



Developments in and Obstacles to the US Pivot to Asia: What Alternatives for Europe?

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Abstract

The new US strategic guidance released in January 2012 represents a hallmark of US President Barack Obama's foreign policy and forms integral part of the so-called "Pivot to Asia". However, rather than a radical departure from the past, the strategic guidance represents an evolution and extension of US foreign policy towards the region, envisaging the reallocation of American military assets from Europe to the Asia-Pacific. The implementation of the guidance strategy is a long-term and complex process: several challenges, tensions and frictions between the US and regional actors may hamper the implementation of the policy and will require a delicate balancing act in which China will play a key role. On the European side, the US shift should be seen as an opportunity to review the European Security Strategy and elaborate its own strategy towards Asia.

Keywords: *US military policy / Asia Pacific region / Vietnam / Singapore / India / European Union / Common Security and Defence Policy (CSDP)*

Developments in and Obstacles to the US Pivot to Asia: What Alternatives for Europe?

by Alessandro Riccardo Ungaro*

Introduction

One of the hallmarks of US President Barack Obama's foreign policy is the so-called "Pivot to Asia", a policy aimed at rebalancing US defense policies towards Asia. With the new strategic guidance, adopted in January 2012, the US military strategy in the Pacific is changing. Since the publication of the document, the implementation process has been characterized by tensions and frictions between the United States and Asian countries. Similarly, some EU member states have expressed concerns regarding the new American defense posture. Notwithstanding, this rebalancing process could pave the way for a new transatlantic bargain in Asia, inducing Europe to revise both its defense posture and its foreign policy ambitions in the region.

This paper will first focus on the shift in the US defense strategy by assessing the political and military aspects of the American Pivot to Asia, and then explore the ensuing implementation process. Finally, it will analyze the EU policy implications of the Pivot, advancing some recommendations in that regard.

1. The US new defense strategic guidance: between continuity and change

The increasing importance of the Asia Pacific in the international strategic environment is unquestionable and has led Western countries to renew their attention to the region's dynamics and their potentially global effects. Not only China, but the wider region that stretches from the Indian subcontinent and South Asia to the western shores of the Americas, has become a key driver of global politics and economics.

In this context, the United States has resumed its attempts to rebalance the global order and, in January 2012, the Department of Defense (DoD) released its new strategic guidance, entitled *Sustaining US Global Leadership: Priorities for 21st Century Defense*. This document formalized what President Barack Obama had already stated in his November 17 speech to the Australian Parliament. On that occasion, he affirmed that the Asia Pacific is the top US national security priority and that cuts in US defense spending will not affect such a fundamental region.¹ In the same vein, with an article in *Foreign Policy*, US Secretary of State Hillary Clinton pointed towards "America's Pacific Century", after more than a decade of US

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¹ Remarks by President Obama to the Australian Parliament, Canberra, 17 November 2011, <http://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament>.

commitments in Afghanistan and Iraq.² Actually, the Obama Administration had pushed for a review of the defense strategy even earlier, with President Obama launching a major reassessment of the US global military posture in 2009. The January 2012 document thus crowns a broader trend: the US's recalibration after the end of the Iraq war and the decision to withdraw American troops from Afghanistan.³ An increased emphasis on the Asia-Pacific garners bipartisan support. Differences regard specific approaches, with Republican presidential candidate Mitt Romney displaying a more hawkish rhetoric and criticizing Obama's pivot for being "vastly under-resourced [...] despite [...] big talk about bolstering our military position in Asia".⁴

Four major developments have led Washington to radically reassess its ambitions and priorities towards the Asia Pacific region:

- The growing economic and financial influence of Asia for the future of the United States
- China's military build-up, which threatens freedom of navigation and US access to global commons (air, sea, land, space and cyberspace)
- The end of the war in Iraq and the transition process in Afghanistan by which Afghan security is gradually transferred from the International Security Assistance Force (ISAF) to the Afghan leadership
- The need to counter the impression that US federal budget cuts, especially in defense, could reduce American involvement in Asia.

Thus, the guidance - coming at the heels of a string of high-level declarations - constitutes an acknowledgment of US political will to support a change of pace in its defense policy towards Asia, since it reshapes the future DoD's position, priorities, activities and budgetary allocations for the next decade. As a consequence of changes in the global power structure, the document has significant long-term implications as it emphasizes a gradual but deep shift in US geographical priorities from Europe to Asia. The document recognizes that US economic and security interests are "inextricably linked" to developments in the arc extending from the Western Pacific and East Asia into the Indian Ocean region and South Asia, making it necessary to rebalance military forces towards the area.⁵

Washington's thinking reflects the assumption - which has been progressively vindicated since the end of the Cold War - that Europe will not face real security threats in the future and, thus, no longer represents a top security priority for the United States.

² Hillary Clinton, "America's Pacific Century", in *Foreign Policy*, November 2011, http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century.

³ For a thorough discussion on the subject, see Alessandro Marrone, "Afghanistan in Transition: The Security Context Post-Bin Laden", in *IAI Working Papers*, No. 1113 (June 2011), <http://www.iai.it/pdf/DocIAI/iaiw1113.pdf>.

⁴ Mitt Romney, "How I'll Respond to China's Rising Power", in *The Wall Street Journal*, 16 February 2012, <http://online.wsj.com/article/SB10001424052970204880404577225340763595570.html>.

⁵ The document goes on to say that: "Most European countries are now producers of security rather than consumers of it. Combined with the drawdown in Iraq and Afghanistan, this has created a strategic opportunity to rebalance the US military investment in Europe, moving from a focus on current conflicts towards a focus on future capability. In keeping with this evolving strategic landscape, our posture in Europe must also evolve." United States Department of Defense (DoD), *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*, January 2012, http://www.defense.gov/news/Defense_Strategic_Guidance.pdf.

Although this does not mean a complete withdrawal of US military forces from the Old Continent, there will be a significant reallocation of American military assets in the European theatre. DoD plans include the withdrawal of two of the four Army brigades deployed in Europe, shutting down a corps headquarters, de-activating two Air Force squadrons, closing four out of twelve Army bases in Germany and, in the end, bringing home 10,000 of the 80,000 units of US service personnel currently serving in Europe.⁶

A deeper analysis, however, reveals that the US pivot to Asia represents an enhancement rather than a radical departure in American defense policy: indeed, “the Administration’s increased emphasis on the Asia-Pacific region appears to be more of a change in means than a change in policy goals. Fundamental US interests in the region - including stability, freedom of navigation, the free flow of commerce, the promotion of democracy and human rights - are essentially unchanged.”⁷ Several US governments have sought to foster stability and security in the region by maintaining a large troop presence in East Asia and through involvement in most major political developments.

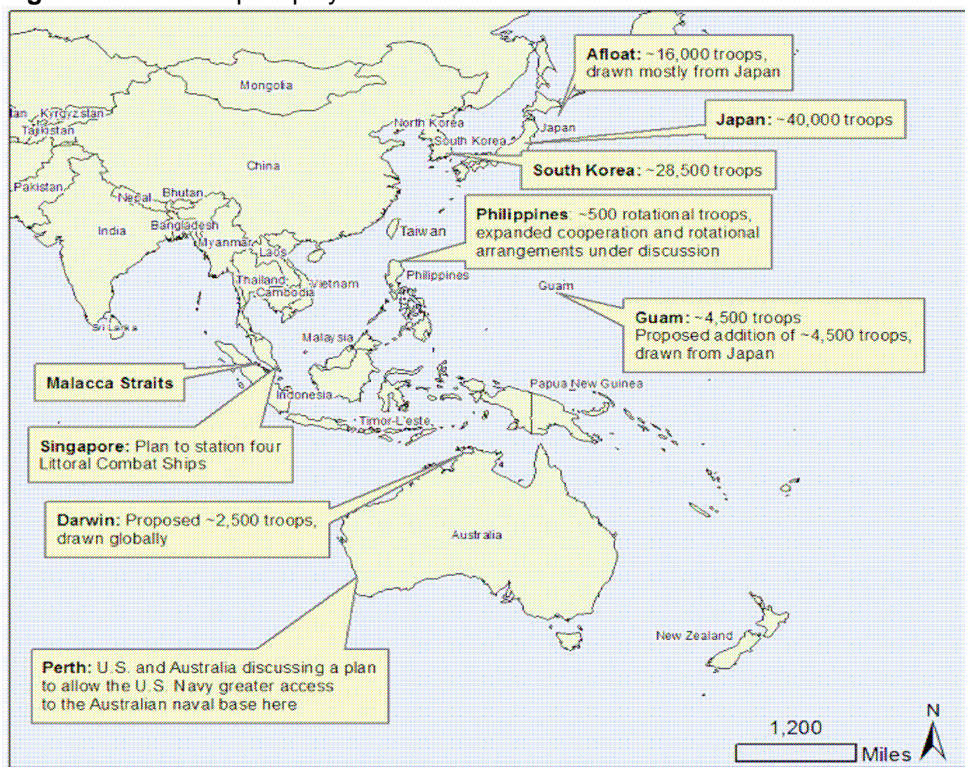
Therefore, on the one hand the level of continuity with previous administrations is quite clear. The Obama administration and its defense guidance are enhancing and entrenching existing policies - pursued by the Bush Administration - towards Asia. On the other hand, Obama’s realignment is characterized by several innovative aspects. Of these, the military and strategic dimension of the Asia pivot is the most concrete: in view of the relevance of the Navy to East Asian security issues, US defense cuts and re-organization plans aim to minimize the impact on the Navy with force reductions focused instead on Army and Marine ground forces. The “grand design” involves the US Navy reconfiguring its forces from the current 50/50 split between the Pacific and the Atlantic Ocean to about 60/40 by 2020. That will include six aircraft carriers in the Pacific, as well as most US cruisers, destroyers, Littoral Combat Ships (LCS), and submarines.⁸

⁶ John Barry, “Historic shift in US defense strategy will have major impact on Europe”, in *European Affairs*, April 2012, <http://www.europeaninstitute.org/EA-April-2012/historic-shift-in-us-defense-strategy-will-have-major-impact-on-europe.html>.

⁷ Mark E. Manyin et al., “Pivot to the Pacific? The Obama Administration’s ‘Rebalancing’ Toward Asia”, in *CRS Report for Congress*, No. R42448 (March 2012), <http://www.fas.org/sgp/crs/natsec/R42448.pdf>.

⁸ Leon Panetta, *The US Rebalance Towards the Asia-Pacific*, Transcript of the keynote address at the first plenary session of the 11th IISS Asia Security Summit *The Shangri-La Dialogue*, Singapore, 2 June 2012, <http://www.iiss.org/EasySiteWeb/getresource.axd?AssetID=66624>.

Figure 1 - U.S. Troop Deployments and Plans



Source: CRS Report for Congress, March 2012⁹

Beyond new military deployments of troops and equipment to Australia and Singapore (see Figure 1), the US approach to expanding its presence in the region is based on three pillars:¹⁰ a) the US presence will be *more widely distributed* in order to strengthen it in the southern part of the western Pacific rather than in the northeast; b) *more flexibility* will be achieved through smaller, more agile, expeditionary, self-sustaining and self-contained deployments. In particular, instead of relying on permanent military bases (as in Japan and South Korea), the Pentagon's plans provide for *rotational* deployment of military units to save resources without building new bases and to create a security environment that is less structured than during the Cold War; c) *military-to-military cooperation* will be intensified through assistance mechanisms, training and joint exercises with partners and allies, by extending and diversifying strategic relationships with India, Indonesia, New Zealand and Vietnam, as a follow-up to the Bush Administration's policy.

That said, some considerations arise regarding whether and how Washington is concretely paving the way for its Pacific century. How is Obama's new global posture being realized and how are Asian countries reacting to the shift? During the presentation of the document, the DoD acknowledged challenges to the guidance strategy's implementation. As a result, the Administration's plans to mitigate these through so-called "reversibility" - that is, preserving the ability to re-establish some

⁹ Mark E. Manyin et al., "Pivot to the Pacific? The Obama Administration's 'Rebalancing' Toward Asia", cit.

¹⁰ Leon Panetta, *The US Rebalance Towards the Asia-Pacific*, cit., p. 11.

capacities and capabilities that are now being given up in order to address future requirements or changes in the global context.¹¹

2. The implementation process: Vietnam, Singapore and India

The success of the guidance strategy's implementation depends on the US's ability to strengthen alliances and build deeper relationships with emerging partners. At the same time, however, simmering tensions in the region represent one of the major challenges for the Obama Administration's Asia-Pacific diplomacy. During his first tour in the region, US Secretary of Defense Leon E. Panetta visited three key partners - Vietnam, Singapore and India - which deserve particular attention in that each country has potential friction points that could hamper relations between the United States and China, thus compromising the successful implementation of the Pivot policy. Since the beginning of Obama's mandate, top-level meetings between the US and Asian countries have taken place, attesting to Washington's willingness to establish a regular framework for bilateral relations.¹²

2.1. Vietnam

One of the key instruments of the US strategy is to develop the capabilities of Asian countries. During the meeting with his Vietnamese counterpart, Gen. Phuong Quang Thanh, Panetta assessed the status of military-to-military cooperation, by evaluating progress on the Memorandum of Understanding on Defense Cooperation signed in 2011 and aimed at strengthening strategic areas such as maritime security, search and rescue operations, peacekeeping operations, humanitarian assistance and disaster relief.¹³ Defense relations between the US and Vietnam have deepened steadily as a result: while normalizing relations with China is crucial and necessary, ensuring access to the US market (the largest destination for Vietnamese exports) is a priority for Hanoi.¹⁴ Nevertheless, the US continues to be sceptical about the country's reliability, and concerns regarding the authoritarian nature of the regime and human rights do not allow for greater defense and political cooperation. Indeed, in spite of continuous pressure and reassurances from Hanoi, the ban on lethal weapon sales to the country is still in force.¹⁵ In a Chinese perspective, further enhancements in American-Vietnamese relations could confirm the belief that Hanoi is exploiting American presence to counterbalance Beijing's involvement in territorial disputes in the South China Sea, one of the crossroads of global maritime trade. A particular friction point is

¹¹ Catherine Dale and Pat Towell, "In Brief: Assessing DOD's New Strategic Guidance", in *CRS Report for Congress*, No. R42146 (January 2012), <http://www.fas.org/sgp/crs/natsec/R42146.pdf>.

¹² Philippine President Aquino was received at the White House and Secretary of State Hillary Clinton welcomed counterparts from Cambodia, Thailand, India and South Korea. See Paul Eckert, "Analysis: Obama's Asia 'pivot' advances, but obstacles await", in *Reuters*, 15 June 2012, <http://www.reuters.com/article/2012/06/15/us-usa-pacific-pivot-idUSBRE85E1B420120615>.

¹³ Jim Garamone, "Past, Present, Future Come Together in Hanoi Meeting", in *American Forces Press Service*, June 2012, <http://www.defense.gov/news/newsarticle.aspx?id=116602>.

¹⁴ Mark E. Manyin, "US-Vietnam Relations in 2011: Current Issues and Implications for US Policy", in *CRS Report for Congress*, No. R40208 (May 2012), <http://www.fas.org/sgp/crs/row/R40208.pdf>.

¹⁵ Marcus Weisgerber, "Vietnam Wants to Buy Lethal Weapons From US", in *Defense News*, 4 June 2012, <http://www.defensenews.com/article/20120604/DEFREG03/306040002/Vietnam-Wants-Buy-Lethal-Weapons-From-U-S->.

the refurbishment of the Cam Ranh Air Base, a major base of US military operations during the Vietnam War located in the Cam Ranh Bay, aimed at reopening the port's facilities to US and foreign navies. This project seems to be in line with the US strategy not to create permanent military bases in the country, utilizing instead the outpost for repairing and resupplying American ships.¹⁶

2.2. Singapore: the 2012 Shangri-La Dialogue

Singapore was the first major stop in Panetta's journey to Asia. Here, the US Secretary of Defense participated in the Shangri-La Dialogue, the annual (since 2002) inter-governmental security forum organized by a London-based independent think tank, and attended by defense ministers, academics and military chiefs of the Asia-Pacific states. It provided a chance to consolidate historic ties between the two countries, reaffirming that Singapore is a key ally for the United States in both political and military terms.¹⁷ The fact that the Republic serves as a strategic air and navy facility was confirmed by the announcement of the Defense Minister of Singapore to allow the US Navy to deploy up to four Littoral Combat Ships (LCS) on a rotational basis.¹⁸ Yet, like other actors in the area, the city-state needs to balance its engagement with Washington while at the same time also consolidating its financial and economic relations with China - Singapore's second largest trading partner in 2010. In addition, the ever-expanding military liaison with Taiwan further complicates relations with Beijing: as a result, "[Singapore] would support a stronger role for India rather than the United States in providing regional balance in this respect as many believe it would be less controversial for China".¹⁹

2.3. The Indian keystone: a swing state or American linchpin?

India could potentially act as the King or the Queen of this chess game, alongside the United States. As clearly underlined in the new strategic guidance, India can act as a "regional economic anchor and *provider of security* in the broader Indian Ocean region". Thus, the US is willing to establish an ever-closer strategic relationship with New Delhi - deemed a "natural ally"²⁰ with common security challenges and shared

¹⁶ Robert D. Kaplan, "The Vietnam Solution", in *The Atlantic*, June 2012, <http://www.theatlantic.com/magazine/archive/2012/06/the-vietnam-solution/308969>.

¹⁷ *Joint Statement of the U.S.-Republic of Singapore Meeting at Shangri-La*, London, 2 June 2012, <http://www.defense.gov/releases/release.aspx?releaseid=15337>.

¹⁸ Marcus Weisgerber, "Agreement Calls for 4 US Littoral Combat Ships to Rotate Through Singapore", in *Defense News*, 2 June 2012, <http://www.defensenews.com/article/20120602/DEFREG03/306020001/Agreement-Calls-4-U-S-Littoral-Combat-Ships-Rotate-Through-Singapore>.

¹⁹ Xenia Dormandy, "Prepared for Future Threats? US Defense Partnerships in the Asia-Pacific Region", in *Chatham House Reports*, June 2012, <http://www.chathamhouse.org/publications/papers/view/183803>.

²⁰ During a speech at the Institute for Defense Studies and Analyses (IDSA) of New Delhi in June 2012, Leon Panetta pointed out: "Defense cooperation with India is a linchpin in this strategy. India is one of the largest and most dynamic countries in the region and the world, with one of the most capable militaries. India also shares with the United States a strong commitment to a set of principles that help maintain international security and prosperity. We share a commitment to open and free commerce; to open access by all to our shared domains of sea, air, space, and cyberspace; and to resolving disputes without coercion or the use of force, in accordance with international law. One of the ways we will advance these principles is to help develop the capabilities of countries who share these values. India is one of those countries. Our two nations face many of the same security challenges - from violent extremism and terrorism to piracy on

values - by enhancing bilateral relations and strengthening military/defense cooperation and technology transfer at the industrial level.

Over the past decade, the defense relationship between India and the United States has improved steadily: in 2011 the two countries participated in more than 50 military-related activities and are now willing to intensify their bilateral arms trade by upgrading the current “buying and selling” approach to a more sustainable framework, including hi-tech cooperation and co-production activities.²¹ Although some technical issues still exist in this field - such as mismatches between India’s Defense Procurement Procedure (DPP) and the US government-to-government (Foreign Military Sales - FMS) mechanism for the sale of weapons and defense articles - the United States is now one of India’s largest defense suppliers. US companies have received USD 8 billion in contracts²² from the government of New Delhi, even though the United States lost a major fighter jet deal - the M-MRCA Fighter Competition - by which New Delhi intends to replace hundreds of MiG-21s with 126 state-of-the art aircraft.

On the flipside, India seems to be more cautious of the future course of Indo-US relations, confirming - once again - its willingness to preserve a certain degree of autonomy when defense and strategic issues are at stake.²³ For example, during the second US-India Strategic Dialogue held in June 2011, Afghanistan and Iran were the two most crucial topics.²⁴ It is understandable that India is concerned about the future of Afghanistan after the gradual withdrawal of US and NATO combat troops,²⁵ considering that New Delhi is by far the most significant regional donor with over USD 2 billion in reconstruction and development aid to Afghanistan. As a result, the two countries signed a strategic agreement²⁶ in October 2011 to deepen security and economic ties and at the same time warn Islamabad of Kabul’s options in case the Pakistan Army continues to support the Afghan insurgency.

Furthermore, an ongoing diplomatic controversy between the United States and India is related to oil imports from Iran: Washington is calling on India and China to make

the high seas and from the proliferation of weapons of mass destruction to regional instability. Handling these challenges requires a forward-looking vision for our defense partnership, and a plan for advancing it month-by month and year-by year in the spirit of equality, common interest, and mutual respect”, <http://www.idsa.in/key speeches/LeonEPanettaonPartnersinthe21stcentury>.

²¹ Marcus Weisgerber, “U.S.-India to Talk Defense Tech Transfer, Co-Production”, in *Defense News*, 5 June 2012, <http://www.defensenews.com/article/20120605/DEFREG03/306050001/U-S-India-Talk-Defense-Tech-Transfer-Co-Production>.

²² The United States has recently confirmed that they will sell six additional C-130J Hercules airlifters to the Indian Air Force (IAF) on a government-to-government basis, with an estimated cost of about 1 billion \$. Vivek Raghuvanshi, “U.S. To Sell Six More C-130Js to India”, in *Defense News*, 23 July 2012, <http://www.defensenews.com/article/20120723/DEFREG03/307230010/U-S-Sell-Six-More-C-130Js-India>.

²³ Christopher Clary, “Will India Ever Really Be America’s Partner?”, in *Foreign Policy*, 11 June 2012, http://www.foreignpolicy.com/articles/2012/06/11/will_india_ever_really_be_americas_partner.

²⁴ Persis Khambatta, Jesse Sedler, “Update: US-India Strategic Dialogue: Progress, Problems, and Prospects”, in *CSIS Critical Questions*, 11 June 2012, <http://csis.org/publication/us-india-strategic-dialogue-progress-problems-and-prospects>.

²⁵ Alessandro Marrone, “Il vertice NATO di Chicago: vecchie priorità e nuovi limiti di risorse”, in *Aspenia online*, 22 May 2012, <http://www.aspeninstitute.it/aspensia-online/it/article/il-vertice-nato-di-chicago-vecchie-priorita-e-nuovi-limiti-di-risorse>.

²⁶ Rama Lakshmi, “India and Afghanistan sign security and trade pact”, in *The Washington Post*, 4 October 2011, http://www.washingtonpost.com/world/asia-pacific/india-and-afghanistan-sign-security-and-trade-pact/2011/10/04/gIQAHL0OLL_story.html.

significant reductions in their oil imports from Iran - thus reducing their dependence on Iranian supplies - as a part of the economic pressures and sanctions being imposed on Iran.²⁷ However, India has its own interests and a drastic reduction in oil imports from Teheran would damage the Indian economy which already seems to be slowing down.

The US pivot to Asia is putting India in the position of a “swing state”.²⁸ Boosting its relations with the US without jeopardizing its involvement with China, especially at the economic level, is the result of the two schools of thought that shape Indian foreign policy: given the dynamic and ever-changing geostrategic environment, some consider establishing a strong relationship with Washington crucial. In particular, defense cooperation could fill the technology gap in critical defense areas such as C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance), as well as space and the cyber domain. Others, instead, feel that it would be detrimental for India to become a pawn in the US’s new strategy aimed at containing the rise of China.²⁹ Indeed, the latter view holds that India should preserve its autonomy and assess its relationship with Washington with a view to the national interest. As India emerges as a global player, it should not forget that some external factors are likely to affect its future foreign posture. Relations between India, the US and China are complex and in flux: much will depend on how Beijing will assert its interests, especially with regard to India’s core interests along its borders in South Asia and in the Indian Ocean. Within this strategic triangle, one of the friction points is Pakistan: as China’s interests in Asia are firmly linked to Islamabad, not only the Chinese-Indian relationship struggles to take off - because of the ongoing Indo-Pakistan conflict – but also India-US relations are compromised since Washington still relies on Pakistan despite recent diplomatic and political tensions.

At this point, an overall assessment seems to reveal that the Pivot’s implementation is a delicate and fragile process. In the words of Brad Glosserman: “It’s going to be a delicate dance. You want to send a message to your allies that you support them, but without emboldening them. We don’t want to send the signal that we are using proxies to bait the bear. But at the same time, we don’t want to give the impression that we are somehow deferring to China. So Panetta’s job will be to walk that fine line.”³⁰ The new defense strategy makes extensive use of the word *partnership* as the main tool to work with and strengthen the capacity of American allies and partners. However, as shown by three cases analyzed above, expanding partnerships with some countries may entail several risks since the US could be dragged into disputes which are not strictly related to its interests. Conversely, relying excessively on its bilateral and multilateral relations with the countries of the region may foster an arena of strategic competition

²⁷ Jim Yardley, “Indians Host Clinton While Also Wooing Iran”, in *The New York Times*, 9 May 2012, p. A9, <http://www.nytimes.com/2012/05/09/world/asia/india-and-iran-keep-economic-relations-despite-us-nudge.html>.

²⁸ Sandy Gordon, “India: which way will the ‘swing state’ swing?”, in *East Asia Forum*, 24 June 2012, <http://www.eastasiaforum.org/2012/06/24/india-which-way-will-the-swing-state-swing>.

²⁹ Arun Sahgal, “India and US Rebalancing Strategy for Asia-Pacific”, in *IDS Comment*, 9 July 2012, http://www.idsa.in/idsacomments/IndiaandUSRebalancingStrategyforAsiaPacific_asahgal_090712.

³⁰ Kirk Spitzer, “Delicate Dance for Panetta in China’s Backyard”, in *Time* (U.S.), 31 May 2012, <http://nation.time.com/2012/05/31/delicate-dance-for-panetta-in-chinas-backyard>.

among regional and non regional states, as well as between major and smaller countries.³¹

3. Conclusion: reshaping the European posture

Undoubtedly, the US's Asia pivot has important implications for Europe, not only at the military but also at the political level. As previously stated, the Old Continent is no longer a top priority for the United States, even though this does not imply Washington's full disengagement or the end of transatlantic relations. Rather, the current shift should be seen as a defining moment for the Common Security and Defense Policy (CSDP), which could induce EU member states to find innovative solutions and rethink the EU's level of ambition as a security provider. Europe may have two complementary options:

1) Deepening and broadening cooperation with Asian countries³² as emphasized by both Catherine Ashton, EU High Representative for Foreign Affairs and Security Policy, and Herman Van Rompuy, President of the European Council. The latter recently declared that the EU is by far the single largest non-Pacific trade partner of each of the major economies in the region. Therefore, the EU not only has a significant stake in regional stability, but could also potentially represent a major stabilizing force in the region. This should be reflected in greater EU political attention to and political activity in the region.³³ Indeed, EU-ASEAN (Association of South-East Asian Nations) trade exceeded 200 billion euro last year and the EU is ASEAN's main export destination. The EU is also the biggest investor in ASEAN since a quarter of all foreign direct investment (FDI) into ASEAN countries comes from EU companies. In 2010 alone, over 22 billion euro of new investment came from the EU.³⁴ European aspirations to establish deep and sustainable relations with Asia by playing a greater role in the area may emerge as complementary to the US's rebalancing efforts.³⁵ The US and the EU need not compete in the region, but rather fill reciprocal gaps and shortcomings. The joint EU-US statement on the Asia-Pacific region, issued on 12 July 2012, goes in this direction, declaring strong transatlantic involvement in security and defense issues such as cyber-crime, transnational crime, weapons of mass destruction and counter-piracy operations.³⁶ The joint statement is a starting point for a closer transatlantic cooperation in Asia: given the EU interest to support freedom of navigation and trade, ensuring maritime security could be a priority for future EU-US partnership in Asia. As revealed by a survey conducted among EU and US foreign policy experts, other possible areas of cooperation include: (1) trade and investment, (2) non-proliferation

³¹ Xenia Dormandy, "Prepared for Future Threats? ...", cit., p. 33.

³² Ibidem, p. 34.

³³ Herman Van Rompuy, *Europe's political and economic challenges in a changing world*, Speech at the Special Winston Churchill Lecture 2011, Zurich, 9 November 2011, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/125983.pdf.

³⁴ Karel De Gucht, *EU-ASEAN: An efficient machine for the next 45 years*, Speech at the Friends of Europe Policy Summit "ASEAN at 45: Regional Hopes, Global Clout", Brussels, 19 June 2012, <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/12/462>.

³⁵ Laurence Norman, "EU Looks to Its Own Asia Pivot", in *The Wall Street Journal* Blog Real Time Brussels, 3 May 2012, <http://blogs.wsj.com/brussels/2012/05/03/eu-looks-to-its-own-asia-pivot>.

³⁶ *Joint EU-US statement on the Asia-Pacific region* (A 328/12), Phnom Penh, 12 July 2012, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/131709.pdf.

and military build-up, (3) climate change, (4) energy and resources.³⁷ By cooperating in these areas, the EU and the US could leverage their respective strengths. In the case of the EU, these include economic ties, a track-record of promoting human rights and the rule of law in the region and support for more effective multilateral mechanisms. In the case of the US, comparative advantages include economic clout as well as transparency in military build-up and mediation in nuclear disarmament and non proliferation.

2) Strengthening EU policies towards its own neighbourhood through the European Neighbourhood Policy (ENP): the European Commissioner for Enlargement and the European Neighbourhood, Stephan Füle, recognizes that the US's Asia pivot necessarily encourages the EU to focus more on its own neighbourhood by promoting universal values and stability and using its resources more effectively.³⁸ The same thrust is evident also in US speeches. Indeed, in order to be able to focus on the Asia-Pacific, Washington is calling for more European strategic autonomy in its neighbourhood since Europe's backyard is above all a European responsibility.³⁹ Similar evaluations have recently been made by British Secretary of State for Defense Phillip Hammond, who affirmed that European nations must recognize the need to do much more to ensure the security of their own region.⁴⁰

This said, the new American defense posture has raised concerns in some European countries. In particular, in the United Kingdom, during the first parliamentary review of the National Security Strategy (NSS) adopted in 2010, the Joint Committee on the NSS expressed concerns about the ability of the United Kingdom, and NATO, to operate in the future without the support of US military assets and enablers, particularly ISTAR (Intelligence, Surveillance, Target Acquisition and Reconnaissance) capabilities.⁴¹ These evaluations are embedded in a broader context regarding the future operational posture of NATO: as evident during the Libyan crisis, the US rhetoric regarding the European neighbourhood has changed, with new notions such as "leading from behind" entering Washington's lexicon.⁴² The Libyan crisis also revealed that Europe has not found yet a common view regarding its level of ambition as a security provider. The US pivot may compel the EU to re-think this crucial question. No European country has sufficient resources to provide the necessary military capabilities alone, but

³⁷ Patryk Pawlak and Eleni Ekmektsioglou, "Transatlantic strategies in the Asia Pacific", in *EUISS Analysis*, June 2012, http://www.iss.europa.eu/uploads/media/analysis_asia_pacific.pdf.

³⁸ Stefan Füle, *The Future of Europe*, Speech at the 2012 Wrocław Global Forum, Wrocław, 1 June 2012, <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/12/413>.

³⁹ Sven Biscop, "The American Pivot Hinges on Europe", in *The New Atlanticist*, 12 July 2012, http://www.acus.org/new_atlanticist/american-pivot-hinges-europe.

⁴⁰ Otto Kreisher, "UK Defense Chief To NATO: Pull Your Weight In Europe While US Handles China", in *AOL Defense*, 19 July 2012, <http://defense.aol.com/2012/07/19/uk-defense-chief-to-nato-pull-your-weight-in-europe-while-us-ha>.

⁴¹ House of Lords and House of Commons Joint Committee on the National Security Strategy, *First review of the National Security Strategy 2010* (HL Paper 265, HC 1385), 8 March 2012, p. 20, <http://www.publications.parliament.uk/pa/jt201012/jtselect/jtnatsec/265/265.pdf>. Indeed, it seems that during operations in Libya some European countries ran out of Precision Guided Missiles (PGMs) and also had to rely on the US for in-air refueling.

⁴² Stefano Felician Beccari, "The US new approach toward Asia and European fears", in *Cemiss Quarterly*, Winter 2011, p. 49-53, http://www.difesa.it/SMD/CASD/Istituti_militari/CeMISS/Documents/Quarterly/QUARTERLY_2011/Quarterly_winter_011_Web_.pdf.

“pooling and sharing” has to be promoted strongly by defining geographic and functional priorities, according to common interests and foreign policies. For decades, Europe has exploited the US’s security umbrella by taking advantage of US defense capabilities and military assets. From now on, the EU will have to face the complex security environment of the broader European space and beyond without being able to rely completely on the United States. The increasing shortage of EU resources and investments in the defense arena can only exacerbate this problem and could lead the Old Continent to reconsider its role as a global actor. Finally, it cannot be taken for granted that the EU will no longer face any threats and security challenges: the current debt crisis and austerity measures could radicalize politics and deepen social fractures, thus generating new security tensions. Europe will have to be prepared to deal with them.⁴³

For these reasons, EU should start to encourage a review process of the European Security Strategy (ESS). In 2013 ten years will have passed since the adoption of the first ESS, which no longer reflects the current international context and should thus be revised. The time has come to redefine the EU’s role and its strategic objectives in the world on the grounds of future international scenarios and available financial resources. In this context, some leading countries in the defense field, such as the United Kingdom, France and Italy, should seize business opportunities arising from the current economic situation and push for a strengthening of “pooling and sharing”. Even if finding a sustainable and effective solution to the economic crisis is the priority on the EU agenda, the need to find such a solution should lead European leaders to rethink the EU’s overall foreign policy strategy and elaborate new and unconventional approaches for defense industrial cooperation. In the same vein, the US shift to Asia should be seen in Europe as an opportunity to renew the EU’s commitment in Asia. While the EU and the US may share broad interests and goals in the region, the EU should independently elaborate its own strategy towards Asia, without simply reacting to the US Pivot towards the region.⁴⁴

Updated: 13 September 2012

⁴³ Gideon Rachman, “The US Pivot to Asia. Should Europeans worry?”, in *GLOBSEC Policy Briefs*, 12-14 April 2012, <http://www.globsec.org/globsec2012/uploads/documents/GPB/GPB%20Rachman.pdf>.

⁴⁴ Patryk Pawlak, Eleni Ekmektsioglou, “America and Europe’s Pacific Partnership”, in *EU/ISS Opinion*, 23 July 2012, <http://www.iss.europa.eu/publications/detail/article/america-and-europes-pacific-partnership>.

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