

# Between “America First” and the “Chinese Dream”: What the EU and Japan Can Do Together

edited by Nicola Casarini and Lorenzo Mariani

## ABSTRACT

The upheaval of the international order as we knew it is pushing the EU and Japan to take on more responsibilities in global issues, including in unsolved affairs such as the denuclearisation and peace process in the Korean peninsula and the South China Sea disputes. Moreover, the EU and Japan stand together also in opposition to China, which constitutes one of the greatest common threats that they have to tackle in their respective regions of influence. This publication presents the papers prepared for an international symposium convened by the Istituto Affari Internazionali in Rome on 13–14 December 2018. The contributions are meant to further stimulate discussion on the future prospect of the EU–Japan cooperation in global and Asian affairs.

*European Union | Japan | US foreign policy | China | North Korea | South Korea*

**keywords**

## Between “America First” and the “Chinese Dream”: What the EU and Japan Can Do Together

edited by Nicola Casarini and Lorenzo Mariani\*

### Introduction

“We, the leaders of the European Union and Japan, [...] will continue working together to support effective multilateralism, democracy, human rights and the rules-based international order with the United Nations at its core”.<sup>1</sup> With these words, the European Union and Japan’s representatives concluded the bilateral summit on April 2019, which highlighted the new awareness of both actors regarding the need to further team up in order to face today’s challenges to the international order. Both Japan and the EU’s certainties have been shaken up by the increasing assertiveness of regional powers, such as Russia and China, and by the disruptive change in the US foreign policy.

The international order, which the EU and Japan helped create and maintain, is challenged on several fronts by new and old threats. It appears that the EU and Japan are standing as natural allies in this fight to preserve an open international order, due to the fact that they have to face the same pitfalls and share the same values of democracy, human rights and liberalism. Their convergence is increasingly evident in their common opposition to the US’s rejection of multilateralism and free trade and in their subsequent engagement in reforming the WTO framework with the purpose of revitalising the open international system. In the joint statement at the EU–Japan 2019 summit, leaders from both sides claimed: “As close and like-minded partners, the EU and Japan will work together at the G7 and G20 in support of the rules-based international order. [...] We reiterate our commitment to keeping markets open and to strengthening the rules-based multilateral trading system with WTO as its core”.<sup>2</sup>

<sup>1</sup> EU-Japan Summit Joint Statement, Brussels, 25 April 2019, <https://www.consilium.europa.eu/en/press/press-releases/2019/04/25/joint-statement-of-the-26th-eu-japan-summit>.

<sup>2</sup> Ibid.

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· Revised version of the papers presented at the IAI conference entitled *Between “America First” and the “Chinese Dream”. What the EU and Japan Can Do Together*, held in Rome on 13-14 December 2018.

The European Union and Japan stand together also in opposition to China, which constitutes one of the greatest common threats that they have to tackle in their respective regions of influence. With the worsening of frictions between the People’s Republic of China and the administration of US President Donald Trump, China seeks to establish a united front against Washington by trying to lure under its influence both the EU and Japan, in particular through the debated Belt and Road Initiative. Even though they differ in some policies towards China, like in the Huawei affair, Japan and the European Union should adopt a coordinated approach to China’s expansion and assertiveness, especially with the aim of safeguarding the geopolitical stability in their respective regions and of providing an alternative to the Chinese new economic and political model.

The upheaval of the international order as we knew it is pushing the EU and Japan to take on more responsibilities even in unsolved affairs such as the denuclearisation and peace process in the Korean peninsula and the South China Sea dispute. It is clear that their overdependence on the US and – as Europe is concerned – NATO’s support put them in a risky position since their main ally is not trustworthy anymore. The time has come for both the EU and Japan to play a more engaged role in current global issues, with a particular reference to the Asian region, which is becoming the world’s political and economic hub.

In the context of this ongoing debate, the Istituto Affari Internazionali convened an international symposium in Rome on 13–14 December 2018 to discuss the challenges, and potential, of EU–Japan cooperation in Asian and global affairs.<sup>3</sup> This publication presents the papers that had been prepared for the symposium and revised afterwards. They are meant to further stimulate discussion on the future prospect of the EU-Japan relationship.

<sup>3</sup> For more info, see IAI website: <https://www.iai.it/en/node/9769>.

## 1. Europe–Japan cooperation in an era of President Trump

Michito Tsuruoka\*

The relationship between the EU and Japan has recently been boosted by the signing of two significant bilateral agreements – the Economic Partnership Agreement (EPA) and the Strategic Partnership Agreement (SPA). While the latter, covering political and other fields for cooperation, may not be known outside the small circle of those who are involved in the relationship, it gives the relationship a firm political foundation, and is therefore no less significant than the EPA.

In the final phase of the negotiations, which were never easy, one of the biggest drivers for the conclusion of these agreements was, undeniably, the Trump administration. On the trade front, its increasingly protectionist and unilateralist rhetoric and measures have caused serious concerns. Brussels and Tokyo felt the need to demonstrate to themselves and to the world that the idea of free trade based on multilateralism remains alive. In other words, the strategic stakes for the EU–Japan deal suddenly increased and the two parties seized this opportunity.

The fact that the EU and Japan together account for nearly 30 per cent of world gross domestic product and more than a third of world trade volume gives credence to the voices of Brussels and Tokyo regarding the future of international trade and economic governance. Though America’s retreat from the position of world leader is regrettable, other like-minded countries, not least European ones and Japan, are there to help fill international responsibility gaps.

However, the picture on the security and defence front is dramatically different – particularly in Asia but to a lesser extent in Europe as well. To put it simple, there is no Plan B to the US leadership. Japan faces a direct threat from North Korea – despite all the political and diplomatic rhetoric about denuclearisation, nothing has happened in terms of reducing Pyongyang’s already formidable arsenal including ballistic missiles and nuclear weapons. Tokyo is also deeply concerned about China’s increasing assertiveness, particularly in the maritime domain. The significance of the alliance with the US has therefore increased, rather than decreased, over the past decade or so. This explains why Prime Minister Shinzo Abe is committed to strengthen the alliance, no matter whether he likes or not President Trump as a person. Europe on its part needs to deal with resurgent Russia. However genuine the calls for strategic autonomy for EU, most Europeans are not trying to replace NATO, or the US’s role in it, by establishing a kind of “European army”.

For some Americans, this state of affairs is unacceptable: Europeans and Japanese are free-riders, they argue. It is clear that Europe and Japan need to increase their security burden for their own interests, irrespective of what the Trump

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administration wants them to do. The question that Europeans and the Japanese need to ask themselves is to what extent they are prepared to shoulder security responsibility, first and foremost to defend their own countries. What is needed is not just an increase in defence budgets, but a change in security mindsets.

While many Europeans and Japanese still believe that it is in America’s own interest to remain firmly engaged in the security of Europe, Asia and beyond, the level of political appetite to continue this engagement is decreasing in the US. Institutional frameworks such as NATO and the US–Japan alliance are likely to be sustained, but it is an enormous challenge to prevent their very foundations from eroding.

However, now is not the time to look inward. The US and its allies do not have the luxury of exclusively focusing on intra-alliance politics. The values common to those countries and the international order that they have maintained are increasingly under attack from elsewhere. Despite all the talks of diverging interests and values in transatlantic relations, it is still the case that Europe, the US and Japan share far more with each other than they do with China or Russia, two of the most formidable challengers to the existing rules-based international order.

On trade, even taking into account the series of tariff measures that the Trump administration has introduced, US trade practice is far more open and transparent than China’s. And the human rights situation in China is worsening. Even if Russian President Vladimir Putin looks more statesmanlike than Trump and Europeans were shocked by the US decision to withdraw from the Iran nuclear deal, Russia’s actions including the use of force in Ukraine and Syria pose a more blatant challenge to what Europeans believe in.

What all this tells us is that the purpose of EU–Japan cooperation is not to gang up against the US. Quite the opposite: the shouldering of more international responsibility by Europe and Japan, first and foremost in trade and economic domains, but increasingly in security and defence as well, needs to be seen as their way of encouraging Americans to come back to the centre stage of international leadership.

Abe’s efforts to revive the Trans-Pacific Partnership (TPP) after the US withdrawal – TPP11 – and to advance the vision of the Free and Open Indo-Pacific in close cooperation with the US are firmly in line with this as well.

Given the above, Tokyo has good reason to be concerned about the seemingly rising tensions in transatlantic relations. In such cases as the conclusion of the EU–Japan EPA and SPA, the apparent increase of Japan’s value as like-minded partner for Europe because of tense transatlantic relationship worked in Japan’s favour. However, other possible scenarios that may be caused by increasing tensions in the transatlantic relationship cannot be viewed positively by Tokyo.

First, in view of estrangement with the US, what might be called “Europe-only” rhetoric might increase, which could drive Europeans to become more inward-looking. The issues raised by Brexit also tend in this direction.

Second, Europe could get closer to China as an alternative partner in global governance, including on trade and economy and on climate change. It is no surprise that Beijing is now trying to sell itself as a new guardian of multilateralism and the rules-based international order. Moreover, as a result of worsening economic relations with the US, Beijing badly needs to strengthen relations with Europe – its biggest trade partner and the western most important destination of its flagship Belt and Road Initiative. Given the worsening European perceptions of China in recent years, fuelled by concerns about Chinese mergers and acquisitions in Europe, the deteriorating human rights situation and cyber security, Europeans now seem more resistant to Beijing charm offensive. Again, a reminder that Europe still shares a lot more with the US than with China is helpful.

Third, tensions in the transatlantic relationship could put Europe closer to Russia as well. Moscow always tries to drive a wedge between Europe and the US, and it would not be surprising if Moscow now sees a greater opportunity in this regard. At first glance, it could be argued that Japan, which is committed to improve relations with Russia under Prime Minister Abe, may welcome Europe–Russia rapprochement. However, as long as US–Russia relations remain deadlocked, Tokyo’s room for manoeuvre will remain limited, and Moscow’s possible turn back to Europe after much talk of a “shift to the East” is not something that Tokyo would particularly like to see.



## 2. Is Trump’s “America first” policy bringing the EU and Japan closer?

Marie Söderberg\*

Trade and investment are “important engines of growth” and the World Trade Organisation (WTO) should be reformed to enable it to further assist the global trading system. Such is the essence of the joint statement following the recent G20 meeting in Buenos Aires. Involved are issues in which the EU and Japan have common interests. Accordingly, proposed remedies for strengthening the WTO will be presented at next year’s meeting in Osaka.

The statement reads: “We renew our commitment to work together to improve a rules-based international order that is capable of effectively responding to a rapidly changing world.”<sup>4</sup> This was something the Europeans insisted upon, but which the American delegation found hard to swallow. The US opposed the positive reference to a “rules-based international order”, arguing that the current system is skewed against the US and has allowed China and others to get away with unfair trading practices. For the same reason, the US opposed references to the threat of protectionism to global growth, insisting that President Trump’s use of tariffs is a legitimate response to an uneven playing field.<sup>5</sup>

The US, a close ally of both the EU and Japan, appears to be less willing than before to uphold the rules-based multilateral system that they themselves helped to create during and after the Second World War.<sup>6</sup>

US President Donald Trump and China’s President Xi Jinping, conferring on the sidelines of the G20 meeting, agreed to “a truce” in their mutual trade war. There is also a ceasefire between the US and Japan, as well as between the US and the EU, while negotiations are ongoing. Even if this has been greeted with some relief, agreements are in no way guaranteed and problems remain.

Trump’s “America First” policy implies divide and rule in the field of trade, a stance that is thoroughly disliked by both the EU and Japan, each of them separately targeted by Washington. Japan urged the Trump administration to return to the regional Trans-Pacific Partnership, which they had been negotiating together. When this did not happen, Japan took the lead in negotiating revisions

<sup>4</sup> G20 Leaders’ Declaration: Building Consensus for Fair and Sustainable Development, Buenos Aires, 1 December 2018, <http://www.g20.utoronto.ca/2018/2018-leaders-declaration.html>.

<sup>5</sup> Julian Borger, “G20 Agreement Backs ‘Rules-based’ Order But Bows to Trump on Trade Reforms”, in *The Guardian*, 1 December 2018, <https://gu.com/p/a4a5j>.

<sup>6</sup> Sonali Chowdhry, André Sapir and Alessio Terzi, *The EU–Japan Economic Partnership Agreement*, Brussels, European Parliament, September 2018, p. 47, <https://doi.org/10.2861/658535>.

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to the agreement among the remaining eleven members, suspending certain commitments that were largely sought by the US, and forming a new deal, the so-called Comprehensive and Progressive Agreement for Trans-Pacific Partnership (or TPP-11).<sup>7</sup>

The abandonment of the Transatlantic Trade and Investment Partnership, America’s free trade negotiations with Europe, was one of the first signs of changing US policies after President Trump came to power. The EU and Japan, both strong supporters of a trading system based on a liberal market economy, were suddenly left without US leadership. Negotiations for a free trade agreement between the EU and Japan had been ongoing for many years but the US drop-out propelled the two parties into finally signing a mutual Economic Partnership Agreement (EPA) in 2018. This agreement will create a free trade zone that covers 600 million people and could, according to both partners, serve as a model for fair and free global trade in the future.

But it is not only in the trade field of trade that Trump’s policies have brought the EU and Japan closer together. He has also been pushing hard for the abandonment of various other multilateral agreements in the fields of climate and security. The Trump administration now categorically denies the existence of climate change and rejects the findings of a recent major US government multi-agency report predicting this phenomenon will hit the US economy hard in years to come. At the same time nineteen of the G20’s members have reaffirmed their commitment to the Paris climate accord, calling it “irreversible” and pledging its “full implementation”. It is solely the US that is withdrawing from the accord, while previously US representatives led efforts to forge consensus at multilateral meetings. In the Trump administration, however, US negotiators have been less interested in finding common ground than in protecting national interests.<sup>8</sup>

Another issue is the Iran nuclear deal, a framework agreement reached in 2015 between Iran, the five members of the United Nations Security Council (the US, then under President Barack Obama, the UK, Russia, France and China) plus Germany and the EU. Trump, however, did not like the deal, broke with it, and declared that the US would impose sanctions on anyone trading with Iran. Federica Mogherini, the EU’s foreign affairs chief, announced elaborate plans to undercut this threat and save the Iran nuclear deal via a “special vehicle” designed to bypass US financial sanctions, and Japan supported such European action. Trump countered by saying he was doing more than just killing the “horrible” Iran nuclear deal; he was also imposing major new unilateral sanctions apparently designed to promote regime collapse. “We ask all nations to isolate Iran’s regime” and to deny it “the

<sup>7</sup> Congressional Research Service, “Japan-U.S. Relations: Issues for Congress”, in *CRS Reports for Congress*, No. RL33436 (updated 19 October 2018), p. 2, <https://crsreports.congress.gov/product/details?prodcode=RL33436>.

<sup>8</sup> “G20 Summit Succeeds, Barely”, in *The Japan Times*, 3 December 2018, <https://www.japantimes.co.jp/opinion/2018/12/03/editorials/g20-summit-succeeds-barely>.



funds it needs to advance its bloody agenda”, Trump said when he addressed the United Nations General Assembly.<sup>9</sup> It looks as if Washington may be winning this battle, despite the efforts of the EU to preserve Iran’s ability to sell its oil. Many major European businesses have already ended operations in Iran, and the US has announced sanctions that threaten to exclude any firm facilitating oil transactions with Iran from operations within the US financial system – a move that would constitute a death sentence to any company involved.

What happens in relation to Iran will of course also carry implications for future North Korean relations. During the Trump administration’s first year, Prime Minister Abe appeared to impress his American counterpart regarding security matters, especially concerning North Korea, and thereby to mitigate risks to the US–Japan alliance by his hard stance, willingness to raise Japan’s defence budget and promise to purchase more American weapons. Initially, the Abe government appeared confident with the Trump administration’s tough stance, but felt betrayed when the US president surprised everyone by meeting North Korean leader Kim Jong-un. Officially, Japan remains cautiously supportive of the US–North Korea diplomatic process, but behind the scenes there is deep scepticism and concern regarding the nuclear issue. In this respect Japan has a friend in the EU, which continues to maintain bilateral sanctions on North Korea that go well beyond the UN’s multilateral regime.

Cooperation in the field of foreign policy between the EU and Japan used to be of less importance than cooperation in the economic field, even if the two sides have referred to themselves as “natural allies” who “share the same values”. Both are in favour of multilateral solutions at various levels. Trump’s “America First” carries with it two implications with respect to this relationship. First, it shows that economic and political policies have nowadays become more intimately interrelated. Second, and more disturbingly, it makes clear that neither of the two can rely on a benevolent US policy.

Together with the EPA, a legally binding Strategic Partnership Agreement has been signed between Japan and the EU. However, it is unclear exactly what this agreement will lead to, beyond providing a legal framework for enhanced cooperation. Substantive cooperation is already ongoing, and both partners support a wider concept of security than the strictly military one. Increased cooperation in areas such as upholding law and order, enhancing space security and development cooperation are likely to grow. Uncertainty and the threat from both President Trump’s policies and a changing geopolitical situation bring the two parties together, with all to gain from preserving the present liberal world order.

<sup>9</sup> White House, *Remarks by President Trump to the 73rd Session of the United Nations General Assembly*, New York, 25 September 2018, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-73rd-session-united-nations-general-assembly-new-york-ny>.

### 3. Xi’s “Chinese dream” and EU–Japan relations

Hiroko Maeda\*

Trump’s “America First” stance has embarrassed his country’s allies, and Japan is no exception. The withdrawal from multilateral frameworks such as the Paris Agreement and the Trans-Pacific Partnership Agreement is seen as the symbol of decline of the international liberal order. In Asia, Trump’s lack of interest in this region has disappointed some Association of Southeast Asian Nations (ASEAN) leaders and might weaken the influence of the US – to the advantage of China.

Meanwhile, a thawing in Japan–China relations has appeared. The Japanese prime minister, Shinzo Abe, visited Beijing in October for the formal bilateral summit with Xi Jinping, something that hadn’t happened for seven years. Some observers worry that Japan is approaching China, rather than Trump’s America, in order to shift the balance between China and the US. But that is a totally irrelevant presumption. For Japan there is no option to choose China instead of the US as long as China holds its “China dream” ambitions and refuses acceptance of the rule-based order. Japan was intending to regularise irregular Japan–China relations, at the very least; but the mistrust between the two countries at a strategic level has not been removed.

Lately, Chinese policymakers have called on Japan to form a coalition that will protest against “unreasonable America”, but Japan has not bought into this idea. The Chinese Communist Party leaders claim that China respects free trade and globalisation, but their adoption of these ideas is very selective. Besides, we have watched assertive Chinese behaviours in the past decades, including the use of coercive economic influence on other countries. Trump’s “America First” and his unpredictability have brought these difficulties to the fore again, but Trump’s defence policy in Asia has succeeded in pushing back China’s assertive behaviour. Furthermore, the US at least has democratic institutions. Democracy is not a perfect system, but it has fewer defects than other political models.

At present, the US lacks the will to protect the liberal international order; on the other hand, China is discontented with the existing order and wants to revise it. Under such circumstances Japan is trying to strengthen cooperation with Western powers, such as Australia, India and the EU, to protect the liberal international order.

Japan has advocated the Free and Open Indo-Pacific initiative (FOIP), which aims to promote stability, prosperity and universal values, and FOIP covers both security and economic dimensions. This initiative is not necessarily antagonistic to the Belt and Road Initiative (BRI), but aims to provide developing countries with options other than relying on China to promote establishing cross-border rules and regulations. In that sense FOIP and the EU’s Connectivity Strategy share the same

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basic idea. There is a lot of potential for cooperation on these strategies. Moreover, the EU’s criticism of the BRI will help China to reflect on its past conduct. Criticism from the US or Japan of Chinese behaviour is often regarded as resulting from power struggles or rivalry. But the concerns of the EU, which does not have direct security problems with China and is basically positive about its development, has a different impact on Chinese policymakers.

Both Japan and the EU should be careful about the way in which they try to convince developing countries that “quality growth” is in their national interests. Vigorously claiming the “rightness” of the Japanese or EU approach might create the adverse effect of pushing them to the Chinese side, especially given ASEAN countries’ wariness about intervention by major powers.

While Japan has a balancing policy with regard to Chinese expansion, it still continues engaging with Beijing. During the Abe–Xi summit both countries agreed to cooperate on development assistance and investment infrastructure projects in developing countries. This has happened in the past, it is nothing new. Chinese media also reported that Japan had joined the BRI, but the Japanese government avoided using the term BRI. Since Prime Minister Abe sent a positive message to the BRI summit in May 2017, the Japanese government has clarified that Japan can cooperate if the project meets particular fiscal, environmental and social sustainability and transparent procurement standards.

As for the confrontation regarding digital technology that is taking place between the US and China, we should be ready for a lengthy struggle. Japan is also being forced to face the very difficult and complex problems raised by this issue.

The US has demanded that its allies exclude Huawei and ZTE network equipment from government use, and the Japanese government has decided to follow this. As well as considering the bilateral alliance with the US that plays a critical role in Japan’s security, Japanese security experts have also been worried about Chinese cyber-espionage for a while. Submitting to US demands is the appropriate decision for the Japanese government in terms of realpolitik.

However, from legal standpoint, Japan has not been able to provide enough explanation of this decision, because it has yet to establish rules and regulations relating to emerging digital technologies and the safe use of data. The US has established its own cyber-policy as a superpower. Japan has gained the security benefits from this gigantic system, but there may still be differences in terms of policies relating to digital privacy, safety and security. Japan and the EU should cooperate to establish international standards on emerging digital technologies.

It is expected that China will approach Japan and the EU as its attempts to acquire high-quality technologies in the US are limited. It will also become important to block Beijing attempt to divide Japan and the EU. For instance, it has been reported that Germany will not accept the American demands and will continue cooperating with Huawei for 5G networks. It is not absolutely necessary that the EU and Japan

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should adopt the same policy towards China, but coordination is indispensable if they are to avoid falling victim to Chinese decoupling tactics.

At the same time neither Japan nor the EU want the Chinese economy to become depressed. As the confrontation between the US and China becomes increasingly serious, anxieties about the Chinese economic forecast are spreading. While conducting a policy that checks China’s assertive activities, we should support efforts to avoid destabilisation there. This is a too difficult task for any country to tackle on its own.

#### 4. Beijing's ambition to promote an alternative development and governance system – Clarifying the debate on the China "dream", "model" or "solutions"

Alice Ekman\*

Six years after Xi Jinping became president, the debate about China's willingness – or not – to export its model abroad can be clarified. Today, there is no doubt anymore: China is exporting a specific economic and political model.

Three developments put doubts aside.

First, China's *foreign policy discourse* is becoming clearer on this point. Repeatedly, Chinese officials are now underlining that China is able to bring "solutions" to the world. The term "China solution" (中国方案 – *zhongguo fang'an*), or alternatively China "example" or "experience" is preferred to the term "China model" for communication purposes: it appears less imposing, less contestable. Nevertheless, the guiding idea remains the same: China's economic and political system should become a reference point for other countries to learn from. In parallel with international communication on the China solutions, Chinese officials appear in national communication more confident in the superiority of their country's political system. Among the key political slogan promoted by the Communist Party of China under Xi Jinping figures the "Four self-confidences" (四个自信 – *sige zixin*), which calls Party members, government officials and the Chinese population to be confident in the Party's "chosen path, political system, guiding theories and culture". In October 2017, during the nineteenth Party Congress, Xi Jinping emphasised that "Our whole Party must strengthen our confidence in the path, theory, system, and culture of socialism with Chinese characteristics".<sup>10</sup> In the same way, Yang Jiechi, state councillor and Director of the Office of the Central Foreign Affairs Leading Group, wrote the same year that "Having full confidence in the path, theories, system and culture of socialism with distinctive Chinese features underpins and drives China's external work, and ensures its success."<sup>11</sup> He also added: "It has been proven that socialism with distinctive Chinese features represents the biggest strength, the most salient characteristic and the greatest opportunity of China's external affairs."

<sup>10</sup> Full Text of Xi Jinping's Report Delivered at the 19th National Congress of the Communist Party of China, 18 October 2017, [http://www.xinhuanet.com/english/special/2017-11/03/c\\_136725942.htm](http://www.xinhuanet.com/english/special/2017-11/03/c_136725942.htm).

<sup>11</sup> Yang Jiechi, *Study and Implement General Secretary Xi Jinping's Thought on Diplomacy in a Deep-Going Way and Keep Writing New Chapters of Major-Country Diplomacy with Distinctive Chinese Features*, 17 July 2017, [http://www.china.org.cn/china/Off\\_the\\_Wire/2017-07/19/content\\_41245345.htm](http://www.china.org.cn/china/Off_the_Wire/2017-07/19/content_41245345.htm). Other interesting quotes from this text include: "The Chinese Communists and Chinese people are fully confident of offering Chinese input to human exploration of better social systems."

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Secondly, in line with these declarations, Beijing is promoting a set of actions that encourages countries to follow – directly or indirectly – China’s governance path. Among these actions: China is offering an increasing number of training programmes to high-level civil servants (such as diplomats) and other professionals of developing countries. If many of these programmes are developing technical skills, they also often emphasise China’s economic achievements and encourage trainees to learn from Chinese experience when shaping reforms, policies and development projects at home. Beijing also positions itself as an example for other countries vis-à-vis foreign political party representatives. Xi Jinping announced at the end of 2017 that the Communist Party of China would like to invite 15,000 members of foreign political parties to China for exchanges in the next five years.<sup>12</sup> The official praise campaign of Chinese achievements and solutions is also promoted through other means: development of the state-owned media networks in foreign languages, the organisation of forums and summits, the creation of public diplomacy think tanks and so on. This is developed in parallel with an official smear campaign of the failures and weaknesses of the US, Europe and other Western democracies. This campaign has been visible in Europe over the last six years: Chinese delegations visiting the EU and its member states have not hesitated to underline in a repeated manner the weaknesses of the EU in front of their European counterparts – from administrative overlap to economic or security issues, pointing at events of diverse nature: Brexit in the UK, the yellow vest in France, the “wave of populism” facing the continent, etc. Chinese officials and media are keen to provide a very dark and pessimistic assessment of the European context, in contrast with a rosy and optimistic view of China’s future.

Thirdly, China is developing a set of *concrete projects* abroad that are shaped on the basis of projects developed previously on the Chinese territory. For instance, the construction of “economic and trade cooperation zones” that China is promoting under the framework of its Belt and Road Initiative is directly based on the domestic experience of construction of similar zones in China since Deng Xiaoping’s era of reform and opening up. By their structure and their location, these projects contribute to promote in concrete terms a specific development model that follows China’s own approach to the economy: strong state’s role in the economy, in particular through large public investments in infrastructure; localisation of foreign direct investment in a limited number of dedicated areas, with the advantages and disadvantages that this brings such as rapid economic growth in some specific cities/regions and overall geographic imbalance in term of economic development. It is too early to draw a precise economic assessment of these zones that are currently being developed abroad, but what is certain is that the Chinese government is promoting them significantly in various forms (industrial zones, tech parks, agribusiness cluster, etc.): according to official figures, which so far have been difficult to verify, more than eighty of such zones are currently being developed under the “Belt and Road” label.

<sup>12</sup> “Xi Calls on World Political Parties to Build Community with Shared Future for Mankind”, in *XinhuaNet*, 2 December 2017, [http://www.xinhuanet.com/english/2017-12/02/c\\_136794028.htm](http://www.xinhuanet.com/english/2017-12/02/c_136794028.htm).

In broader terms, China’s growing infrastructure offer abroad is based on infrastructures it has developed at home. For instance, China’s emerging offer of “smart cities” abroad, from Africa to Europe, is modelled after what China has developed on its own territory: a specific definition of “smart city” and architecture supported by facial recognition cameras, big data analysis, fully integrated connection with public security authorities, as China is currently developing on its own territory. Therefore, beyond Xi Jinping’s crystal-clear communication and strong political determination to share its own governance experience with other countries, China’s technologically-advanced infrastructure projects are in concrete terms channelling a growing number of countries and cities towards a national and local governance structure shaped on Chinese model.

China now appears more confident in promoting its own “solutions” to the world, based on what exists at home, and in positioning itself as a successful alternative to liberal democracies. The competition between political systems is likely to remain fierce in the coming years in the context of China–US rivalry. Between the world’s first and second largest economies, tensions are not only commercial or geostrategic, but increasingly political and ideological. Both countries have diverging views on key issues, such as the role of the state in the economy, the management of Internet, of cities, etc. Overall, both countries believe in very different political ideals, and under Xi Jinping Beijing is now as determined to promote its own ideals beyond its borders.

## 5. The Korean peninsula after the Kim–Trump summit: Prospects for EU–Japan cooperation

Yoji Koda\*

### *Overview pre-Singapore summit*

Before the Trump–Kim summit on 12 June 2018, the US government had maintained a clear position on North Korea (NK). This was firmly built upon various hard and bitter lessons learned through many failed denuclearisation agreements with NK since 1992. In all previous cases, NK had repeatedly deployed evasive and crafty “Eat and Run” tactics, in which the nation had promised to stop or abandon its nuclear programme. Those tactics were typically represented by NK’s one-sided and self-righteous manoeuvres, which took the following sequence: (1) reaching denuclearisation/ballistic missile (BM) development termination agreements; (2) receiving substantial collateral international aid as rewards/returns for the agreements, but followed by no concrete and visible denuclearisation/BM development termination actions, then eventually; (3) overturning and emasculating the once-reached agreements, with NK resuming its nuclear/BM development programmes as if there previously existed no banning agreements.

Thus, NK has successfully maintained its nuclear programme for more than twenty-five years since the early 1990s.

President Trump’s administration, which took the above-mentioned lessons seriously, set a determined position toward NK’s denuclearisation moves, generally referred to as CVID (clear, verifiable and irreversible denuclearisation), and set a clear goal of establishing a full and thoroughgoing denuclearisation of NK at the earliest opportunity.<sup>13</sup>

### *Post-Hanoi summit: from CVID to FFVD*

The results of the first Trump–Kim summit in Singapore in June 2018 and the second summit in Hanoi in February 2019, which were expected to establish all goals set by the Trump administration, fell far short of expectations. President Trump clearly failed to reach an agreement on US-intended CVID with Chairman Kim, but simply had to shift to a new, and more relaxed, FFVD (final, fully verified denuclearisation) concept.

<sup>13</sup> PVID (permanent, verifiable, irreversible dismantlement) was occasionally used as a terminology with same meaning as CVID.

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In addition to the abovementioned tactical retreat from the original goal, there were two surprising issues that President Trump brought out at the summit table with Chairman Kim.

The first was a suspension of planned US–Republic of Korea (ROK) combined bilateral military exercises. President Trump suddenly and proudly announced this news at the media meeting immediately after the Singapore summit.

Historically, NK had been categorising the bilateral exercises as the most serious military threat to the nation and had been demanding for decades that both the US and ROK should stop the exercises. However, Washington and Seoul positioned the exercises as central pillars of bilateral interoperability and operational readiness of the two armed forces.

President Trump has also touched upon his idea – as a matter of distant future, not an immediate one – on possible withdrawal of the US forces in ROK (USFK) from the peninsula.

The main tasks and missions of the USFK have been to maintain stability on the peninsula; to suppress NK’s military adventurism and provocations; and to defend ROK, together with its national armed forces, in case of NK’s military invasion. However, if NK’s denuclearisation/BM development termination agreements were reached, and real peace arrived over the whole Korean peninsula in the future, the US might lose its political and military rationale to keep forces in ROK. In other words, USFK were the product of the Korean War, and remained there to prevent a second Korean War from happening.

After about three years (June 1950 to July 1953) of fierce and bloody combat between UN forces (whose core members were from the US and ROK) and NK/People’s Volunteer Army of China forces an armistice agreement was concluded on 27 July 1953. In this context, a ceasefire had taken place, but this was far from a final and official war termination. Of course, it was important and desirable for any nations involved to bring the war to an end, but the story is not so simple. As briefly discussed above, since USFK were a product of the Korean War and had been staying there to prevent a second Korean War from happening, if a real war termination were to be established, by concluding a peace treaty between the related nations, then in theory it would be extremely difficult for the US to find convincing political/military grounds to keep US forces in the area.

Having said this, however, from a general security point of view one question would naturally arise: would it be desirable for the regional and global international community to live with “peaceful” and non-nuclear Korean nation(s) – still separated into two countries, or unified – without any US military presence on the peninsula?

A peaceful and denuclearised Korean peninsula looks attractive and desirable for everybody, but some fundamental issues of global and regional strategy would still exist. In other words, it is crystal clear that for China and Russia reduced or absent US forces would be more desirable than the situation today. From this viewpoint, the Korean peninsula without USFK would be one of the best end-states that the two nations long for. In this regard, therefore, a war-ending process, which would occur as an unintended by-product of the NK's denuclearisation issue, would be a God-given gift for Moscow and Beijing.

On the contrary, the absence of USFK would pose a serious threat to the security of Japan and the US, as well as of the region. The US 8th Army/2nd Division has been the only large US ground combat unit stationed in the Indo-Pacific area, west of Hawaii, for over half a century. US Army forces in ROK have served as a robust deterrent and counter-force against NK, and their “boots-on-the-ground” presence on the eastern edge of the Eurasian continent requires both China and Russia to take them seriously in their military operational planning. In other words, US forces deployed on the Korean peninsula act as an indispensable watchdog for the region's security. So, even hypothetically, the loss of these forces, especially the US Army's footprint on the Korean peninsula, would cause serious problems for Japanese security and US strategic planning. In addition to this, the power balance between the US and China would be inevitably and seriously altered.

### *Current situation*

President Trump has maintained a firm and optimistic stand on the success of these talks from the very beginning, up until today. However, setting aside the White House optimism, cold reality tells us that there are too many fundamental disagreements between the two nations. The talks' focal points are the two strikingly different positions taken up by the US and NK, and these have impeded the smooth start of further negotiations and maintenance of the denuclearisation momentum.

*US position* – The US has set the clear condition that NK's concrete and visible first several denuclearisation steps would then trigger and accelerate follow-on talks towards a full agreement.

*NK position* – In contrast, NK insists the first steps should be US confidence-building measures, such as the relaxation of current strict UN sanctions or immediate suspension of anti-NK/hostile military manoeuvres/provocations, and an agreement on the termination of the Korean War.

### *Prospect for the future*

Despite several overt and covert high-level contacts between the two countries, there seems to be an extremely limited possibility of rapid progress.



*South Korea* – The ROK government, especially President Moon Jae-in, is committed to improving ROK–NK relations and to finding a solution to NK’s denuclearisation problems. From a US perspective, President Moon looks as if he is taking overly advanced positions regarding both issues, and sometimes his political activities are generating worrisome friction with the US. President Moon is also very active on the Korean War termination issue, regardless of the US position. For ROK’s president, solving North–South issues and establishing a closer relationship with NK seems to have a higher priority than NK’s denuclearisation.

*China and Russia* – These two nations are clear in showing their position of supporting NK’s denuclearisation, but they also support a denuclearisation of the Korean peninsula that has a close, almost one-on-one, relationship with a reduced or zero footprint for the USFK. Herein lies the serious danger of President Trump’s easy comments on the suspension of bilateral military exercises and the withdrawal of US forces from the peninsula; these could help both China and Russia in terms of power balance in the region. It is fairly certain that both Beijing and Moscow will do anything possible to make US regional security equations more complicated than ever behind the smokescreen of NK denuclearisation.

*Japan* – Japan, as the most reliable allied of the US, should make all efforts that are possible to help with the execution of US regional/NK strategy and to enable US forces’ presence in the region. With regard to the Japan–ROK relationship, some dense and dark diplomatic clouds have begun to cast shadows over the two nations, but it is important that Japan should avoid responding to ROK’s political manoeuvres, whether too optimistic or too pessimistic. Even though the ball is in ROK’s court, Japan should maintain a firm and steady position based on a much wider regional view, and this will be advantageous for the US.

## 6. EU-Japan security relations and the future of the Korean peninsula

Lorenzo Mariani\*

The year 2018 has been marked by unprecedented events that have drastically changed the political landscape of the Korean peninsula. After years of mounting tension, in less than ten months three inter-Korean summits and one historic meeting between a US president in office and a North Korean leader has been held. Since January South Korea's President Moon Jae-in has started a long-term strategy to bring Pyongyang's regime back to the negotiating table together with Washington, while at the same time pushing forward an intricate diplomatic effort aimed at building confidence and trust between the two divided countries. Because of the confrontational environment that has characterised 2018, especially in the aftermath of the thermonuclear test conducted by the North in September, no one would ever have predicted this strategy could be so productive. Despite the criticism concerning the lack of concrete achievements regarding the nuclear issue, a thick agenda of high- and low-level meetings between North and South as well as direct talks between American and North Korean officials are helping to keep up the momentum.

However, six months after the historic 12 June 2018 summit between Donald Trump and Kim Jong-un in Singapore, the process of detente set in motion at the beginning of 2019 between North Korea and the US seems to be stalling. After US Secretary of State Mike Pompeo cancelled the meeting with North Korean negotiator Kim Yong-chol scheduled to take place on 8 November in New York, the two nations have been locked in an exchange of increasingly frequent mutual accusations. The North Korean regime blames the slowdown in the negotiation process on the strategic choices made by the US, which, it claims, has not only failed to grant the security assurances agreed between the two countries' leaders in June but is also unwilling to ease its sanctions strategy of "maximum pressure". The US, for its part, argues that North Korea's reluctance to fully commit to a process of "complete, verifiable and irreversible" denuclearisation and its failure to take any concrete steps in this direction during the past months are an insurmountable obstacle for Washington to granting any concession to the regime. Both contenders believe theirs is a perfectly legitimate stance.

### *North Korea's nuclear ambitions*

Pyongyang's nuclear and missile programme has been pivotal in the "parallel development" strategy launched by Kim Jong-un in 2013. This is the regime's main tool of negotiation vis-à-vis Washington and at the same time is a useful guarantee against possible foreign military intervention in the peninsula. Depriving itself of such a key strategic asset at this still preliminary stage of the negotiations would

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not only make no sense with respect to the strategy so far adopted by the regime, but also would endanger its very survival. Pyongyang is convinced it has provided ample proof of its good faith in recent months by dismantling the Sohae missile station and the Punggye-ri nuclear test site. The Americans, on their part, with National Security Adviser John Bolton as the most vocal critic, have already sat at the negotiating table with previous North Korean leaders and have come to mistrust Pyongyang’s diplomatic overtures, sometimes, but not always, for good reasons. For Washington, the burden of proof lies with North Korea. US diplomats argue that before making any demands Pyongyang should provide an exhaustive list of the weapons it possesses and commit to a firm plan to dismantle its nuclear arsenal under the direct supervision of international inspectors.

### *Seoul–Washington divergence*

The inability of the two countries to find common ground for implementing the points in their joint declaration after the Singapore summit, however, is not the only factor that threatens to jeopardise the entire diplomatic process. In recent months, relations between the US and South Korea have also grown more tense. After weeks of negotiations the two allies are still unable to find a compromise over the joint defence budget, paid for by South Korea, which President Trump would like to increase from 830 million US dollars to 1 billion per annum. Moreover, the ambitious cooperation projects pursued by South Korean president Moon Jae-in for reviving inter-Korean economic and political relations, which are currently leading to gradual arms reductions on the thirty-eighth parallel, are being considerably slowed down by international sanctions banning or restricting trade with North Korea.

In October, Seoul’s attempt to suspend sanctions against the regime was heavily criticised and discouraged by Trump, who stated that without Washington’s approval South Korea “could do nothing”. The divergence between the two allies mirrors their different perspectives on the North Korean problem. While the US sees the dismantling of the nuclear capability that would enable North Korea to hit American territory as the most urgent issue, South Korea views the nuclear issue as only one of several areas to be resolved in order to secure rapprochement between the two countries. At least for the time being, the South Korean president has no option but to work at the multilateral level, submitting his projects to the United Nations Security Council for consideration and obtaining case by case exemptions to enable cooperation with Pyongyang. The stalling of the reconciliation process has thus far forced South Korea to postpone to next year three events in which the Moon administration had invested considerable political capital: Kim Jong-un’s visit to Seoul, plans for a second Trump–Kim summit and the signing of a joint agreement to formally end the Korean War, a war suspended in 1953 by an armistice that was never followed up by a peace accord.

Despite the current impasse in the negotiations, the political situation in the peninsula today, twelve months after the last North Korean test, appears to have significantly improved in comparison with previous crisis levels. However, the

main challenges to the reconciliation process between the two Koreas and to Pyongyang’s denuclearisation programme have yet to be resolved. While progress between North Korea and the US is slow, President Moon’s trust-building policies between the two Koreas seem to have been highly successful at the inter-Korean level. Hence, should the strategic divergence between Seoul and Washington grow wider, we cannot assume that South Korea will be willing to sacrifice the results it has so far achieved for the sake of its ally’s priorities.

### *The role of the EU*

Thus far the EU has supported the diplomatic initiative started by the South Korean government but preferred not to lift sanctions against North Korea; however, as we have learned from the past, these coercive measures are not enough to bring the regime to the negotiating table. Japan as well as other actors involved in the nuclear standoff still perceive the EU mainly as a trading partner, leaving little space for the Union to play an active mediating role in the dispute. To prevent Brussels from being excluded again in the de-escalation process, as happened in the past with the Six Party Talks, the Union should start preparing a common strategy that conceptually and concretely defines its role in future peace-building initiatives.

## 7. Japan-EU cooperation and major power games

Bonji Ohara\*

One of the main reasons for the change in the international security environment is the so-called "Rise of China". Against this backdrop, the statement that China is on a defensive posture may be surprising. Neighbouring countries including Japan cannot recognise that this is the case, because China is building up its military forces and expanding their operations. Beijing is behaving as an aggressor in the East China Sea and South China Sea.

However, Chinese have their reasons for these actions. China is afraid that the US will block its development by using military forces. Therefore, it is trying to establish its capability to prevent US forces from closing with it. China understands that it cannot win a war with the US now, and this is the reason why it is rushing to build weapon equipment, including missiles, ships, aircraft and Command, Control, Communications, Computers and Intelligence (C4I) networks.

China's build-up of military forces also has another purpose. The country recognises that economic operations abroad need military protection. This includes escorting maritime transport and keeping a military presence in the region. China's shipping will be blocked by the US navy choking the Malacca Strait, or Beijing will be kicked out of the military game being played by the US and Russia in the Middle East if it fails to project its military power on the region and China wants to continue as a player of this military game.

China is trying to design a new set of international rules because it is not satisfied with the present order, and its associated norms and rules. However, Beijing believes that the US will not accept this challenge.

Although China has no intention to be a lonely governor of the world, it is attempting to be one of the countries that can design an international order.

At the military parade held on 3 September 2015, President Xi said: "All countries should jointly uphold the international order and system underpinned by the purposes and principles of the UN Charter, build a new type of international relations featuring win-win cooperation and advance the noble cause of global peace and development."<sup>14</sup>

<sup>14</sup> Full Text of Chinese President's Speech at Commemoration of 70th Anniversary of War Victory, 3 September 2015, [http://www.china.org.cn/china/2015-09/03/content\\_36489889.htm](http://www.china.org.cn/china/2015-09/03/content_36489889.htm).

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This means China will support the establishment of a new type of international relations, which has a core of fairness and a win-win philosophy. President Xi stated something similar in 2013 too. Chinese leadership has indeed recognised that international society today is deeply unfair.

China started behaving as a leader of free trade at the Belt and Road summit that was held at Beijing in May 2017.<sup>15</sup> It is trying to gain support from developing countries so that China can become a designer of the world order. But “free trade” also needs rules. We still do not understand what kind of rules Chinese want to establish.

On the other hand, the US is imposing strong pressure on China, recognising that the country is illegally infringing on US national interests. President Trump levied 25 per cent tariffs on 34 billion US dollars of Chinese imports on 6 July 2018, and 16 billion of Chinese imports, including semi-conductors and electric parts, on 23 August. One of the reasons why the US is wary is the “Made in China 2025” policy.

China is to slap tariffs on an additional 60 billion US dollars of imports from the US in retaliation against 200 billion of new trade sanctions on Chinese goods announced by President Trump. China, of course, will hit back at the US in a similar way every time the US imposes sanctions.<sup>16</sup>

However, Chinese retaliation cannot change US intentions. Washington will not accept China’s challenging of the international order with illegal or unfair measures. President Trump is simultaneously using economic and security issues as bargaining chips when it come to making a deal with Beijing.

The US–China trade war is serious. President Trump’s “America First” policy means that the US does not concern itself with issues that occur abroad if the issues do not infringe the US national interest. This means there is a focus on economic benefits to the US.

Although this may not have been President Trump’s initial intention, this isolationism is now a long-term trend in US public opinion. It is the reason why China’s challenge to international economic rules cannot be easily accepted by the US. Beijing is now the Washington’s target. It can also be said that the “Rise of China” is imposing structural stress on the international order led by the US.

The effect of this is that the US and China are playing a major power game. And this will not only cause a trade war, but will also potentially lead to a severe military confrontation.

<sup>15</sup> Full Text: Joint Communique of Leaders Roundtable of Belt and Road Forum, 15 May 2017, [http://www.xinhuanet.com/english/2017-05/15/c\\_136286378.htm](http://www.xinhuanet.com/english/2017-05/15/c_136286378.htm).

<sup>16</sup> “US-China Trade Row: What Has Happened So Far?”, in *BBC News*, 18 September 2018, <https://www.bbc.com/news/business-44529600>.

It is a typical security dilemma. China recognises that its military build-up is defensive, but the US sees China as an aggressive challenger to the international norms and the world order that it leads.

Moreover, Russia is tending to use US–China confrontation in order to maintain its status as a major power, even though it is afraid of the expansion of US influence. The country is also afraid of China’s pressure on the east side of its territory. Russia will not confront the US directly, but is pushing China so it will do so. US–China confrontation will bring two favourable effects for Russia. The first is that Washington cannot engage with Ukraine and Middle East (including the Syrian issue) if it has to focus on China. The second is that both the US and China will be exhausted by trade war and an arms race, and this situation will raise Russia’s status.

This situation should make us pessimistic about a reduction in military tension between Washington and Beijing. No countries except the US and China can play leading roles, and no country except Russia has much influence on the major powers.

However, Japan cannot accept China’s attempt to change the status quo by force. China is reaching out to Western countries. European countries also perceive Russia as a threat. China and Russia are playing different games to the East and to the West.

Therefore, Japan and the EU need to cooperate with each other so that the world order continues to be based on the rule of law, otherwise it will be impossible to deal with both China and Russia effectively.

We still have the chance to change the situation regarding US–China confrontation. We need other major economic actors apart from the US, China, Japan and European countries in the international community. The existence of these other actors will reduce tension between the US and China.

Economies are the origin of power and economic reasons are behind many confrontations. The most promising region in economic terms is South East Asia, while Latin America and Africa also have the potential to be huge economic actors. The creation of an economic network could be the basis of security cooperation that would prevent China from taking provocative actions. In this context, Japan–EU cooperation will maintain stability in the international community.

## 8. China's growing assertiveness in the South China Sea and possible ways for the EU and Japan to cooperate

Liselotte Odgaard\*

On 30 September 2018, the guided-missile destroyer USS *Decatur* was performing a freedom of navigation operation (FONOPS) in the Spratly archipelago in the South China Sea. The destroyer came within 12 nautical miles of Gaven Reef. This is a Chinese-occupied rock that has been expanded by means of land reclamation. The operation was intended to manifest that in Washington's interpretation of international law the area constitutes international waters without features that can generate territorial sea, exclusive economic zones or continental shelves. Contrary to Beijing's view, the US holds that military vessels and aircraft from states without claims in the area are not obliged to announce their presence in these waters. The Chinese destroyer *Lanzhou* approached the *Decatur* in what was termed an unsafe and unprofessional manner by US Indo-Pacific Command. By contrast, the USS warship warned the Chinese one that it was on a dangerous course in the South China Sea. The ships came within 45 yards of each other, and only a sharp starboard turn by the *Decatur* avoided a collision that could have sparked a crisis between the US and China.<sup>17</sup>

The Trump administration has strengthened the FONOPS policy of the Obama predecessor in the South China Sea by routinely sailing within 12 nautical miles of Chinese-occupied features and by asking allies to conduct operations in support of the US FONOPS. This has increased the number of US allies undertaking operations in support of freedom of navigation operations. Since 2016, France has joined Australia in conducting operations in support of the freedom of navigation, yet refraining from sailing within 12 nautical miles of Chinese-occupied features. From 2017, the UK has joined this effort by sending vessels to undertake similar operations. London has reassured Europeans that Britain's departure from the EU in 2019 will not influence its military cooperation with Europe. French navy vessels carry representatives of the militaries of other European countries to signal their support for these operations. Japan refrains from conducting FONOPS, but Tokyo has stepped up its military activities in the South China Sea. In September 2018, Japan sent a submarine, two destroyers and a helicopter carrier to participate in military exercises. Subsequently, the Japanese submarine made a port call in Vietnam, which has competing claims with China in the South China Sea. This occurs against the backdrop of enhanced Japanese strategic support since 2012 for the littoral states of the South China Sea that have competing claims to the Chinese ones. Japan assists the coastguards and military capacity of littoral states of the South China Sea, such as the Philippines, Vietnam, Indonesia and Malaysia, and Tokyo is expanding its military-to-military relations with South East Asian states to ensure access to strategic locations such as ports.

<sup>17</sup> Jane Perlez and Steven Lee Myers, "U.S. and China Are Playing Game of Chicken in the South China Sea", in *The New York Times*, 8 November 2018, <https://nyti.ms/2z01bYt>.

## Between “America First” and the “Chinese Dream”: What the EU and Japan Can Do Together

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ISSN 2280-6164

DOCUMENTI IAI 19 | 14 - JULY 2019

The increasingly confrontational stance of Washington and its allies towards Beijing in the South China Sea has enhanced tension levels and has increased the risk of unplanned encounters between the US and Chinese navies. In the context of the Western Pacific Naval Symposium (WPNS), the US and China have agreed to the 2014 Code for Unplanned Encounters at Sea (CUES). This agreement has formed the basis of additional US–Chinese agreements for unplanned encounters. Similarly, in June 2018 Japan and China introduced maritime and aerial communication mechanisms to avoid and prevent unexpected contingencies in the East China Sea, where the two Asia-Pacific powers have disputes over territory and maritime zones. European countries use the WPNS CUES for their operations in the South China Sea.

The *Decatur* incident implies that China does not respect the CUES in encounters with US navy vessels sailing within 12 nautical miles of Chinese-occupied features in the South China Sea. European personnel conducting operations in support of freedom of navigation outside 12 nautical miles of Chinese-occupied features confirms that China’s South Sea Fleet is aware of the CUES and does not directly violate it, but nor does it apply the CUES actively when encountering European military vessels.<sup>18</sup>

Increasingly strained relations between Europe and the US, at a time when European relations with China remain marked by conflicts of interest, encourages EU to seek closer relations with Asian states such as Japan in a way that is considered compatible with European liberal economic and political values. The EU and Japan agreed on an economic partnership agreement in December 2017, sending a powerful signal against protectionism at a time when the US is cancelling or renegotiating numerous trade agreements with allies and partners, and when China threatens to undermine European ideas of market economy with the expansion of its Belt and Road Initiative to weak countries such as Serbia, Greece and Greenland on the periphery of Europe. On security issues, France is playing a leading role, stating that it wants to be at the heart of a new axis of democracies in the Indo-Pacific region who aim to preserve a rules-based international order and provide a counterbalance to China’s growing power and influence. The so-called Quad – a diplomatic grouping set up a decade ago at Japan’s initiative to counterbalance China in Asia, was revitalised in November 2017 by Australia, Japan, India and the US. The decision was made owing to increasingly assertive Chinese activities in the South China Sea.<sup>19</sup>

The initiatives of France and other European states in support of freedom of navigation are good examples of effective diplomacy, positioning Europe as an ally of the US that supports core Western values, but from an independent position that

<sup>18</sup> Interview with officer onboard a French navy vessel conducting operations in support of freedom of navigation, October 2017.

<sup>19</sup> Jamie Smyth, “Macron pledges to counter China power in Pacific”, in *Financial Times*, 2 May 2018, <https://www.ft.com/content/9b1947be-4de0-11e8-8a8e-22951a2d8493>.

involves respect for Chinese core values by not sailing within 12 nautical miles of Chinese-occupied features so as to lower Beijing’s perceived need to counter European actions. European states are much better able to adopt measures of reassurance vis-à-vis China because they are not tied into security commitments towards Asian allies, in contrast to Washington. Moreover, Europe is able to support Asian states such as Japan that find themselves in a similar position to European states, increasingly fearing US abandonment owing to an enhanced focus on US national interests at the expense of the interests of its allies. The successful balancing act of supporting Western core values while avoiding the violation of Chinese core values deserves to be pursued across a wider range of security issues, as tensions between Washington and Beijing continue to grow. Similarly, Japan’s focus on capacity-building and port access in South East Asia while launching joint infrastructure projects with China in the region similarly emphasises Japanese support for core Western values while continuing to expand ties with China on issues where their values and interests are compatible. In these efforts, it is important that Europe and Japan coordinate their initiatives so as not to work at cross-purposes. For example, joint Chinese–Japanese infrastructure projects as well as other economic cooperation agreements between the two regional powers should involve respect for fundamental liberal values, such as avoiding giving the companies of one country preferential treatment, transparency in public procurements and ensuring financial sustainability for all involved parties, as well as Japanese support for the EU’s 2018 connectivity strategy linking Europe and Asia.

*Updated 23 July 2019*



## Between "America First" and the "Chinese Dream": What the EU and Japan Can Do Together

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