

SECURITY INSIGHTS



The Global Shift of Power and Its Impact on Europe

By Sven Bernhard Gareis

Introduction

President Barack Obama announced in November 2011 that U.S. security interests would shift to the Asia-Pacific region, bringing to an end the short period of a unipolar world order united under American patronage, if such a thing indeed ever existed. Emerging powers such as China and India have become more determined in the pursuit of their political and economic interests and more self-assertive in claiming a dominant role in the international system. The United States, on the other hand, as the incumbent world power, has had to pool its strengths to maintain its status and has increasingly had to rely on regional partners and alliances to live up to its role. Weakened by two wars in Afghanistan and Iraq that it could never win and groaning under an enormous debt burden, the U.S. now must set strategic priorities. “America’s Pacific Century,” a term used in recent speeches and articles by U.S. Secretary of State Hillary Clinton and other U.S. officials, is actually not an expression of strength and self-confidence, but rather a term that makes clear that the U.S. recognizes that it is no longer able to exert its political influence to the same degree in all regions of the world.

For Europe, this shift of U.S. interests towards the Pacific does not come as a surprise, but it does have an enormous impact. For a long time, the “old continent” had been in the comfortable position of a consumer of security that was essentially guaranteed by the United States. Europe had been able to enjoy a substantial peace dividend when its armed forces were reduced drastically after the end of the East-West conflict. Today, however, the challenge for Europe will be to take on much more responsibility and become the primary guarantor of its own security. For Europe, as a global commercial and trading power, the Asia-Pacific region is of greatest importance, however thus far Europe’s political role in the area has been a minor one. If Europe does not wish to become a mere spectator in a world dominated by the

U.S. and China, it will have to underpin its economic interests with stronger political engagement.

In view of these facts, this paper will attempt to present a European view of the global power shifts and the resulting “rebalancing” of U.S. security interests, and then address the challenges that Europe will face in the context of changing transatlantic relations. The focus of the following remarks will be on the rise of China as well as the reactions of the United States. For a stringent analysis of these current developments, it seems appropriate to first make some brief comments on the defining concepts of power in the globalized world.

Power and Powers

Although it is true that a catchy and universally accepted definition of power in international relations is still lacking, the concept and its effects can be viewed as the capability of states to (continuously) influence other states or the international system itself for their own ends. Depending on the degree to which state actors are successful in doing so, they are rated as small, medium, large, regional, or global powers. Since the term “power” is rather vague, it makes sense to identify the various forms in which power manifests itself in order to better understand to what extent a state is able to shape international relations and which methods and means it uses to do so.

Joseph Nye’s concepts of hard and soft power have become widely accepted, although they do not represent a failsafe formula; they require further differentiation. The factors of classical hard power generally include the size of a country, its population, as well as its economic, technological, and military power in combination with clearly defined strategic interests and the political will to pursue those interests. There are, however, other strengths and capabilities of increasing significance, such as the skill

to achieve political goals by creating agreement and consensus among players in the international arena. Another increasingly important skill is the ability to influence the rules of the game in international relations, the concepts of right and wrong, of acceptable and unacceptable, moral or immoral. This “soft” or “normative” power relies on widely accepted legal and ethical standards and a cultural charisma strong enough to convince the other actors and to set examples. For many decades, the “American way of life” has been considered to be the most powerful example of the cultural charisma of soft power, spreading the message that freedom, democracy, and the rule of law combined with an individual’s hard work and superior performance provide the basis for a good and successful life.

The actual use of power in the age of globalization represents additional and new challenges to the actors in international relations. Some of them are the result of increasing interconnectedness and interdependencies which, on the one hand, offer mutually beneficial opportunities and more stability, but on the other hand may also increase vulnerabilities and therefore create stability risks. This applies in particular to the current international system which is anything but stable. All major actors suffer from severe economic crises such as the EU, are faced with massive financial problems such as the U.S., or are confronted with enormous domestic problems such as China. The global order resembles a ‘world risk society’ (Ulrich Beck) or a ‘world-in-transition society’ (Wichard Woyke) which is very difficult to express and provide guidelines for in terms of the predominant political theories. In this system states need to continue to prevail against others, but at the same time use their instruments of power in a way that will not endanger their own interests in the end. The zero sum game that realists frequently refer to in international relations is being replaced by opportunities due to synergy effects arising from win-win solutions – provided everything goes as planned and regimes, partners, or networks actually act in a more predictable and coherent manner than sovereign powers do when pursuing their interests unilaterally.

So in the multi-polar world of the 21st century power needs to be ‘smart power’ (Ernst-Otto Czempiel) capable of looking beyond short-term advantages to the possible disadvantages that might arise to one’s own interests if other international actors are made to suffer. A true world power will be the one that manages to coordinate the different instruments of power in a consistent and efficient manner. The subsequent reflections on the global power shift and its consequences will follow this line of thought.

The Rise of China

To look at China from a European angle means first of all to wonder whether there is such a thing as a common European view. The European Union is without doubt a global economic power whose 27 member states account for about one quarter of the global economic performance. But is the European Union politically more than just the sum of its parts? Does it pursue common political goals and act coherently like the other (large) powers in the international arena? There is ample room for doubt. In its relations to other global actors as well as in the game played by the great ones Europe is still more of a potential than a real power. And that is particularly true for its relation to China:

Because for Europe China represents first and foremost an economic opportunity as well as a challenge. Thirty years after the beginning of China’s reform and opening process under Deng Xiaoping the country has turned from a backward developing country into the world’s second largest national economy. As the world’s largest exporting nation China is present in all regions and in all markets, always trying to use its economic weight to increase its political influence. Whether in the economy, in development policy, international security, the environment or climate protection – there is no longer any political decision that could be made without the increasingly self-confident People’s Republic of China.

With a trade volume of \$567.2 billion (2011 dollars), the EU is China’s largest trading partner, and although Europe’s trade deficit with China is about \$150 billion, the People’s Republic remains an important market for European exports. In order for China to proceed with its internal development, its demand for European high tech products will remain unchanged. Therefore European companies are in a very favorable market position, especially in the areas of infrastructure and traffic, energy supply, automotive, and mechanical engineering. China on the other hand is a main supplier of low-price products in all sectors of the electronics, textile and consumer goods industries as well as an increasingly important and financially strong investor in the European market. Ever since the beginning of the ongoing European sovereign debt and financial crisis in 2008, the Europeans have started to cast hopeful glances towards the seemingly inexhaustible resources of the Chinese sovereign wealth fund.

But at the same time China is a difficult partner: there are ongoing controversies about intellectual property rights which put a strain on economic relations, there are price distortions due to state subsidized dumping, unequal conditions for market access as well as discrimination against European companies in Chinese government tenders. So far these issues do not go beyond what is

considered normal in the interactions of two economic giants, but they give us an idea of what kind of behavior to expect once China has overcome its technological dependence on Europe.

So although economic relations are strong, in politics the EU plays only a minor role for China, not least because Europeans know very little about China's political system and society but also because there is no common understanding about what kind of European policy towards China could be built upon. To be blunt for the sake of clarity: the strategic partnership concluded in 2004 is not exactly based on shared political and cultural values. This leads to frequent conflicts of opinion, for example in the area of human rights. The People's Republic can cancel EU-China dialogues and summits at any time or attach conditions to them, simply because it can, and also because there is very little that Europe can do about it. Whenever the French president or the German chancellor welcomes the Dalai Lama, China gets upset and imposes diplomatic sanctions. And in the end, whatever the subject – Africa, Taiwan, the One-China policy, human rights, or market access – the Europeans will eventually give in and comply with Chinese demands. They are ready to do so even though China is still a long way from being a true global power. The Chinese economy is strong, but there are many internal problems and vulnerabilities, including social disparity, huge environmental problems, rampant corruption, ethnic frictions, and demographic challenges. These challenges put China's global power status into perspective and leave much room for improvement for China as a soft power in the sense of a politically, socially, and culturally successful model.

We must not forget, however, that power is always relational. Yes, there are weaknesses in China's foreign relations, but it does present a united front and pursue a political agenda. This is very much in contrast to the EU, which lacks coherence, a common strategy, the political will, and therefore the appropriate instruments to systematically pursue its own interests in relations with China. It turns out that the People's Republic is a much more flexible and pragmatic actor and has learned from the U.S. how easy it is to manipulate the Europeans according to the ancient Roman principle *divide et impera*. As Sun Tzu says, a lack of awareness of one's strengths is a sure way to end up defeated in any contest. If Europe wants to keep up with China, it will have to become more resolute in turning its potential strengths into real power and influence.

The U.S. Turns to Asia Pacific

In spite of its active engagement in Europe during the East-West conflict and the transformation processes in the post-Soviet space the U.S. has been a Pacific power

since the early 19th century. The Europeans or, more precisely, the Germans, have been the ones to assume that the transatlantic link was exclusive in nature. Nevertheless, the connections to the old continent are of particular strategic importance from a U.S. perspective, too, because the culture and values, as well as the interests and the world views of both sides have much in common.

Although the shift of U.S. interests to the Asia-Pacific region was a significant step, Europeans have been calm and matter of fact about it. This pivot is perceived as more of a gradual process than a fundamental change, as something which makes sense and was only to be expected in view of the global power shift and the rise of powers such as China.

While it is true that the U.S. is still number one among the global powers, it can no longer maintain its unchallenged leadership in all dominions, much less in all regions of the world at the same level of intensity. Weakened by costly wars and a massive debt crisis, suffering from a dramatic loss of normative power as a consequence of 9/11 and the ensuing 'war on terror', the U.S. now needs to pool its capacities and capabilities in the region that represents the greatest challenge: in Asia, where, more than any other country, China is about to diminish U.S. global leadership.

From a European point of view, there should not be any basic objections to this development. More than twenty years after the harmonious and peaceful reunification process, Europe "has grown up" and is now able – or at least has the potential – to take care of its own security. A security threat calling for a massive U.S. presence is unlikely to arise in the foreseeable future, no matter how things develop in Iran. But still, in addition to hopes that the U.S. pivot to Asia will ensure lasting stability in the most important region of the 21st century, there are also concerns. They result from the highly ambivalent manner in which China and the U.S. perceive one another. More than anything, it is the tendency of the U.S. to see China as the new enemy in the struggle for global dominance that is alarming. From a Chinese perspective, the U.S. is the only country able to put an end to its rise to global power, which is why China takes precautions, also militarily. This creates quite a dangerous mix of everything it takes for a situation to turn into a serious security dilemma with all the concomitant risks.

But at the same time, both powers remain extremely interconnected: without China's enormous financial engagement, the U.S. finance markets would remain in a squeeze and, conversely, without strong U.S. demand, Chinese exports would suffer. This is a perfect example of interdependency, with all the opportunities, but

also with all the risks associated with the inevitable vulnerabilities. In a situation like this, both sides need to exercise smart power to ensure a smooth transition from the Pax Americana to a stable regional order guaranteed by both powers. This is at least what the Europeans hope for, because they do have many economic interests in the Asia-Pacific, but so far very little political leverage.

The Consequences for Europe: “Mission Accomplished” in Europe? A New U.S. View of Europe’s Role

So what does all of this eventually mean for Europe? Europe had long ago gotten used to seeing the U.S. in the role of the “European Pacifier,” as Josef Joffe once put it so aptly. Since Europe and the U.S. have so much in common, the transatlantic link will continue to be of particular importance. Nevertheless, the partial U.S. withdrawal means two major things for Europe:

First of all, is the “mission accomplished”? In the eyes of the United States, Europe has learned to stand on its own feet and can provide for its own security. And there is another undertone: Europe, with all due respect, is not going to present any challenge to U.S. global claims to power any time soon.

The second message is that Europe will have to live with its new role. The words of Defense Secretary Robert Gates just before he left office in 2010 when he admonished the Europeans in his farewell speech continue to be relevant: Europe will have to try harder and do more for its own security; it can no longer simply rely on the U.S. Europe will have to act more independently within NATO and therefore carry a larger share of the burden.

The United States’ rebalancing of interests will force the Europeans to do more in tackling their security challenges in the region but also in safeguarding their vital interests on the global stage. In the future, Europe will have to present its foreign policy with more unity and coherence. In the past, however, has always been very difficult; in its Common Foreign and Security Policy (CFSP), Europe will continue to make decisions based on intergovernmental coordination processes and unanimity. But is it also true that since the end of the Second World War Europe has proved to be something of a permanent crisis management mechanism with

functions that could always be adapted to strengthen the community. The partial withdrawal of the U.S. from Europe is such an external impulse that could well trigger European efforts towards a consolidation of its CFSP instruments. If Europe’s appearance on the global stage could be improved in such a way, Europe would also achieve a significant advantage in relation to the increasing power of China and other major players in the world.

In the new global concert of powers, transatlantic relations continue to be a tightrope walk, with European leaders trying to keep the U.S. a European power while at the same time preparing for a future without US leadership on the continent. The answer to both possible outcomes is an EU that acts on the global stage as a unified actor. A stronger and more coherent EU needs to fulfill many tasks that were traditionally in the area of responsibility of NATO. In the long run, this could result in a more equal and balanced Euro-Atlantic partnership between the EU and the U.S., with NATO as a forum for consultation and cooperation.

Europe has reached a crossroads: it can grow with the challenge, continue the integration process and turn into a smart power able to use soft and hard power instruments to consolidate its position in a multi-polar world or it could become no more than a group of small and medium states of little relevance.

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