several thousands dead or injured.

Western penal actions against Burma began no sooner than the junta refused to honour the outcome of the 1990 elections, won by Aung San Suu Kyi's party. Nevertheless, Burma became a key target of US sanctions policy only in this decade, as underlined by the 2003 Burma Freedom and Democracy Act (which bans all imports from that country) and a series of punitive executive orders by President George W. Bush. The regime, in fact, invited a new wave of US-led sanctions by killing at least 31 people during the September 2007 mass protests. With Burma's 58 million people bearing the brunt of the sanctions, China—a friend to every pariah regime—has emerged the only winner.

Given Burma's potent mix of ethnicity, religion, and culture, democracy can serve as a unifying and integrating force, like in India. After all, Burma cannot be indefinitely held together through brute might. But the seeds of democracy will not take root in a stunted economy, battered by widening Western sanctions. The grim reality is that sanctions have put the Burmese society in a downward spiral of poverty and discontent while strengthening the military's political grip. Burma is proof that sanctions hurt those they are supposed to protect, especially when they are enforced for long and shut out engagement. As one analyst has observed, "Sanctioning Myanmar may make Americans feel good, but feeling good and doing good are not the same."[11] A calibrated approach is called for, with better-targeted sanctions and room for outside actors to influence developments within.

Burma is a natural land bridge between South and Southeast Asia, and thus critical to the economic advancement of India's northeast. Such is its vantage location that Burma forms the strategic nucleus between India, China, and Southeast Asia. That has prompted India to make modest investments in Burma's natural gas sector and launch a multi-nodal transportation corridor to

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[11] Stanley A. Weiss, "Myanmar: Whom Do Sanctions Hurt?", *International Herald Tribune*, February 20, 2009.

link northeast India with Burma's Sittwe port. The $135-million Kaladan Corridor was made imperative by Bangladesh's refusal to grant India transit access—a blinkered approach holding up the BIMSTEC free-trade area accord.

India, however, is concerned that the sanctions approach is pushing Burma into the strategic lap of China, which values that country as an entryway to the Bay of Bengal and Indian Ocean. Having strategically penetrated resource-rich Burma, Beijing is busy completing the Irrawaddy Corridor involving road, river, rail, and energy-transport links between Burmese ports and Yunnan. For India, such links constitute strategic pressure on the eastern flank. China is already building another north-south strategic corridor to the west of India—the Trans-Karakoram Corridor stretching right up to Pakistan's Chinese-built Gwadar port, at the entrance to the Strait of Hormuz—as well as an east-west strategic corridor in Tibet across India's northern frontiers. In Burma, Beijing is also helping to construct a 1,500-kilometer highway leading to India's Arunachal Pradesh state, which China claims in full.

Such links hold grim security implications for India because they allow Beijing to strategically meddle in India's northeast and step up indirect military pressure. Operating through the plains of Burma in India's northeast is much easier than having to operate across the mighty Himalayas. In the 1962 Chinese invasion, Indian forces found themselves outflanked by the invading People's Liberation Army at certain points in Arunachal Pradesh (then known as the North-East Frontier Agency, or NEFA), spurring speculation that some Chinese units may have quietly entered via the Burmese plains, not by climbing the Himalayas. The potential for Chinese strategic mischief has to be viewed against the background that the original tribal insurgencies in the northeast were instigated by Mao's China, which trained and armed the rebels, be it Naga or Mizo guerrillas, partly by exploiting the Burma route. During World War II, the allied and axis powers had classified Burma as a "backdoor to India". Today, India shares a porous 1,378-kilometer border with Burma, with insurgents operating on both sides through shared ethnicity.

The military has run Burma for 47 years, while the communist party has ruled China for six decades. Neither model is sustainable. The longest any autocratic system has survived in modern history was 74 years in the Soviet Union. However, while Burma has faced

sanctions since the late 1980s, the post-1989 sanctions against China following the Tiananmen Square massacre did not last long on the argument that engagement was a better way to bring about political change—a principle not applied to impoverished Burma. To avert a humanitarian catastrophe, the same international standard ought to be applied to Burma.

To India's south is battle-scarred Sri Lanka. Despite the end of the twenty-six-year-old civil war in 2009 with the crushing defeat of the Liberation Tigers of Tamil Eelam, Sri Lanka is yet to be at peace with itself. Not only is the government unable to define peace or outline a political solution to the minority Tamils' long-standing cultural and political grievances, the politics in Sri Lanka has taken an ugly turn with the president arresting a war hero, General Sarath Fonseka, who as army chief led the offensive against the Tamil Tigers. With an ever-larger military machine backed by village-level militias, civil society has been the main loser. Sweeping emergency regulations remain in place, arming the security forces with expansive powers of search, arrest and seizure of property. Individuals can still be held in unacknowledged detention for up to eighteen months. The humanitarian crisis in Sri Lanka has direct implications for India in terms of refugee flows.

To India's north is a Maoist-ruled Nepal and an increasingly assertive China, which became India's neighbour not due to geography but due to guns—by gobbling up Tibet in 1950-51. Tibet's occupation gave China a common border with India, Nepal, and Bhutan and an entryway to Pakistan and Burma. The long-standing Sino-Pakistan strategic nexus—of which the Karakoram Highway[12] remains an important symbol—is rooted in the disappearance of Tibet as a neutral buffer. That nexus has led to internationally unparalleled nuclear and missile technological transfers from China to Pakistan and other covert exchanges.

Despite its annexation, Tibet, however, stays pivotal to Indian security. The centrality of the Tibet issue has been highlighted both by China's Tibet-linked territorial claim to Arunachal Pradesh and by its major inter-basin and inter-river water transfer projects in the Tibetan plateau, the source of all of Asia's major rivers except

[12] China has now concluded an accord with Pakistan to substantially widen the Karakoram Highway and upgrade it to an all-weather passageway.

the Ganges. By damming the Brahmaputra and Sutlej and toying with the idea of diverting the Brahmaputra waters to the parched Yellow River, Beijing is threatening to fashion water into a weapon against India. Further, given the clear link between Tibet's fragile ecosystem and the climatic stability of other parts of Asia, China's reckless exploitation of Tibet's vast mineral resources and its large engineering works there are already playing havoc with the ecology. Little surprise then that India remains the seat of the Tibetan government-in-exile despite New Delhi doing business with Beijing.

Nepal is not just another neighbour for India but a symbiotically linked state with close cultural affinity and open borders that permit passport-free passage. The Indo-Nepal equation is deeper than between any two European Union members. Indeed, ever since the Chinese annexation of Tibet eliminated the outer buffer, Nepal has served as an inner buffer between India and China. Equally significant is that India now has to openly vie with China for influence in a country that had been its security preserve for more than half a century. One way Beijing is seeking to exert greater leverage is through new transportation links. After extending the railroad from Lhasa to Tibet's second largest city of Xigatse, China is taking the railway to three other points—to Nepal; the Sikkim-Bhutan-Tibet trijunction; and the Arunachal-Burma-Tibet trijunction. The railroad to Nepal, which Beijing is offering to construct, could help reduce Nepal's dependence on India by bolstering trade with China, although it would be difficult for the latter to meet all of the Nepalese needs—from gasoline to medicine. Nepal's topography, with the mountainous terrain sliding southward into plains, shapes its economic dependence on India.

As is evident from the foregoing discussion, India's neighbourhood is more combustible than ever. Given such a troubled neighbourhood and the ensuing spill-over effects, it is thus hardly a surprise that India's internal security is coming under growing pressure.

Terrorism, Fundamentalism and Extremism

The spreading jihad culture and the growth of transnational terrorism represent a serious threat to the security and well-being

of the free world. This threat is particularly acute in Asia[13] because the main terrorist sanctuaries are located there. Little surprise that Asia accounts for the majority of terrorism casualties worldwide, year after year.[14]

Indeed, the entire expanse from the Middle East to Southeast Asia is home to militant groups and troubled by terrorist violence, posing a serious challenge to regional and international security. The radicalisation of many Muslims in Southeast Asia[15]—an emerging phenomenon since the 1990s—underscores the spread of the jihad culture, as epitomised by Wahhabi Islam. Nevertheless, much of the terrorist violence now is concentrated in southern Asia, with the Pakistan-Afghanistan belt having displaced the Middle East as the international hub of terrorism. In the words of the then Indian foreign secretary, "Among global issues, international terrorism remains a major threat to peace and stability. We in India are next to the epicentre of international terrorism in Pakistan. We have directly suffered the consequences of linkages and relationships among terrorist organisations, their support structures, official sponsors and funding mechanisms, which transcend national borders but operate within them."[16]

To be sure, fundamentalism and violent extremism are not restricted to the Muslim world, but extend to members of other faiths in some parts of the world. But the scourge of transnational terrorism is directly tied to the spread of the Wahhabi virus, with Sunni Muslim suicide attackers targeting innocent civilians in public places—from Indonesia to India to Iraq—yet being extolled by extremist leaders and groups as "martyrs". The turning of suicide bombers into "martyrs" has helped recruit more indoctrinated youths to kill themselves and others. When jihadists turn themselves into live bombs, with the sole aim to murder and

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[13] Politically, Asia is seen to cover only the region from the Indian subcontinent to the Korean peninsula and the Japanese archipelago. But geographically, Asia comprises forty-eight separate nations, including 72 percent of the Russian Federation and 97 percent of Turkey. In the discussion here, Asia is referred to in the broader context.

[14] See, for example, the annual reports of the US State Department, *Patterns of Global Terrorism*, published by the Office of the Coordinator for Counterterrorism.

[15] Thomas Fuller, "Stoking Southeast Asia Tensions", *International Herald Tribune*, October 31, 2001, p. 1.

[16] Indian Foreign Secretary Shivshankar Menon, Address at IFRI, Paris, February 4, 2009.

maim as many civilians as possible, it is not only difficult to deter them, but also their actions cumulatively threaten the principles of pluralism, inclusiveness, and freedom on which their target societies are founded.

It is obvious there is no quick answer to the existential threat the forces of terrorism pose to free societies. In addition, while there will be tension between near- and far-term objectives to contain this threat, combating terrorism demands both short-term and long-term components in a coordinated and concerted national strategy. Tellingly, states that legitimise, even if implicitly, the targeting of "enemies" across their frontiers fall prey to the very Frankenstein monsters they have created. This is precisely what is happening today in terrorism-procreating Pakistan and Afghanistan and terrorism-bankrolling Saudi Arabia.

The current international focus on the role of Pakistan and Afghanistan as a staging ground for transnational terrorist strikes has helped deflect attention from the way the Gulf sheikhdoms have used their overflowing coffers and growing heft to fatten extremist groups, including the Taliban and the Lashkar-e-Taiba, a Pakistani Punjabi terrorist organisation targeting India.[17] As what one commentator has called "The First Law of Petro-Politics", there is an inverse correlation between the price of oil and the price of freedom.[18] An oil-price spike not only spurs greater transfer of wealth to the oil-exporting nations, but also undercuts the spread of freedom by instilling or strengthening authoritarianism and arming the Gulf states with greater influence to fund fundamentalism and extremism elsewhere.

The scourge of jihadist transnational terrorism, of course, is rooted in the mistakes of US policy in the 1980s, when billions of dollars worth of arms and other assistance were funnelled to the anti-Soviet guerrillas in Afghanistan through Pakistan's Inter-Services Intelligence agency. The Afghan war veterans come to haunt the security of the free world as well as of several Muslim

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[17] Jonathan Fighel, "The Saudi Connection to the Mumbai Massacres: Strategic Implications for Israel", *Jerusalem Issue Brief* , Vol. 8, no. 21, February 12, 2009, Jerusalem Center for Public Affairs. Available at: http://www.jcpa.org/JCPA/Templates/ShowPage.asp?DRIT=1&DBID=1&LNGID=1&TMID=111&FID=442&PID=0&IID=2854&TTL=The_Saudi_Connection_to_the_Mumbai_Massacres:_

[18] Thomas L. Freidman, "The First Law of Petro-Politics", *Foreign Policy*, May-June 2006.

states. Many returned to their homelands to wage terror campaigns against governments they viewed as tainted by Western influence. Egyptian President Anwar Sadat's assassination, for example, was linked to such terror. Large portions of the aid, given to the so-called "mujahedeen" by the US Central Intelligence Agency (CIA), was siphoned off by the conduit[19]—the ISI—to ignite a bloody insurgency in Indian Kashmir[20] after the ISI failed to trigger an uprising in India's Punjab state despite arming Sikh dissidents beginning in the early 1980s.

Substantial quantities of US-supplied weapons, in what was the largest covert operation in the CIA's history, also found their way into the Pakistani black market, promoting a jihad culture within Pakistan[21] and spreading illicit arms and militancy from Egypt to the Philippines. Afghan war veterans, or elements associated with them, were held responsible for terrorist attacks on several US targets—from the 1998 bombings outside the American embassies in Nairobi and Dar al-Salam to the September 11, 2001 terrorist strikes in the United States. However, the greatest impact of the cross-border movement of Afghan war veterans and illegal arms was felt in southern Asia, with India still bearing the brunt of the unintended consequences of the foreign interventions in Afghanistan from 1979 to 1989, and now from 2001 onward. US officials have acknowledged that Pakistan's "intelligence service even used Al Qaeda camps in Afghanistan to train covert operatives for use in a war of terror against India."[22] Narco-terrorism today is deeply entrenched in the Afpak belt.[23]

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[19] According to one account, barely 30 percent of the military aid reached the Afghan guerrillas. Anthony Cordesman and Abraham Wagner, *The Lessons of Modern War, Volume 3* (Boulder, CO: Westview, 1991), p. 20.

[20] Olivier Roy, "Why War Is Going on in Afghanistan: The Afghan Crisis in Perspective", *Journal of International Affairs*, vol. V, no. 4, December 2000-February 2001, p. 11; and Richard Ehrlick, "Óutsiders Join Jihad in Kashmir", *Washington Time*s, November 2, 1992.

[21] Jessica Stern, "Pakistan's Jihad Culture", *Foreign Affairs*, vol. 79, no. 6, November-December 2000, pp. 115-126; and Warren P. Strobel, "A War in the Shadows", *U.S. News & World Report*, January 8, 2001, p. 22.

[22] James Risen and Judith Miller, "Pakistani Intelligence Had Links to Al Qaeda, U.S. Officials Say", *New York Times*, October 29, 2001, p. A1.

[23] For a discussion of the link between narcotics and terrorism, see Rachel Ehrenfeld, *Narco-Terrorism: How Governments Around the World Have Used the Drug Trade to Finance and Further Terrorist Activities* (New York: Basic Books, 1990).

The impact of escalating terrorism from the Afpak belt—the Jihadistan—will be principally borne by next-door India. In the words of ex-US official Ashley Tellis, "India has unfortunately become the 'sponge' that protects us all. India's very proximity to Pakistan, which has developed into the epicentre of global terrorism during the last thirty years, has resulted in New Delhi absorbing most of the blows unleashed by those terrorist groups that treat it as a common enemy along with Israel, the United States, and the West more generally. To the chagrin of its citizens, India has also turned out to be a terribly soft state neither able to prevent many of the terrorist acts that have confronted it over the years nor capable of retaliating effectively against either its terrorist adversaries or their state sponsors in Pakistan. The existence of unresolved problems, such as the dispute over Jammu and Kashmir, has also provided both Pakistani institutions and their terrorist clients with the excuses necessary to bleed India to 'death by a thousand cuts'. But these unsettled disputes remain only excuses: not that they should not be addressed by New Delhi seriously and with alacrity, there is no assurance that a satisfactory resolution of these problems will conclusively eliminate the threat of terrorism facing India and the West more generally."[24]

The unparalleled Mumbai terrorist attacks in November 2008 was a grim reminder that India's well-being is in mortal danger and that the country needs to effectively counter the asymmetric war that is being waged against it by terror. As one American think-tank has said in a report, "Since 2001, India has suffered a number of militant attacks that have involved in varying degrees Pakistan-based and indigenous militants. Indian officials believe that this terrorism is official Pakistani policy. Given India's beliefs about the origins of the various attacks perpetrated on its soil, India exhibited exceeding restraint in the aftermath of the 2006 LeT [Lashkar-e-Taiba] attack on Mumbai's subway system. Pakistan has likely concluded from the events since the December 2001 attack on the Indian parliament complex and prior, that India is unable or unwilling to mount a serious effort to punish and deter Pakistan

[24] Ashley J. Tellis, Testimony before the Senate Homeland Security and Governmental Affairs Committee, January 28, 2009. Available at:
http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=22676&prog=zgp&proj=zsa

for these attacks. Accordingly, from India's vantage point, to not respond would signal a lack of Indian resolve or capability."[25]

More broadly, the future of the international campaign against terrorism hinges on success in two areas—(i) in rooting out terrorist networks in the Afpak region and deterring any regime there from encouraging or harbouring armed extremists; and (ii) in getting the oil sheikhdoms to stop funding extremist organisations. President Barack Obama, with the stroke of his pen, effectively terminated the "war" on terror[26] that his predecessor, George W. Bush, had launched to defeat terrorists. Nevertheless, the blunt truth is that the war on terror stood derailed long before Obama took office. The US occupation of Iraq proved so divisive in international relations that it fractured the post-9/11 global consensus to fight terror. Not calling it a war any longer but labelling it "an enduring struggle", as Obama has done, does not change the realities on the ground.

Secular, pluralistic states, depending on their location, have come under varying pressures from the forces of terror. Vulnerability to terrorist attacks is critically linked to a state's external neighbourhood. A democracy geographically distant from the Muslim world tends to be less vulnerable to frequent terrorist strikes than a democracy proximate to Islamic states. The luxury of geography of the United States and Australia, for example, contrasts starkly with the tyranny of geography of India and Israel. It is such realities that no change of lexicon can address.

The international fight against terrorism will be a long, hard slog. After all, the problem and solution are linked: terrorism not only threatens the free, secular world, but also springs from the rejection of democratic and secular values. Worse still, terrorism is pursued as a sanctified tool of religion and a path to redemption. Because the concept of jihad is deeply embedded in religion, the line between an Islamic extremist and terrorist can be a thin one. Islamist ideology catalyses terrorism, and acts of terror in turn strengthen Muslim extremism. It is thus obvious that counterterrorism will have to be a long-haul exercise. In Asia, there is greater need than ever to bring the fight against terror back on track.

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[25] Angel Rabasa, Robert D. Blackwill, Peter Chalk, Kim Cragin, C. Christine Fair, Brian A. Jackson, Brian Michael Jenkins, Seth G. Jones, Nathaniel Shestak and Ashley J. Tellis, *The Lessons of Mumbai*, Occasional Paper (Santa Monica, CA: Rand Corporation, 2009).

[26] Dana Priest, "Bush's 'War on Terror' Comes to a Sudden End", *Washington Post*, January 23, 2009.

Maritime Security Threats

Piracy and energy-security concerns have become important drivers of the ongoing profound and potentially far-reaching transformation of the security environment in Asia and the Indian Ocean rim region. At a time when the assertive pursuit of national interest has begun to replace ideology, idealism, and morality in international relations, there is a danger that interstate conflict in Asia in the coming years could be driven by competition not so much over political influence as over scarce resources. Energy has taken centre-stage in such considerations.

Growing piracy, for its part, has contributed to heightening maritime security concerns. After all, much of the global oil-export supply passes through two constricted passageways in the Indian Ocean rim region—the piracy-plagued Strait of Malacca, which is barely 2.5 kilometres wide at its narrowest point between Indonesia and Singapore, and the 89-kilometer-wide Strait of Hormuz between Iran and Oman. More than 50,000 ships pass through the Malacca Strait alone each year. The security of these main oil arteries is integral to the security of energy supplies for the oil-importing countries. In fact, the security of the two main oil arteries is also linked to the security of the Indian Ocean—the link between the Strait of Hormuz and the Strait of Malacca. Little surprise the rising attacks on oil tankers by pirates in the Gulf of Aden—the eastern rim of the Indian Ocean region—has brought Indian, Chinese, and Japanese naval patrols to the region, besides the US, European, and Russian navies.

The maritime security threats are centred on a narrower issue: the security of trade arteries and energy shipments. Mercantilist efforts to lock up long-term supplies act as a damper to efforts to build institutionalised Asian cooperation on energy. Energy thus is not only being intertwined with Asian geopolitics, but also influencing strategic thinking and military planning. For some states, a rising dependence on oil imports has served to rationalise both a growing emphasis on the seas as well as a desire to seek greater strategic space. Concerns over sea-lane safety and rising vulnerability to disruption of energy supplies and other imports are also prompting some countries to explore avenues for cooperation in maritime security.

For example, India's energy-security interests are spurring on

its navy to play a greater role in the Indian Ocean region, a crucial international passageway for trade and oil deliveries. In addition to safeguarding sea-lanes, the Indian navy has been tasked to protect the country's large energy infrastructure of onshore and offshore oil and gas wells, liquefied natural gas (LNG) terminals, refineries, pipeline grids, and oil-exploration work within India's vast Exclusive Economic Zone (EEZ). Furthermore, India is attempting to build a web of strategic partnerships with key littoral states in the Indian Ocean rim as well as with outside players like the United States, Japan, Israel, and France.

The partnerships, principally aimed at safeguarding the various "gates" to the Indian Ocean, incorporate trade accords, military exercises, energy cooperation, and strategic dialogue. India's primary focus is on states adjacent to chokepoints such as the Strait of Hormuz (Iran), the Strait of Malacca (Singapore, Indonesia, and Malaysia), the Bab el Mandab (Djibouti and Eritrea) and the Cape of Good Hope, and the Mozambique Channel (South Africa and Mozambique). India has also encouraged the much-larger Japanese navy to play a role in the Indian Ocean, and signed an agreement with Tokyo in March 2005 to jointly explore for natural gas in the strategically sensitive Andaman Sea.

The growing link between energy and security was reflected in India's 2003 US-encouraged action in providing naval escort to commercial ships passing through the vulnerable, piracy-racked Strait of Malacca. The action followed rising concerns that international terrorists might target vessels using that strait. That six-month Indian undertaking, codenamed Operation Sagittarius, was primarily designed to safeguard high-value US cargo from Japan passing through the Strait of Malacca on its way to Afghanistan. It was much later, after the Lloyd's Market Association's Joint War Committee listed the passageway as a "war risk zone" in 2005, that Indonesia, Malaysia, Thailand, and Singapore agreed—under intense US pressure—to start joint naval patrols in the Malacca Strait. India's efforts to build strategic ties with Iran—a sore point in its warming relationship with the United States—have also been influenced by its energy and security interests.

China, for its part, is working hard to position itself along the vital sea-lanes from the Persian Gulf to the South and East China Seas. It has helped Iran upgrade its Bandar-e-Abbas port. It is

building a deep-water naval base and port for Pakistan at Gwadar,[27] situated at the entrance to the Strait of Hormuz—the only exit for the Gulf oil. It has strategic assets inside Burma, a well-positioned country abundant in natural resources. The Irrawaddy Corridor between China's Yunnan province and the Burmese ports on the Bay of Bengal is designed as a key economic and strategic passageway involving road, river, rail, and harbour links.

Moreover, China has agreed to build a port at Hambantota in Sri Lanka and gives aid to the Bangladeshi port of Chittagong. Besides eyeing Pakistan's Chinese-built port of Gwadar as a naval anchor, Beijing has sought naval links with the Maldives, Seychelles, Mauritius, and Madagascar. Other moves by China include its stepped-up presence in the South and East China Seas through oil-drilling platforms and ocean-survey ships, and a proposal for a $20-billion canal that would cross Thailand's Kra Isthmus, thereby allowing ships to bypass the Strait of Malacca and permitting Beijing to set up port facilities there.

Such projects epitomise how an ambitious China, brimming with hard cash from a blazing economic growth, is building new transportation, trade, energy, and naval links in Asia to advance its long-term strategic interests. It was an internal Pentagon study that first drew attention to the Chinese policy to fashion what it called a "string of pearls", centred on a chain of bases, naval facilities, and military ties between the Indian and Pacific Oceans. Sponsored by the Pentagon's director for net assessment and prepared by defence contractor Booz Allen Hamilton, the report titled "Energy Futures in Asia" stated: "China is building strategic relationships along the sea-lanes from the Middle East to the South China Sea in ways that suggest defensive and offensive positioning [not only] to protect China's energy interests, but also to serve broad security

[27] The Gwadar port was inaugurated on March 20, 2007, by Pakistani military ruler, General Pervez Musharraf, setting the stage for Gwadar's expansion into an energy-transport hub and naval base. Describing the occasion as "a historic day", General Musharraf announced, in the presence of Chinese Communications Minister Li Shenglin, that a modern airport also will be built at Gwadar by "our Chinese brothers". The Gwadar port's first phase was completed by China ahead of schedule, and during Chinese President Hu Jintao's visit to Islamabad in November 2006, one of the agreements unveiled was titled: "Transfer of Completion Certification of Gwadar Port (Phase I) between the People's Republic of China and the Islamic Republic of Pakistan". That revealed that China built the port on a turnkey basis. It has pledged more than $1 billion in grants and loan guarantees for the multiphase Gwadar project.

objectives." It said China's strategy to underpin its interests along vital sea-lanes was "creating a climate of uncertainty."[28]

In 2009, Communist China made its first-ever deployment of a naval task force beyond the Pacific by dispatching battle-ready warships to the Indian Ocean rim under the anti-piracy banner. This development, along with Beijing's attempts to project the Western Pacific as its maritime sphere of influence, underlines the Chinese aim to build and project naval prowess. If China can assert naval power in the Indian Ocean to expand its influence over the regional waterways and states, it will emerge as the pre-eminent Asian power. As the state-run *China Daily* puts it, quoting a military analyst, a "key goal" in battling pirates in Indian Ocean waters off Somalia "is to register the presence of the Chinese navy."[29]

More significantly, rising naval power arms China with the heft to pursue mercantilist efforts to lock up long-term energy supplies, assert control over transport routes, and assemble a "string of pearls". In fact, a 2003 article in the *Liberation Army Daily* by two navy officers had asserted that the contiguous corridor stretching from the Taiwan Straits to the Indian Ocean's western rim (including the Anglo-American base of Diego Garcia) constitutes China's legitimate offshore-defence perimeter.[30] Moreover, a May 2008 paper published by the military-run Chinese Institute for International Strategic Studies pointed to the inevitability of Beijing setting up naval bases overseas. It warned that without naval assets overseas, "China's maritime fleet will face an extremely dangerous situation", adding: "Most of the world's major powers have overseas bases, and China can be no exception."[31]

In the coming years, the voracious appetite for energy supplies in Asia, coupled with mounting maritime security concerns, is likely to make the geopolitics sharper. For India, the protection of its interests in the Indian Ocean region is assuming greater importance.

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[28] Pentagon report cited in Bill Gertz, "China Builds Up Strategic Sea Lanes", *Washington Times*, January 18, 2005, p. 1.

[29] "Chinese Navy Ships May Head to Somalia", posted on the website of the Embassy of the People's Republic of China in Negara Brunel Darussalam. Available at: http://www.fmprc.gov.cn/ce/cebn/eng/zgxw/t526563.htm

[30] Jiang Hong and Wei Yuejiang, *Zhongguo Guofang Bao*, June 10, 2003.

[31] "*Zhongguo Duochu Haiwai Junshi Jidi Yingsheng Erqi* [China Must Build Bases Overseas]", *Zhongguo Zhanlue* [Strategic China CIISS], May 30, 2008.

It was a mistake to believe that greater economic interdependence by itself would improve regional or global geopolitics. As Asia demonstrates, trade in today's market-driven world is not constrained by political differences. Booming trade is also not a guarantee of moderation and restraint between states. Better politics is as important as better economics. That in turn calls for greater transparency in strategic doctrines and military expenditures, and the building of cooperative approaches on shared concerns.

The imperative to improve Asian geopolitics by building cooperative political approaches is obvious. In an era of globalisation, the central challenge in Asia is to find ways to minimise mistrust and maximise avenues for reciprocally beneficial cooperation. This can be achieved not by shying away from the contentious issues but by seeking to tackle them in a practical, forward-looking way, even if solutions are not easy to arrive at.

Through forward thinking and a dynamic foreign policy, India—the world's most-assimilative civilisation—can truly play the role of a bridge between the East and the West, including as a link between the competing demands of the developed and developing worlds.

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Australia's Emerging Security Challenges in Northeast Asia: The Blind Alley of Multilateralism

Andrew O'Neil

Of all the sub-regions in Asia—including Southeast Asia, Central Asia, and South Asia—Northeast Asia is strategically the most important for Australia. While in many ways Australia's most important bilateral relationship remains that with Indonesia, the most critical countries for Australia in Asia are China and Japan. These two countries are Australia's most important trading partners and the Sino-Japanese-US triangular relationship will be the single most critical variable shaping major power dynamics in Asia for the near future. Australia also has significant interests on the Korean peninsula; South Korea is Australia's fourth largest trading partner (after China, Japan, and the US) and Australia has a direct stake in the future of North Korea's nuclear weapons inventory. It is worth pointing out that, in aggregate terms, over half of Australia's total trade balance and investment is located in Northeast Asia. Although Australia has important strategic interests in other parts of Asia, what happens in Northeast Asia in the twenty-first century will shape Australia's strategic destiny like no other part of the globe.

In this article, I identify three areas where Australia confronts its most serious challenges in Northeast Asia. Each of these areas will, to a greater or lesser degree, determine the latitude Australia has to safeguard its strategic interests in Northeast Asia and in Asia more broadly. The first is the evolution of major power rivalry between the US, China, and Japan. As a minor power in Asia, Australia has only marginal influence over how these interactions evolve. Overlaying the classic vulnerability of small to medium-sized powers in the international system is the unique situation facing Australian policy makers—never before have they had to deal with a future scenario of major power rivalry in Asia that did

not directly involve Australia's great power ally, the United States. The evolving rivalry between China and Japan in a context where American regional influence is perceived to be declining presents Australian policy makers with some unsavoury scenarios, which centres upon the possibility that at some future point they may have to choose between falling into a China-led regional order in Asia or bandwagoning with a regionally isolated (but strategically powerful) Japan allied to a weakened US.

The second challenge facing Australian policy makers is the rise and increasing reinforcement of China's influence. Given its deep economic relationship with China, Australia is especially vulnerable to any interruption of China's upward trajectory. Yet, by the same token, Australian policy makers remain suspicious that Beijing is looking to project its growing strategic power more purposefully into the region, which would (from Australia's perspective) potentially upset America's role as offshore balancer in the region. The third area that poses a challenge to Australia is achieving equilibrium on the Korean peninsula. North Korea's emergence during the past decade as a nuclear weapons state has introduced a new strategic dynamic into Northeast Asian security and has solidified the existing view in all regional capitals that the DPRK must not be allowed to collapse because of the risk that control over its nuclear assets will no longer exist or the weapons will end up in a Korean military force following reunification. Both of these scenarios would seriously complicate Australia's strategic interests in Northeast Asia, not least because they could well lead to further nuclear proliferation, including on the part of Japan.

In attempting to address the various multilayered security challenges in Northeast Asia sketched above, Australia should avoid the pursuit of long-term solutions, or "grand plans", as part of its strategic policy. Contrary to the rhetoric of successive governments, Australia is not a major player in Asia on security issues. Indeed, the Rudd government's ambitious "Asia Pacific Security community" initiative has encountered opposition in Asia in part because other states do not regard Australia as being in a position to set the regional security agenda.[1] More importantly,

[1] Paul Kelly, "Diplomatic Activist Reshapes Region", *The Australian*, 12 December 2009. Prime Minister Rudd outlined his "Asia Pacific Security community" vision in a speech to the Asia Society Austral Asia Centre in June 2008. See "The Hon Kevin Rudd, Address to the Asia Society

however, the initiative is ill-suited to addressing the sorts of complex regional security challenges Australia confronts in the early part of the twenty-first century. Importing into Asia ambitious security architectures modelled on the European experience promises much, but is likely to deliver very little. In the spirit of Charles Lindblom's model of policy incrementalism, Australia's strategic policy in Northeast Asia needs to be modest and fundamentally step-by-step in its approach.[2]

Major Power Rivalry and Realignments

Of all the contemporary developments in Northeast Asia, it is the shifting role of the major powers in Asia that will determine the future security dynamics of the sub-region. Strategic rivalry between major powers has a long tradition in Northeast Asia. As Chung Min Lee has observed, "in no other region is the prospect for long-term regional stability and prosperity so dependent on the level, or lack, of major power cooperation".[3] It is important not to confuse rivalry with confrontation. The latter implies a short term readiness on the part of major powers to use force to achieve policy objectives (e.g., Cuban missile crisis), while the former refers to a situation where major powers share a relationship characterised by underlying adversarial tensions (i.e., the superpower relationship for most of the Cold War period). As one leading study has argued, three criteria must be obtained in any relationship for it to qualify as a genuine strategic rivalry: the states in question must regard each other as competitors; the source of actual or latent threats that have some possibility of becoming militarised; and enemies.[4]

During the Cold War, Northeast Asia was the only region outside Europe where the strategic interests of the superpowers

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AustraAsia Centre Annual Dinner, Sydney, 4 June 2008", available at http://www.asiasociety.org.au/speeches/speeches_current/s55_PM_Rudd_AD2008.html (accessed on 2 March 2010).

[2] Charles Lindblom, "The Science of 'Muddling Through'", *Public Administration Review*, 19(2), 1959, pp. 79-88.

[3] Chung Min Lee, "The Security Environment in Northeast Asia", in Desmond Ball, ed., *Maintaining the Strategic Edge: The Defense of Australia in 2015* (Canberra: Strategic and Defense Studies Centre, Australian National University, 1999), p. 70.

[4] Michael Colaresi, Karen Rasler, and William Thompson, *Strategic Rivalries in World Politics* (Cambridge: Cambridge University Press, 2008), p.25.

overlapped to such a degree that each would have use armed force to defend these interests. Today, however, the balance between the region's major powers is quite different to the balance that prevailed during the Cold War. There is little doubt that the United States remains the dominant power by dint of its economic presence, its unrivalled capacity to bring superior military capabilities to bear in almost all contingencies, and its unrivalled status globally. America's position in Northeast Asia is very much a legacy of its dominant role during the Cold War. Yet, Washington is more reliant than ever on eliciting the cooperation of other states in its endeavours to realise its strategic goals in Northeast Asia.

Nowhere is this more obvious than in America's dealings with China on regional security issues. A good example is in relation to how both sides sought to deal with North Korea when it became clear Pyongyang had decided to weaponise its nuclear program in the early part of this decade. The Bush administration encountered decidedly mixed success in its attempts to persuade China to place pressure on Pyongyang not to proceed with its nuclear program in 2002 and 2003. While Beijing appears to have conveyed its displeasure to Pyongyang by shutting down a critical oil pipeline to the DPRK in early 2003[5], China also made it clear in the first half of 2003 that it would veto any draft resolution presented by the United States to the UN Security Council condemning North Korea for withdrawing from the Nuclear Non-Proliferation Treaty (NPT). The initiation of the Six-Party talks in 2003 was a direct consequence of Chinese appeals to the United States to engage Pyongyang multilaterally on the nuclear issue after Washington rejected bilateral talks and North Korea announced that it had no intention of reversing its decision to withdraw from the NPT.[6]

There is little to confirm pessimistic interpretations that the removal of the Cold War "overlay" in Northeast Asia has increased tensions between the major regional powers, or rendered cooperation between them outside multilateral forums any more problematic. If anything, the prospects for cooperation among the major powers in Northeast Asia are quite good. US-China rival-

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[5] Kimberly Elliot, "Economic Leverage and the North Korean Nuclear Crisis", *International Economics Policy Briefs*, PB03-3, April 2003, p. 6.

[6] Ming Liu, "China and the North Korean Crisis: Facing Test and Transition", *Pacific Affairs*, 76(3), 2003, pp. 347-373.

ry is more multilayered than many observers acknowledge, and its strong economic dimension distinguishes it from the rather narrow ideological-military rivalry between the US and the USSR. As Denny Roy points out, the United States and China are both partners *and* competitors in Northeast Asia.[7] In this sense, the tendency among neo-realists to draw parallels between US-China relations and US-Soviet rivalry is misleading, and attendant prescriptions in favour of containment are based on a simplistic analogy.[8] Relations between Washington and Beijing are more complex and underpinned by less structural confrontations than is often assumed.

In the case of the China-Japan relationship, often identified as having the potential to evolve into great power confrontation in East Asia, there are perhaps fewer reasons to be optimistic. Nevertheless, it would be incorrect to assume that bilateral confrontation and serious tensions are necessarily inevitable. In addition to shared concerns over the need to safeguard valuable energy resources in the broader Asian region, China and Japan share one of the most interdependent relationships of any two states in the international system, with both countries acutely dependent on high levels of bilateral trade and investment for their continued economic well-being. Yet, unresolved historical issues, coupled with deep mutual mistrust at the popular level, pose considerable challenges for Beijing and Tokyo in managing their relationship. China's burgeoning influence in Asia, coupled with its increasingly assertive posture on political and security issues, worries Japanese policy makers. For its part, Beijing remains vigilant about Japan's growing strategic role and capabilities, particularly in the naval realm. An ongoing territorial dispute over the East China Sea and concerns about Japan's threshold nuclear weapons capability has the potential to escalate tensions in the bilateral relationship, despite close economic ties.[9]

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[7] Denny Roy, "China's Reaction to America's Predominance", *Survival*, 45(3), 2003, p. 72.

[8] See, in particular, John Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton, 2001); and Bradley Thayer, "Confronting China: An Evaluation of Options for the United States", *Comparative Strategy*, 24(1), 2005, pp. 71-98.

[9] For discussion, see James Manicom and Andrew O'Neil, "Sino-Japanese Strategic Relations: Will Rivalry Lead to Confrontation?", *Australian Journal of International Affairs*, 63(2), 2009, pp. 213-232.

As a small to medium-sized actor in the Asian region, Australia is acutely vulnerable to realignments among the great powers and shifting balances of power. While Australia's great power ally, the United States, continues to play an active balancing role in Northeast Asia, there is an appreciation among Australian policy makers that this is unlikely to last forever. In the absence of the US presence in Northeast Asia, Australia clearly would have an interest in ensuring that it is not squeezed by any of the major powers and that its economic and strategic interests are not compromised by great power rivalries. Yet although the stakes for Australia in achieving a great power equilibrium in Northeast Asia are very high, it has little, if any, real influence over shaping futures outcomes in this area. Great power dynamics have a logic and momentum all of their own, and structural transformations in the balance of power at the regional level are essentially impervious to multilateral institutions. As John Mearsheimer has observed, "institutions are basically a reflection of the distribution of power in the world [and] are based on the self-interested calculations of the great powers, and they have no independent effect on state behaviour".[10] A country like Australia has very few options in responding to major power shifts in its region. Its approach for the past sixty years has been to seek security within the great power system in Asia through an alliance with the United States. If this is no longer an option in an era where China's rise eclipses America's position in the region, Australia's strategic choices will be stark: bandwagoning with regional states to balance the influence of a hostile major power or accommodating the latter through a process of engagement, or possibly appeasement.[11]

Adjusting to China's Rise

It is difficult to see how China's stunning rise to great power status will not continue well into the twenty-first century. China has the world's fastest growing economy with an annual growth rate that

[10] John Mearsheimer, "The False Promise of International Institutions", *International Security*, 19(3), 1994/95, p. 7.

[11] See Randall Schweller, "Managing the Rise of Great Powers: History and Theory", in Alistair Johnson and Robert Ross, eds., *Engaging China: The Management of an Emerging Power, Routledge, London*, 1999, pp. 1-31.

has hovered between seven to nine percent of GDP since the late 1990s. This has been accompanied by an awesome expansion of its trade and foreign direct investment (FDI), with China being the world's single largest recipient of FDI. However, the most striking dimension of China's economic power lies in its projected upward trajectory in the coming decades. Although fraught with some uncertainty, conservative projections indicate that China will surpass the United States as the largest economy in the international system (in absolute terms) early in the second half of the twenty-first century. If realised, this will be a remarkable achievement for a country that, up until the late 1970s, had been one of the least developed economies in Asia.

Inevitably, China's rapid economic ascent has had significant flow-on effects in improving Beijing's ability to modernise its conventional and nuclear force assets since the end of the Cold War, as well as increasing China's political and diplomatic influence in foreign capitals, particularly in Asia. This newfound influence has been carefully cultivated by Beijing, with considerable effort devoted to improving China's diplomatic reach. Central to this has been the promotion of the perception among regional states that China's continuing rapid rise is assured. As Shaun Breslin notes, "A key source of China's 'non-hard' power appears to be the way in which some in the region (and beyond) base their relations with China today on the (well-founded) expectation of continued growth and what they expect China to become in the future".[12]

China's spectacular economic performance, while generally regarded as positive and as a unique opportunity for foreign investors, has stirred debate about whether China will remain content to play a benign leadership role in Northeast Asia or pursue a more aggressive posture aimed at securing regional hegemony. Consequently, the options for "managing" China's rise are portrayed in starkly negative terms of either accommodation or confrontation. China's stunning economic performance, it is claimed, has laid the foundation for a drive towards regional domination in Northeast Asia. Either countries can adjust to China's inevitable endeavours to exercise hegemony in regional

[12] Shaun Breslin, "Understanding China's Regional Rise: Interpretations, Identities and Implications", *International Affairs*, 85(4), 2009, p. 835.

affairs, or they can bandwagon to contain China's hegemonic ambitions.

Often overlooked is the extent to which China's bilateral relations with regional states have already become interdependent and the degree to which China remains dependent on continued peace and stability in Northeast Asia. Along with the United States, China has become the single most important trading partner for Japan, South Korea, and Taiwan and the trend is that it will become the dominant economic partner for all three states.[13] This is despite ongoing bilateral tensions over a number of unresolved strategic issues. Yet, it is simplistic to assume that China alone is gaining economic advantage that it will be able to use unilaterally to its own strategic ends at some future point. As Nanto and Chanlett-Avery point out, "Not only are Japan, Taiwan, and South Korea becoming more dependent on China, but China is also becoming more dependent on their economies for imports and exports".[14] Moreover, China's upward economic trajectory will remain vulnerable to external shocks and domestic turmoil, and Chinese analysts themselves emphasise the considerable challenges facing Beijing, including the difficult coordination of economic and social development and projected domestic energy shortfalls.[15]

For Australia, the rise of China presents enormous challenges, as well as opportunities. Despite the extraordinary expansion of the bilateral economic relationship since the 1990s, Australian policy makers have demonstrated caution in their dealings with China, particularly in the area of inbound foreign direct investment. Australian policy elites are remarkably open about the degree to which Australia has become dependent on China for its sustained economic growth. Yet this has not stopped them from seeking to limit Chinese direct influence over key sectors of the national economy, and protests from Beijing seem to have made little impact on the willingness of Canberra to insist on tough preconditions for proposed Chinese investment in the mining sector in particular.

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[13] Robert Wang, "China's Economic Growth: Source of Disorder?", *Foreign Service Journal*, May 2005, p. 20.

[14] Dick Nanto and Emma Chanlett-Avery, "The Effect of the Rise of China on Taiwan, Japan, and South Korea", *Problems of Post-Communism*, 53(1), January-February 2006, p. 35.

[15] On China's often overlooked internal fragility, see Susan Shirk, *China: Fragile Superpower* (Oxford: Oxford University Press, 2008).

However, there is some evidence that Australia has accommodated China on the key issues of Taiwan and the short-lived Quadrilateral Dialogue. Remarks by the Howard government in 2004 that Australia would not necessarily assist the US in a Taiwan Strait contingency and the termination by the Rudd government in 2008 of Australia's participation in a formal strategic dialogue process with India, Japan, and the US—in response to Chinese pressure—signalled something of a realignment in Australia's regional strategy. Outspoken criticism of Japan on the issue of whaling has juxtaposed with a focus on not offending Chinese sensibilities in the region. This has raised questions about whether Australia is drifting towards China's orbit in Asia.[16] But this should be balanced against Australia's continuing strong alliance with the United States—reinforced by robust public support—and Canberra's evolving security relationship with Tokyo. There is no evidence of a weakening in Australia's commitment to the US alliance, which would seem to undercut any argument that instances of accommodation of Chinese policy preferences and is indicative of a broader strategic realignment.[17] In addition, notwithstanding the unprecedented political and economic interaction between China and Australia, there remains a strong wariness of China's longer-term intentions among policy elites, something also mirrored in public opinion surveys. Like other regional states, Australia has adopted a blend of alignment strategies to capitalise on the economic opportunities presented by China's rise, while guarding against adverse strategic consequences. Achieving this balance into the future will be the ideal outcome for Australian policy makers.

Equilibrium on the Korean Peninsula

For some time, regional analysts have regarded the Korean peninsula as the most serious and intractable security challenge in Northeast Asia. The history of civil war between North and South

[16] Andrew Shearer, "Don't Sacrifice Relations with Japan Over Whaling", *The Spectator* (UK), 20 January 2010, available at: http://www.spectator.co.uk/australia/page_9/5719623/dont-sacrifice-relations-with-japan-over-whaling.thtml (accessed on 26 February 2010).

[17] For elaboration on this argument, see James Manicom and Andrew O'Neil, "Accommodation, Realignment, or Business as Usual? Australia's Response to a Rising China", *The Pacific Review*, 22, forthcoming, 2010.

Korea, and the fact that the two countries have not signed a peace treaty formally ending their conflict, has meant that relations between Seoul and Pyongyang remain trapped in a time warp of Cold War hostilities. Yet despite the massive military build-up on the northern and southern sides of the narrow DMZ, there is strong evidence that both sides remain deterred from initiating armed conflict or risking armed conflict by pushing the other side too far. The near certainty of defeat means that Pyongyang probably recognises that war would be tantamount to inviting South Korea and the United States to institute regime change in the North. For the ROK and its American ally, the massive costs of any conventional conflict would dramatically eclipse any conceivable strategic benefits that could be gained because of initiating war with North Korea. There are also strong grounds to conclude that Seoul and Washington are deterred by the prospect of North Korea possibly using nuclear weapons against targets in the south and Japan.

The key motivating factor for Northeast Asian countries in their approach to all issues on the Korean peninsula is the desire to preserve the status quo—that is, doing all they can to forestall developments that could threaten the survival of North Korea as a unitary state. China and South Korea provide substantial economic assistance to the DPRK, while Japan and Russia have provided significant amounts of humanitarian (mainly food) aid through the United Nations. Only when the Pyongyang regime has undertaken actions, including testing nuclear devices in 2006 and 2009, do these countries feel compelled to threaten the continuation of economic assistance and food aid.

The one country often identified as having both the capacity and motive to remove the Pyongyang regime, the United States, has provided North Korea with over one billion dollars in aid since the mid-1990s, and has sought to reassure the North Korean leadership publicly that it has no interest in imposing regime change on Pyongyang. The consensus among all Northeast Asian states is clear: any collapse of the DPRK either through implosion or the use of external force would have seriously adverse consequences for their strategic interests, both in the immediate and long term. For South Korea, in the short term it would mean dealing with an influx of possibly hundreds of thousands of refugees from the north and the diversion of prodigious economic resources to help

underwrite the transition to reunification on the peninsula. China would lose a key buffer state in the event of a DPRK collapse and, like Seoul, would face the prospect of large numbers of North Korean refugees streaming into its territory across a 1,400-kilometre front.

Australia is by no means a key player on the Korean peninsula, but it does have a vested interest in what happens in this theatre. The Australia-ROK economic relationship has reached unprecedented heights and South Korea has developed a critical middle power role in Asia. Moreover, the future of North Korea, in particular the fate of its nuclear weapons inventory, is of considerable concern to Australian policy makers. Australia is already within range of China's inter-continental ballistic missile forces, and may well be within range of North Korea's Taepodong missile forces before 2020. Being subject to a direct nuclear strike from Pyongyang may sound like a remote possibility, but it is less remote than a nuclear strike from China. The extended deterrence umbrella provided to America's allies in Asia provides some assurance for Australian policy makers, but it is by no means likely to last, with reports already emerging that the Obama administration is reviewing the role of extended deterrence in preparing the latest US Nuclear Posture Review.[18] The potential trigger of North Korea's nuclear inventory for further proliferation in the region is something that cannot be lost on Australian strategic planners.

The Blind Alley of Multilateralism

Is Australia equipped to deal with the three challenges outlined above? A central theme in the analysis so far is that Australia, as a minor player in regional terms, will continue to enjoy little direct influence over shaping regional security dynamics in Northeast Asia. Thus it would seem logical to assume that the optimum, indeed perhaps the only, way for Australia to promote its interests in Northeast Asia is through advocating a greater role for multilateral institutions in the region. This is certainly a

[18] Thom Shanker and Mark Landler, "Pentagon Checks Arsenal in Race for Nuclear Treaty", *The New York Times*, 8 September 2009.

strong thread running through the Rudd government's advocacy of an "Asia Pacific Security community", which is based on reifying the role of "pan-regional institutions to enhance the positive dimensions of growing regional interconnectedness and manage any negative impacts". An underlying assumption in the Rudd government's rhetoric is that formal multilateral institutions can achieve positive security outcomes—in terms of promoting stability and conflict avoidance—that informal traditional balance of power arrangements cannot.

Yet, there are several reasons to question the internal logic of this position. The first relates to the low-grade performance of multilateral security institutions in Northeast Asia especially, and Asia more generally, in recent times. Supporters of enhanced institutionalism in Asia have argued strongly in favour of the need for transforming the extant Six-Party Talks process—instituted in 2003 as a response to North Korea's withdrawal from the NPT—into a sub-regional forum to address broader security issues. Stephen Haggard and Marcus Noland have recently outlined the concept of a Northeast Asia Peace and Security Mechanism, which would aim to formally integrate sub-regional states.[19] Nick Bisley has argued that the Six Party Talks "have garnered sufficient political interest to make possible an ongoing multilateral mechanism to deal with security challenges in this relatively combustible region".[20] According to Bisley, one of the key contributions such a mechanism could make would be "to establish a set of procedures to deal with any future sub-regional crises".[21] This view is similar to the position expressed by the Rudd government in support of expanding Northeast Asia's security institutions.[22] However, it is important to point out that the Six Party Talks process has signally failed to achieve its primary mission since 2003: preventing North Korea from acquiring nuclear weapons. If such a multilateral process cannot attain the

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[19] Stephen Haggard and Marcus Noland, "A Security and Peace Mechanism for Northeast Asia: The Economic Dimension", *The Pacific Review*, 22(2), 2009, pp. 119-137. The authors concede that "a more permanent multilateral structure is unlikely until the [North Korean] nuclear issue is resolved".

[20] Nick Bisley, *Building Asia's Security* (London: Routledge and IISS, 2010), p. 105.

[21] Bisley, *Building Asia's Security*, p. 106.

[22] See, for instance, "The Hon Stephen Smith, Interview: Phoenix Television, Beijing, 26 March 2009", available at: http://www.foreignminister.gov.au/transcripts/2009/090326_phoenix.html (accessed on 2 March 2010).

objective it was mandated to achieve when it was instituted, what hope is there that a revised process will be capable of "dealing with future sub-regional crises" as and when they present themselves?

The limits to multilateral security institutions are evident more generally in the Asian region. Regional states (including Australia) belong to Asia-wide institutions, including the ASEAN Regional Forum (ARF) and the East Asian Summit (EAS), which had its inaugural meeting in December 2005. Nevertheless, these bodies deal with security issues in only a generic fashion, and do not focus directly on outstanding security issues in Northeast Asia. Moreover, steered as they are by ASEAN group members who place a premium on preserving their authority over Asian multilateralism as a way of blunting American and Chinese influence in Southeast Asia, neither the ARF nor the EAS have the institutional capacity to go beyond ritualistic declarations of "common concern" and "identity building". Achieving little substantive progress since the mid 1990s when it was set up, the ARF has failed to demonstrate its relevance to tackling the more intense security dilemmas and challenges that confront Northeast Asia. The tentative nature of security institutions in Asia is in stark contrast to the situation in Europe where there is a long tradition of countries readily ceding key elements of their sovereignty to supranational institutions, particularly the European Union (EU) and NATO. Europe's security dynamics are deeply intertwined with regional multilateral institutions forums such as the Organization for Security and Cooperation in Europe (OSCE), and virtually all European countries have committed themselves to dealing with major security challenges within the framework of existing multilateral institutions.[23] There is no basis for assuming—as the Rudd government and a number of observers do—that a pan-regional security institution would have any more success than existing institutions in addressing security challenges across Asia, including those in Northeast Asia.

Perhaps most important of all, there remains little evidence to suggest that the region's great powers are genuinely committed to building robust multilateral institutions to address Northeast Asia's security challenges. This is hardly surprising from a historical

[23] For a comprehensive overview of its roles and responsibilities, see the organisation's web site at: http://www.osce.org/

perspective and validates a key strand of realist theory about great power behaviour in practice. But it also owes something to a particular mindset about hierarchy among Asian states. As David Kang has argued, the notion of an established hierarchy among regional states retains stronger appeal in Northeast Asia than arguably any other region in the international system. Hierarchy among states has a well-established tradition in Asia generally, and up until the nineteenth century, China was seen as "the dominant state and the peripheral states as secondary states or 'vassals'". This is in sharp contrast to the Western tradition that stresses formal equality between states (as in the European model).[24] Residual elements of this tradition have dissipated to a much great extent in Southeast Asia than in Northeast Asia where there is greater resistance among the major powers to subjecting themselves to the uncertainties of multilateral processes on an equal footing with countries they deem to be "lesser" powers. Finally, the principle of sovereignty remains highly prized among Northeast Asian states. Regional states tend to value traditional Westphalian notions of sovereignty more highly than their European counterparts. As a result, they have been generally more suspicious of multilateral forums with the (perceived) potential to dilute key aspects of their sovereign prerogative on important security issues. Even in Southeast Asia, where states have been more comfortable engaging in multilateral diplomacy under the rubric of ASEAN, regional institutions have been "sovereignty conforming" rather than genuinely supranational in the European mould.

As Allan Gyngell has observed, Australia has a long-standing preference for multilateral approaches to dealing with key foreign policy challenges, which in turn mirrors a belief that "as a middle-sized power, Australia alone cannot shape the world and that the country's interests are best served by encouraging the development of international norms and laws that would help balance Australia's relative weakness".[25] The Rudd government's "Asia Pacific Security community" proposal stems from a deeper commitment to the role

[24] David Kang, "Hierarchy in Asian International Relations: 1300-1900", *Asian Security*, 1(1), 2005, pp. 54-55.

[25] Allan Gyngell, "Australia's Emerging Global Role", *Current History*, March 2005, p. 100.

that international institutions can play in mitigating the effects of anarchy in the international system. It is, in short, a case built on classic liberal-institutionalist foundations that have featured as a central element in Labour's foreign policy tradition.[26] There is nothing intrinsically wrong with the argument that institutions can help to offset the worst effects of systemic anarchy in international relations—we only have to imagine how the world would have evolved after 1945 without the United Nations. Yet, the argument that institutions are *necessary* to address Asia's emerging security challenges is unconvincing. So too is the (untested) assumption that Asia will be worse off without a "pan-regional" security institution. The view often put forward is that Asia "lags behind" Europe in its ability to manage its security affairs due to the absence of region-wide multilateral institutions dedicated to promoting security.[27] In adopting this approach, there is a risk that a multilateral security institution of the OSCE type becomes an end in itself rather than a means to promoting conflict avoidance among states. It is worth pointing out that despite its lack of security institutions, with the exception of the brief Sino-Soviet border armed clash in 1969, Northeast Asia has not experienced armed conflict since the Korean War of 1950-53, while Europe was the site of large-scale civil war and inter-state conflict in the Balkans for most of the post-Cold War era.

Australia confronts some daunting security challenges in Northeast Asia in the years ahead. The tools it has at its disposal to protect its national interests in this part of Asia are limited. Advocating modest multilateral initiatives to build confidence among the major powers should be part of Australia's strategic policy, but grand visions of a pan-Asian security institution should

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[26] This very much has its intellectual roots in the thinking of Hebert Vere Evatt, who was Labor foreign minister under the Curtin and Chifley governments. See David Lee, "The Curtin and Chifley Governments: Liberal Internationalism and World Organisation", in David Lee and Christopher Waters, eds., *Evatt to Evans: The Labor Tradition in Australian Foreign Policy* (St. Leonards: Allen and Unwin, 1997), pp. 48-61.

[27] In his initial speech outlining the Asia Pacific Security cooperation concept, Rudd observed: "Most people would now agree that the goal of the visionaries of Europe who sat down in the 1950s who resolved to build prosperity and a commons sense of a security community has been achieved. It is that spirit we need to capture in our hemisphere." See "The Hon Kevin Rudd, Address to the Asia Society AustralAsia Centre Annual Dinner, Sydney, 4 June 2008".

not form the centrepiece of Australia's strategy. Such a construct is ill-suited to addressing Australia's emerging security challenges in Northeast Asia. The Rudd government would be well advised to look more closely at the poor track record of multilateral security institutions in the region and their fundamental limitations in influencing balance of power politics in Northeast Asia. In thinking about ways in which to deal with security challenges in the twenty-first century, Australian policy makers should focus on leveraging the existing avenues of influence they have at their disposal. These avenues are primarily bilateral in nature, the most important of which is Australia's alliance with the US, its close security relationship with Japan, an expanding strategic dialogue with South Korea, and access to senior Chinese elites by dint of the Sino-Australian economic relationship. While it may offend the purer instincts of liberal-institutionalists in government, academia, and think tanks, Australia could do a lot worse than seek to "muddle through" by exploiting what it has—as distinct from what it would like—more effectively.

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Renegotiating Asia's Regional Security Order: The Role of the United States

Beverley Loke[1]

Introduction

Undoubtedly, Asia holds a central position in a shifting global geopolitical climate.[2] However, the region remains plagued by historical grievances, territorial disputes and nuclear proliferation, and is confronted with non-traditional security challenges such as climate change, energy security and natural disasters. Yet over the years, the region has witnessed the rise of China and India, achieved substantial economic progress, and sought to forge a more coherent sense of regional identity. It has developed to become arguably the most dynamic region in the world, with the Asian security order currently undergoing processes of renegotiation to better reflect changing regional and global realities.

Naturally, one of the key questions emerging out of this shifting regional landscape concerns the role of the United States. In particular, what is the extent and nature of America's role in the renegotiation and orchestration of the Asian security order? This is the central research question this article seeks to address. Specifically, it situates America's role in Asia vis-à-vis two important regional developments: the rise of China, and Asia's responses to the policies of the George W. Bush administration. This article advances two major arguments. First, the US has played, and will continue to play, a vital role in the evolution of the regional security order. The extent of America's role in the region thus remains wide-ranging and highly fundamental. Second, the US

[1] The author would like to thank Ralf Emmers for his valuable comments.

[2] For a volume that succinctly captures the regional-global nexus of Asian security, see William T. Tow, ed., *Security Politics in the Asia-Pacific: A Regional-Global Nexus?* (Cambridge: Cambridge University Press, 2009).

nevertheless needs to pay greater attention to the manner in which it conducts itself in the region. Indeed, "Asia is now far more than a bystander. It is no longer waiting to be led; it is an able and willing partner and expects to be treated as such."[3] To this end, the nature of US involvement and its role in shaping a regional collective future must be recalibrated to better adapt to changing regional dynamics.

This article is organised into four sections. The first section offers a brief overview of America's involvement in Asia. The second section examines the implications of China's rise for US regional leadership and order-building initiatives. The third section introduces the concept of legitimacy and focuses on Asian reactions to Bush's intensified unilateral policies. The final section provides a preliminary assessment of President Barack Obama's Asia policy. Initial observations indicate that the Obama administration is demonstrating a keen awareness of Asia's regional dynamism and is headed in the right direction with regard to the extent and nature of America's role in the evolving regional security order, even as inherent challenges remain.

The US in Asia

From the very outset, the US has played a pivotal role in the construction of Asia's security order.[4] The post-World War II Asian regional order was fundamentally characterised by bilateral security arrangements, commonly known as the "San Francisco System". Under this system, the US provided public goods that significantly contributed to regional stability in the form of security guarantees, technology transfers and open economic liberalism. More than half a century after the San Francisco System

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[3] Yoichi Funabashi, "Keeping Up With Asia: America and the New Balance of Power", *Foreign Affairs*, vol. 87, no. 5, September/October 2008, p. 125.

[4] See for instance, Evelyn Goh, "Hierarchy and the Role of the United States in the East Asian Security Order", *International Relations of the Asia-Pacific*, vol. 8, no. 3, 2008, pp. 353-377; G. John Ikenberry, "The Political Foundations of American Relations with East Asia", in G. John Ikenberry and Chung-in Moon, eds., *The United States and Northeast Asia: Debates, Issues, and New Order* (Lanham, MD: Rowman & Littlefield Publishers, Inc., 2008), pp. 19-37; William H. Overholt, *Asia, America, and the Transformation of Geopolitics* (New York: Cambridge University Press, 2008), pp. 11-31.

was institutionalised, these bilateral alliance relationships remain an enduring feature and necessary component of contemporary Asian security. Yet, to an extent, they have largely shifted from an explicitly threat-centric agenda and adapted to changing regional realities.

Whilst bilateralism under the San Francisco System was the defining Asian security structure during the Cold War, it is perhaps more accurate to currently refer to Asian security structures in the plural and recognise that these traditional, albeit transformed, alliances comprise merely one of the security structures in an evolving regional order. Particularly over the last two decades, Asia's regional security architecture and regional order have undergone processes of renegotiation from within. Regional security structures are constantly being redefined to better capture changing regional dynamics and reflect a greater push toward multilateral initiatives. As a result, the contemporary regional security architecture is best characterised by myriad ad hoc and formal bilateral, minilateral and multilateral arrangements with often overlapping security agendas. Order-building in Asia thus remains a continuous project.

America's role remains central to the renegotiation and orchestration of Asia's regional order. Over the years, America's strategic objectives in Asia have remained largely constant: to strengthen its traditional alliances, de-nuclearise North Korea and establish stability on the Korean peninsula, curtail the threat of nuclear proliferation, encourage the peaceful development of China, eliminate terrorist networks in the region, and maintain American access to Asian economic markets. To achieve these goals and maintain America's regional leadership, US strategy in Asia has rested primarily on the provision of public goods, the management of regional conflict, and the legitimate exercise of its power.[5] Recent developments such as China's rise and Bush's unilateral tendencies have, however, cast a shadow of doubt on US influence in Asia. It is thus salient to assess the prospects for a continued US leadership role in light of such developments.

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[5] Michael Mastanduno, "Hegemonic Order, September 11, and the Consequences of the Bush Revolution", in G. John Ikenberry and Chung-in Moon, eds., *The United States and Northeast Asia: Debates, Issues, and New Order* (Lanham, MD: Rowman & Littlefield Publishers Inc., 2008), pp. 263-267.

The Rise of China: Implications for US Regional Leadership and Order-Building

China's rise over the past two decades has been nothing short of remarkable. China's growing power is unambiguously leaving a material and ideational footprint in many aspects of international affairs. Whilst China's rise remains accompanied by much uncertainty, overall, China has not sought to destabilise the US-led regional and global order. To an extent, China acknowledges that its continued domestic development is highly dependent on the stability that a US-led order provides. Nevertheless, Beijing is equally aware that it has accrued sufficient power to project a more decisive influence in international politics. At a regional level, this confidence is manifested in China's enhanced participation in regional affairs and multilateral institutions.

Since the 1990s, China has adopted the view that multilateral institutions are platforms to advance China's interests and has come to embrace and even initiate such institutions. China was a key driver in establishing the Shanghai Cooperation Organisation (SCO) in 2001. In 2002, China signed the Declaration on the Conduct of Parties in the South China Sea with the Association of Southeast Asian Nations (ASEAN). Although China has not relinquished its territorial claims over the Spratly Islands, the declaration represents a peaceful management of the dispute and prohibits a repetition of the 1995 Mischief Reef incident. Similarly, China became the first non-ASEAN member to accede to the Treaty of Amity and Cooperation in Southeast Asia (TAC) in October 2003. In addition, Beijing has forged greater cooperation on economic, transnational and non-traditional security issues. The 2009 Defence White Paper highlighted the "military operations other than war" (MOOTW) aspect of the People's Liberation Army (PLA), such as counter-terrorism measures, disaster relief and international peacekeeping. Overall, China has subscribed to the "responsible stakeholder" thesis, with Hu Jintao's "harmonious world" concept as an attempt to reconfigure and broaden China's national interests to take into account the common interests of other states.[6]

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[6] Interestingly, it is worth noting the damning critique presented by several Chinese scholars. Zhang Ruizhuang argues that the "harmonious world" thesis is "little more than rhetoric spiced with Wilsonian idealism." According to Zhang, "China's pursuit of a foreign policy with no principle, no vision, no cause, and no friends plus its relentless pursuit of economic ties and benefits

Yet, to be sure, there are forces tugging China in different and often divergent directions. There exists a potential tension between the extent to which China subscribes to the responsible stakeholder thesis without appearing to its domestic audience to be overly submissive to Western demands, while balancing this against calls to establish its own distinctive brand of great-power responsibility. On the one hand, China is expanding regional and global interests, aspiring to attain international status as a privilege-seeking state and greater socialisation into the international society by calling for the undertaking of greater international responsibilities. On the other hand, the accelerated pace of China's rise—and particularly since the onslaught of the global financial crisis, its increasing global influence—has caught its leaders by surprise and catapulted China into much greater responsibilities than for which it had prepared itself. Beijing is fully aware of the ripple effect that its growing power and responsibilities can create, and concerns have arisen within China that the country is shouldering more international obligations than its present capacity enables it to. China's policy makers fear that a rising external demand for China to undertake greater international responsibilities could drain the country's resources and divert attention away from its domestic development goals. Many believe China should not assume overwhelming international responsibilities and instead focus on its domestic obligations, resulting in a general reluctance to provide regional and global leadership. As a recent editorial in the *Global Times* stated, grandeur expectations of China's rise have led to the projection of inappropriate expectations of international responsibility onto China. Although much hope surrounds China's growing power, "the Chinese government and people should have a realistic idea of what the country is and what it isn't."[7]

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around the world leaves an impression in the eyes of the rest of the world that China is simply a mercantilist nouveau riche." Zhang Ruizhuang, "Would There Be Two Tigers Living in the Same Mountain? The Geostrategic Implications of China's Rise for U.S.-China Relations", in Eva Paus, Penelope B. Prime and Jon Western, eds., *Global Giant: Is China Changing the Rules of the Game?* (New York: Palgrave MacMillan, 2009), p. 226. On the responsible stakeholder thesis, see Thomas J. Christensen, "Shaping the Choices of a Rising China: Recent Lessons for the Obama Administration", *The Washington Quarterly*, vol. 32, no. 3, July 2009, pp. 89-104.

[7] "China Not Yet a Great Power", *Global Times*, 10 June 2009.

For the time being, the general consensus amongst foreign observers seems to be that "while China is willing occasionally to assume a leading role in concert with other states, it remains far from being a global leader in terms of either its mindset or its capabilities."[8] As an article in *The Economist* commemorating the 60th anniversary of the People's Republic of China commented, "China's own world view has failed to keep pace with its growing weight. It is a big power with a medium-power mindset, and a small-power chip on its shoulder."[9]

Such observations have a direct relevance for US-China relations and the future direction of Asia's security order. With the China-US dyad arguably the most consequential relationship in the world, one of the key questions emerging out of the current climate is whether China and the US will collaborate, co-exist or compete in regional and global order-building. In Asia, regional security actors would certainly not favour a scenario in which they would have to make tough choices between China and the US. Previous alarmist power transition predictions about Sino-American conflict, however, have not materialised.

Although power shifts are certainly in play, it is premature to speak of a destructive power transition between China as a rising great power and the US as a declining one. While China's rise undoubtedly presents certain challenges to the US, in the form of human rights issues and a lack of military transparency, over the years, Washington has come to realise the importance of Chinese cooperation on many fundamental issues of regional and international security. Engagement, rather than containment, has become the cornerstone of America's China policy, with both countries pragmatically accommodating and cooperating with each other. As Obama declared, "in an interconnected world, power does not need to be a zero-sum game, and nations need not fear the success of another...so the United States does not seek to contain China, nor does a deeper relationship with China mean a weakening of our bilateral alliances."[10] To this end, it is expected

[8] Evan S. Medeiros, "Is Beijing Ready for Global Leadership?", *Current History*, vol. 108, no. 719, September 2009, p. 256.

[9] "The People's Republic at 60: China's Place in the World", *The Economist*, 1 October 2009.

[10] Barack Obama, "Remarks by President Barack Obama at Suntory Hall", Tokyo, Japan, 14 November 2009, http://www.whitehouse.gov/the-press-office/remarks-president-barack-obama-suntory-hall (accessed 11 January 2010).

that both countries will continue to deepen their interdependence and cooperation amidst a shifting regional geopolitical structure.

Yet, while China is undertaking a more positive regional role, it is unlikely that Beijing will emerge to assume the duties and obligations of the US. Compared with the US, Chinese government elites tend to focus on a narrower conception of their national interest, even as such conceptualisations continue to evolve and be conditioned by its interactions with the international system. Beijing is in some aspects still testing the waters and struggling to implement a cogent strategy that grants it greater prestige and leadership status without undermining its core national interests of territorial integrity, domestic development and regime preservation. As Victor Cha aptly reminds us, "Critics who predict an American sunset in Asia are missing a fundamental point: in order to be a region's benefactor, a leading power must be willing and able to provide for the region's public good."[11] As the discussion above underscores, China at present does not appear to possess the capacity or ability to assume this leadership role.

America's Crisis of Legitimacy under Bush

Yet, as developments in the past decade have demonstrated, it is salient to recognise that US leadership is neither guaranteed nor secure. Here, it is worth noting that the notion of leadership is sustained through acts of legitimisation. Legitimacy is significant to the extent in which it engenders acquiescence by the other members of international society to the leading state's vision of order. Imbued with the power to both confer and withhold legitimacy, the international society is the gatekeeper of legitimacy. As Thomas Franck has stated, "it is the community which invests legitimacy with meaning. In this sense, community is not only the essential ingredient in an ultimate rule of recognition, it is also the *sine qua non* of the entire enterprise of defining legitimacy."[12]

[11] Victor D. Cha, "Winning Asia: Washington's Untold Success Story", *Foreign Affairs*, vol. 86, no. 6, November/December 2007, p. 100.

[12] Thomas M. Franck, *The Power of Legitimacy Among Nations* (Oxford: Oxford University Press, 1990), pp. 204-5.

To this end, the nature and purpose of US power under Bush featured prominently in international politics. US actions demonstrated how enlightened self-interest could also be enacted at the expense of international order. The lack of international legitimacy for the Bush administration was directly related to the perceived unilateralism undertaken in its foreign policy decisions, particularly in the context of the Iraq War. For many, the administration's muscular and moralistic foreign policy contrasted sharply with its predecessor's—the Bill Clinton administration—warm embrace of multilateralism. Such observations about US foreign policy, however, should be taken into perspective, as both Clinton and Bush schizophrenically oscillated between unilateral and multilateral tendencies. Indeed, the Clinton administration's 1995 National Security Strategy of Engagement and Enlargement declared that the US "will act with others when we can, but alone when we must."[13] Similarly, the 1999 National Security Strategy for a New Century stated, "we will do what we must to defend these interests, including—when necessary—using our military might unilaterally and decisively."[14] Conversely, Bush's commitment to multilateralism outside the Middle East was often insufficiently acknowledged. In Asia, for instance, such multilateral overtures included the US-led Proliferation Security Initiative and its commitment to the Six Party Talks.

Yet, particularly in the first term of the Bush administration, it appeared that the US was articulating a new vision of world order; one based on an intensified unilateralist impulse and revisionist attitude to the international liberal order it had sought to construct in the post-WWII era. America's willingness to circumvent the rules that it helped to establish and operate on its own terms was indeed exemplary of a situation where a "former norm entrepreneur [had] become the leading norm revisionist."[15] Prominent foreign policy experts warned that power does not necessarily translate into influence and authority, and cautioned against an overtly muscular

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[13] "A National Security Strategy of Engagement and Enlargement", The White House, February 1995, p. ii.

[14] "A National Security Strategy for a New Century", The White House, December 1999, p. 5.

[15] Ian Clark, "Setting the Revisionist Agenda for International Legitimacy", *International Politics*, vol. 44, nos. 2-3, 2007, p. 334.

foreign policy. Henry Kissinger, for instance, stated, "America's special responsibility is to work toward an international system that rests on more than military power—indeed that strives to translate that power into cooperation. Any other attitude will gradually isolate us and exhaust us."[16]

As the Bush administration came to realise in the context of the Iraq war, legitimacy is a highly valuable asset in international politics. On the whole, however, Bush's unilateral actions and counterterrorism policies did not weaken the US's standing in Asia to the extent that it did in Europe and the Middle East.[17] In Asia, the US bolstered its traditional bilateral alliances, effectively engaged the two rising powers in the region—China and India, strengthened its relationships with countries such as Singapore and Vietnam, and reinforced its commitment to regional organisations such as the Six Party Talks and the Asia-Pacific Economic Cooperation (APEC) forum. Yet, perceptions do matter, and towards the end of the Bush administration, there was a general view, within both US and Asian policy circles, that Washington's preoccupation with fighting a protracted war in the Middle East was neglecting the shifting balance of power and multilateral initiatives emerging in Asia. Many predicted the decline of US power and influence in an increasingly self-confident Asia and called on the new administration to augment its engagement with the region.[18] Such appeals have fallen on the current Obama administration, with preliminary evaluations indicating that it is headed in the right direction.

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[16] Cited in David P. Forsythe, "Global Leadership: American Exceptionalism in a Changing World Order", in Morton H. Halperin, Jeffrey Laurenti, Peter Rundlet and Spencer P. Boyer, eds., *Power and Superpower: Global Leadership and Exceptionalism in the 21st Century* (New York: The Century Foundation Press, 2007), p. 71.

[17] Michael J. Green, "The Iraq War and Asia: Assessing the Legacy", *The Washington Quarterly*, vol. 31, no. 2, Spring 2008, pp. 181-200. For a debate between the critics and defenders of Bush's Asia policy, see T. J. Pempel, "How Bush Bungled Asia: Militarism, Economic Indifference and Unilateralism Have Weakened the United States Across Asia", *The Pacific Review*, vol. 21, no. 5, December 2008, pp. 547-581; Michael J. Green, "The United States and Asia after Bush", *The Pacific Review*, vol. 21, no. 5, December 2008, pp. 583-594.

[18] See, for instance, Jason T. Shaplen and James Laney, "Washington's Eastern Sunset: The Decline of U.S. Power in Northeast Asia", *Foreign Affairs*, vol. 86, no. 6, November/December 2007, pp. 82-97.

Assessing Obama's Regional Scorecard

Both in rhetoric and in action, Obama and Secretary of State Hillary Clinton have demonstrated a strong awareness of America's diminished image in the Bush era and have sought to revitalise America's global legitimacy and leadership. They have persistently emphasised "a new era of engagement" in international relations and advanced the notion of smart power—an all-encompassing toolkit of military, diplomatic, economic, political and cultural measures—as a defining feature of US foreign policy.[19]

In Asia, the Obama administration has articulated a regional strategy that is collaborative, consultative, pragmatic, problem-oriented and grounded in mutual respect. As Secretary Clinton has remarked, "it really is about listening as much as talking."[20] Amongst many Asian states, America's increased attention and enhanced diplomatic efforts to the region have created renewed goodwill towards the US, largely countering previous perceptions that US influence in the region was in decline.

To be sure, there exists some apprehension among Asian leaders over the future direction of Obama's regional policies, and challenges remain even among America's close allies and friends. Recent tensions arising over the 2006 realignment roadmap and the shifting of Futenma base on Okinawa continue to highlight the complications of the US-Japan alliance. In addition, the Obama administration must move to assuage India's concerns of US neglect and further cement the US-India strategic partnership. Nevertheless, US bilateral relationships continue to underpin its policy in Asia and efforts have been made to move from patron-like relationships to partner-based ones. In his speech at the 2009 Shangri-La Dialogue, Secretary of Defence Robert Gates reinforced, "Moving forward, we would like to see a good deal more cooperation among our allies and security partners—more multilateral ties in addition to hubs and spokes...This does not

[19] Hillary Rodham Clinton, "Foreign Policy Address at the Council on Foreign Relations", Washington DC, 15 July 2009, http://www.state.gov/secretary/rm/2009a/july/126071.htm (accessed 11 January 2010).

[20] Hillary Rodham Clinton, "Overview of Trip to Asia", Remarks by Secretary Clinton En Route to Tokyo, Japan, 15 February 2009, http://www.state.gov/secretary/rm/2009a/02/117345.htm (accessed 11 January 2010).

mean any weakening of our bilateral ties, but rather enhancing security by adding to them multilateral cooperation."[21]

On this latter point, the Obama administration has advanced a greater commitment than its predecessor to developing and supporting regional multilateral initiatives. The US finally signed the TAC in July 2009 and held the inaugural US-ASEAN summit four months later. In his first visit to Asia as president of the United States, Obama declared America's intentions to participate in regional deliberations on Asia's future and to anchor its engagement in appropriate regional organisations.[22]

To this end, Clinton's recent remarks are worth examining. On January 12, 2010, Clinton delivered a definitive policy speech outlining five key principles underpinning America's regional strategy:[23]

> 1. A reinforced commitment to US bilateral alliances and a further strengthening of its bilateral relationships with China, India, Indonesia, Singapore and Vietnam;
>
> 2. Utilising regional institutions to promote regional security, economic opportunity, and political progress;
>
> 3. A firm belief that regional organisations should be action-oriented towards addressing regional security challenges;
>
> 4. Pragmatically drawing on formal and informal bilateral, minilateral and multilateral groupings to achieve the results the US seeks; and
>
> 5. Engaging in consultations to determine the defining regional organisations and the best way forward to promote a collective and cooperative regional order.

Keeping in line with the administration's problem-driven and results-oriented foreign policy approach, the speech reaffirmed America's commitment to the region and willingness to engage

[21] Robert M Gates, "America's Security Role in the Asia-Pacific", First Plenary Session at the 8th IISS Asia Security Summit, The Shangri-La Dialogue, Singapore, 30 May 2009, http://www.iiss.org/conferences/the-shangri-la-dialogue/shangri-la-dialogue-2009/plenary-session-speeches-2009/first-plenary-session/dr-robert-gates/ (accessed 11 January 2010).

[22] Obama, "Remarks by President Barack Obama at Suntory Hall".

[23] Hillary Rodham Clinton, "Remarks on Regional Architecture in Asia: Principles and Priorities", Imin Center-Jefferson Hall, Honolulu, Hawaii, 12 January 2010, http://www.state.gov/secretary/rm/2010/01/135090.htm (accessed 15 January 2010).

regional actors on the basis of equality, respect and mutual interests. Of particular significance was the message that regional institutions had to adopt greater functional roles to address security challenges and strengthen regional cooperation. As Clinton remarked, "The formation and operation of regional groups should be motivated by concrete, pragmatic considerations. It's more important to have organizations that produce results, rather than simply producing new organizations."[24]

This comes amidst an increasing recognition that Asia lacks an overarching regional security architecture and is instead composed of a plethora of overlapping and often ill-equipped regional institutions. To be sure, some of these institutions have achieved noteworthy goals and contributed to regional order. Yet, as a recent Council on Foreign Relations report has critiqued, oftentimes "form, not function, has been the principal driver of nearly all Asian multilateralism for more than a decade. Process has become an end in itself as Asians have formed redundant group after redundant group, often with the same membership, closely overlapping agendas, and precious little effort on regional or global problems."[25] In this regard, Asia has witnessed a growing momentum over recent years to conceive of institutional groupings that better capture Asia's regional dynamism; Australian Prime Minister Kevin Rudd's 2008 proposal for an Asia-Pacific Community may be seen in such terms.

What will be crucial is for the Obama administration to hold true to its promise of renewed engagement and multilateral leadership. It will need to strike a balance between, on the one hand, engaging consultatively with regional partners and, on the other, ensuring that real progress is made toward tailoring and streamlining coherent security structures that are driven by functionality and common purpose in order to better shape Asia's future.

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[24] Clinton, "Remarks on Regional Architecture in Asia: Principles and Priorities".

[25] Evan A. Feigenbaum and Robert A. Manning, "The United States in the New Asia", Council Special Report No. 50, Council on Foreign Relations, New York, November 2009, p. 5.

Conclusion: An Evolving Regional Security Order—What Role for the US?

As the US has often demonstrated, one of its greatest assets is its ability of innovation and renewal; indeed, the Obama administration was elected into office under the promise of hope and change. Yet, as America is undergoing processes of change, so is Asia: "Asia has become a region in which the old is juxtaposed with the new, a region that has gone from soybeans to satellites, from rural outposts to gleaming mega-cities, from traditional calligraphy to instant messaging, and most importantly, from old hatreds to new partnerships."[26] In many aspects, the global outlook has gravitated to this new geopolitical and economic centre, leading many to label this "the Asian century." To this end, the extent and nature of America's role in the renegotiation and orchestration of Asia's security order is of fundamental concern.

The above discussion has underscored that the US has been, and remains, an instrumental security actor in the region. The US is widely regarded as a pillar of security and has demonstrated its ability to adapt to changing regional realities whilst retaining its core strategic objectives. The recalibration of America's Asia policy under the Obama administration is a welcome development. In its first year, the administration has managed to recast a previously tarnished reputation and counter perceptions of US decline in Asia. The Obama administration would be well advised to continue down this path of renewed engagement based on partnership, equality and respect.

Nevertheless, when push comes to shove, the administration must equally be willing to exercise its leadership, even if it means being tough on certain regional security issues. At present, the Obama administration appears preoccupied with establishing a good image in Asia and being appealing to as many regional states as possible. A preliminary evaluation of Obama's Asia policy indicates that such an approach has renewed US legitimacy and leadership in the region. Whether such a policy can be sustained, however, remains to be seen, resulting in some regional anxiety about the future direction of Obama's regional strategy.

[26] Clinton, "Remarks on Regional Architecture in Asia: Principles and Priorities".

Particularly in light of emerging and persistent security challenges, as well as shifting regional dynamics, the US will need to strike an astute balance between its partnership-leadership, bilateral-multilateral, and consultative-functional approaches. At the dawn of a new decade, one may be cautiously optimistic of America's role in Asia's evolving regional security order.

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The Political Dialogue Programme of the KAS Regional office organises and sponsors international conferences and seminars around the ASEAN+3 Region annually with a focus on political and social development, political parties and civil society, social market economy, regional security and international cooperation and relations between Asia and Europe.

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