

# TRANSATLANTIC SECURITY COOPERATION IN THE ASIA-PACIFIC

**Recommendations for the Next U.S. Administration** 

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#### **About the Series**

The Papers for the Next President series is designed to assist the next president and his or her team in crafting a strong, pragmatic, and principled national security agenda. The series explores the most critical regions and topics that the next president will need to address early in his or her tenure and will include actionable recommendations designed to be implemented during the first few months of 2017.

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The Strategy and Statecraft program explores and advances ideas on America's role in the world and how it employs its national security tools to protect and advance U.S. interests and values. From building a community of interest and practice dealing with U.S. grand strategy to advancing a reform agenda for U.S. national security departments and agencies to crafting new ways to work more closely with allies and partners, the Strategy and Statecraft program shapes and elevates the debate in Washington and around the world. Drawing on the knowledge and real-world experience of its team, along with a global network spanning the public and private sector, the program aims to provide policymakers with concrete ideas and recommendations for action.

#### Introduction<sup>1</sup>

hen the Obama administration announced its strategic rebalance to the Asia-Pacific region in 2011, a number of European capitals initially worried that it would be followed by a commensurate decline of U.S. engagement in Europe.<sup>2</sup> Some experts felt as though Washington's decision not to invite the EU to "join the pivot" meant that America did not view Europe as a "relevant actor in the Asia-Pacific region," and that Europe would be increasingly neglected for regions that the United States deemed more important.3 However, five years later, Europe has come to better understand and accept this policy.4 Alongside this acceptance, though, are many open-ended questions about Europe's policies toward Asia. Should, for example, Europe try to develop its own rebalance in coordination with the United States? Or should it leave the foreign and defense issues of the Asia-Pacific region largely to the United States? The answers to those questions vary by country, making a single European policy on Asia impossible to construct. As a result, Washington has made only modest efforts to enhance its cooperation with Europe in Asia. But the next U.S. president could and should do more to develop a comprehensive and longterm strategy toward the region in coordination with European partners.

This report examines the achievements of the rebalance over the last five years and explores what transatlantic security and defense cooperation in the Asia-Pacific should seek to accomplish under the next U.S. administration. Do Washington and European capitals see eye to eye on regional developments and threat assessments today or are there key differences in their respective strategic outlooks? Where specifically can Europe bring added value to broader U.S. security efforts in the Asia-Pacific? What do expectations on both sides look like? Can those expectations be met?

# The Obama Administration's Rebalance to Asia

That the rebalance to Asia became a centerpiece of the Obama administration's foreign policy legacy was no accident. From the beginning of his presidency, Barack Obama referred to himself as "America's first Pacific president," and promised Asia "a new era of engagement with the world based on mutual interests and mutual respect." But the underpinning rationale for undertaking the strategic rebalance to the Asia-Pacific region went far deeper. It was steeped in the region's increasing vitality to U.S. interests. The Asia-Pacific had become "a key driver of global politics," and the United States lacked a sustainable and coherent long-term strategy toward the region.

The administration also recognized that the United States had dedicated immense time and resources over the previous decade to the wars in Iraq and Afghanistan. The plan to reduce the American military footprint in the Middle East thus presented an opportunity to create a more comprehensive approach to the Asia-Pacific. The strategy would bring together a combination of diplomatic, economic, strategic, and other instruments of American power in the region, with the goal of sustaining American leadership, securing American interests, and advancing American values.<sup>8</sup>

One centerpiece of the Obama administration's strategy in the Asia-Pacific has been the reinforcement of alliances and building of stronger regional partnerships. Over the past few years, Washington has set out to strengthen relationships with longstanding regional allies such as Australia, Japan, and South Korea. But alongside those efforts, the administration has sought to foster stronger strategic ties with emerging regional powers such as the Philippines, Indonesia, Malaysia, and Vietnam. It also played an integral role in Burma's transition to democracy by promoting national reconciliation, empowering civil society, and building government transparency. In addition, President Obama has focused on enhancing ties with India, especially on maritime security issues in the Indian Ocean.

The Obama administration has worked to strengthen its engagement with Asian regional organizations as well. For example, the United States has recently increased its cooperation with the Association of South East Asian Nations (ASEAN). In 2011, then Secretary of State Hillary Clinton attended the ASEAN Regional Forum foreign ministers meeting, reasserting the U.S. "strategic stake" in the South China Sea and stressing the importance of "freedom of navigation, unimpeded

legal commerce, and the maintenance of peace and stability." President Obama has personally attended the East Asia Summit four times since he assumed office, and he hosted the first U.S.-ASEAN summit on U.S. soil in early 2016.

Washington's bilateral relationship with China also has featured prominently in the rebalance. Early on in the first term, the Obama administration launched a dual-track U.S.-China Strategic and Economic Dialogue. Several high-level summits have been held in both countries in recent years, leading to the signing of the U.S.-China Comprehensive Framework for Promoting Strong, Sustainable and Balanced Growth and Economic Cooperation. This agreement creates a pathway to work toward common interests and creates a mutually beneficial partnership to "achieve strong, sustainable, and balanced growth of the world economy."12 Alongside economic issues, in November 2014 the United States and China agreed to an ambitious climate change agenda and created the U.S.-China Climate Change Working Group to combat this worldwide threat by focusing on zero- and low-carbon technological innovation. This in and of itself was a huge policy victory, one that set an example for the rest of the world to follow suit.

The United States also understands that its military posture is a fundamental piece of America's role in Asia in order to reassure its allies and to tangibly demonstrate U.S. commitment to the region. As such, the strategic rebalance has included a robust military component. The Pentagon reinforced the 7th fleet and the naval base in Singapore and deployed 2,500 marines to Darwin, in northern Australia. By 2020, the Pentagon plans to have shifted 60 percent of the Navy's ships to the Asia-Pacific region, including six aircraft carriers, cruisers, destroyers, and submarines.13 But the military component isn't just focused on reinforcing America's presence in the region. It includes programs designed to strengthen the capabilities of U.S. regional allies as well. In June 2015, the Pentagon announced the new Southeast Asia Maritime Security Initiative - a five-year, \$425 million dollar effort to bolster the maritime capabilities of the five main ASEAN states, as well as Singapore, Brunei, and Taiwan, amongst China's growing assertiveness.14

Finally, the last major component of the rebalance has focused on reinforcing U.S. economic leadership throughout the Asia-Pacific. The region has experienced an economic boom over the last decade; East Asia and the Pacific accounted for almost two-fifths of global growth



An important part of the U.S. rebalance to the Asia-Pacific region has been the personal time and investment made by President Barack Obama. In this photo, Obama tours the Shwedagon Pagoda in Rangoon, Burma, on November 19, 2012. This marked the first visit of a sitting U.S. president to Burma. (White House, Pete Souza)

in 2015, and the pace of growth amongst Asia-Pacific countries (not including China) is expected to reach 4.8 percent in 2016 and 4.9 percent in 2017-18.15 Given Asia's growing economic importance and Beijing's use of economic statecraft to achieve political objectives in the region, U.S. economic leadership has been a central part of the rebalance. As a result, the completion of the Trans-Pacific Partnership (TPP), first initiated by the George W. Bush administration in 2008, has been a top priority for the Obama administration. Besides the oft-cited economic virtues of a free trade agreement between a group of states that jointly account for around 40 percent of total world GDP,16 TPP has significant geopolitical and geo-economic relevance. By promoting U.S. economic leadership in the region, TPP can help deepen ties with important regional allies. As U.S. Defense Secretary Ashton Carter has remarked, a completion of TPP would be "as important as another aircraft carrier in Asia." <sup>17</sup>

The future of TPP, however, hangs in the balance, particularly as the deal has become hotly contested throughout the U.S. election cycle. Americans on both the left and the right are openly questioning the value of global trade and urging their respective candidates to

reject the deal. President Obama will have a small window after the election to try to get the deal ratified, but few believe that will actually happen.

Despite the fact that the United States has fundamentally altered its presence and relationships across the Pacific in recent years, the rebalance has drawn criticism. Some in the United States believe it has failed to meet expectations and has been more hype than substance. From the beginning, the launch of the rebalance lacked goals and specificity; there was no statement of purpose, nor was there strategic high-level coordination and dialogue within the G20.<sup>18</sup> Also, domestic priorities and developments across the Middle East and Europe repeatedly have forced Washington to redirect resources, political capital, and strategic attention away from the Asia-Pacific despite the best of intentions. Furthermore, within the region, some allies have expressed disappointment over the lack of new initiatives (especially those tied to defense) in their own bilateral relationship with the United States or in their particular corner of Asia. Others believe that the rebalance itself has been too mainland-centric and has "distracted attention from the countries of peninsular Southeast Asia ... that are of greater value strategically and economically."19

# Transatlantic Dimension of the Rebalance to Asia

In Europe, the rollout of the strategic rebalance to Asia was far from a public relations success. A number of European partners felt they were being demoted and that Washington was signaling that it would place less value on the transatlantic relationship. As a result, Washington had to go to great lengths to reassure its European friends that the pivot *to* Asia did not mean a pivot *away* from Europe.

The Obama administration has tried at times to pull Europe into its broader Asian agenda and challenged Europeans to think about the region in more than simple economic and trade terms. That has been challenging for a number of reasons. As previously mentioned, there simply isn't a single European policy vis-à-vis Asia; each country in Europe has its own strategy and set of bilateral relationships. Europe also has grappled with a number of transformative internal and external challenges – Brexit, the historic refugee crisis, the Ukraine conflict and a revanchist Russia, and an imploding Middle East – that have made it hard to look beyond its immediate neighborhood. That said, the two sides of the Atlantic have launched some interesting Asian related initiatives in recent years.

At the 2011 U.S.-EU Summit, for example, transatlantic leaders pledged to increase "cooperation on political, economic, security, and human rights issues in the Asia-Pacific region to advance peace, stability and prosperity." As a follow-up, Secretary Hillary Clinton and EU foreign policy chief Catherine Ashton agreed on an ambitious and innovative joint statement on U.S.-EU cooperation on Asia in July 2012. They outlined for the first time common transatlantic objectives in the region and pointed to areas for U.S.-EU regional cooperation, including security, sustainable development, and trade issues. Washington also has worked closely with the EU on the development of the Lower Mekong region, and on sanctions relief and political reform in Burma as that country moved toward liberalization. 22

Going forward, it is essential that the transatlantic dimension of the rebalance become an integral part of the strategy as a whole.



Then Secretary of State Hillary Clinton and then High Representative of the Union for Foreign Affairs and Security Policy Catherine Ashton meet in Phnom Penh, Cambodia, on July 12, 2012, to exchange views on developments in the Asia-Pacific and sign the Joint EU-US statement on Asia-Pacific region. (European Union, European External Action Service.)

Despite such important efforts, the truth is that the rebalance has lacked a strong transatlantic element. And many of the new initiatives remain only partially implemented, or not implemented at all. Given Europe's rich internal agenda, Asia-Pacific issues simply aren't a priority and are rarely featured prominently in high-level U.S.-EU dialogues. Even when EU and U.S. leaders attend the same summits in Asia, they often find that their bilateral conversations quickly shift to other pressing regions, such as the Middle East. Going forward, it is essential that the transatlantic dimension of the rebalance become an integral part of the strategy as a whole.

# **European Efforts in the Asia-Pacific Region**

While it's true that the Asia-Pacific region may not feature centrally in the EU's broader agenda, the myth of disengagement is not entirely accurate. Since the joint U.S.-EU Statement on the Asia-Pacific region was signed in June 2012, some individual countries in Europe have taken great strides to increase their regional role. Europe has made an effort to boost its political-diplomatic presence throughout the region; it has increased its efforts to play a vital, albeit small, security role during disaster relief missions; it is able to leverage strong existing defense industrial partnerships throughout Asia, and it is the largest trading partner and foreign investor in Asia.

**Political-diplomatic engagement:** In recent years – commensurate with Asia's rapid economic rise – many European countries boosted their national diplomatic presence throughout the region. For most EU states, like Germany, this engagement primarily focuses on promoting trade and investments rather than contributing to regional peace and stability. But some other European capitals have sought to carve out distinctive diplomatic roles – such as Norway's mediation efforts

participated in anti-piracy missions in the Indian Ocean and assisted in disaster relief missions such as after the 2004 Indian Ocean earthquake and tsunami, the 2010 Fukushima tsunami, and the 2014 Typhoon Haiyan in the Philippines. These sorts of activities – however small the scale – give Europe credibility and a chance to build stronger ties with Asian nations.

In addition to multilateral EU engagement, some individual European countries have their own bilateral military presence in Asia. For example, both London and Paris have a 2+2 security dialogue with Japan. With troops in Asia, in places like Brunei and Singapore, the U.K. is engaged in a number of bilateral security dialogues and has treaty obligations to four regional states as part of the Five Power Defense Arrangements. France takes part in a dialogue with Japan and Vietnam among other regional states and has expressed interest in joining the ASEAN Defense Ministers' Meeting Plus. France's Defense Minister, Jean-Yves Le Drian, also expressed support for the EU to undertake "regular and visible" patrols in the South China Sea while addressing the annual Shangri-La Dialogue in June 2016.

While it's true that Europe certainly lacks a robust military presence in Asia – something that is unlikely to change any time soon – this does not mean Europe is incapable of playing a regional security role.

in the Sri Lankan peace process, the Netherlands in the Indonesian-East Timor conflict, and the U.K.'s role in managing relations alongside Burma and Sweden with North Korea. While individual EU states can make valuable bilateral contributions, fostering a more common European "all-of-Asia" strategy is imperative.

A limited but vital security role: It is often noted that when it comes to Asian affairs, Europe is an economic and political player but is not a military one. While it's true that Europe certainly lacks a robust military presence in Asia – something that is unlikely to change any time soon – this does not mean Europe is incapable of playing a regional security role. In fact, the EU has already demonstrated an interest in Asian peace and stability issues with the brief Common Security and Defense Policy (CSDP) Monitoring Mission in Aceh in 2005 and 2006. Consisting of some 40 monitors, this mission focused on monitoring the implementation of the peace agreement between Indonesia and the Free Aceh Movement. The EU also has

Some European countries also have made important, symbolic contributions to Asian security. Denmark, France, Germany, Italy, Netherlands, Norway, and the U.K. participated in the 2016 Rim of the Pacific (RIMPAC) maritime warfare exercise. In fact, when announcing its participation in RIMPAC 2014, Norway's defense minister cited both the importance of shared transatlantic values with the United States and the need for Europe to be a net security contributor, as well as the strategic importance of Asia to Norway. Norway's interest in Asia stems from the fact that the Arctic will increasingly serve as a bridge connecting the Atlantic to the Pacific. Norway is already using the northern sea route to supply Japan with liquefied natural gas and anticipates the potential for more cargo shipping along this route in the future. This sort of contribution serves as an example to other European nations of what can be gained from relatively modest contributions to broader global security issues.



The front of the Wing Loong, a Chinese made medium-altitude long-endurance unmanned aerial vehicle, moves past spectators during a parade in Beijing commemorating the 70th anniversary of Japan's surrender during World War II. Recent Chinese military innovation highlights the importance of strong defense industrial partnerships between Europe and Asia. (Ng Han Guan/Associated Press)

Strong defense industrial partnerships: European countries already have significant influence on security affairs in Asia in terms of defense industrial cooperation. In fact, one-fifth of Asia's arms originate from Europe, according to the Stockholm International Peace Research Institute. As Asian countries boost their defense spending in response to regional security concerns and, in particular, China's growing military modernization, there will be extensive opportunities for European defense companies to sell their products on the Asian market. However, Europe often overlooks how these sorts of relationships frequently serve broader military and political objectives. A strong defense-industrial relationship gives Europe influence and relevance in Asia that it otherwise would lack because of its small military presence.<sup>23</sup> And if European companies are able to outbid their Russian (or Chinese) competitors, this would deny Moscow (or Beijing) political influence in third countries while simultaneously helping to more deeply embed Europe in the Asian defense landscape. There is potential to leverage these relationships to foster closer bilateral military-to-military partnerships with key Asian states. Moreover, while U.S. and European defense companies frequently compete on the Asian

market, the importance of defense trade from a transatlantic point of view should not be underestimated.

**Leveraging economic statecraft:** As the world's largest trading block, Europe is already a leading global economic player. Today it is the biggest trading partner and foreign investor in Asia. To further expand its regional trading role, the EU is pursuing an ambitious set of bilateral trade agreements with a number of Asian nations. In 2007, the European Council authorized the Commission to start negotiating a Free Trade Agreement with ASEAN, but negotiations have since stalled. For Europe, TPP is important since it could work alongside the Transatlantic Trade and Investment Partnership (TTIP) in setting high global standards to which emerging economies should adapt.<sup>24</sup> However, there is potential for Europe to leverage its economic influence in pursuit of broader objectives in the region. Finally, the membership of several European countries in the Chinese-led Asian Infrastructure Investment Bank (AIIB) gives Europe a unique ability to help shape the organization, ensuring respect for Western norms and principles such as high labor standards, transparency, and methods for dispute settlement.

#### The Way Forward: Recommendations for the Transatlantic Partnership

At the moment, many countries across Europe might feel like they simply don't have the bandwidth to spend any significant amount of time focused on Asia. In particular, the small- and medium-sized countries question what lasting contributions they could actually make in Asia. The next U.S. president, as he or she constructs a transatlantic strategy, should include a Europe-wide discussion on Asia. That discussion needs to start with the fundamental reasons why Europe's engagement in this region remains important, along with some concrete ideas on how the two sides of the Atlantic can work together.

To start, the next U.S. president will want to remind his or her European counterparts that rising regional tensions and the potential for a crisis would profoundly impact Europe. For example, China's buildup of anti-access/area-denial capabilities in the South China Sea threatens not only to spark a regional crisis, but it undermines the international rules-based order. A crisis in the region also could disrupt global trade flows, thus negatively affecting Europe. Although Europe already marginally contributes to Asian security, it could do more to help shape future regional developments in promotion of peace and stability.

While Europe is clearly an actor in the Asia-Pacific, it is much harder to speak of a coherent European policy toward the region. The 2003 European Security Strategy, outlining for the first time the EU's common foreign and security policy strategy, was markedly silent on Asia. Since then, Brussels has begun work on the pieces of a common regional strategy, and the European Council's East Asia policy guidelines from 2007 added some much-needed strategic direction.<sup>25</sup> Subsequently, the EU sought to develop "strategic partnerships" with key regional actors China, India, Japan, and South Korea, albeit with mixed success. The June 2012 European Council adopted "Guidelines on the EU's Foreign and Security Policy in East Asia" outlining three EU priorities in Asia: North Korea's nuclear program, tensions over the Taiwan Straits, and the South China Sea.<sup>26</sup> The new 2016 European Global Strategy states that the EU will seek to make "greater practical contributions to Asian security." In this regard, the strategy mentions "expanding partnerships, including on security," with Japan, the Republic of Korea, Indonesia, and others.<sup>27</sup> Recently, the EU also adopted a new China strategy.<sup>28</sup> Yet, a more coherent and common EU policy toward the Asia-Pacific is essential to increase Europe's credibility

and relevance in the region – and is a precondition for greater transatlantic cooperation in Asia with the United States. The EU's recent struggles to adopt a common statement on the Hague ruling on the South China Sea illustrate this point.<sup>29</sup>

Looking ahead, the rebalance to the Asia-Pacific likely will remain a top priority for U.S. foreign policy under any future administration. Considering that developments in the Asia-Pacific have the potential to impact Europe and the transatlantic community in significant ways, the two sides of the Atlantic ought to focus on identifying ways in which they can create a broader and deeper transatlantic security agenda for the region. In an era of resource constraints and limited political capital, that will not be easy, but among steps each side can take on their own, there exist a number of low cost, high impact ways in which Europe and the United States could enhance their work together in the Asia-Pacific region.

#### **Key Recommendations**

#### **ENHANCE STRATEGIC HIGH-LEVEL DIALOGUE**

While working-level dialogue on Asia-Pacific issues works quite well, the transatlantic agenda in Asia suffers from a lack of high-level coordination, dialogue, and planning. Asia tends not to be part of the discussions at regular U.S.-EU dialogues and summits. This lack of dialogue on Asian issues was clearly evident in the case of the muddled transatlantic response to China's establishment of the AIIB in 2015. While some differences are unavoidable – after all, America is a Pacific power while Europe is not – fostering strategic coherence is essential for creating a common transatlantic agenda toward the Asia-Pacific. A joint U.S.-EU statement on a regional security issue such as the South China Sea would go a long way to strengthen the EU's security role in Asia.

#### **DEVELOP A SHARED OUTLOOK ON REGIONAL TRENDS**

There are also some notable differences between the United States' and EU's respective regional strategic outlooks, especially when it comes to China. Washington views developments in Asia through a grand-strategy lens. From its perspective, China's coercive behavior constitutes a long-term challenge to both the U.S.-led

regional security order and the international rules-based order. In contrast, most European capitals tend to view China as a business and trade partner rather than a potential geopolitical adversary. Some Europeans even think the American approach toward China is overly confrontational and too heavily oriented around attempts to contain Beijing. When Brussels or Washington seek to develop new security strategies, defense white papers, or strategic foresight analyses, ensuring that perspectives from the other side of the Atlantic are heard would be useful to foster a shared threat perception and strategic outlook. Here, think-tank conferences and track 1.5 meetings also can serve a role by bringing together transatlantic experts and policymakers on Asian issues.

### AUDIT THE JOINT U.S.-EU STATEMENT ON ASIA FOR PROGRESS

The joint U.S.-EU statement on Asia agreed on in 2012 provided a constructive and pragmatic vision for transatlantic cooperation. Working with his or her counterparts, the next U.S. president should review that agenda, identifying progress made as well as gaps in implementation. Over the next four years, the goal should be to identify specific capabilities that the United States and EU can pool and share.

#### STRENGTHEN NATO'S PARTNERSHIPS IN ASIA

Today NATO plays only a marginal security role in Asia. The drawdown of the ISAF mission in Afghanistan and the return to a focus on territorial defense in Europe has further reduced the alliance's appetite to play any significant role beyond its borders. However, over the past two decades, NATO has established partnerships with likeminded states throughout Europe, the Middle East, and Asia. While Asia may not be at the top of the alliance's agenda, the partnership model allows NATO to gain relevance in Asian security affairs. In recent years, NATO also has strengthened its partnerships with countries with whom it shares common values and commitment to the international rules-based order, such as South Korea, Japan, and Australia. Japan already participates in NATO's Interoperability Platform. Another close partner, Australia, was invited to be part of the alliance's Enhanced Opportunities Partners (EOP) program at the 2014 Wales summit, extending closer cooperation on exercises, pre-recognition as potential partners in operations, and greater political dialogue. Japan and South Korea are obvious candidates to join the EOP program. NATO already plays a regional role through its own common standards for multinational military action, but could also extend its training and education programs,

centers of excellence, and processes for standardization to more Asian partners.<sup>32</sup> A final way NATO can contribute to security in the region is through participating in counter-piracy operations in the Indian Ocean – as it has done successfully with Operation Ocean Shield off the coast of Somalia.

## PURSUE JOINT ENGAGEMENT WITH ASIAN PARTNERS AND INSTITUTIONS

The transatlantic partners should find new ways of engaging with likeminded Asian partners. These meetings ideally would be held on the margins with other meetings such as the G20 or G7, or separately in the form of an U.S.-EU-ASEAN dialogue.<sup>33</sup> Given the growing presence of Asia in Europe's own neighborhood, European leaders also ought to engage China on European issues of concern, such as counterterrorism or maritime security. Furthermore, EU-ASEAN cooperation has recently expanded to include a High Level Dialogue on Maritime Security Cooperation as well as cooperation on migration and border management, cybersecurity, counterterrorism, and transnational crime issues. The internal divisions within ASEAN, however, limit the practical cooperation that can be achieved with the EU on security. The EU accordingly has a clear incentive to promote regional political integration amongst ASEAN states so as to strengthen its own partnership with the organization. The EU also can use its economic power to strengthen ASEAN, proposing an EU-ASEAN trade agreement.34

### COOPERATE ON MARITIME SECURITY AND GLOBAL COMMONS

An erosion of vital international norms of territorial integrity, national sovereignty, open access to maritime commons, and peaceful settlement of disputes would reverberate far beyond Asia. Furthermore, the global economic system is highly dependent on trade with Asia and the East and South China Seas, and the Straits of Malacca are significant sea lines of communication through which much of global trade passes every day. Any disruption of these critical trade flows would reverberate globally, disrupting supply chains and causing political turbulence. As a result, Europe and the United States also must pay close attention to developments in the South China Sea.

Freedom of navigation, a cornerstone in international law, is no longer guaranteed in the South China Sea as a result of China's assertiveness. This constitutes a clear threat to the open global maritime commons and the international rules-based order. The transatlantic



The aircraft carrier USS Ronald Reagan transits toward Hong Kong for a port visit. As part of the rebalance to Asia, the United States has started to increase its naval presence throughout the region. (U.S. Navy)

partners must present a united front to stand up for these core values. So far, both Europe and the United States have refrained from taking sides on individual territorial claims but favor peaceful settlement of disputes. Both sides support a Code of Conduct between ASEAN and China on the South China Sea and The Hague Ruling on South China Sea between the Philippines and China. However, the United States has recently ramped up freedom of navigation exercises in the area - with other countries such as Australia following suit. Going forward, European vessels should increase participation in freedom of navigation displays in the South China Sea, sending a clear message to Beijing that the transatlantic community asserts the right of freedom of navigation. While European navies such as France, the U.K., and the Netherlands occasionally sail through the area, Europe lacks a coordinated effort. France's proposal for a CSDP freedom of navigation mission in the South China Sea or a coalition of European ships integrated into French task forces are both possible options.

## LEVERAGE TRANSATLANTIC DEFENSE INDUSTRIAL COOPERATION

European and American companies are active players on the rapidly growing Asian defense market. As such, they often compete against one another for government contracts. What is lacking, however, is a more coordinated transatlantic approach to defense industrial relations in Asia (including on the arms embargo and "dual use" technology sales to China) – one that recognizes how the presence of both European and American companies can serve broader common security objectives.

#### HELP REFORM REGIONAL SECURITY ARCHITECTURE

The traditional regional security order in the Asia-Pacific, based on a bilateral U.S. alliance system, is increasingly under pressure. Since the end of World War II, the United States maintained a hegemonic order in the region based on a hub-and-spoke system of alliances with regional partners. While the United States has welcomed a rising and prosperous China playing the role of a responsible stakeholder, there are growing concerns that Chinese behavior and ambitions runs contrary to international norms or violates its neighbors' sovereignty. In order to maintain peace and stability in Asia in the 21st century, the regional security architecture must be reformed in a way that can integrate regional players and still engage constructively with China. Here, the transatlantic partners share an interest in supporting a collection of embryonic regional security institutions and forums like the East Asia Summit and ASEAN, among others. Europe could seek to play a conflict prevention and mediating role in the South China Sea dispute. Moreover, EU's own reconciliation experience could be used to foster reconciliation between Japan and South Korea.

#### **Conclusion**

There is no question that the next U.S. president will find him or herself focusing increasingly on challenges in the Asia-Pacific. But as the next president constructs a strategy and launches new initiatives for and in the region, it will be important to include Europe in those efforts. As the two sides of the Atlantic have come to realize in other regions like the Middle East, the collective weight of Europe and the United States, especially in the form of common positions and complementary actions, dramatically increases the odds of achieving mutually desirable outcomes. Understandably, Europe's primary focus will be on political and security challenges closer to home. But given the stakes, the two sides of the Atlantic need to ensure that Asia remains a key component of their shared agenda.

#### **Endnotes**

- This report is based on a workshop held at the Center for a New American Security (CNAS) on March 15, 2016, with the support of the Saab Group.
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