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CURRENT POLITICS AND ECONOMICS OF ASIA

Volume 17, Issue 1, 2008

Special Issue on The European Union and Asia

Guest Editor: Amy Verdun

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CURRENT POLITICS AND ECONOMICS OF ASIA

Asia is entering the 21st century as an economic superpower and is, therefore, inevitably becoming a political superpower as well. This evolution is the subject of *Current Politics and Economics of Asia and China*. Included in the scope of this scholarly periodical is the entire spectrum of contemporary politics and economics of Asia. The coverage is intended to deal with Asia, its political dynamics, economic policies, institutions and its future.

The journal contains original articles as well as public documents. Topics include: foreign policy; domestic policy; treaties; monetary and fiscal policies; foreign economic aid; conference results; military policies; employment patterns; inflation news; security affairs; government; environment; elections; political parties and their activities; trade balance reports; energy policies; aging; pensions and insurance.

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‘THE EUROPEAN UNION AND ASIA: WHAT IS THERE TO LEARN?’

Amy Verdun

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Fifty years after the signing of the Treaties of Rome, the European Union (EU) stands at a crossroads. It has all but completed its single market, has enlarged to twenty-seven member states, has introduced a single currency, is making progress on a common foreign and defence policy, has flirted with the adoption of a constitution and more. The European Community of six member states that at first merely collaborated on coal and steel, atomic energy and that created a customs union in the 1950s and 1960s, has progressed beyond belief so as to achieve these remarkable successes.

The origins of the EU can be traced back to belligerent parties that decided it was best to leave their militaristic past behind and concentrate on creating something more positive and constructive. France and Germany had gone to war three times in a hundred years and felt the need to leave the past behind. It was clear that it was not only the decisions of the governments of France and Germany that made this new pacifism in Western Europe possible. Other countries played an important role as well.

The United States encouraged the collaboration of Western European states through its conditionality within the context of offering financial aid through the Marshall Plan. Other Western European states were more than pleased to participate in the creation of a European Community which would include France and Germany. In fact, the Benelux countries had already made progress on regional collaboration prior to the process that led to the signing of the Rome Treaties (Maes and Verdun 2005).

It probably does not come as a complete surprise that the focus of collaboration in the original European Communities was on coal and steel, atomic energy and economic collaboration – sectors that were removed from the eye-

catching political ambitions of more federalist-inclined thinkers who may have selected military collaboration or political union. In fact, there had been plans for such goals, such as building a European Defence Community and moving towards further political collaboration. But those grand objectives were met with opposition, in particular from the French, who were not ready to transfer sovereignty to new supranational institutions in these areas of 'high politics' (Hoffmann 1966). The idea to make small steps in functionally desirable areas that were not so politically salient, i.e. 'low politics', was seen to be less threatening to the governments of the day (Haas 1968).

In other words, the formula behind the process of European integration contains the following elements: two larger powers continuously at war with one another deciding to settle their differences (France and Germany); a superpower promoting economic collaboration among these countries (United States); a few neighbours (Benelux countries and Italy) willing to participate in a community with France and Germany; and the availability of some 'functional' areas of policy-making in which easy progress could be made in terms of integration (coal and steel, atomic energy and common market).

Let us now turn to the case of Asia and reflect a moment on what might be the parallel with the EU case. In the case of Asia, there are two larger powers that have continuously been at war: Japan and China. However, there has not been the same interest from a third party outside the region to settle these differences. The European countries were strategically more important in the post Second World War period (with the Soviet Union spreading its influence throughout the region). In the case of Asia there is no clear superpower to promote economic collaboration between these countries. If anything such a 'superpower' could be either the US, or even the EU, perhaps even or Russia. However, there is no immediate interest by any of these powers to promote collaboration amongst the Asian partners in a way similar to what the US did to Western European countries in the postwar period. The EU's interest might be in part about trying to find ways to seek to promote the EU model to another region. The US has not been that keen to get involved but has still been favourable to building bridges with these countries, albeit that it has not invested in these countries in quite the way as it had done in Western Europe. Russia is keeping a close eye on the developments but is neither willing nor able to sacrifice its affluence.

As for the other countries in the region, the smaller countries that might be pleased to see their collaboration extended so as to include Japan and China are for example the countries who are member of the Association of Southeast Asian Nations (or ASEAN), but we could also look at a number of other countries, for instance those in the North East. It seems that these countries are keen to learn

from the European experience and see to what extent lessons could be learnt from that experience for their day to day matters.

How one might want to make steps to progress to further collaboration is subject to debate. Should one go the European route and target 'low politics' areas (areas of policy-making that do not attract major political attention), or should one focus on the issues in which one wants to build bridges? The latter areas might end up being quite contentious, but could possibly bring the greatest satisfaction, should the collaboration prove to be successful.

This comparison between Europe and Asia lies at the heart of this special issue. As guest editor of this special issue I have sought to include contributions that can make a step towards making the comparison in this manner. In addition to looking at Asia and reflecting on how our insights from Europe might inform us about developments in Asia, I have sought, furthermore, to include some articles that deal explicitly with these matters. For instance, this special issue includes chapters that look at bilateral relations between the EU (and/or its countries) and selected Asian countries. The result is a collection of manuscripts that very nicely examines these questions from a comparative perspective. Let me provide a brief overview of the most important findings of the contributions to this special issue.

In their article 'Comparing Processes of Regional Integration: European "Lessons" and Northeast Asian Reflections', Schmitter and Kim develop an approach that explains why transnational regional organizations emerge and how they eventually form transnational regional polities. They offer a comparison between Europe and Northeast Asia and analyze the likelihood of there being a prospect for an eventual transnational regional organization in Northeast Asia. They offer twelve 'lessons' learnt from European integration experience and subsequently present a number of Northeast Asian reflections on these 'lessons,' in order to offer specific proposals that might promote successful regional integration in Northeast Asia in the future. They prescribe a neo-functionalist strategy for promoting Northeast Asian regionalism.

In the article by Min Shu 'Franco-German Reconciliation and its Impact on China and Japan: Scholarly Debate' we find a more detailed analysis, specifically of the two dominant powers in the region: China and Japan. He starts off by stating that the extent to which the experience of Franco-German reconciliation is relevant in East Asia is an intriguing question to integration scholars as well as diplomatic practitioners. This article examines scholarly works on the Franco-German experience published in China and Japan during the past fifteen years. The aim is twofold. First, the analysis highlights the factual details upon which the Chinese and Japanese understandings of Franco-German reconciliation are based. Second, we identify the rhetorical patterns adopted by Chinese and

Japanese scholars when they argue for the (ir-)relevance of Franco-German experience in East Asia. Based on the theory of communicative action in world politics, the article contends that, while it is unlikely that China and Japan will follow the exact path of Franco-German reconciliation, the common reference to Europe provides a useful communicative platform to reconsider the relationship between the two Asian countries.

In the next contribution we turn to the first of four articles that look at the interaction between the EU and the region, and include analyses of the bilateral relations between the EU and each of the two larger countries and also a comparison between an EU and an Asian state.

‘What Role for the European Union in Asia? An Analysis of the EU’s Asia Strategy and the Growing Significance of EU-China Relations’ by Nicola Casarini analyzes the development of the Asia policy of the European Union (EU) in the post-Cold War period, focusing in particular on China. He argues that the current role and presence of the EU in Asia goes well beyond trade relations and includes a security dimension. Particular attention is devoted to two issues: China’s participation in the EU-led Galileo satellite system and the proposal to lift the EU arms embargo on China. These initiatives have contributed to making the EU an additional factor in East Asia’s strategic balance and are an indication that the EU’s China policy needs to be increasingly accommodated with the broader EU Asia strategy as well as with the traditional transatlantic alliance and the EU-Japan partnership.

In his article ‘Riding the Asian Tiger? How the EU engaged China since the End of the Cold War’, Ben Zyla examines more closely the bilateral relationship between China-European Union (EU) as it has developed over the past few decades. He argues that the EU uses a ‘benign Wilsonian’ foreign policy style and is committed to a Wilsonian worldview that is couched in promoting normative values and principles of democracy, the rule of law, freedom of people, free markets and open access to international economic markets. According to this author, Brussels tries to ‘entice’ and engage Beijing to follow and adopt European values and principles. He argues, however, that despite Europe’s normative posture, the EU is not hesitant to pursue its own interests. He applies the theoretical term ‘benign Wilsonian’ construct so as to examine particular components of the China-EU relationship, in particular the push for political and social reforms, the human rights issue, economic relations, and geopolitical visions of the nature of the international system.

The next contribution turns our focus to EU-Japan relations. In his article, Michito Tsuruoka, entitled ‘Expectations Deficit’ in EU-Japan Relations: Why the Relationship Cannot Flourish’ he argues that the literature on European Foreign

Policy (EFP) suggests that there is a 'capability-expectations gap' in European Union (EU) foreign relations, i.e. that the EU cannot live up to the excessive expectations that are being placed on it. Yet, Tsuruoka argues, in EU-Japan relations, a reverse gap can be found which he calls an 'expectations deficit'. It is a result of Japan's low expectations of Europe, which remain largely unchanged despite the growing weight and influence of the EU as an international actor. He demonstrates that Tokyo has yet to regard the EU as an international (political) actor. The article argues that it is the existence of this very 'expectations deficit' that prevents EU-Japan relations from flourishing.

Hubert Zimmermann offers another comparison, namely German and Japanese security and alliance policies. Throughout the Cold War period and thereafter, these policies have often been compared for similarities. In his article, entitled 'Trading Security in Alliances: Japanese and German Security Policy in the New Millennium' he goes through the opposite exercise. Rather than stressing the basic similarities, rooted in similar histories, geopolitical circumstances, major alliance partners, constitutional limits, etc. as most analysts do, his article claims that Germany and Japan have actually parted ways in their security and alliance policies since the early 1990s. Whereas the core function of German security policy is the 'export' of security, facilitated by the fact that there is no realistic threat to its territorial integrity, the core function of Japan's security policy is to 'import' security (from the US). These different functions explain differing attitudes regarding the necessity of nurturing the alliance with the United States, Germany's and Japan's most important military ally. Whereas norms of multilateral and peaceful conflict resolution and the search for more autonomy are strong forces in both countries, exerting a powerful pressure towards a more independent stance, structural factors, but also the self-constructed role of Japan as security importer, prevent these forces from dominating the country's security and alliance policies. Zimmermann makes a functional argument that cuts across the established dichotomy of realist and constructivist approaches.

The final four articles of this special issue turn the attention to another important aspect of drawing the comparison between the EU and Asia, by focusing issues such as human rights, deliberation and identity formation.

Reuben Wong's article 'Towards a Common European Policy on China? Economic, Diplomatic and Human Rights Trends since 1985' takes time to look at how the EU has sought to deal with the human rights record of China. It argues against the reading of European Union-China relations often provided as though these relations are being held hostage by historical rivalries and competing national interests between EU member states. Wong analyzes the trends in the EU's economic, political and human rights policies towards China since the 1985

European Community-China Trade and Cooperation Agreement was signed. Focusing on the interactions between three major member states with significant interests in China - Germany, France and the UK - and the Europeanization pressures which undercut national leaders' powers, and shape their preferences and options, he argues that there has in fact been significant convergence in the policies of the major EU states and the European Commission towards China.

Wang Zhanpeng's article 'Public Participation, Deliberation, and Regional Identification: European Constitutional Process in Comparative Perspectives' examines what we can learn from the importance of deliberation, identity construction and democratic legitimacy in the process of regional integration. The literature often suggests that deliberative politics can be found in the constitution-making process in Europe. Yet, he finds that the constitutional crisis, following the negative referendums in France and the Netherlands, demonstrates that this deliberative process is limited. It confirms that the European project still needs to find ways to accommodate the diverse interests of various social groups and to construct a more inclusive European identity. Zhanpeng finds three ways in which Europe's constitutional experience is relevant for the emerging regionalism in East Asia. First, the deliberative spirit in the European experience can provide some philosophical or moral inspiration for East Asia. Second, deliberation may play some complementary role in enhancing the construction of regional identity in East Asia. Third, the constitutional debate may help East Asian people understand the limits of the deliberative approach.

Andreas Follesdal's article 'Human Rights, Democracy and Federalism - Part of the Problem or Part of the Solution? Securing Stability in the European Union and the People's Republic of China' offers another perspective on these matters. Departing from the premise that federations and human rights have a long, ambivalent and contested relationship, Follesdal asks the question of whether human rights-respecting federal arrangements are sufficiently robust against claims to secession. There are fears that federal elements and human rights may fuel destabilizing forces. Comparative research suggests that some of these risks are real, though difficult to estimate. In this article Follesdal argues that several elements of democratic and human rights can limit these dangers, and rather enhance the long-term stability of federal arrangements. In particular, the contributions of human rights and political parties to the governance of sub-units and the centre merit close attention. By presenting some features of federalism and the challenge of stability, and by sketching conceptions of democracy and human rights, Follesdal discusses how human rights may both fuel and defuse calls for secession. He concludes his analysis with how these factors affect

attempts at alleviating the ‘democratic deficit’ of the European Union, and how they affect the People’s Republic of China.

The final article, by Chunyao Yi entitled ‘Identity Change and the Emergence of Regionalism’ provides a broader overview of identity issues. She takes the issues to a higher level of abstraction and examines how we can understand how regional cooperation forms and how a regional integration process starts. In particular, she seeks to understand the role of identity change and a formative regional identity in this process. She argues that, although mainstream studies have acknowledged that a crisis may become the crucial catalyst for the emergence of regionalism, they have not generally analyzed how regionalism emerges in a crisis related context. Her article examines the effects of international crises on one key element of the emerging regionalism – the development of collective identity. It links the question of identity change under the condition of international crisis with the emergence of regionalism, a perspective distinct from the explanations purely based on rational choice and adaptation. It further addresses the issue of identity change by referring to European and East Asian experiences, thus contributing to our understanding as to how regionalism emerged in a particular historical context.

Taken together these articles seek to show lessons from the EU for Asia and to examine more closely EU-Asia relations. From it we learn that some lessons can be more easily drawn than others. We find that there are good reasons for taking a functionalist path to regional integration in Asia. We learn about the importance of good relations between China and Japan. The special issue also sheds light on the specific position the European Union has in Asia. Perhaps the role that was played by the US in Western Europe during the Marshall Plan times, post Second World War, can now be played by the EU in Asia in the first decades of the 21st century? We also gain insights into the role of deliberation, identity formation and human rights in contributing or obstructing integration. But we need to be fair and also acknowledge the limits of the comparison: many circumstances are different on both continents. Nevertheless, the articles in this special issue shed light on developments of regional integration in Asia from a comparative perspective – a rare comparison in the contemporary literature (a noteworthy exception being Plummer and Jones (2006)). This project has shown the benefits of making the comparison and seeking to find ways to learn across cases of regional integration. It offers a snapshot in time that, given the speed of change in contemporary Asia, would be worth repeating in a decade’s time.

Finally, before closing the editor of this special issue wishes to thank a number of institutions that have been instrumental in making this research project possible. First, thanks go to the European Commission in particular its Jean

Monnet Project programme (grants 2004-2260/001-001 CEN CENRE and 2005-1989/001-001 CEN CENRE) for supporting two international events organized by the International Political Science Association Research Committee (IPSA RC) on European Unification (known as IPSA RC-3), of which the editor of this special issue was President (2000-2006). These events were the main activities of this IPSA RC during these years. The first event was a major international stand-alone conference in Beijing, China on 3-5 May 2005. The second consisted of four panels and related activities held at the International Political Science Association Congress held in July 2006 in Fukuoka. Thanks is also due to the IPSA RC-3 that took these endeavours on board and facilitated getting the best scholars lined up for the events in 2005 and 2006. Furthermore, thanks are due to all the referees that took their time to read the papers. All papers of this special issue went out to two referees in a double-blind refereeing process. Local hosts are also gratefully acknowledged for their contributions to bringing the scholars of this special issue together: the Chinese Academy of Social Sciences (CASS) (in particular Professor Zhou Hong) who provided the venue of the May 2005 conference, and financial support and Fudan University (in particular Professor Dai Bingran). Of great importance were three assistants in particular, two from the University of Victoria – Christina Hamer and Melissa Padfield – and Sophie Cao (and her team) from CASS all of whom assisted importantly in making the Beijing conference unforgettable. Additional financial support for the Japan conference came in part from the IPSA RC-3 as well as those who were able to make a financial contribution to attending the IPSA Congress with a special word of thanks to Hokkaido University. Finally, administrative and editorial support for this special issue has been provided by Benjamin F. Gonzalez, MA student at the University of Victoria (2005-2007), who has recently moved on and now is a PhD student at the University of Washington at Seattle.

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COMPARING PROCESSES OF REGIONAL INTEGRATION: EUROPEAN ‘LESSONS’ AND NORTHEAST ASIAN REFLECTIONS

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ABSTRACT

In this article, we try to develop an approach that explains why transnational regional organizations emerge and how they eventually form transnational regional polities. We specifically compare Europe and Northeast Asia with the prospects for an eventual transnational regional organization/polity across two regions of differing national cultures, social structures, patterns of state-building, political regimes and geo-strategic locations. We first sketch out twelve ‘lessons’ drawn from the experience of European integration and then present a number of Northeast Asian reflections on the European ‘lessons,’ with a view to developing and offering specific proposals that might promote successful regional integration in Northeast Asia in the future. After discussing differing degrees of applicability of various theories of regional integration (i.e., federalism, regulation-ism, intergovernmentalism and neo-functionalism), we conclude the paper by prescribing a neo-functionalist strategy for promoting Northeast Asian regionalism.

INTRODUCTION

Political life gradually became dominated by one type of unit: the sovereign national state. From its heartland in Europe in the 15th and 16th centuries, this *genus* of political organization in which a monopoly of authority over all coercive functions came to coincide with a distinctive territory and population spread to other continents – usually by violent means. The doctrine of ‘*Nulle Terre Sans Seigneur*’ (no land without a sovereign ruler) also helped in this process of extension. Outside of Europe, only those societies that possessed a singular identity and managed early to acquire rudiments of stateness, e.g., Japan, Thailand and China, were able to escape being subordinated to or colonized by European sovereign national states.

Not surprisingly, the academic discipline of political science has been deeply impregnated with prior assumptions of stateness. All of its proven laws or working hypotheses should be prefaced with the *caveat emptor*: ‘Assume the existence of a state or set of states and, only then, will the following assumptions, concepts and relations be true...’ We simply do not have a convincing vocabulary or an operational logic for analyzing or even speculating about other forms of political organization.

All of which makes it difficult to discuss the properties of and prospects for integrating ‘world’ or ‘transnational regions.’ It is virtually impossible to compare them – unless we are willing to make one of two assumptions: 1) these units are merely sovereign national states at various early stages in their formation and will therefore follow already established developmental trajectories or 2) these units are merely specialized instances of another political organizational type, namely, the ‘Intergovernmental Organization’ formed voluntarily by consenting sovereign national states and explained exclusively by their powers and purposes. Only if both of these assumptions seem contestable do we have the burden of inventing a distinctive theory of the practice of regional integration. If one suspects that world regions composed of previous sovereign national states are not going to repeat the state-building experience of their members, *and* if one suspects that they might nevertheless develop some capacity to become actors in their own right, then does one have to give serious thought to developing a specialized vocabulary and a distinctive theory of transnational or interstate integration.

In this article we try to develop an approach that explains why (and where) transnational regional organizations might emerge and how they might eventually form semi-sovereign, non-national, semi-states or transnational regional polities. It should be stressed that we focus on the process of regional integration, not

regional cooperation.¹ The latter may or may not be rooted in distinctive organizations, but it always remains contingent on the voluntary, unanimous and continuous decisions of sovereign national states. ‘Entry’ into and ‘exit’ from regional arrangements is relatively costless; ‘loyalty’ to the region as such is (and remains) minimal. Hence, their collective efforts are likely to be erratic and confined to pre-specified issues. It is only when a transnational regional organization starts to become a transnational regional polity – i.e., only when it acquires some capacity (however limited) to act on its own by initiating proposals, making decisions, and/or implementing policies – that the process switches from regional cooperation to regional integration. And, in so doing, both ‘entry’ into the region and ‘exit’ from it become much more costly – and the latter may eventually become prohibitive.

We are under no illusions about the prospects for semi-sovereign, non-national, semi-states or transnational regional polities. Some will never be more than mere façades; many have already failed; those that persist may not succeed in doing very much. But the potential exists for their eventually providing the building blocks for an alternative, more rule-bound and less violent world order than the present one built on sovereign national states. ‘Peace in Parts’ was the provocative title of one of the first attempts at comparing transnational regional organizations (Nye 1987). With their recent proliferation in numbers and extension in area, this prospect may have become less remote.

I. ‘REGIONS’ IN THE POLITICAL SCIENCE LITERATURE

Political science has long recognized the descriptive status of ‘regions,’ but denied the need for any special analytical treatment of them. Considered as sub-units within an existing sovereign national state, regions are merely the remnants of territories that might have gained sovereignty but did not. Their past unique identities may be persistent enough so that their inhabitants continue to contest – sometimes, violently – the domination of the winning sovereign national state, but regions only acquire the status of actors if they actually manage to secede or are granted some recognized (but subordinate) role within a federal or decentralized polity. In the latter case, they are considered especially useful for comparative

¹ In Europe, cooperation at the regional level began as early as 1815 with the creation of the Concert of Europe. It was not until the treaty forming the European Coal and Steel Community (ECSC) in 1952 was signed and ratified that the region acquired its first formal instrument of integration.

purposes – precisely because they have already been integrated, i.e., share a common political culture, legal system, constitutional status and, often, party system, and therefore can be expected to vary in performance only due to exogenous shocks and diverse socio-economic conditions.

Considered as supra-units composed of multiple sovereign national states, regions have also been declared useful for comparative purposes. Under the label of ‘Area Studies,’ political scientists have conducted considerable research based on the presumption of cultural, historical or geo-strategic properties shared by all of the sovereign national states within the same region. Political scientists have virtually never (except in the case of Western Europe) considered the region as such a relevant actor worthy of explanation. If the ‘area’ happened to have some regional organizations in common, their behaviour was regarded as ‘intergovernmental,’ i.e., as a mere by-product of the relative power and distinctive interests of its sovereign national state members.

Transnational regional organizations are not a new phenomenon. Functionally speaking, the first to appear was the Central Commission for Navigation on the Rhine in 1868. Territorially speaking, the first was the Organization of American States in 1890. Both still exist and have experienced some expansion in their collective tasks, although neither is remotely similar to a transnational regional polity. Descriptively speaking, transnational regional organizations have increased rapidly in number over the past decades and extended their reach to cover most of the earth – much as national states did several centuries earlier. Today, there are very few sovereign national states that do not ‘belong’ to some transnational regional organizations, and there are many that belong to many more than one. The reasons for this remarkable proliferation are somewhat obscure, but seem to resemble those that previously promoted national stateness: unconscious diffusion of fashionable practices, deliberate imitation of the success of other regions, self-defense against external predators, calculated imposition by imperial hegemony, and some ‘cloning’ from one transnational regional organization to another. Their spread and the resulting cacophony of acronyms have produced considerable confusion and some timid attempts at comparison.

The experience of Europe since the early 1950s with integrating – peacefully and voluntarily – previously sovereign national states is by far the most significant and far-reaching among all such efforts. As such, it has attracted far more scholarly attention than any other transnational regional organization. It stands to reason, therefore, that the European Economic Community (EEC), the European Community (EC) and, most recently, the European Union (EU), are collectively the most likely organizations to provide some lessons for those transnational regions that are just beginning this complex and historically

unprecedented process. But such a ‘historico-inductive’ strategy for theory-building and case comparison is by no means uncontested.² Partly, this is because many students of European integration have quite self-consciously defined it as a unique case and described it as such, or they denied its status as a potential transnational regional polity and filed it away as merely an extreme example of regional cooperation among sovereign national states, along with hundreds of other intergovernmental organizations. Moreover, as we shall see shortly, those who did try to identify its more generic ‘integrative properties’ tended to disagree about what these were and how far they would carry the process. Scholars and practitioners from other regions have not found it easy to exploit their work. In those rare cases where such comparisons were made, the conclusion was invariably negative, i.e., the ‘other’ region could not possibly expect to replicate the relative success of the EEC/EC/EU.³

This article, in addition to being a manifest case of European ‘theoretical imperialism’ – at least initially – will also attempt to compare a long existing transnational regional organization and embryonic transnational regional polity with the prospects for an eventual transnational regional organization/polity across two regions of differing national cultures, social structures, patterns of state-building, political regimes and geo-strategic locations. In the case of Northeast Asia,⁴ the creation of a transnational regional organization – much less an eventual transnational regional polity – is still a very hypothetical notion.

II. ‘LESSONS’ TO BE LEARNED AND (CAUTIOUSLY) TRANSFERRED FROM EUROPE⁵

We have only one instrument that can help us to transfer knowledge and lessons from one region to the other: theory. Only by applying supposedly generic concepts, confirmed hypotheses and empirical observations that have already been applied to explaining one existing transnational regional organization can we expect to make a contribution to understanding the conditions under which Northeast Asian ‘regional integration’ might succeed. And, even then, given the

² A literature has recently emerged that intentionally seeks to liberate the study of regional integration from its European roots and biases. For a representative collection of essays on the ‘new’ regionalism, see Soderbaum and Shaw (2004); Laursen (2004).

³ For an early example of this, see Haas and Schmitter (1964).

⁴ Northeast Asia in this article includes six sovereign national states, i.e., Russia, China, Mongolia, North Korea, South Korea, and Japan.

⁵ Drawn from pp.6-15 of Kim and Schmitter (2005).

substantial differences between the two cases, there are abundant reasons to be cautious when transferring such lessons.

Unfortunately, there exists no dominant theory of why and how European regional integration works. It is surprising that a process that has been studied in such concrete detail continues to generate such abstract controversy. There is relatively little disagreement over the facts or even over the motives of actors, but there is still no single theory that can adequately explain the dynamics of such a complex process of change in the relationship between previously sovereign national states and persistently more interdependent national economies.

The twelve ‘lessons’ sketched out below have been drawn from several prominent approaches to European integration, but predominantly from the neo-functional one. They constitute, we believe, a sort of common denominator of generalizations that can be drawn from interpreting the sinuous course followed by ECSC, EEC, EC and, most recently, EU. With one exception (to be noted), most contemporary analysts of this process of regional integration would agree with them – although they would almost certainly disagree about their causes and consequences. Its initiation clearly requires an explicit agreement among governments and no one would deny that the institutions and *compétences* that they endow it with initially will have a continuous impact on its subsequent trajectory. Moreover, there is a high likelihood that the national states that agree to such a founding treaty will do so with the expectation that it will protect and even strengthen their sovereignty, not transform it. What happens subsequently, once the process of integration has kicked in and begun to generate its intended and unintended consequences, can be quite another matter.

(1) *Regional integration is a process, not a product.* Once it has begun, the peaceful and voluntary integration of previously sovereign national states can proceed in a multitude of directions and produce secondary and tertiary effects not imagined by those who initiated it. Precisely because it has been such an infrequent occurrence, no one can predict how far it will go and what its eventual result will be. Moreover, once national states have made a serious commitment to forming a ‘region,’ they are very likely to change their motives for doing so. They may begin with security and geo-strategic reasons (Western Europe did so) and then find other applications for their ‘joint venture,’ e.g., economic prosperity and, more recently and more conflictually, unity of political action. There is no assurance that the initial effort will succeed (indeed, most attempts at regional integration have failed). Depending on conditions prevailing within and between member states, it can just as well ‘spill-back’ as ‘spill-over’ – to use the jargon of neo-functionalism. However, under certain conditions (and Western Europe seems to have fulfilled them), actors are more likely to resolve the inevitable conflicts of

interest that emerge from the integration process by enlarging the tasks and expanding the authority of their common, supranational institutions. This, in essence, is the core of the neo-functionalist approach.

(2) *Regional integration has to begin somewhere, and the best place to do so under contemporary conditions is with a functional area that is of relatively low political visibility, that can apparently be dealt with separately and that can generate significant benefits for all participants.*⁶ After experimenting unsuccessfully with the ‘direct’ route to integration via common political or military institutions, the Europeans tried a second-best, indirect one – and it has (more or less) worked. The contemporary point of departure is likely to be different (the Europeans started with coal and steel; no one today would even consider this combination), but the strategy is well captured by Jean Monnet’s phrase: ‘Petits Pas, Grands Effets’ (Take small steps that will lead to large effects). One wants a concrete task that can be jointly managed with little initial controversy, but which is sufficiently linked to others (engrenage is the inside term for this) so that it generates secondary effects upon other areas of potential joint cooperation. The gamble is that the conflicts generated by trying to fulfil this initial task will be resolved positively. In the case of the EU, sectoral integration was followed by trade liberalization and the Common Agricultural Program and, only belatedly, by monetary integration. Elsewhere, the sequence may be different, but the important point is the need to start out with something that involves cooperation to solve concrete problems in a positive fashion. Trade liberalization alone, e.g., free trade areas, is very unlikely to produce such ‘spill-over’ effects.⁷

(3) *Regional integration is driven by the convergence of interests, not by the formation of an identity.* International regions are artificial constructs. They are produced, not found. Some of the clusters of national states that share the most in terms of language, religion, culture and historical experience have been the least

⁶ ‘Intergovernmentalists’ and ‘Federalists’ are unlikely to accept this lesson. For the former, it presumably does not matter where the process starts – provided that the prospective sovereign national states agree unanimously on its collective purpose and the limits to such a purpose. For example, a Free Trade Agreement (FTA) should be just as promising a place to begin. Whichever, the subsequent trajectory will be determined exclusively by the power and interests of its sovereign national state members. Federalists are very concerned with the specific point of departure which should be a comprehensive founding document – preferably, a constitution – that defines a set of common regional institutions and their respective *compétences*.

⁷ Elsewhere, one of the co-authors of this article has defined this ‘spill-over hypothesis’ in the following way: ‘Tensions from the global environment and/or contradictions generated by past performance (within the organization) give rise to unexpected performance in pursuit of agreed-upon objectives. These frustrations and/or dissatisfactions are likely to result in the search for alternative means for

successful in creating and developing organizations for regional integration, e.g., the Middle East and North Africa, West and East Africa, Central and South America. Ironically, it has been Europe with its multiple languages, firmly entrenched national cultures and dreadful experience with armed conflict that has proceeded the furthest. If nothing else, the EU demonstrates that it has been possible 'to make Europe without Europeans.' Those who anticipated that concerted effort at solving concrete problems, increased economic interdependence or facilitated social communication across national borders would produce a decline in national identities and an upward shift in loyalties have been frustrated. Those who foresaw a shift in loyalty to the supranational level are bound to be disappointed – at least within the fifty year timeframe of the EU. Those such as ourselves who only expected a shift in attention to the supranational level are satisfied when integration inserts an enduring and significant focus of interest. The important thing is that Europeans know, understand and accept that many of their interests can only be satisfied by processes that transcend national borders.

(4) *Regional integration may be peaceful and voluntary, but it is neither linear nor exempt from conflict.* The neo-functional strategy (also known in Euro-speak as 'the Monnet Method') involves focusing as much as possible on low visibility and less controversial issues that can be separated from normal – i.e., party – politics. As interest conflicts arise, they are decomposed and then recomposed into so-called 'package deals' that promise benefits for all and compensate the prospective losers with side-payments in other domains. Regardless of the formal rules – and even now that qualified majority voting applies to a wider and wider range of issues – every effort is made to reach a consensus. When such a solution cannot be found, the decision-making aspect of the integration process simply goes into hibernation for an indeterminate length of time. Meanwhile, the processes of expanded exchange continue to produce their intended and unintended effects and, eventually, the participants return to the table. The most visible aspect of the process has been the periodic negotiation of new treaties. Important as these may be, they are but the surface manifestation of a much more extensive process that has facilitated exchanges between individuals, firms and associations in virtually all domains of social, economic and political life and resulted in the creation of a large number of public and private organizations at the European level. Whether this strategy can persist is highly problematic. The EU has run out of low visibility arenas for policy coordination

reaching the same goals, i.e., to induce actions to revise their respective strategies vis-à-vis the scope and level of regional decisionmaking.' See Schmitter (1971: 243).

and the issues that it is currently facing, e.g., fiscal harmonization, visa and asylum requirements, police cooperation, common foreign and security policy, can be quite controversial. The increasing difficulty with the ratification of treaties that have been approved by all member governments is a clear sign of 'politicization' and its penetration of domestic partisan politics.

(5) *Regional integration should begin with a small number of member states, but should from the beginning announce that it is open to future adherents.* Moreover, it is desirable that this initial group forms a 'core area' to use Karl Deutsch's term; that is, they should be spatially contiguous and have a higher initial rate of mutual exchange amongst themselves. If the functional area and members are well chosen, this should result in a differentially greater increase in exchanges among themselves and discriminatory treatment of those who have been left outside. Provided they agree on the internal distribution of benefits and do not generate permanent factions (not an easy task), their relative 'success' will attract those neighbouring states that chose initially not to join the region. The process of incorporating new members places a heavy burden on institutions, but becomes a manifest symbol that the 'region' is worth joining. Especially crucial is the ability to protect the *acquis* when enlarging and not to dilute the accumulated set of mutual obligations as a way of satisfying specific interests in the new member states. It is important to remember that 'regions' do not pre-exist in some cultural, social or economic sense. They have to be created politically out of existing 'raw material.'

(6) *Regional integration inevitably involves national states of quite different size and power capability.* Since it is a voluntary process, the largest and most powerful members cannot simply impose their will – as they would do in an imperial system. They have to respect the rights and presence of the smaller and weaker units. At a minimum, this implies firm guarantees for their continued existence, i.e., that the integration process will not involve their being 'amalgamated' into larger ones, and this seems to require that smaller units be systematically over-represented in regional institutions. Moreover, there is a distinctive and positive role for smaller states to play in the integration process, especially when they can act as 'buffer states' between larger ones. Not coincidentally, the citizens of those states that were smaller and less developed when they entered the EU tend to be among the stronger supporters of the EU.

(7) *Regional integration, however, requires leadership, i.e., actors who are capable of taking initiatives and willing to pay a disproportionate share of the cost for them.* The European experience suggests that this role is better played by a duopoly (France and Germany) rather than either a single hegemonic power (Germany) or a triopoly (Germany, France, and Great Britain). Moreover, it is

crucial that these leading regional actors agree to under-utilize their immediate power capability (pace neo-realism and intergovernmentalism) in order to invest it in a long run strategy of legitimating the enterprise as a whole. Fortunately for the integration of Europe, the potential hegemon (Germany) had just suffered a disastrous defeat in war and pre-inclined to downplay its role. France, the ex-great power, has found this more difficult, and its tendency to self-maximize has repeatedly threatened the process of consensus formation.

(8) *Regional integration requires a secretariat with limited but potentially supranational powers.* Not only must this organization not be perceived as the instrument of one of its (hegemonic) members, but it also must possess some degree of control over the agenda of the process as a whole. The EU Commission is composed of members selected by an obscure process, firmly rooted in nomination by national governments. But it is presumed, once approved, to owe their allegiance to the supranational integration process and, therefore, not to take instructions from the body that chose them. There is evidence that, however flawed the nomination procedure, the Commissioners do tend to acquire a 'collegial' perspective and to act as supranational agents. Moreover, the President of the Commission can under admittedly unusual circumstances not only assert his monopoly over the introduction of new measures, but also play a proactive role in determining what these measures should be.

(9) *Regional integration requires that member states be democratic.* This is a factor that virtually all theories of European integration have taken for granted – as did the earlier practitioners until in the early 1960s when the application of Franco Spain for EEC membership made them explicitly stipulate that 'domestic democracy' was a prerequisite to joining. In the Treaty of Amsterdam (1997) this was extended to cover respect for human rights and the rule of law. There are (at least) three reasons why democracy is necessary: 1) Only governments that have strong legitimacy within their respective national societies can make the sort of 'credible commitments' that are necessary for them to enter into agreements, to ratify them conclusively, and to monitor their eventual implementation. In the present context, 'the only game in town' with respect to domestic legitimacy in Europe is liberal parliamentary democracy; 2) The presence of a democratically accountable government within all members is a supplementary assurance that none of them will resort to force in resolving disputes. Whatever temptation more powerful governments might have to extract concessions by threatening weaker recalcitrant members, it seems unlikely that this would be supported by their own citizens; and 3) If the neo-functionalists are right, a key element driving the integration process forward will be the formation of transnational interest associations and social movements and their intervention in supranational

policymaking. Only in national democracies will citizens have the freedoms needed to organize such forms of collective action and to create links with others across national borders.

(10) *Regional integration seems possible with members that are at different levels of development and per capita wealth.* At the beginning, in the EEC only Italy was markedly poorer and less developed. The subsequent incorporation of Ireland, Greece, Portugal and Spain re-confirmed the EU's capacity not just to accommodate this obvious source of tension, but also to react to it. Through a combination of policies – selective derogations at entry, regional and structural funds, agricultural subsidies and the sheer dynamics of wider competitive markets – it promoted a pattern that could be called 'upward convergence.' Those member states (and even their less developed and poorer subnational regions) that entered under less favourable conditions tended to do better subsequently and their standards of living have converged toward the EU norm (and, in one case – Ireland – even exceeded it) – without, however, noticeably depressing the performance of the more favoured member states. The recent addition of ten members is going to test this fortunate pattern severely. The initial differences in poverty and underdevelopment are greater than in past enlargements and, in some cases, this is compounded by structural differences in managerial and property relations rooted in the transition from 'real-existing' socialism to 'real-existing' capitalism. Nevertheless, contrary to the doctrinal assumption that integration into an enlarged market would inevitably widen the gap between wealthy and poor units – vide the national histories of Italy and Spain – so far, the EU has proved the contrary. Regional integration can not only cope with national economic differences at the point of departure, but also diminish them over time.

(11) *Regional integration is basically an endogenous process, but it can be critically vulnerable to exogenous forces, especially in its initial stages.* Once a subset of national states have agreed to create a 'region' by accepting certain mutual obligations and endowing a common organization with specified powers, its subsequent success or failure is primarily a matter of exchanges between these member states, plus the influence of non-state actors within and increasingly across their borders. Obviously, the more the initial powers delegated to the regional organization, the more important will be the role of its leadership and administration. The European experience, however, suggests that in its early stages regional integration can be very dependent on external powers. More precisely, it is doubtful that the process would have even begun with the European Coal and Steel Community in 1952 and the Economic Community in 1958 without the benevolent intervention of the US. Here is where the 'realist' perspective and its 'intergovernmental' cousin should be especially relevant.

Presumably, there exists a configuration of power and interest in the broader world system that determines if and when an exogenous hegemonic actor will conclude that it would prefer that its rivals be integrated rather than disintegrated. On the face of it, this seems contrary to the classical doctrine of ‘divide et imperum,’ i.e., the stronger you are, the more you wish that your opponents are divided – lest they gang up to countermand your dominance. Obviously, the overriding imperative in the case of Western Europe in the 1950s was fear of the Soviet Union. But now that this imperative no longer exists, the implication seems clear: the US will be much less likely to view favourably movements toward regional integration – at least, those in which it does not participate or cannot control.

(12) *Regional integration, at least until it is well established, is a consumer not a producer of international security.* To make sense of this affirmation one has to make a distinction between regional defence pacts and regional integration organizations. The former, usually the product of a hegemonic power that spreads its defence capability over that of subordinate others, e.g., the US and North Atlantic Treaty Organisation (NATO), the Soviet Union and the Warsaw Pact, is exclusively oriented towards protecting the external sovereignty of its participants by military means; the latter’s purpose is to supplant or, at least, to pool the internal sovereignty of its participants by removing barriers to economic, social and political exchange. In Western Europe, membership in the two was not coincident and definitely not obligatory. The EEC/EC/EU was no doubt fortunate in its early decades to have existed ‘in the shadow of NATO’ and, therefore, not to have had to add external security to its already controversial agenda. With the collapse of the barrier between Western and Eastern Europe and the end of the Cold War, NATO’s role has become increasingly ambiguous and EU member states have begun – against US resistance – to elaborate their own capability for collective security. Given the enormous difficulty of such a task, it has certainly been fortunate that their ‘civilian’ regional institutions are already well established and recognized – if not always beloved. What is much more crucial for the success of regional integration is the existence among member states of what Karl Deutsch called a ‘pluralistic security community’ (Deutsch et al. 1957).⁸ This does not require common formal institutions, as would a viable military alliance (indeed, it can exist with allied and neutral members), but involves a firm and reliable, albeit informal, understanding that under no foreseeable circumstances will its members either use or threaten to use military force in the resolution of disputes among them. ‘Domestic democracy’ in all member states is part of this

⁸ Also see Van Wagenen (1952).

mutual assurance (along with respect for the rule of law), but it is the daily practice of making deals and reaching consensus within regional organizations that makes this understanding credible.

III. NORTHEAST ASIAN REFLECTIONS ON EUROPEAN ‘LESSONS’⁹

In the previous sections, our analysis was resolutely Euro-centric. Our (disputable) presumption has been that, if Northeast Asia is to become integrated, it should learn from and follow the European pattern. Moreover, we have (surreptitiously) defined integration in European terms, i.e., the process of ‘...how and why they (national states) voluntarily mingle, merge and mix with their neighbours so as to lose the factual attributes of sovereignty while acquiring new techniques for resolving conflicts among themselves’ (Haas 1971: 6). To this classical definition by Ernst Haas, we would only add that they do so by creating common and permanent institutions capable of making decisions binding on all members. Anything less than this – increasing trade flows, encouraging contacts among elites, making it easier for persons to communicate or meet with each other across national borders, promoting symbols of common identity – may make it more likely that integration will occur, but none of them is ‘the real thing.’

Under these presumptions, both Asia and Northeast Asia have made very little or no progress toward integration. There have been moments of regional cooperation, solidarity and identification, but they have not created an institutional legacy of much significance, nor have they succeeded in diminishing those ‘factual attributes of sovereignty’ that Haas mentioned.

Several authors have claimed that there is a distinctive ‘Asian’ pattern of integration that may not resemble the European ‘institutional’ one, but nevertheless is capable of resolving regional problems, asserting regional cohesion and building regional identity (Katzenstein 1996; Pempel 2002). We disagree. We think this is a misleading overextension of the definition of ‘regional integration.’ Regional integration should be conceptually differentiated from simple, i.e., un-institutionalized and usually erratic, regional cooperation or collaboration.

Assuming that regional integration is desirable in Northeast Asia but has made minimal progress so far, here we present a number of reflections on

⁹ Drawn from pp.26-36 of Kim and Schmitter (2005).

European ‘lessons,’ with a view to developing and offering specific proposals that might promote successful regional integration in Northeast Asia in the future.

(1) *Regional integration is a process, not a product.* In pursuing regional integration in Northeast Asia, as was the case with European integration, one should never assume that one knows where the process is heading. Not just *la finalité politique* but also *les finalités économiques ou sociales* are unknowable. The process of regional integration is intrinsically uncertain and unpredictable. However, it must be peaceful, voluntary, and, most importantly, transformative. The process must change national states’ motives and calculations, enlarge the functional tasks they accomplish collectively, expand the authority and capacity of supranational institutions, and stimulate interest associations and social movements across member states. In this regard, one of the major problems with free trade areas, which are currently popular in Northeast Asia, is that they ‘seem’ to be and may indeed be ‘self-contained.’ Free trade areas are very unlikely to generate any of the above effects that a process of integration is expected to produce. Moreover, most of the goals that free trade areas are intended to achieve are already being accomplished through the General Agreement on Trade and Tariffs (GATT) and World Trade Organization (WTO). In short, ‘regional’ free trade areas are not so regional any more. So-called ‘open’ regionalism based on a series of free trade agreements does little or nothing to promote integration.

(2) *Regional Integration has to begin somewhere, and the best place to do so under contemporary conditions is with a functional area that is of relatively low political visibility, that can apparently be dealt with separately and that can generate significant benefits for all participants.* For regional integration to proceed, it is essential to promote collective resolution of concrete problems in a positive fashion. That is the main lesson proffered by the original functionalist theorist of integration, David Mitrany (1946). From the very beginning, the integration should be not just about removing barriers (‘negative’ integration), but also about creating common policies to regulate and distribute benefits (‘positive’ integration) (Scharpf 1996). It is extremely critical to select a functional area that is initially uncontroversially ‘separable,’ and ‘interconnected.’ ‘Separable’ means that the area must be capable of being dealt with apart and of generating sufficient benefits on its own. ‘Interconnected’ means that the area must be capable of generating secondary effects that require attention and engendering positive supportive coalitions across borders. Trade liberalization, including the free trade agreements discussed and pursued actively in Northeast Asia, is a form of ‘negative’ integration and is unlikely to produce ‘spill-over’ effects and to contribute to regional integration. Furthermore, free trade agreements generate too much resistance and opportunity for cheating and weaseling.

In Northeast Asia, it will be critical to find the contemporary equivalent of ‘coal and steel’ which is where the EU began in the early 1950s. This could be transport (one functional area) or, better, transport and energy (two highly interrelated functional areas). In the abstract, transport and energy seem to satisfy all the above-mentioned conditions, i.e., relatively low controversiality, separability, and interconnectedness, although given the ‘sensitive’ nature of the North Korean regime no functional area may be without controversiality. It is in this respect very encouraging that some of the previous projects and current plans for regional integration in Northeast Asia, such as transcontinental railroad and energy development projects, are focused on these two functional areas.

(3) Regional integration is driven by the convergence of interests, not by the formation of an identity. International regions do not exist, even where created and administered as such by a colonial power. Common language and religion do not seem to be of much help. Rather, they may even be a hindrance where they hide different ‘sects’ of the same religion or dialects of the same language. We should be equally careful about the economists’ notion of natural complementarity between producers. Regional integration is an intrinsically dynamic process and generates unforeseen and emergent specializations and new divisions of labour among its participants. Hence, pre-existing trade patterns may not be a good indicator of the potential for generating new forms and levels of interdependence.

It is also important that nation states join with convergent – but not identical – motives. They should ‘hit on’ integration for different reasons and with different expectations. This provides the future potential for making ‘package deals’ that will include a variety of pay-offs across participants. Also, there seems to be no automatic effect (à la Karl Deutsch) on integration of substantial increases in social communication across national borders. Decreases in communication may lead to separate identities, but increases do not produce integration. Contrary to the common notion, previously intense national antagonisms can be useful for integration – provided there is a strong motive for overcoming them (usually due to the existence of a common enemy). Something approaching an East Asian identity has certainly emerged after the 1997-98 Asian economic crisis, largely in protest against the hegemony of the US and the dominance of the American developmental model (Kim and Lee 2004; Lee 2006). However, there is little evidence that this new identity is pushing forward regional integration. Identity or loyalty to the region as a whole is the eventual product of, not the pre-requisite for, integration. A lot, in other words, can be accomplished before a common identity or loyalty emerges.

(4) Regional integration may be peaceful and voluntary, but it is neither linear nor exempt from conflict. All the participants from the beginning must

acknowledge the existence of conflicts. But this is not enough. They must also expect those conflicts to be resolved peacefully. Indeed, the existence of conflicts is inevitable and exploitable. Without conflicts, regional integration would not advance. Of much greater importance is the answer to the question: What is the method for resolving these conflicts? Who ‘cooks up’ the winning formula? One of the tricks transferable from the European experience is to use the conflicts (usually over inequality in the distribution of benefits) to expand – not to contract – the scope and level of common (supranational) regional authority. Many (but not all) conflicts can only be resolved by increasing the powers of regional secretariat or expanding the scope of common activities (or both) with side-payments to losers. The unanimity rule is crucial at the early stage to reassure potential losers but tends to be transformed as the integration process advances. In Northeast Asia, where there are both democracies and non-democracies, it is especially pivotal to build and develop relations of mutual trust among member national states so that a firm confidence in the peaceful resolution of conflicts can be fostered and nurtured. Cultural and Track II exchanges aimed at enhancing mutual understanding may help to build such trust.

(5) Regional integration should begin with a small number of member states, but should from the beginning announce that it is open to future adherents. The EEC originally started with six members, but was open to others. It should not be presumed that initial exclusion is definitive, although it is useful to have small number in the beginning for decision-making and distributive purposes. Demonstration of ‘success’ through subsequent enlargement is crucial. In choosing member states, there are two factors to consider: spatial contiguity (‘core area’) and relatively high initial exchange (‘relative acceptance ratio’). The latter is important because it increases the ‘envy’ of outsiders. The unanimity rule, along with tolerance, should be enforced when admitting new entrants. As well, deliberate ambiguity about ‘regional’ boundaries is sometimes useful. The Northeast Asian region has only six members in total (Russia’s Far East, China, Mongolia, North Korea, South Korea, and Japan). If there is a functional area that can involve all six, integration could begin with all six national states as members. Otherwise, a subset of two or three geographically contiguous and relatively accepting countries (e.g., North and South Korea) can initiate a project and then expand it to involve the other countries as the process advances. As regional integration deepens, the Northeast Asian region might even be extended to include countries in the Southeast Asian Region too.

(6) Regional integration inevitably involves national states of quite different size and power capability. The key interest cleavages in the process of integration tend to be based on relative size and level of development. These should be

accommodated in institutional rules, e.g., by over-representing small countries and inserting special programs for less developed members. There should be an implicit or explicit guarantee that regional integration does not mean assimilation of small members into large members, or less developed ones into the more developed. Quite the contrary is true: integration is often the best guarantee for the survival of small/less developed states. The best imaginable outcome is 'convergence' whereby the weakest members in economic and political performance find themselves growing fast and becoming more secure relative to those that are strong and stable.

In Northeast Asia, the smallest (in terms of population) and poorest participant would be North Korea. North Korea's inability or unwillingness to cooperate has been and will continue to be the greatest hindrance to further progress in regional integration. Therefore, special measures must be taken to guarantee the survival of North Korea and to ensure that no attempts will be made to assimilate it to South Korea. A symbolic compensation, such as locating major supranational regional institutions in North Korea, would be both necessary and desirable.

(7) Regional integration, however, requires leadership, i.e., actors who are capable of taking initiatives and willing to pay a disproportionate share of the cost for them. This is obviously related to the preceding issue of size and development. In the fortunate European pattern, the two cleavages (size and development) do not coincide, but cut across each other. Some small countries are rich and some large ones are (relatively) poor. In Northeast Asia, the situation would be more complicated. Russia and Mongolia are large but (relatively) poor. China is large and rapidly developing. Japan and South Korea are small but rich. North Korea is both small and poor. The important questions to be answered are: 1) Why should a hegemon (or pair or trio of hegemons) be willing to pay the higher price for membership? and 2) What can induce them to under-utilize their intrinsic power advantage? In the case of a hegemonic duo, stability is important but sometimes causes awkwardness among late arrivers. A single 'imperial' hegemon, even if 'generous,' can sometimes have an inhibiting effect – e.g., US in North American Free Trade Agreement (NAFTA) or Brazil in Mercosur. In Northeast Asia, a duopoly of China and Japan is unlikely for various historical and political reasons. South Korea can play a leadership role in regional integration, mediating between China and Japan. The current South Korean government is unprecedentedly enthusiastic about facilitating regional integration in Northeast Asia and has empowered a Presidential Committee on Northeast Asia Initiative. Obviously, South Korea cannot itself be the regional 'hegemon.' Hence, an important practical question is whether a middle power such as South Korea

could nevertheless play the required leadership role in Northeast Asia. Or is facilitator-ship (in contrast to leadership) sufficient for regional integration under these circumstances?

(8) *Regional integration requires a secretariat with limited but potentially supranational powers.* Key powers of the secretariat, in the case of EU, include: 1) control over initiation of new proposals; 2) control over distribution of positions within its quasi-cabinet (the European Commission); 3) budgetary discretion; 4) potential to take member states to the European Court of Justice; 5) network position and possible information monopolies, especially with regard to subnational actors (functional and territorial); 6) alliances with the European Parliament; and 7) package-dealing and log-rolling potential. In Northeast Asia, so far all attempts at building a secretariat with supranational powers have failed. No regional institution anywhere in Asia has any of the powers listed above. Building and funding a supranational secretariat must be the first priority in any future project of regional integration in Northeast Asia.

(9) *Regional integration requires that member states be democratic.* That member states are democratic provides insurance that members will not use force against each other, especially once integration has progressed and their respective civil societies have become intertwined. Some guarantees of government legitimacy and of a ‘centripetal/centrist’ tendency in partisan competition are also essential so that commitments remain not only constant across parties, but also deeply rooted in citizen expectations. In Northeast Asia, there are two non-democracies (China and North Korea) and four democracies or quasi-democracies (Japan and South Korea, Mongolia and Russia). Moreover, the democracies are at different levels of regime consolidation. Hence, we cannot expect all the positive effects of ‘a union of democracies,’ as was the case in the EU. It should be noted, however, that the central paradox of regional integration is that it may require democracy, but in the initial stages these national democracies must not be too attentive or interested in the process. This suggests that – at least at the beginning stages – the existence of non-democracies might not necessarily be such a deplorable thing. Rather, regional integration could be initially promoted by cooperation between stable and predictable autocracies, as well as democracies, and as long as they trusted each other sufficiently to keep their commitments and not to resort to force or even the threat of force in resolving disputes. Subsequently, the spreading of integration to new areas and its deepening to include more powers for its secretariat may promote democratization across all member states.

(10) *Regional integration seems possible with members that are at different levels of development and per capita wealth.* The European experience not only

shows that regional integration is possible for member national states with different levels of development but also clearly demonstrates that upward convergence is possible for poorer and less developed countries. In other words, integration not only can cope with national disparities at the point of departure, but also diminish them over time. The Northeast Asian region consists of six countries at quite different levels of development and per capita wealth. The poorer and less developed members of the Northeast Asian region must be persuaded that their participation in regional integration initiatives is the best and surest strategy to catch up and compete with advanced economies in the region.

(11) Regional integration is basically an endogenous process, but it can be critically vulnerable to exogenous forces, especially in its initial stages. The European experience strongly suggests that in its early stages regional integration can be highly dependent on external powers. In particular, it is extremely doubtful whether the process would have even begun without the benevolent intervention of the US. In Northeast Asia, where the influence of the US has been far greater due to the Cold War generated, 'hub-and-spoke' structure of bilateral alliances, the tolerance, understanding, agreement, and cooperation of the US would be essential for the success of any movement toward regional integration. So far, the US has been relatively inattentive or indifferent to various integration projects in Northeast Asia, including even those attempts in the aftermath of the Asian economic crisis that intentionally excluded the US. But it is rather unlikely that the US will continue such inattention and indifference to various regional integration initiatives in the region. In these circumstances, it is advisable to actively seek the comprehension and cooperation of the US – especially at the beginning stages of regional integration in Northeast Asia.

(12) Regional integration, at least until it is well established, is a consumer not a producer of international security. For Northeast Asia, this is the most valuable lesson from Europe. The European integration was from the beginning predicated on the existence of a 'security community' composed of democratic countries. Northeast Asia is starkly different from Europe in this regard: it includes non-democracies, and potentially violent conflicts abound among member national states. Animosity, both historical and present, clearly exist between North and South Korea, between Russia and China, between China and Japan, between Mongolia and China, between North Korea and Japan, between Russia and Japan, etc. Among these multiple conflicts, the most acute and urgent one involves the confrontation between the two Koreas. Without substantial decrease in the military tension between the two Koreas and the subsequent opening and reform of the North Korean economy, it is virtually impossible to pursue any fruitful regional integration projects in Northeast Asia, because North

Korea, one of the key members in regional integration in Northeast Asia, will be either unable or unwilling to participate. Upsetting of regional international security by North Korea or any other country would be more than sufficient to suspend the integration process as a whole. International security within the region, in this sense, is not merely a facilitating condition but a strong precondition for the success of Northeast Asia. Regional security, in turn, is impossible without resolving the North Korean nuclear issue, which inevitably assumes improved relations and eventual diplomatic normalization between North Korea and the US and the resultant establishment of a peace system on the Korean peninsula. In this regard, peace-building in the Korean peninsula is an integral building block for any form of integration in Northeast Asia.

IV. THEORETICAL CONSIDERATIONS AND POLICY PRESCRIPTIONS

It is fairly easy to eliminate two strategies of regional integration that have little or no chance of succeeding in Northeast Asia.

Federalism is out of the question because: 1) All potential member states are not democracies; 2) All potential member states are not effectively 'constitutionalized,' nor is the rule of law evenly observed; 3) All federations require a 'core' of stateness, and none of the prospective members is prepared (yet) to concede such powers to the transnational regional organization. The threshold for a Northeast Asian Federation is simply too high. Only after fifty years of intensive cooperation and very extensive interdependence have the EU member states agreed to even begin to discuss the 'F-word' and they are still far from agreeing on its concrete institutions.

Regulation-ism will not be an option for Northeast Asia either for the following reasons: 1) It only becomes relevant once the level and extent of economic and social interdependence is very high – and Northeast Asia is still very far from either; 2) Given their greater dependence upon 'extra-regional' powers, its potential sovereign national states are more likely to be compelled to conform to standards and norms elaborated and imposed by these 'hegemons,' i.e., by the US and the EU, or to become members of global 'regimes' such as WTO and International Monetary Fund (IMF); 3) Regulatory politics across national borders depends heavily on three factors, none of which are consistently present across Northeast Asia: (a) the observance of the Rule of Law; (b) the relative autonomy and professionalism of state bureaucracies; and (c) 'Epistemic

communities' of specialized experts who share initial premises and operative procedures. The existence and efficacy of regulatory transnational regional organizations depends crucially upon their being embedded in a broader context of political stability and legitimacy that allows these non-democratic groups of experts to take decisions binding on everyone because they can be held accountable by independent parliaments, commissions of inquiry, a free press and partisan competition. None of these properties is evenly distributed throughout Northeast Asia.

This leaves us with two potentially viable strategies-*cum*-theories: intergovernmentalism and neo-functionalism. Both have their problems and using either strategy will certainly be problematic in Northeast Asia, although our tentative assessment is that the former is less promising for the following reasons.

The 'classic' (and apparently easiest) starting point for *intergovernmentalism* would be a 'Free Trade Area' or, more ambitiously, a 'Customs Union (CU).' However, free trade areas and CUs are notoriously difficult to negotiate sector by sector. They usually incorporate many derogations and exemptions, and the disputes they raise tend to drain away most of the enthusiasm and integrative momentum. Moreover, in the present global context where trade liberalization is on the broader agenda of organizations such as the WTO, there are only very limited benefits to be gained and these are conditioned by the 'most-favoured-nation clauses' inserted in most bilateral trade treaties. Unfortunately, the 'victims' of regional trade displacement are concentrated and often well-connected politically; whereas, the 'beneficiaries' are quite dispersed and much less well-organized. This means that the emerging conflicts are likely to be dominated by the interests of the former rather than the latter, making it difficult to meet standing obligations and virtually impossible to generate new ones. The 'logic' of free trade areas (but less so CUs) is to include as many 'regional' partners as possible – e.g., Association of Southeast Asian Nations (ASEAN) + 3 – while the logic of effective regional integration is to concentrate on a small number of initial participants and to share the benefits among them first – and only to expand subsequently once these have been internalized.

In light of the above, it should not be surprising that there is no convincing historical evidence that free trade areas will tend to evolve into CUs and then to turn into Monetary Unions and eventually into Common Markets. Regional experiments with free trade areas in Central America, South America and North America suggest that – if they survive at all – they do so by encapsulating themselves and not by spilling-over into wider arenas of policy-making. They may be easy to adopt (if sufficiently riddled with exemptions), but they are very unlikely to expand into monetary coordination or greater labour mobility. They

even have trouble in transferring their ‘lessons of successful cooperation’ into closely related policy arenas. Free trade areas also seem to be particularly susceptible to problems involving the size distribution of member sovereign national states. The larger ones with greater internal markets are almost always accused of exploiting the small ones – especially in the ‘uneven’ exchange between manufactured goods and raw materials. When size distribution lines up with level of development, i.e., when the largest member states are also the richest, the conflicts generated become virtually impossible to manage and the free trade area collapses.

Intergovernmentally based regional arrangements are intended to remain intergovernmental. They are not supposed to have a transformative effect on their sovereign national state members, nor should they generate spill-overs that might enhance the authority of regional institutions. If governments only enter into such arrangements voluntarily and rationally, i.e., when they are fully conscious of all costs-and-benefits and have excluded all possible unintended consequences, they are highly unlikely to react to unsatisfactory performance or unequal distributions of benefits by agreeing to upgrade their commitments by drafting and ratifying a new and more expansive treaty. Their response will probably be either to freeze their existing level of commitment or to withdraw from the arrangement altogether – which, of course, as sovereign national states they are by definition capable of doing.

So, this is our tentative assessment: the strategy of intergovernmentalism is not so much impossible to imagine in Northeast Asia as much less consequential with regard to eventual regional integration. It would be relatively easy to accomplish in formal terms – treaties/agreements supposedly establishing free trade areas have been signed relatively frequently within and across world regions – but it would not make that much difference. Many of those free trade agreements were never implemented and, when they were, they did not lead to regional integration – only a relative improvement in regional cooperation.

This leaves us – *faute de mieux* – with *neo-functionalism* as the most promising, if not the most feasible, strategy for promoting Northeast Asian regionalism. The formula is relatively simple. It begins with the selection of a functional task that is manifestly difficult to realize within the confines of a single national state and capable of generating concrete benefits for all participants with a relatively short period of time. Two functional tasks would be better so that trade-offs can be negotiated across them. Moreover, this function must be sufficiently consequential so that, in satisfying it collectively, the actors involved will generate new difficulties in interrelated areas. This ‘spill-over’ potential will be much easier to exploit if, in the original agreement, the participating national

states will have agreed to establish a relatively autonomous and internationally staffed secretariat for a regional organization that has some minimal supranational authority, i.e. can take decisions without a constant need for the unanimous support of its member states. It will be even more favourable if these 'functions' involve a variety of relatively autonomous and discrete agencies of member sovereign national states—and especially not just foreign ministries who will normally try to monopolize intergovernmental transactions—and if these agencies are staffed by technical and not politically appointed personnel. In Northeast Asia, the task of managing the joint energy and transportation infrastructure of the region would seem to provide an appropriate and apparently separable set of 'initial functions,' although ironically these are two transnational policy areas that have been among the last for which the EU was able to generate consensus.

Ideally, the initial participants should form a core area of contiguous sovereign national states with internal lines of communication and more intensive rates of exchange and, if possible, convergent motives for cooperation. In Northeast Asia, considering the importance of North Korea's ability and willingness to cooperate, it might be a good idea to begin with only the two Koreas, but at the same time inviting the participation of China, Russia, Mongolia and Japan. However, going ahead should not be conditional on their initially joining and one should be prepared for one or another of them to 'opt out,' as did Great Britain in the ECSC and the EEC. This 2 + 4 strategy seems to be worth pursuing, even against the initial opposition of the other potential members. Whoever the original participants would be in Northeast Asia, they should insist on their equal status and national sovereignty and discount any pretension to use transnational functional cooperation as a surreptitious mechanism for national unification.

The agencies of the transnational regional organization should be distributed so that a disproportionate number will be located in North Korea (although any financial agency should be in the South for obvious reasons of communicative efficiency), but with jointly staffed secretariat. In all instances of regional administration and decision-making, the smallest and most vulnerable members must be over-represented – as they have been in the EEC/EC/EU. Integration will also be enhanced if the initial task(s) and the initial delegation(s) of authority are sufficient to attract the attention of non-state actors, i.e., business firms, interest associations and social movements, and to provide incentives for them to form transnational alliances that are capable of demanding access to the deliberations of the regional secretariat. Given the present condition of associations and movements in North Korea, this may be impossible to realize for some time.

The external context of Northeast Asia is much less favourable than it was at the founding of the ECSC and the EEC. Regional actors would have to start with very low-visibility and low-sensitivity projects in order not to attract the wrath of the US, which will not in all probability be as ‘benevolently inclined’ as it was in the case of European integration. The objective should be to convince the US that, eventually, such modest functional tasks will contribute positively to its overriding goal of security within the region, even if they do not conform to its immediate national objectives. Most significantly, the ‘founding fathers’ of the Northeast Asian region – no matter how modest their initial tasks – will have to take into account the serious ‘security dilemma’ existing within the region. If Europe provides any lesson, it is that a functionally-based transnational regional organization – even a transnational regional polity – cannot alone be expected to ensure that its members will not resort to war or the threat to use force. The regional ‘Security Community’ *à la* Karl Deutsch was initially provided by another institution, the North American Treaty Organisation (NATO). In the case of Northeast Asia where the threats are more numerous within the region and among multiple pairs of potential member sovereign national states, the continued dependence upon external ‘hegemonic’ power will be even greater. Hence, the need for an especially ‘innocuous’ task or set of tasks at the beginning with the expectation that if their completion generates greater trust, enhanced status, learning by doing and material rewards among participants, eventually, the prospects for a self-enabling security community in Northeast Asia will be improved.

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FRANCO-GERMAN RECONCILIATION AND ITS IMPACT ON CHINA AND JAPAN: SCHOLARLY DEBATE*

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ABSTRACT

The extent to which the experience of Franco-German reconciliation is relevant in East Asia is an intriguing question to integration scholars as well as diplomatic practitioners. This article examines scholarly works on the Franco-German experience published in China and Japan during the past fifteen years. The aim is twofold. First, the analysis highlights the factual details upon which the Chinese and Japanese understandings of Franco-German reconciliation are based. Second, we identify the rhetorical patterns adopted by Chinese and Japanese scholars when they argue for the (ir-)relevance of Franco-German experience in East Asia. Based on the theory of communicative action in world politics, the article contends that, while it is unlikely that China and Japan will follow the exact path of Franco-German reconciliation, the common reference to Europe provides a useful communicative platform to reconsider the relationship between the two Asian countries.

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INTRODUCTION

The successful experience of European integration has been widely regarded as a role model of inter-state cooperation and regional integration (Mattli 1999; Laursen 2004). An oft-mentioned part of it is the post-war reconciliation between France and Germany. Considering the disastrous wars fought between the two countries over centuries, the formation of Franco-German alliance after the Second World War was an extraordinary achievement (Simonian 1985). The question is to what degree, and in which ways, the experience of Franco-German reconciliation may shed light on the inter-state relationships and regional cooperation in other contexts.

As the Sino-Japanese relationship went through a difficult period over the past few years, the postwar Franco-German reconciliation has been repeatedly raised and discussed by politicians, diplomats, scholars and even internet surfers in China and Japan. Some argue that Japan should follow the German model to acknowledge her war responsibility and manage the postwar relationship with neighbouring countries (e.g., Zhang 2003; Wu 2005; Awaya et al. 1994; Kato 1993). Others contend that East Asia is a completely different regional context to which the Franco-German experience should not apply (e.g., Jiang 2003; Kisa 2001). Interestingly, the disagreement over the relevance of European experience cuts across national borders. In China and Japan, there are people promoting the Franco-German model as well as those who dismiss the European experience as irrelevant.

How, then, does the Chinese and Japanese debate on the European experience matter in East Asia? The ongoing debate shows that many have seen the potential role-model impact of Franco-German reconciliation on East Asia. Yet, the present disagreement indicates it is unrealistic to expect that China and Japan will follow the exact path of inter-state reconciliation and cooperation as postwar Europe. After all, the historical opportunity of postwar reconciliation no longer exists in East Asia. Perhaps more importantly, the recent Sino-Japanese tension has taken a more complex form than the sole issue of history recognition.¹ However, it is equally premature to dismiss the importance of European experience. Because of the scale of the ongoing debate, the European model of inter-state reconciliation has successfully entered 'the logic of arguing' with regard to the Sino-Japanese

¹ The recent tension between the two countries has involved several other issues, such as the territorial dispute over the Diaoyu/Senkaku Islands and energy exploration in the East China Sea (Roy, 2005).

relationship. That is, today it is almost impossible to discuss the Sino-Japanese relationship without referring to the European experience (Wu 2005).

According to Risse (2000), 'the logic of arguing' characterizes a distinct mode of social interaction. It differs not only from the logic of consequentialism in strategic bargaining (Elster 1991), but also from the logic of appropriateness in rule-guided behaviour (March and Olsen 1989, 1998). The Habermasian mode of arguing has two unique features. First, actors may redefine their interests and preferences as they argue with one another. Second, the process of argumentation helps to cultivate a common understanding about the rules of the 'world' among the arguing partners. Thus, even if there is no clear-cut answer to the issue(s) under debate, the arguing process play a critical role in (i) clarifying the underlying interests of each actor and (ii) building norms and rules to guide their further interaction.

In order to assess the argumentative impact of the ongoing debate on Europe, this article attempts to map the recent Chinese and Japanese studies on Franco-German reconciliation. Specifically, it examines scholarly analysis of the postwar Franco-German experience published in China and Japan during the past fifteen years. Here, scholarly analysis refers to serious academic studies on the European experience of postwar inter-state reconciliation, as well as sensible intellectual debate engendered by such an analysis. The decision to focus on the voices of academic intellectuals is based on three considerations. First, serious academic studies usually rely on faithful interpretation of historical facts. By examining such factual details, we can understand how the history of Franco-German reconciliation is 'reconstructed' in the scholarly analysis. Second, intellectual debate tends to employ more reasonable and less emotional argumentation. The rhetorical patterns of these arguments are therefore more easily comparable in a cross-country analysis. Third, the scholarly debate on current affairs quite often leads political and public views. Examining scholarly works therefore provides a good starting point to make sense of the politicians and diplomats' speeches and of related popular discussions over the media and internet.

The rest of the article proceeds as follows: In the next section we trace the theoretical basis of 'the logic of arguing', highlighting the unique role of argumentative action and deliberation in world politics. The third section examines how the experience of Franco-German reconciliation is studied and interpreted by Chinese and Japanese scholars. The analysis focuses on the factual details and rhetorical patterns of each argumentation. The fourth section then tries to identify a possible communicative platform between China and Japan on the relevance of European experience in East Asia. The article concludes with a theoretical reflection in the fifth section.

COMMUNICATIVE ACTION IN INTERNATIONAL POLITICS

The theory of ‘communicative action in world politics’ was first discussed at length by Thomas Risse in a seminal article published in 2000 (see also Risse 1999, 2004). Risse claims that ‘processes of argumentation, deliberation, and persuasion constitute a distinct mode of social interaction to be differentiated from both strategic bargaining—the realm of rational choice—and rule-guided behaviour—the realm of sociological institutionalism’ (Risse 2000: 1). That is, the theory of communicative action in world politics is advanced against the background of the rationalist-constructivist debate in international relations (see Scharpf 1997; Ostrom 1998; Wendt 1999). Rational choice theory presumes that political actors’ behaviour is instrumentally oriented towards the logic of consequentialism. Sociological institutionalism, on the other hand, emphasizes the role of rules and norms in defining the appropriateness of social behavioural patterns (see March and Olsen 1989, 1998). In contrast to the former, communicative action does not require a clear definition of preferences and interests. It instead assumes ‘actors’ interests, preferences and the perceptions of the situation are... subject to discursive challenges’ in the arguing process (Risse 2000: 7). Different from the latter, communicative action often precedes the regulatory function of social norms and rules. Actors who engage in communicative action are searching for answers to the question of what constitutes appropriateness rather than how to be appropriate (Risse 2000: 6). Communicative action thus enables actors to reach a mutual consensus on the constituting elements of social norms and rules.

From a structure-agency perspective, the logic of consequentialism supposes that the agency understands his/her interests in a given structure, whereas the logic of appropriateness highlights the structural impact of norms and rules on agency’s behaviour (Hay 2002). The logic of arguing adopts a quite different analytical approach. As a starting point, it presumes that actors hold a very much fluid understanding of the structure and the agency. Actors are first of all engaging in the process of comprehending the structure—on ‘reality’ of the world and on the norms and rules constituting such a world. At the same time, actors are involved in the process of comprehending themselves—on their own preferences, interests and perceptions. Importantly, the comprehending process follows a specific mode of social interaction: argumentation through deliberation and persuasion. As Risse points out, human argumentation enables actors to ‘engage in truth seeking with the aim of reaching a mutual understanding based on a reasoned consensus’ (2000: 1-2).

Unsurprisingly, how the arguing process is conducted plays a vital role in deciding the outcomes of argumentation. It is worth noting that Risse draws theoretical inspiration mainly from Jürgen Habermas (1986). Compared with Risse's logic of arguing, the Habermasian theory of communicative action is normatively demanding. More precisely, Habermas has defined a transcendental 'ideal speech situation'² where the quality of arguments is the sole deciding factor and all the involved actors are open to reasonable persuasion. Three preconditions are carefully specified for the ideal speech situation. First, actors are able to inter-subjectively understand one another. Second, they must share a 'common lifeworld'³ to ensure collective interpretations of the world and themselves. Third, everyone should share equal access to the arguing process.

To recast communicative action in world politics, Risse makes three important reinterpretations of the Habermasian 'ideal speech situation'. First, 'the degree to which a common lifeworld exists in international relations varies according to world regions and issue-areas' (Risse 2000: 16). So, it is possible to understand the existence of a 'common lifeworld' as a matter of degree. Second, the ideal speech situation can be relaxed as long as the arguing process maintains truth-tracking behaviour and argumentation leads to reasoned consensus in international affairs (Risse 2000: 19). Third, communicative behaviour in the international arena 'is likely to involve all three logics of social interaction'—that is, the logic of consequentialism, the logic of appropriateness and the logic of arguing altogether (Risse 2000: 21). The logic of arguing tends to play a key role in world politics, when actors hold uncertain views of the world and of themselves, and when existing argumentation is subject to rhetorical challenges.

Subsequent studies take seriously the reinterpretations made by Risse. One subject of particular interest is the condition(s) under which the logic of arguing may dominate the interaction in world politics. Case studies look into different international negotiations, and find that arguing is especially important during the agenda-setting phase and in pre-negotiations, that is, a negotiation stage when the underlying issue is still under definition (Ulbert et al. 2004; Risse 2004). Another issue attracts theoretical attention is the inter-relationship between the three logics of social interaction. Several studies point out that the logic of arguing is often

² Habermas discussed the 'ideal speech situation' at length in his influential two-volume work *The Theory of Communicative Action* (Habermas 1986, esp. vol. 2). Later, he further explores the normative implications of 'ideal speech situation' in deliberative politics (see Habermas 1996: 321-328).

³ The 'common lifeworld' is an equally important concept in the Habermasian theory of communicative action. It denotes a unique communicative environment in which actors are able to use linguistic instruments to exchange inter-subjectively their views on culturally defined subjects (see Habermas 1986, vol. 2: 119-152).

intricately mingled with the logic of consequentialism and the logic of appropriateness. For one thing, there are so-called ‘norm entrepreneurs’ who act strategically using special frames to achieve their aims without convincing others to change their preferences (Payne 2001). For another, communicative action in international negotiations cannot escape from the rules and norms shared among negotiators. To certain extent, the logic of arguing is operated within the rules of the logic of appropriateness (Müller 2004).

In summary, the logic of arguing draws attention to an oft-neglected aspect of social interaction. When actors are uncertain about their own identities and interests, and are unsure about the world and its constituting norms and rules, they are likely to engage in a process of argumentation in order to achieve mutual understanding based on reasoned consensus. It is necessary to point out that the outcome of argumentation depends crucially on the communicative environment, where reasoned rhetoric and shared understandings contribute to the quality of argumentation. Meanwhile, the extent to which the logic of arguing is influenced by strategic and/or rule-guided concerns plays an equally important role in shaping the communicative rationality.

In the light of the theoretical argument of communicative action in world politics, the Chinese and Japanese debate on Franco-German reconciliation offers an interesting case to explore the empirical implications of the logic of arguing in the Asian context. First of all, the debate on the relevance of European experience was motivated by the growing uncertainty over the Sino-Japanese relationship in East Asia—a vital precondition for communicative logic to take over. Furthermore, the increasing academic exchange beyond individual countries has turned scholarly debate into a special forum of the international public sphere,⁴ where the logic of arguing is of particular importance. The theory of communicative action in world politics contends that the communicative logic relies on (i) reasoned rhetoric and shared understandings, and (ii) the links between the logic of arguing and the logics of consequentialism and appropriateness. Against these two criteria, we proceed to examine the scholarly debate on Franco-German reconciliation in both China and Japan.

⁴ The so-called ‘second-track diplomacy’, for example, emphasizes the roles of non-official representatives and opinion leaders in dealing with the international issues traditionally handled only by diplomats (see Davies and Kaufman 2002).

SCHOLARLY DEBATE ON FRANCO-GERMAN RECONCILIATION IN CHINA AND JAPAN

Postwar Franco-German reconciliation is an important chapter of European history. In the field of European integration in particular, the postwar Franco-German alliance has been widely considered as the engine of European integration for the past half a century. To examine the scholarly debate on the European experience of Franco-German reconciliation, we start from the academic enquiries conducted by the scholars specialized in European integration.

The key Chinese text on the postwar Franco-German reconciliation was written by Wu Yikang (1996). Wu argues in his article that the postwar Franco-German alliance somewhat weakened after the reunification of Germany. While the analytical focus of the article is not related to East Asia, the author provides a comprehensive overview of the historical process of Franco-German reconciliation. The theoretical orientation of the analysis is neo-realist: Wu's analysis draws special attention to the ways that both France and Germany recalculated their national interests against the background of the Cold War. In his view, Germany's intention to become a politically normal country and France's aim of building a stronger Europe were the keys to understanding the postwar Franco-German reconciliation. Despite the fact that the balance of power gradually shifted to the German side, the two countries managed to maintain their close partnership during the Cold War. However, uncertainties arose as a result of the end of the Cold War and the German reunification. Wu predicts that the Franco-German alliance would therefore enter a new phase of weakened partnership. The analysis puts particular emphasis on the influence of political leadership on Franco-German reconciliation. Yet, it is worth mentioning that the article treats Germany as a normal European country, and there is no discussion of Germany's handling of war responsibility.

By comparison, the Japanese scholar Toshiro Tanaka's discussion of Franco-German reconciliation draws tentative lessons from the European experience and dwells on how East Asia and especially Japan may learn from Europe (Tanaka 2003). With regard to the historical details of the European experience, Tanaka takes a similar approach as Wu—emphasizing the special roles of national interests and political leadership in establishing and maintaining the Franco-German alliance in the postwar era. In addition, his analysis points to some key schemes adopted by France and Germany which aimed at cultivating close friendship among the youth and improving the public images of the two countries. In the concluding section, the author argues for the relevance of European

experience in East Asia and stresses the importance of improving public images in the process of inter-state reconciliation. In this way, the article has, to some extent, gone beyond neo-realist readings of the postwar Franco-German relationship. By emphasizing the impact of public images, the author has tentatively drawn the European lesson from a constructivist perspective.

The analytical approaches taken by Wu and Tanaka are not uncommon in the circle of Asian integration scholars. Although integration scholars in China and Japan normally regard the Franco-German experience as a role model of inter-state reconciliation, Chinese accounts are more often than not dominated by neo-realist explanations, particularly with regard to the calculation of national interests and the impact of the Cold War (see Liang 1998; Wu 2003; Zhang 2003). Japanese scholars, while stressing neo-realist factors, tend to pay attention to alternative analytical perspectives, for example, the declining role of the nation states in postwar Europe (Amemiya 2001), the increasing economic interdependence, and social exchanges between France and Germany (Hirota 2001; Tanaka 1998). It appears that the difference in analytical perspective plays a critical role in shaping the views of integration scholars in China and Japan.

Whilst most integration scholars tend to admire the contribution of Franco-German reconciliation to regional cooperation and integration, intellectuals working in the area of the Asian-Pacific region often disagree with one another over the relevance of European experience in East Asia. This is especially the case in China. In 2002 and 2003 two influential articles written by non-integration scholars appeared in China. Both argue that China should adopt more flexible attitudes and policies towards the Sino-Japanese relationship (Ma 2002; Shi 2003). In one of the articles, the author briefly touches upon the unusual achievement of Franco-German reconciliation in Europe (Ma 2002). In less than three lines, he compares the disastrous war experiences between France and Germany with the creation of the euro and the making of the European Union (EU) Constitution, in an attempt to draw rhetorical comparison between Europe and Asia. His reference to the European experience soon provoked a wide-ranging debate in China about the proper Chinese policy towards Japan.

On the one hand, some Chinese scholars wrote in support of the role-model impact of Franco-German reconciliation on East Asia. Zhang Tuosheng, for example, argues that China and Japan should learn from the European experience and particularly Franco-German reconciliation in order to achieve sustainable peace and development in East Asia (Zhang 2003). In making his argument, Zhang suggests that the political leadership in China and Japan has a lot to learn from Europe. On the other hand, some scholars hold a different opinion and argue against the applicability of the European experience in Asia. In his comment on

the two articles mentioned earlier, Jiang Zhou launches perhaps the most comprehensive attack on the relevance of Franco-German experience in East Asia (Jiang 2003). The author first calls attention to the unsolved historical problems of war responsibility between China and Japan, challenging the argument that Japan has made sufficient public apologies about the war. He then looks into the historical context in which France and Germany managed to reach reconciliation, questioning the applicability of these conditions in today's East Asia. These historical conditions include (i) the weakening of France and Germany after the Second World War, (ii) the support of the US, (iii) the disastrous war experiences, and (iv) the unity of French and German civilizations. In Jiang's view, none of these conditions are presently met in relation to China and Japan.

On the whole, however, the non-integration scholars' discussions on the relevance of European experience are short of in-depth factual analysis and easily resort to rhetorical argumentation. Their analyses have more or less followed the same neo-realist logic as integration scholars. Notably, two arguments stand out in the debate. First, the Franco-German reconciliation worked mainly because of the special balance of power in postwar Europe. Second, whether a similar situation is applicable to China and Japan is one thing; how China may benefit from the improved Sino-Japanese relationship is another important issue. Apparently, the logic of arguing is mixed with certain elements of the logic of consequentialism in the Chinese scholarly debate on Franco-German reconciliation.

In contrast, Japanese studies on Europe often take a fact-based analytical approach. With respect to the German handling of war responsibility in particular, there is a large body of academic literature comparing Germany and Japan. This literature not only examines the general topic of the Germany and Japan's postwar responsibility, but explores related sub-fields such as war memorials, history textbook, war compensation, and the trials of war criminals. Moreover, there is even an academic journal *The Report on Japan's War Responsibility* (Sensou Sekinin Kenkyu) dedicated to the topic, which has published four issues a year since 1993.

Most Japanese scholars working in this area admit that Japan has dealt with war responsibility in a less satisfactory manner than Germany. Yamaguchi, an important Japanese scholar in the field, refers war responsibility to the activities that intend to make up for the war crimes against peace and humanity (Yamaguchi 1994). For Japanese scholars, dealing with war responsibility requires (i) war criminals be judged against their crimes, (ii) countries that committed war crimes make a sincere apology for their past, and (iii) war-committing countries make full compensation for the resulting damages (Mochida 1994). In general, the Japanese literature shows that in all these aspects Germany has made more

concrete efforts to address her war responsibility. With regard to war criminals, the German Parliament passed a special resolution in 1979 to annual the time effect of Nazi crimes. According to it, war crimes are subject to legal charges in Germany without the constraint of time. So far the act has enabled legal investigations into more than 90,000 Germans, among which nearly 7,000 criminal charges were delivered (Mochida 1994). As far as war compensation is concerned, Germany not only recompensed Israel for the war crimes against Jews but also compensated for those who had died in the uprisings against Nazism. In addition, Germany paid huge amounts of money to the countries that had experienced the disastrous consequences of the war (Hirowatari 1994). Thanks to these efforts, neighbouring European countries generally agree that Germany had made serious and sincere apologies for the war.⁵

How, then, to explain Japan's inadequate response to war responsibility? Comparing the postwar history of Germany and Japan, Yamaguchi identifies four factors that have led to Japan's sluggishness in recognizing her war responsibility (Yamaguchi 1994). Firstly, the atomic bombs dropped in Japan made quite a few Japanese consider themselves as the victims of the war. This feeling has mingled with, and even blurred, the issue of Japan's war responsibility. Secondly, because of the special stance of US occupation and the influence of the Cold War, Japan had quite different domestic and international environments in the postwar period. There was much less effort to bring charges against war crimes beyond the Tokyo War Crime Tribunal. Thirdly, the long-term dominance of the Liberal Democratic Party in Japanese politics reduces the immediate pressures on the political leadership to address Japan's war responsibility. Fourthly, the postwar economic growth in Japan transformed ordinary Japanese people's perceptions of East Asia, making good neighbouring environments a less prominent political issue.

As such, Japanese scholarly works on war responsibility draw on extensive factual details of the European experience. Compared with the scholarly discussion in China, Japanese scholars regard national interests as a less important issue. International and domestic politics mattered, but there were other issues of importance for Japanese scholars. Instead of examining the European experience through the logic of consequentialism, they seem more concerned with the appropriate dealing of war responsibility. In other words, the logic of arguing is bounded by the rules of the logic of appropriateness. Another surprising finding is that the comparative studies of war responsibility have evolved into a unique

⁵ It therefore came as a surprise when the Polish government referred to the suffering and atrocity of the Second World War during the period leading up to the renegotiation of the Constitutional Treaty in June 2007.

academic field. It becomes even clearer when one looks into the sub-areas of war responsibility studies in Japan.

The official visits to the Yasukuni Shrine, a special symbol of Japan's handling of war responsibility, has been frequently criticized by other war-torn East Asian countries. Against this background, a detailed study of the European experience on war memorials is a welcome sign of serious scholarship. In 2002 Japanese scholar Minami published three consecutive articles on this particular topic (Minami 2002a, 2002b, 2002c). These articles examine how war memorials have been transformed in Europe over a period from the Napoleonic wars to the German reunification. According to this study, national war memorials prior to the First World War were widely characterized as a symbol of national victory (e.g., the Arc de Triomphe in France, Nelson's Column in the UK, and Siegestsäule in Germany). Individual sacrifice in the war stood no place in these war memorials. However, such a memorial pattern was challenged by 'the tomb of unknown soldier' immediately after the First World War. On the Armistice Day (11 November 1920), the opening ceremonies of the tomb of unknown soldier were held in London and Paris simultaneously. Thanks to this innovative approach, national war memorials were no longer a symbol of national victory. Instead, they became the ritual sites for individual soldiers who had died for the country. Nonetheless, in contrast to the British and French practise, war memorials in Germany continued to concentrate on the war itself. Fierce debate on selecting a proper site and architectural design for the 'Imperial War Monument' (Reichsehnenmal) carried on throughout the Weimar Republic. As the Nazis came to power, the German government renamed the national 'War Memorial Day' into 'Heroic Memorial Day'. More worryingly, the Nazi government decided to provide strong support to the People's Association of German War Tombs (Der Volksbund Deutsche Kriegsgräberfürsorge) to promote nationalistic memorials of war heroes. As Minami (2002a: 41-42) points out, the focus of German war memorials in the inter-war period has spiritually contributed to national re-mobilization during the Second World War.

Minami also finds that war memorials remained a disputed issue in Germany even after the Second World War. In East Germany the government built official memorial sites for the domestic uprising against Nazism as well as foreign soldiers who died in the war. On the tombstone in Berlin, for instance, 'unknown combatant' was written next to 'unknown soldier' as the official inscription. Meanwhile, military and civilian war casualties were kept together at the war memorial sites in West Germany. After the German reunification, the newly built national war memorial continued to be devoted to both military and civilian casualties. Yet, questions arose as to whether this kind of war memorials may

have equalized those who died for the war and those who died because of the war. To address the criticism, the German government took the decision to build a new Holocaust Memorial in Berlin to reconfirm the solid stance against the violence of war. In retrospect, the European experience of war memorials has not been without controversies. Over the past centuries war memorials in Europe have transformed gradually from a heroic and nationalist symbol of victory to inclusive and transnational memorial sites whose major purpose is to condemn the violence of war.

Based on the European history of war memorials, Minami reconsiders the controversy surrounding the Yasukuni Shrine in Japan (Minami 2002c). The Yasukuni Shrine has long been a war memorial site devoted to Japanese soldiers who died for the country, regardless of the actual consequences of the war. Minami contends that heroic and nationalist ideology constitutes the public image of the Shrine. Not only have dead soldiers been memorialized as war heroes and semi-gods, but the Shrine also takes no consideration of civilian casualties of the war.⁶ More worryingly, the Shrine has reopened a war museum advocating a misinterpreted history of Japan's involvement in the Second World War. To deal with these problems and avoid the German inter-war history, Minami (2002c) proposes that it is necessary to build a different national war memorial site with more inclusive memorial services and an honest record of Japan's war history.

Apart from the issue of war memorials, how Germany dealt with war compensation also attracts the attention of, and the debate among, Japanese scholars (Sato 1991; Shimizu 1993; Hiriwatari 1994; Hamamoto 1995). Roughly speaking, Germany's compensation for the Second World War consists of four different categories. The first was paid according to the domestic laws in West Germany. Related legal texts include *inter alia* the Federal Assistance Law in 1950, the Federal Compensation Law (Bundesentschädigungsgesetz) in 1953, and the Federal Returning Law (Bundesrückstattungsgesetz) in 1957. Each of these has its own target group and policy instruments. For instance, the Federal Compensation Law addresses involuntary sacrifices resulting from the Nazi oppression; the Federal Returning Law regulates the return of private properties improperly appropriated by the Nazi government. By 1993 the total amount of domestic compensation stood at about 75 billion deutsche marks. The second category was the war compensation that West Germany paid to other European countries. This was initially decided in 1953 according to the London Debt

⁶ Different interpretations of the military casualties placed in the Yasukuni Shrine emerged again in a recently published paper containing an email exchange between a Chinese scholar based in Switzerland and a Japanese official working in the Ministry of Foreign Affairs of Japan (Chiba and Xiang 2005).

Agreement. The precise amount of payment was settled subsequently by the bilateral agreements between West Germany and other European countries. In total, twelve European countries received about 1 billion deutsche marks from West Germany. The compensation paid to Israel and Jewish organizations comprised the third major part of Germany's war compensation. This amounts to about 3.4 billion deutsche marks. Last but not least, some German companies were also involved in war compensation. During the war period German companies had made extensive use of forced labours (*Zwangsarbeiter*). It is believed that there were roughly 7.91 million forced labours working in Germany towards the end of the war. To compensate for this, eight German companies paid more than 70 million deutsche marks to Jewish and humanitarian organizations over the past four decades. Put these four parts together, Germany compensated no less than 80 billion deutsche marks for the war. This amount, according to Shimizu (1993: 51), is as much as thirty times of Japan's total war compensation.

Although most Japanese scholars recognize that Germany has made substantial efforts to deal with war compensation, they disagree on the precise role-model impact. Some question the specific aspects of Germany's war compensation. First, East and West Germany's different approaches to war compensation draw the attention of several Japanese scholars (Sato 1991; Hirowatari 1994). Different from West Germany, East Germany was not put in a position to make war compensation to other European countries. Based on the bilateral treaty between East Germany and the Soviet Union, the Soviet Union renounced the right to demand war compensation in 1953. Poland later made a similar decision to give up her right of claiming war compensation. Considering the postwar settlement of war compensation in East Asia, some scholars argue that the experience of East Germany probably provides a better model for Japan. A second subject discussed by Japanese scholars concerns with the conceptual distinction between 'compensation' and 'reparation'. According to Sato (1991: 296-297), 'war reparation' is the financial burdens (sometimes unduly) imposed on the losing side of the war. In contrast, 'war compensation' aims at making compensation for improper, unjustified and immoral behaviour in the war. The latter is therefore more appropriate to address the disastrous consequences of violence and immorality in the war. Based on these conceptual understandings, some Japanese scholars point to the fact that, in contrast to the Japanese case, private demands for war compensation were widely accepted by Germany in addition to the inter-state settlements of war reparation (Sato 1991; Hirowatari 1994).

A COMMUNICATIVE PLATFORM BETWEEN CHINA AND JAPAN?

Chinese and Japanese scholars both take the European experience of Franco-German reconciliation in a serious manner. Underlying various scholarly discussions are the questions of whether the European experience provides a role model and if yes, to what extent the European model is relevant in East Asian. With such intentions in their minds, it is fair to say that most scholarly argumentation advanced in academic works aims at 'reaching a mutual understanding based on a reasoned consensus' (Risse 2000: 1). Indeed, the logic of arguing is quite visible within the academic circles both of Japan and China. In China, what led to the postwar Franco-German reconciliation and whether the European experience is applicable to the Sino-Japanese relationship are the subjects dominating the logic of academic arguing. In Japan, the postwar experiences of Germany and Europe in terms of war responsibility, war memorials and inter-state reconciliation are the main topics that have caught the attention of the academic community. More importantly, the common reference to Europe has made it possible for the scholars of the two countries to engage in the truth-seeking process with regard to the current Sino-Japanese relationship. However, this does not mean that the other two modes of social interaction—the logic of consequentialism and the logic of appropriateness—have completely shied away from the debate. On the contrary, it is the ways the three modes of social interaction interact with one another differentiate various scholarly works in the field.

As far as the Chinese works on the postwar European experience are concerned, the argumentation is often more rhetorically oriented than factually based. This is due to three reasons. First, there is a lack of cross-disciplinary communication between scholars specialized in Europe and those working on East Asian affairs in China. European integration scholars, such as Wu Yikang (1996) and Liang Ruiping (1998), produce in-depth analyses of postwar Franco-German reconciliation. Unfortunately the main contribution of these works is limited to European studies. Until recently there are few spillover effects across the disciplinary boundary of regional focus. Second, while East-Asia-focused scholars began to pay attention to the European experience, their analysis is lacking in a solid factual basis. In most cases their references to the European model are brief and thus vulnerable to counter-argumentation. Third, as the Sino-Japanese relationship receives wider public attention, Chinese scholars start to pay more attention to the rhetorical consequences of their argumentation. Rhetorical

elements are further strengthened as a result. Rhetorical action is ‘the strategic use of norm-based arguments’ (Schimmelfennig 2003: 48). In rhetorical argumentation, it is possible to identify the logic of consequentialism together with the logic of arguing. For some Chinese scholars, the role of national interest tends to dominate their interpretations of the postwar Franco-German alliance. The academic search for an appropriate model of the Sino-Japanese relationship, though conforming to the logic of arguing in many aspects, often stresses the strategic thinking about China’s interest in East Asia. On occasion the logic of arguing is given way to the logic of consequentialism.

With regard to the Japanese debates on Europe, the analysis not only identifies serious scholarship dealing with the factual details of postwar Europe but also finds the studies of ‘war responsibility’ as a unique field of academic enquiries. Admittedly, these are unexpected findings against the background of official Japanese positions on postwar handlings. The logic of arguing, however, provides some insightful clues as to the reasons for the quality of Japanese scholarship. After the Second World War, Japan became engaged in a long process of political self-reidentification. As the constitution was rewritten, military power was renounced, and political institutions were re-constructed, Japan faced considerable uncertainty about her political status in the world and especially her future role in East Asia. Despite the fact that the postwar economic growth has made such a soul-searching process less urgent, many Japanese scholars took the initiative and engaged themselves in serious self-reidentification in their studies. One of the topics that caught their attention has been the status of Germany in postwar Europe. As Risse (2000: 23) points out, ‘the logic of argumentative rationality and truth-seeking behaviour is likely to take over if actors are uncertain about their own identities, interests, and views of the world.’ The uncertainty of postwar Japanese identity must have contributed to the rich intellectual works on war responsibility.

Nevertheless, it is worth noting that Japanese scholars tend to concern themselves more with factual details, and sometimes intentionally stay away from rhetorical argumentation. This methodological approach places them in a good position to conduct positivist enquiries into the Franco-German reconciliation in postwar Europe. However, an unintended consequence is that, for some Japanese scholars, the relevance of European experience in East Asia becomes the question of whether Germany had properly dealt with her war responsibility. Depending on the depth and direction of factual enquiries, some find that the German conduct is commendable and should be relevant to Japan in the East Asian context (e.g., Yamaguchi 1994; Mochita 1994); others find problems and deficiencies in the Germany’s handling of war responsibility and therefore argue against the

relevance of the European experience (e.g., Sato 1991; Hirowatari 1994). In many cases the factual details of Germany's postwar conduct turns into the sole factor in deciding the relevance of European experience. This is unfortunate because the logic of arguing is quite different from the logic of appropriateness (Risse 2000: 6-7). Scholars involved in the communicative action are not to make a simple right-or-wrong factual judgement, but should engage themselves in the search for rightness (i.e., what is the right thing to do) in the context of postwar Europe. Hence, while the positivist analysis of Germany's postwar conduct is important, the logic of arguing regarding how Germany has conformed to an appropriate dealing of war responsibility is of more significance.

What are the main rhetorical patterns of the Chinese and Japanese debates on the relevance of European experience? Generally speaking, the European experience of Franco-German reconciliation has been perceived either from a nationalistic or from a post-nationalistic perspective. The nationalistic rhetoric draws on neo-realist arguments of national interests and the balance of power. Analytically, it holds that the recalculation of national interests has led to the historical reconciliation between France and Germany in postwar Europe. This view is largely shared by the Chinese and Japanese scholars working on European integration (Wu 1996; Tanaka 2003). Nationalistic rhetoric also claims that Germany's dealing with war responsibility was instrumental to regain her nationhood in postwar Europe. In the case of West Germany, war compensation was closely associated with her postwar relationships with other European countries (Sato 1991: 300). And because of this, East and West Germany have dealt with their war compensation to neighbouring countries in quite different manners. In contrast to nationalistic interpretations, post-nationalistic standpoints consider the violent and immoral war experience as the ultimate obstacle to Germany's integration into Europe. Franco-German reconciliation is only part of the European experience. A more profound transformation has taken place beyond the inter-state relationships. Minami's detailed study on the European history of war memorials is a remarkable example (Minami 2002a, 2002b, 2002c). Nationalistic and heroic war memorials were once very popular throughout Europe. But as the tomb of unknown soldier came into being after the First World War, war memorials in Europe became increasingly oriented to addressing the violent nature of war. The disastrous consequences of the Second World War reinforced such a trend. In the postwar era Germany adopted a more inclusive approach to war memorials, regarding military and civilian casualties both as the undesirable consequences of war. Minami argues from a post-nationalistic perspective that only after confronting the memories of war-induced violence has

Germany succeeded in finding an appropriate way to deal with the complicated issue of war memorials (Minami 2002c).

The key question is whether it is possible to reconcile the nationalistic rhetoric with post-nationalistic argumentation in the Chinese and Japanese scholars' debate on the European experience. Or, put differently, is there a communicative platform between Japanese and Chinese scholars on the European experience of dealing with postwar responsibility and reaching postwar reconciliation? The findings of our analysis are encouraging. First of all, the disagreement over the relevance of European experience in East Asia cuts across the two Asian countries. In both China and Japan, there are Europeanists who believe in the role-model impact of the European experience and Asianists who put more emphasis on the particularity of East Asian context. Thus, an initial communicative platform can be established by linking the Europeanists and the Asianists respectively across the two countries. Second, though nationalistic and postnational rhetoric may seem irreconcilable at first glance, they may complement each other and further deepen our understandings of the postwar German experience. This is because the nationalistic readings of the balance of power and the post-nationalistic understandings of the violence of war were two sides of the same coin in the German case. It also has become increasingly obvious that inter-state reconciliation in East Asia has to address simultaneously the balance of national interests and the concerns of public opinion. The former demands a delicate compromise between involved countries; the latter requires careful handling of ordinary people's war memories. The nationalistic and post-nationalistic standpoints each provide a good starting point to tackle these two imminent issues. Last but not least, the tentative optimism also lies in the belief that the academic community conforms better to the logic of arguing. As long as each side is open to reasonable persuasion, it is possible to construct a viable communicative platform between the two rhetorical perspectives and among Chinese and Japanese scholars.

CONCLUSION

This article has examined the Chinese and Japanese scholarly debate on the European experience of Franco-German reconciliation as a possible model in East Asia. The enquiry leads to three major findings. First, there is a disciplinary division between European and Asian specialists in China. Most European specialists stress the importance of Franco-German reconciliation and argue for the relevance of European experience in East Asia. By contrast, Asian specialists

are much less familiar with the European model. They often disagree with one another over the role-model impact of the European experience. Second, we have uncovered a unique academic field of war responsibility studies in Japan. This may sound strange, but the postwar self-reidentification that Japan has been engaged in provides some explanation for the abundance of scholarly works on this topic. Third, the analysis has identified two distinctive rhetorical patterns in the Chinese and Japanese scholarly debate on Europe. One is the nationalistic approach that draws attention to the calculation of national interests and the influence of balance of power in postwar Europe. The other is the postnationalistic perspective that puts more emphasis on the immorality and violence of the war and their impacts on ordinary people's memories.

Applying the theoretical framework of communicative action in world politics, the article regards the Chinese and Japanese scholarly debate on the European experience as an empirical case conforming to the logic of arguing. This working assumption finds partial support from the analysis. On the one hand, the academic enquiries into Franco-German reconciliation have contributed to the formation of a 'reasoned consensus' on the relevance of European experience in East Asia. Scholarly works in this field cover a wide range of topics such as the Franco-German alliance, Germany's war responsibility, and war memorials in Europe. These studies not only form the academic communication in question, but also enhance the communicative status of postwar Europe as an external reference. Relying on careful factual analysis and reasoned rhetorical argumentation, the scholarly debate clearly features the logic of academic arguing. On the other hand, however, the logic of arguing is not the sole mode of social interaction at work. Due to the emphasis on national interests and the overuse of rhetorical arguments, some Chinese scholars are susceptible to the logic of consequentialism in their studies. In certain cases, the European experience becomes a rhetorical instrument rather than an argumentation in itself. By comparison, some Japanese scholars pay excessive attention to the factual details of Germany's handling of war responsibility in postwar Europe. The logic of arguing sometimes is overtaken by the logic of appropriateness as the existing rules of appropriateness become the decisive factor for argumentation.

However, it is necessary to point out that the partial influences of the logics of consequentialism and appropriateness have not altered the dominant role of academic arguing in the current debate. The logic of arguing is of great value in clarifying the underlying preferences and interests and in establishing the norms and rules of social interaction. The scholarly debate on the relevance of the European experience in East Asia has followed such a direction against the growing uncertainty surrounding the Sino-Japanese relationship. It is precisely

because of the necessity of understanding China's interest in the future Sino-Japanese relationship that the logic of arguing is occasionally influenced by the logic of consequentialism in the Chinese debate. Moreover, the scholarly debate has shown that the appropriate norms and rules of inter-state reconciliation in East Asia are still fluid, and indeed subject to reasonable argumentation in both China and Japan. It is remarkable that the European experience has been a focal point in the academic search for a 'reasoned consensus' on how to deal with the Sino-Japanese relationship. Based on reasoned rhetoric, scholarly works have suggested two distinctive approaches—nationalistic and post-nationalistic—to the possible rules and norms in question. Admittedly, China and Japan are unlikely to pursue the exact path of Franco-German reconciliation. It is also not clear how the scholarly debate will reshape public opinion and influence policy-makers in Japan and China. Nevertheless, the common reference to Europe following the logic of academic arguing has provided a useful communicative platform to reconsider the relationship between the two Asian countries.

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WHAT ROLE FOR THE EUROPEAN UNION IN ASIA? AN ANALYSIS OF THE EU'S ASIA STRATEGY AND THE GROWING SIGNIFICANCE OF EU-CHINA RELATIONS

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ABSTRACT

This article analyzes the main themes and initiatives that have characterized the development of the Asia policy of the European Union (EU) in the post-Cold War period. It argues that the current role and presence of the EU in Asia goes well beyond trade relations to include a security dimension which has political and strategic implications for the region's major powers. Particular attention is devoted to two issues that have attracted the attention – and concern – of the United States (US) and its Asian allies: China's participation in the EU-led Galileo satellite system and the proposal to lift the EU arms embargo on China. These initiatives have contributed to making the EU an additional factor in East Asia's strategic balance and are an indication that the EU's China policy needs to be increasingly accommodated with the broader EU Asia strategy as well as with the traditional transatlantic alliance and the EU-Japan partnership.

INTRODUCTION

This article¹ analyzes the main themes and initiatives that have characterized the development of the Asia policy of the European Union (EU) in the post-Cold War period. The aim is to provide the reader with a better understanding of the current role and presence of the EU in Asia. It begins with an examination of the economic dimension which has always been considered the backbone of EU-Asia relations. Subsequently, the article analyzes the involvement of the EU and its member states in Asian security affairs. The EU's contribution to regional peace and stability has traditionally focused on participating to the region's multilateral security activities and on supporting peace-keeping operations and monitoring missions in the area. The EU continues to provide humanitarian assistance to war-torn societies in the area and support for the protection of human rights and the spreading of democracy, good governance and the rule of law. Moreover, the EU increasingly cooperates with Asian countries to address non-traditional security issues such as climate change, migration and terrorism. In recent times, however, the EU and its member states have upgraded the level of their engagement in Asian security affairs both in quantity and quality. The establishment of partnership agreements for the development of Galileo (the EU-led global navigation satellite system alternative to the American GPS – Global Positioning System) with some of Asia's major powers, growing advanced technology transfers and arms sales in the region all reflect the EU and its member states' increasing interest in acquiring market shares of the region's aerospace and defence markets and in countering a perceived United States (US) dominant position in these sectors. This also indicates that the EU's current role and presence in Asia goes well beyond trade relations to include a security dimension which has wider political and strategic implications for the region's major powers.

The second part of the article analyzes the recently established EU-People's Republic of China (PRC, or simply China) strategic partnership. In particular, it focuses on two issues that have attracted the attention – and concern – of the United States and its Asian allies: China's participation in the Galileo satellite system and the proposal to lift the EU arms embargo on China. It is argued here that with these initiatives the EU and its member states seek to establish a security-strategic linkage with the PRC in order to take advantage of China's market and, at the same time, help maintain Europe's global competitiveness and

¹ Material for this article comes in part from interviews conducted in Europe (Brussels, London, Paris, Berlin, Rome), China (Beijing, Shanghai), Japan (Tokyo), and the United States (Washington) in 2005, 2006 and 2007.

political autonomy from Washington. However, the security-related elements of the EU's China policy have the potential to affect the evolving security perceptions of the region's major powers. The Chinese arms embargo issue, in particular, has contributed to making the EU an additional, and for some irresponsible, actor in East Asia's strategic balance, raising the question as to whether the EU is capable, and willing, to assume a security role in the region. In sum, by piecing together the analysis of the EU's Asia policy and the EU's China policy of the last few years this article aims to provide the reader with a better understanding of the EU's current role and presence in Asia.

THE DEVELOPMENT OF THE EU'S ASIA STRATEGY IN THE POST-COLD WAR PERIOD: THE SIGNIFICANCE OF THE ECONOMIC DIMENSION

The rise of Asian economies over the past decades, the end of the Cold War, and the stated desire of the EU to emerge as a global actor have created the conditions for EU policy-makers' adoption of a distinctive European strategy towards the Far East. In 1993, Germany became the first EU member state to elaborate a strategy towards Asia. In the *Asien Konzept der Bundesregierung*, the German government outlined the new significance of the Asian markets for Europe. This new importance had become evident since 1992, when the EU trade with Asia overtook EU-US trade for the first time. The German concept paper stated that Germany, and Europe as a whole, had to face the challenge of an economically thriving Asia and 'strengthen economic relations with the largest growth region in the world' (Government of the Federal Republic of Germany 1994: 2). Following up on Germany, French Foreign Minister, Hervé de la Charette, announced in 1995 that Asia would receive special attention as the *nouvelle frontière* of French diplomacy. In the same period, also the UK, Italy, and the Netherlands started to devote more energy and resources to the development of relations with Asian countries.

Concurrent with initiatives by individual EU member states, in 1994 the European Commission released its Communication *Towards a New Asia Strategy*, with the aim to strengthen the Union's economic presence in Asia, contribute to the stability of the region, promote economic development, and the consolidation of democracy and respect for human rights in Asia (European Commission 1994: 2). The 1994 Commission's paper covers 26 countries grouped according to three geographic regions: the eight countries and economies of East Asia (China, Japan,

North and South Korea, Mongolia, Taiwan, Hong Kong and Macao); the ten countries of South-East Asia (Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, Cambodia, Laos, Vietnam, and Burma/Myanmar); and the eight countries of South Asia (India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives and Afghanistan). The rationale that the Commission gives for the EU's new engagement towards this vast and complex region is very clear: 'To keep Europe in its major role on the world stage it is imperative to take account of the emergence of these new Asian powers...It is therefore essential that the Union develops the capacity to play its proper role in the region' (European Commission 1994: 6). The New Asia Strategy (NAS) also urged the Union to adopt more proactive strategies towards Asia.

The further upgrading of EU-Asia relations came into being in 1996, with the establishment of an institutional mechanism: the Asia-Europe Meeting (ASEM). The first ASEM summit took place in Bangkok in 1996 with the participation of 25 countries: on the European side, the 15 EU member states (plus the Presidency of the European Commission). On the East Asian side, ten countries. The 7 countries of ASEAN (Association of Southeast Asian Nations): Thailand, Malaysia, Singapore, Philippines, Indonesia, Brunei, and Vietnam plus China, Japan and South Korea (the so-called ASEAN+3). As a result of the enlargement of the EU in May 2004, the ASEM 5 summit in Hanoi in October 2004 decided to enlarge ASEM to include the ten new EU member states, as well as three new ASEAN countries (Cambodia, Laos and Burma/Myanmar) that were not yet part of the process.

Over the years, ASEM has become the most important inter-regional forum for discussion and cooperation between the EU and East Asia. Although the ASEM process includes three main pillars (political, economic-financial, and cultural-intellectual), ASEM's paramount objective has always been the enhancement of economic exchanges between the two regions. In 2005, the ASEM countries accounted for 43 per cent of global trade and produced 52 per cent of global output (*Il Sole 24 Ore* 2006: 1). From a European perspective, ASEM is used to strengthen Europe's economic presence in Asia in order to take advantage of the region's markets with the overall aim to protect the Union's global competitiveness and its economic security (Casarini 2001: 7).

The Asian region as a whole currently accounts for 56 per cent of the world's population, 25 per cent of world Gross National Product (GNP), and 22 per cent of the world's international trade (European Commission 2007: 1). Along with inter-regional initiatives, the EU has also deepened and widened bilateral relations with Asia's major regional grouping (ASEAN) and powers (China, Japan, and India). The EU considers ASEAN a key economic and political partner for overall

EU-Asia relations. In July 2003 the European Commission released *A New Partnership with South East Asia*, reaffirming the growing importance of the relationship and recognizing that the EU-ASEAN partnership is a 'dialogue between equals' (European Commission 2003a: 2). As part of the new South-East Asia strategy, in 2003 the EU launched the *Trans Regional EU-ASEAN Trade Initiative* (TREATI) and agreed, at the ASEM 6 summit in Helsinki in September 2006, to push forward negotiations for comprehensive bilateral partnership and cooperation agreements with Thailand and Singapore, which could pave the way for a wider EU-ASEAN free trade agreement (ASEM 2006: 2).

With regard to Japan, the 16th EU-Japan summit held in Berlin in June 2007 underlined the good shape of the relationship, in particular on economic matters. Japan is currently the EU's fifth largest export market and the EU is Japan's second largest export market. Japan is a major investor in the EU: in 2004, 5 per cent of the stock of EU inward Foreign Direct Investment (FDI) came from Japan, while almost 2 per cent of the stock of EU outward FDI went to Japan. Since 2001, the EU and Japan have decided to develop and enhance their relationship by adopting an Action Plan which has resulted, so far, in the agreement on the Investment Framework in 2004 aimed at fostering growth in two-way direct investment, in the joint participation in the scientific ITER (International Thermonuclear Experimental Reactor) project in 2005 and in the signing of a Japan-Euratom agreement in 2006.

The EU and its member states have also become increasingly interested in further exploiting opportunities arising from strengthening the ties with India, the second most populous country in the world. Since November 2004, the EU and India have established a strategic partnership, launched an Action Plan with the aim to boost economic and trade links and agreed on the terms and conditions for India's participation in the Galileo satellite network. At the 6th EU-India summit in October 2006 the two sides have also converged on a set of concrete areas to enlarge the scope of their economic and political cooperation.

It is with regard to the People's Republic of China, however, that EU policy-makers have been increasingly attracted over the past years. According to interviews conducted by this author, since the late 1990s China has been the Asian country which has received most of the attention (and resources), both from the European Commission and the EU member states. China is currently the EU's second largest trading partner (after the US) and, according to China customs, the EU has become China's largest trading partner – ahead of the US and Japan. If current trends continue, Beijing is poised to become the Union's most important commercial partner. In October 2003, the two sides established a strategic partnership and signed an agreement for the joint development of Galileo and

other space technologies. At the 9th EU-China Summit held in Helsinki in September 2006, the two sides agreed to launch negotiations on a new Partnership and Cooperation Agreement (PCA) which will encompass the full scope of their growing bilateral relationship.

Asia as a whole accounts for around 21 per cent of the EU's external exports and has become a major destination for European investments. A growing number of European companies have been relocating activities to Asia (especially China and India) in order to profit from its cost advantage. In the 2004 *European Competitiveness Report*, the European Commission argues that success in the Asian markets – particularly in China – does not only generate growth, but economies of scale which are even more important for large enterprises to protect their strategic position against their international competitors (European Commission 2004: 353-354). Since it is generally assumed that an increase in European exports, as well as the success of European companies abroad would be translated into the creation of more jobs within the EU, it follows that securing market outlets and fair competition for European industries in Asia has become an important element for protecting Europe's economic security. Given the growing significance of Asia for Europe's socio-economic welfare, EU policy-makers have over the past years started to pay attention not only to economic matters but also, and increasingly so, to political and security issues that could affect regional stability.

THE EVOLUTION OF THE EU'S ASIA STRATEGY: THE EMERGENCE OF A SECURITY DIMENSION

In September 2001, the European Commission released its paper *Europe and Asia: A Strategic Framework for Enhanced Partnership*, with the aim to provide EU member states with a more updated, coherent and comprehensive approach to EU-Asia relations (European Commission 2001). The area covered as Asia is broadened: it includes all the countries in South Asia, South-East Asia and North-East Asia that were covered in the 1994 NAS (bearing in mind the change of status of Hong Kong and Macau after their return to China in 1997 and 1999 respectively) plus Australia and New Zealand. In the document the European Commission argues that the economic prosperity of Europe may be jeopardized not only by economic turbulences in the Asian region – as during the financial crisis of 1997/98 – but also by political instability. Among the occurrences in Asia that could have a bearing on Europe's interests there are disturbances in the

economic and political climates of Japan and China (which are currently the world's second and fourth largest economy respectively), tensions in the area that may destabilize the sea lines on which Europe's trade with the region depend, and any instability in Kashmir, the Korean Peninsula or in Cross-Strait relations (i.e. between China and Taiwan) – which would likely involve the United States and other Asian powers. Growing European concerns for Asia's stability have also been included in the *European Security Strategy* (ESS) paper adopted by the European Council in Brussels on 12 December 2003. The ESS states that 'problems such as those in Kashmir [...] and the Korean Peninsula impact on European interests directly and indirectly [...] nuclear activities in North Korea, nuclear risks in South Asia...are all of concern to Europe' (European Council 2003a: 11). In the same vein, in a speech in July 2005, the EU Commissioner for External Relations, Benita Ferrero-Waldner, stated that 'security in the Far East is a topic of direct concern to European interests. It is part of the overall global responsibility for security and stability that lies at the heart of the EU's role in foreign policy' (Ferrero-Waldner 2005: 1). But what have the EU and its member states done, in practice, in order to promote peace and security in Asia?

Europe's involvement in Asian security affairs dates back to the early 1990s and has intensified in recent times. For instance, the EU is a member of the multilateral security activities of the ASEAN Regional Forum (ARF) and the Council for Security Cooperation in Asia Pacific (CSCAP). The ARF as 'track-one' represents the governmental level (in particular, diplomats from the foreign ministries), CSCAP as 'track-two' involves regional experts of think tanks and universities, as well as government officials in private capacity. With the establishment of ASEM in 1996, a 'track-two' has been initiated which also includes a multilateral security dialogue on various levels between Europe and Asia. In September 1997, the EU through the European Commission has also become a member of the Korean Energy Development Organization (KEDO), created to implement denuclearization of the Korean peninsula. Since their establishment all the above inter-regional security cooperation activities have been widened and deepened. Moreover, a number of bilateral security and military cooperation agreements between EU members and Asian countries have been initiated.

The EU and its member states have also contributed to peace and security in the region by assisting the establishment of democratic governments in Cambodia, East Timor and Afghanistan. Moreover, the EU has been instrumental in ensuring the implementation of the peace agreement between the Government of Indonesia and the Free Aceh Movement (GAM), which fights for the independence of the Indonesian province of Aceh. Although Europe has no permanent military forces

deployed in Asia after the return of Hong Kong to China, Great Britain is still a member of the Five-Power Defence Arrangements (FPDA), a military consultation agreement with Australia, Malaysia, New Zealand and Singapore. In addition, France has an operational military presence in the Indian Ocean and the South Pacific, with thousand of troops which can be deployed in Asia in a relatively short time.

The EU contributes to regional peace and stability by supporting the protection of human rights and the spreading of democracy, good governance and the rule of law in the region. The European Commission has been instrumental in building global partnerships and alliances with Asian countries in international fora to help address the challenges of the globalization process. In particular, the EU cooperates with Asian countries to address non-traditional security issues like climate change, migration and terrorism. The EU and its member states also provide substantial humanitarian assistance to Asia, in particular in Afghanistan, Timor, North Korea and Indonesia, and in 2005 a major effort was made for the victims of the Tsunami in South-East Asia.

The EU and its member states have also engaged Asian countries in the more traditional security and military spheres. Europeans continue to sell arms and weapons systems in the region. In recent years, Asia has become an increasingly important market for the European defence and aerospace sectors, which depend more and more on exports for the bulk of their revenues. The Asian region, driven mostly by China, India and South-East Asian countries, has emerged as the largest developing world market for arms sales, accounting for almost half of all global purchases made in the period 2001-2004 (Tellis 2005: 27). In addition, the demand for aerospace products (both civilian and military) over the next 20 years is projected to arise outside the US or Europe's markets and come mainly from Asia and, in particular, China and India. In this context, the EU has invited China, India and South Korea to collaborate on the development of the EU-led Galileo satellite system. This entails important European advanced technology transfers (including dual-use technology) in the region. These initiatives represent huge commercial opportunities for Europe's defence and aerospace sectors and reflect an upgrading of Europe's presence in the region. With Galileo, the EU's strategy in Asia is moving beyond trade relations to include a security-strategic dimension with wider implications for the region's major powers. However, the EU has not yet elaborated a clear and comprehensive political vision of Asia and the role that the EU could play in it.

According to Benita Ferrero-Waldner: 'over the medium-term future, three major policy issues will dominate the political agenda in East Asia: (i) how to respond to the rise of China; (ii) ensuring stability on the Korean peninsula; and

(iii) a peaceful resolution of tensions between China and Taiwan. The proper handling of all these issues will have major implications both for regional and wider security' (Ferrero-Waldner 2005: 2). With regard to the Korean issue, though the European Commission is a member of KEDO, the absence of the EU from the '6-Party Talks' is a serious hindrance to Europe's capacity to play its proper role. As to the third, although Taiwan does feature in the EU-China Strategic Dialogue meetings, the EU has tended to shy away from the Taiwan issue, maintaining un-official economic links with the island. The EU and its member states abide by the official 'one China' policy and have preferred to ignore the question of the cross-Strait strategic balance. The latter is the responsibility of the US, who is committed to assisting the island under the Taiwan Relations Act which also specifies the quality and quantity of weapons that the US can export to the island. Any strain in cross-Strait relations could presage tensions between Washington and Beijing, as well as between Beijing and Japan (since American troops will come from Okinawa). To complicate matters, political relations between China and Japan continue to be a matter of concern, notwithstanding the buoyant commercial relations and the 'friendly' visit of Wen Jiabao, the Chinese Prime Minister, to Japan in April 2007. The EU cannot but recommend intensification of dialogues between the two Asian powers and serve as a model for reconciliation between two regional foes (France and Germany). The European model of economic and political integration is increasingly studied with interest by Asian scholars. China's rise is often compared to Germany's threatening rise and challenge to the international system at the end of the 19th century and with it the extent to which Beijing may or may not be of similar nature. In this vein, Ferrero-Waldner's first issue – i.e. China's rise – remains the most important issue and the one which has attracted EU policy makers' attention since the mid-1990s.

THE EU'S RESPONSE TO CHINA'S RISE: FROM CONSTRUCTIVE ENGAGEMENT TO STRATEGIC PARTNERSHIP

The EU's China policy has evolved considerably since the mid-1990s, both in economic and political dimensions. In the context of the New Asia Strategy, in July 1995 the European Commission adopted its new China policy by declaring that 'relations with China are bound to be a cornerstone in Europe's external relations, both with Asia and globally' (European Commission 1995: 1). The

point of departure of the Commission's document is the 'rise of China', seen as an unprecedented event since World War II. While the analysis concentrates on China's economic upsurge and the potentialities of its market for European business, the paper lays down a strategy of 'constructive engagement' for integrating China into the world community. Over the years, Europe's policy of engagement with China has consistently aimed at promoting the fullest possible Chinese involvement in the international arena, whether in the economic, social, political, security or military dimensions, with the underlying belief that this approach would lead, over time, to greater opening up of the country, political liberalization and promotion of human rights.

Behind a firm engagement policy, there is Europe's enthusiasm for the Chinese market and its seemingly limitless opportunities. With annual average growth rates around 10 per cent since the open-door policy began, China has become the fourth largest economy and the second largest exporter of goods. For the Chinese leadership, enhancing relations with European countries is viewed as a highly strategic goal, in particular for obtaining advanced technology needed for China's modernization. Since 2004, China has become the EU's second biggest trading partner (after the US) and, according to China customs, the EU has become China's biggest trading partner – ahead of the US as well as Japan. In 2006, two-way trade totalled €254.8 billion. Imports from China rose by 21 per cent to €191.5 billion and EU exports to China rose by 23 per cent to reach €63.3 billion (Eurostat 2007; Atkins 2007: 4). As a result of these increases, China has displaced the US as the largest source of EU imports. If current trends continue, Beijing is poised to become the European Union's most important commercial partner.

At the political level, since October 2003 the EU and China have acknowledged each other as 'strategic partners'. This strategic partnership is based on the idea that relations between the EU and the PRC have gained momentum and acquired a new strategic significance (European Commission 2003b: 1; Solana 2005: 1). The declaration of strategic partnership has been accompanied by two substantial moves: the signing of the agreement allowing China to participate in the Galileo global navigation satellite system and the promise by EU policy-makers to their Chinese counterparts to initiate discussions on the lifting of the EU arms embargo on China. In the context of increasing EU-China cooperation on security and defence matters, since 2004 France and Britain have also undertaken military exchanges and joint manoeuvres with the People's Liberation Army (PLA). More precisely, France and China held joint military exercises in the South China Sea in March 2004 (just before the presidential elections in Taiwan and during the debate on the proposed lifting of the arms

embargo), the first ever naval manoeuvres to take place between China and a Western country.² Following France, in June 2004 the UK held joint maritime search-and-rescue exercises with the PLA (Stumbaum 2007: 68).³ While this form of cooperation is part of European efforts aimed at engaging China at all levels and in all dimensions in order to help the country's insertion in international society, China's participation in the Galileo project and the proposal to lift the arms embargo have raised concerns in Washington and Tokyo on the grounds that these initiatives may contribute to China's military modernization and potentially tilt East Asia's strategic balance in Beijing's favour in a situation where there could be future tensions in US-China and Japan-China relations over Taiwan (but not exclusively).

EU-CHINA SPACE AND SATELLITE NAVIGATION COOPERATION

Galileo is a Global Navigation Satellite System (GNSS), alternative to the dominant US Global Positioning System (GPS) that will offer both civilian and potential military applications once it becomes operational in 2010-12 (Lindström and Gasparini 2003; Bounds 2007: 13). On 30 October 2003, an agreement was reached for China's cooperation and commitment to finance 200 million euros (out of an estimated total cost at that time of 3.2-3.4 billion euros) of Galileo, making China the most important non-EU member country in the project. According to this agreement, the main focus of Chinese participation will be on developing applications, as well as research and development, manufacturing and technical aspects of the Galileo project (European Community 2003: 1; Casarini 2006: 26-27). EU-China cooperation in Galileo and, more generally, aerospace, must be seen as an answer to the perceived US primacy in the sector. In Europe, since the early 1990s, an independent aerospace capability has been perceived as having a key role for European industrial and technological development and it has begun to be closely associated with concepts of European security and political autonomy.

Sino-European space cooperation will boost the two sides' business interests. European industries are eager to collaborate with Chinese companies in space

² France and China have established a strategic dialogue and held annual consultations on defence and security matters since 1997, complemented by the training of Chinese military officers.

³ The UK has, since 2003, started an annual strategic security dialogue with the PRC and has also been training PLA officers.

technologies and, more generally, aerospace. Galileo will facilitate European firms' entry into the promising Chinese market while it will allow Chinese companies to acquire know-how and advanced space technology from Europe. In this context, building a strategic partnership with China is perceived as being important for acquiring shares of this market and, as such, maintain Europe's global competitiveness. Analysts estimate that Beijing has now become the second largest market for aerospace, behind the US. This makes China the most important battleground between Boeing and Airbus and, more generally, between American and European aerospace companies. For instance, in November 2005, during the state visit of Wen Jiabao to France, the Chinese Prime Minister started its four days tour in Toulouse, at the headquarters of Airbus. On that occasion, the Chinese Premier committed his government to buy 150 aircraft of the type Airbus A320 (worth US\$ 9.3 billion), the biggest ever order for the Airbus conglomerate. Thanks to this order, Airbus regained a large share of China's market and by the end of 2005 the European constructor had surpassed Boeing in terms of 'contracted orders' from China: 804 for Airbus, against 801 for Boeing (Fouquet 2005: 6). In the same vein, the visit of Hu Jintao, the Chinese President, to the US in April 2006 started in Seattle at the headquarters of Boeing, demonstrating the extent to which China has become the most contentious battlefield between the two constructors. In this context of global competition, Airbus sales to China and the EU's offer to Beijing to participate in the Galileo project must be seen as part of increasing EU efforts to acquire market shares of the global aerospace sector in order to counter a perceived American dominance in the market and, at the same time, increase political autonomy from Washington.

China's participation in the Galileo project entails a significant political and strategic dimension. The decision to allow China play a prominent role in the development of the Galileo satellite system must be seen as the logical extension in the security-strategic dimension of the policy of constructive engagement which has characterized Europe's approach towards China since the mid-1990s. Furthermore, EU-China cooperation over Galileo reflects the different conception between the EU and the US regarding the use of space. In essence, Washington places an emphasis on space power and control, while Europe stresses that the space should be used peacefully (Giegerich 2005: 5). Thus, while the US concentrates on leveraging the space to provide America and its allies an asymmetric military advantage, the EU is more concerned in creating useful – i.e. commercial – space applications for European peoples and industries. For EU policy-makers, Sino-European cooperation is meant to boost commercial activities while the US looks at space from a different angle, i.e. the protection of its global interests and primacy in world affairs. The current Bush administration

has curtailed cooperation in space activities with Beijing that was initiated by the Clinton administration. The US appears to believe that space technology should not be disseminated (The President of the United States of America 2006: 2). The Europeans, on the other hand, seem to view space-related activities (technology included) as a medium for international cooperation. It is important to stress that according to EU policy-makers, EU-China cooperation in Galileo and other space applications is not meant to isolate the US, or balance against it. Nor is it meant to increase the proliferation of space technologies that would be used for anything other than peaceful aims. For EU policy-makers, Galileo is intended to build trust with China. Unlike the Bush administration, EU policy-makers do not view China as a possible military threat or as a future peer competitor. In addition, it is widely perceived in some European capitals that the EU-China cooperation in Galileo is a reaction of the isolationist space policies of the US in the last years. The US has committed itself to the control and militarization of space, adversely impacting international space cooperation through draconian export regulations. As a result, other space-faring nations such as China and Europe have been pushed to cooperate among themselves.

Beijing views co-operation with the EU over Galileo as an additional initiative aimed at promoting China's space programme. The *White Paper on China's Space Activities* released in November 2000 states that Beijing is intent to industrialize and commercialize space to advance 'comprehensive national strength' in the areas of economics, state security and technology (The Information Office of the State Council of the People's Republic of China 2000: 3). In recent times, China's space programme has become a major political symbol of Chinese nationalism, contributing to fostering both the economic and military sectors. Since November 1999, with the launch of the *Shenzhou 1* (China's unmanned spacecraft), Beijing has made important technological progress, carefully monitored by the US (Meteyer 2005). China's space aspirations pose significant security and strategic concerns for Washington. Although most of China's space programs have mainly commercial and scientific purposes, improved space technology has the potential to significantly improve Chinese military capabilities (Murray and Antonellis 2003: 645).

Washington increasingly views Beijing as a space competitor and it is concerned that through Galileo and related space technology cooperation, the EU is contributing to the modernization of China's space program. Furthermore, the Bush administration seems to be worried that China's participation in the Galileo project will boost the PLA's ability to acquire the expertise that allows armed forces to be integrated for today's increasingly digital warfare, in particular the most advanced early-warning systems and recognition satellites that would put

China in a position to counter Taiwanese arms systems imported from the US. In the 2004 *White Paper on Defense*, Chinese military planners make it clear that the use of advanced information technology is a top priority in efforts to make the army a modern force. According to American critics of Galileo, China's participation in the European satellite system is a major setback to US efforts to limit China's access to advanced space technology with potential military uses.

EU officials have rejected suggestions that China could gain a military advantage from Galileo. The European Commission argues that the Public Regulated Service (PRS) will be withheld from China and any other non-EU participants in the system. The PRS is an encrypted signal, meant to guarantee continuous signal access in the event of threats or crisis. Unlike other Galileo signals, the PRS will be accessible even when the other services are not available, making it suitable for security and military-related uses. The European Commission and Chinese officials recognize that EU-China cooperation over Galileo and other space applications will go through 're-adjustments'. Galileo is part of the development of a strategic partnership with China and as such the final content and mechanism of China's participation in Galileo will eventually be determined by the evolution of EU-China political relations. Hence, there is still a fair amount of unpredictability as to what China will be able to use – or not to use – in the end. However, research work on Galileo will assist China – in any case – in fostering the development of its own, independent satellite navigation system (the *Beidou*).

Galileo is also linked to the arms embargo issue. Since high-precision satellite guidance equipment is considered dual-use, it is subject to special licenses before export to China is permitted. It is precisely because of the dual-nature of space technology that the existence of an arms embargo has become a serious hindrance for the further development of EU-China relations in security and defence matters.

THE PROPOSAL TO LIFT

A few months after the signature of the agreement on the terms and conditions of China's participation in the development of the Galileo satellite system (October 2003), France and Germany officially proposed to start discussions on the lifting of the EU arms embargo on China. At the time, all EU member states agreed, in principle, to initiate discussions on the issue (European Council 2003b: 1). At the European Council in Brussels in June 2005, however, the decision was taken to postpone the issue. This was mainly due to a series of factors that had occurred in the meantime: (i) strong opposition from the US; (ii)

increasing uneasiness in many national parliaments and within the European Parliament; (iii) China's failure to provide clear and specific evidence on the improvement of its human rights record; (iv) the passing of China's anti-secession law; (v) the new German government of Angela Merkel (that reversed the previous policy of Gerhard Schröder); and (vi) the accession of 10 new, and more Atlanticist, members to the EU. In a final move, at the 8th EU-China Summit in September 2005, the two sides agreed to set up a Strategic Dialogue to exchange views on North-East Asia's security. Initiated in December 2005, it is meant to complement the EU-US and EU-Japan Strategic Dialogues on North-East Asia (the first initiated in May 2005 and the latter in September 2005). These newly established consultative mechanisms serve the purpose to move forwards EU-China relations after the impasse over the arms embargo and, at the same time, take into account American and Japanese concerns vis-à-vis a rising China (Casarini 2006: 37).

The question of the lifting of the embargo remains, however, on the agenda of the EU-27 (General Affairs and External Relations Council 2006: 6; European Commission 2006: 11). It reflects the distinctive approach of the EU to a rising China. The EU and its member states do not view China in the same way as the US or its Asian allies such as Japan and Taiwan. Contrary to the US, the EU does not regard China as a possible military threat or strategic peer competitor. This largely explains Europe's invitation to Beijing to join in the development of Galileo, the proposal to lift the arms embargo and the continuation of European arms and defence technologies sales to China. The US, instead, increasingly considers China as a possible future peer competitor. In this context, the proposal to lift has become a contentious issue in transatlantic relations and raises the question as to whether the US and its Asian allies' legitimate concerns regarding China's growing military capabilities can be reconciled with the legitimate interests of the EU in furthering security and strategic links with China.

The European advocates of an end to the arms embargo claim that China has changed since the 1989 Tiananmen Square crackdown on students and that, as such, a reward should be made. Moreover, they argue that the EU Code of Conduct on arms sales and normal national arms export policies and controls will still apply, thereby preventing abuses when it comes to exporting arms to China. The lifting would principally serve to show that the EU does not discriminate against Beijing but treats it on a par with nations such as Russia. However, the Nordic countries, the European Parliament and some national parliaments voiced their criticism with regard to the lifting. For instance, in the 2005 *Annual Report on the CFSP*, with 431 votes in favour and 85 against, the European Parliament urged the Council of the EU not to lift the arms embargo until greater progress is

made in the field of human rights and arms exports controls in China and on Cross-Strait relations (European Parliament 2006).

The opponents to the lifting argue that, once the embargo is lifted, China may be able to acquire weapons systems from Europe, especially advanced early warning capabilities as well as surface-to-air and air-to-air missile systems, that could significantly affect the military balance across the Taiwan Strait in Beijing's favour and thus affect American and Japanese interests in the area. Washington, in particular, has voiced its opposition, threatening retaliation in EU-US industrial and defence cooperation in case the arms embargo is lifted. The US maintains that the human rights situation in China has not improved to the point where it merits lifting the ban. Moreover, the US has concerns about EU export controls and the ability to protect sensitive technology from being transferred to China since Washington has obligations and interests in maintaining a balance between Taiwan and China and ensuring that Taiwan can defend itself. In response to US criticism, EU officials have asserted that the lifting of the arms embargo would be mainly a 'symbolic gesture'. In other words, the lifting would be a political act that does not suggest that the EU member states seek to sell arms or defence technologies (which the embargo also covers) to China. EU members have clarified that the lifting is neither meant to change the current strategic balance in East Asia, nor to increase arms exports to China 'neither in quantitative nor qualitative terms'. In December 2004, the EU member states stressed that a revised, and stricter, Code of Conduct will be put in place. This new Code of Conduct will amend the one adopted in 1998 and establish criteria for EU arms sales worldwide. According to EU officials, the provisions contained in the EU Code of Conduct are aimed at ensuring mutual political control among member states as well as transparency and accountability.

Notwithstanding official declarations and the commitment to a revised Code of Conduct, some European governments continue to sell arms and weapons systems to China. The Council of the EU in its *Eight Annual Report of the EU Code of Conduct on Arms Exports* published in October 2006 declares that a number of EU member states have partially sidestepped the embargo by supplying China with components for military equipment. Among the EU-25, France accounted for the largest share of exports, followed by the UK and Germany (Council of the European Union 2006: 265-266; Casarini 2007: 377-378). Thus, despite the embargo, some EU governments, and their arms manufacturers, have been able to circumvent it by selling components for arms or dual-use goods (with both military and civilian applications) to China. EU arms producers are very keen on entering into the promising Chinese market. Once the embargo is lifted EU companies might be able to sell to China components or subsystems that

could greatly contribute to the modernization of the PLA and fill critical technology gaps, particularly in such areas as command and control, communications and sensors. This includes communications gear, hardened computer networks and night-vision cameras, as well as the most advanced early-warning systems and recognition satellites that could contribute to China's military modernization and put Beijing in a position to counter Taiwanese arms systems imported from the US. In sum, EU arms producers will profit from the lifting of the arms embargo, since it would open the way to arms sales from China's procurement budget, the second fastest growing in the world after the US.

The problem facing industrialists wanting to enter the lucrative Chinese market is that European defence companies are still largely dependent on US cooperation on defence technology, not to mention the importance of the US market for some of them. American retaliation could take the form of target sanctions at specific defence contractors that sell sensitive military-use technology or weapons systems to China. Based on national security concerns, EU companies could be restricted from participating in defence-related cooperative research, development, and production programs with the US in specific technology areas or in general.⁴ Washington is adamant in preventing its advanced defence technology, currently shared with the EU allies, from ending up in Chinese hands. The hope in Brussels is that informal consultations with the US on what the EU member states sell to China would prevent sensitive technology transfers and defuse a serious transatlantic dispute. However, this underestimates US opposition to the lifting. Washington complains that the EU is acting irresponsibly towards Asia, an area where the Union has few real strategic interests, but where the US is robustly committed to its security.

Both the Republicans and the Democrats have argued that the proposal to lift the arms embargo is a cynical ploy to open doors for the European defence industry and that, even if arms sales remain limited, the EU is tossing aside more than a decade of human rights concerns for economic gains (Bork 2005: 2). American criticism gathered pace at the beginning of 2005, when all commentators were expecting that the EU would lift the 16-year old arms embargo to coincide with the 30th anniversary of the establishment of diplomatic relations between the EC and the PRC in 1975. On 2 February 2005, the US House of Representatives voted unanimously (411-3) to pass a resolution condemning the EU's moves toward lifting its arms embargo on China. The resolution alleged that lifting the embargo could destabilize the Taiwan Strait and put the US Seventh Fleet at risk. 'It is in this context that the EU's current

⁴ US Code, Title 41, Chapter 1, Section 50.

deliberations on lifting its arms embargo on China are so outrageous' declared Tom Lantos, at that time the senior Democrat on the House of Representatives' International Relations Committee (United States Congress 2005). In sum, what compels US opposition is, firstly, that the EU code of conduct is not legally binding and, secondly, that the embargo is interpreted differently by the 27 member states of the EU. What worries the US more is the possible transfer from the EU to China of advanced technology and weaponry that would put China in a position to counter Taiwanese arms systems imported from the US (Fisher 2004). The US is therefore concerned about Europe's enmeshing – largely unplanned and lacking any clear political vision – in East Asia's strategic balance.

ENMESHING INTO EAST ASIA'S STRATEGIC BALANCE

East Asia is a region in flux. China's ascendancy is reshaping Asia's economic and political power relations in a context where the US remains the security linchpin for Asia while the US-Japan alliance serves as the cornerstone of the US security strategy in the region (Cossa 2005). According to Wang Jisi, Dean of the School of International Studies at Peking University and Director of the Institute of International Strategic Studies at the Central Party School of the Communist Party of China, 'the general trend in Asia is conducive to China's aspiration to integrate itself more extensively into the region and the world, and it would be difficult for the United States to reverse this direction' (Wang 2005: 43). The US-China relationship is crucial for the maintenance of regional stability. At the economic level there seems to be an implicit bargain with Beijing: Washington tolerates China's surging exports to the US and the resulting bilateral trade surplus for China, but China recycles its new wealth by helping to finance the US budget deficit. Economically, therefore, China and the US are more and more interlocked. At the political level, though, things are different. In the last years, the debate has resurfaced in the US as to whether China has the potential to challenge Washington's dominant position in Asia (Christensen 2006).

In the 2002 *National Security Strategy*, the Bush administration stated that the US 'welcome[s] the emergence of a strong, peaceful, and prosperous China' (The President of the United States of America 2002: 27) However, the US also believes that China's declared 'peaceful rise' cannot be taken for granted and that the lack of democratisation and political liberalisation in China could presage tensions in future US-China relations. The Taiwan issue continues to loom large on US-China relations. At the beginning of his first mandate in 2000, President Bush dubbed China a 'strategic competitor'. Bush himself has declared his firm

commitment to the defence of Taiwan. The Bush administration is worried that China's fast-growing economy and the country's rapid industrialization are giving Beijing previously unimaginable financial and technical resources to modernize its armed forces (Perkins 2005). Blocked by the EU arms embargo and Washington's refusal to authorize arms sales to the mainland, Beijing has depended largely on Moscow as a supplier in recent years (Makienko 2003).

Estimates of the real China's military budget are, however, difficult to assess. During the annual session of the National People's Congress in March 2007, Beijing announced a 17.8 per cent increase in its official defence budget, to about US\$ 45 billion (The Economist Special Report 2007: 5). In 2005, the RAND Corporation concluded that China's total defence expenditures (based on 2003 data) were between 1.4 and 1.7 times the official number (Crane, Cliff, Medeiros, Mulvenon and Overholt 2005: 133). The US and its Asian allies are concerned that China's military spending is growing both rapidly and in a sustained fashion precisely at a time when there is no pressing external threat to China.

The US Department of Defence *Report on the Military Power of the People's Republic of China* (MPPRC) concludes that the modernization of the PLA has gone beyond preparing for a Taiwan scenario and is likely to threaten third parties operating in the area, including the US (United States Department of Defence 2005). While Chinese leaders insist that their country is engaged in a 'peaceful rise' and 'harmonious development', the US says that China is focusing on procuring and developing weapons that would counter US naval and air power, especially in the Taiwan Strait. The US is committed to assisting the island under the Taiwan Relations Act, the 1979 law that accompanied the US switch of diplomatic recognition from Taipei to Beijing.⁵ Chinese leaders have always maintained that they reserve the right to use violence at home to keep China intact – and they stress that Taiwan is part of the Chinese territory. China's National People's Congress passed the anti-secession law in March 2005 reiterating the 'sacred duty' for the PLA to take military action if Taiwan takes a decisive step toward declaring independence.

Taiwan is a thorny issue in US-China relations and, more recently, also in Japan-China relations. Tokyo has recently identified China as a potential threat. In February 2005, the US and Japan held top-level security talks at which they agreed to set new common security objectives to deal with what they called 'unpredictability and uncertainty' in East Asia. Following up on the February talks, in October 2005 Tokyo and Washington jointly assented to long-pending changes in bilateral security collaboration. The renewal of the US-Japan security

⁵ Section 2(b)(6), The Taiwan Relations Act, P.L. 96-8, approved April 10, 1979.

alliance reflects a growing anxiety about the increasing capability of China's armed forces and it clearly signals that Japan has decided to adopt a more assertive stance toward Beijing. In the last few years, the Japanese governments have reiterated worries of an escalation in Cross-Strait relations, since should a war between the US and China break out, American troops will come from Okinawa, thus bringing Tokyo in the conflict.

For the EU and its member states, Taiwan is not an issue of immediate concern. However, any confrontation between the US and China, with the likely involvement of Japan, over the island will inevitably disrupt regional stability and thus jeopardize Europe's interests in the area. In this context, recent European initiatives aimed at establishing a security-strategic linkage with Beijing impact on Sino-US relations and Sino-Japanese relations. This explains the strong opposition of the US and Japan against the lifting of the arms embargo and the need to obtain reassurances that China will not be allowed to access the encrypted features of the Galileo satellite system. In sum, EU-China cooperation in security and defence matters is perceived in Washington and Tokyo as an unwelcome (and disturbing) factor for East Asia's strategic balance.

CONCLUSION: WHAT ROLE FOR THE EU IN ASIA?

The security elements of the EU's China policy indicate that Europe's presence in Asia is changing. It goes, in fact, beyond the traditional trade relations to include security and strategic factors. As discussed earlier, the EU's involvement in Asian security affairs has traditionally focused on contributing to the region's multilateral security activities (ARF, CSCAP, KEDO) and on supporting peace-keeping operations and monitoring missions in the area (Cambodia, East Timor, Aceh, Afghanistan). Moreover, the EU continues to contribute to regional peace and stability by providing humanitarian assistance to war-torn societies and support for the protection of human rights and the spreading of democracy, good governance and the rule of law. Alongside the above initiatives, the establishment of partnership agreements for the development of Galileo with some of Asia's major powers (China, India, South Korea), growing advanced technology transfers, and arms sales in the region indicate that the EU and its member states are increasingly becoming enmeshed in the region's strategic balance. Recent initiatives aimed at establishing a security-strategic

linkage with China – in particular, the proposal to lift the arms embargo – have made the EU an Asian power and raised concerns in Washington and Tokyo.

A more robust EU presence in Asia in the security and defence spheres provides EU policy-makers with a crucial – and double – challenge. On the one hand, EU policy makers need to find ways to combine the different strands of the EU's Asia strategy into an integrated and coherent whole underpinned by a clear political and strategic vision of the EU's interests in Asia. On the other hand, EU policy makers should seek to find ways to reconcile the US and its Asian allies' legitimate concerns regarding China's growing military capabilities with the legitimate interests of the EU in furthering security and strategic links with China. In sum, the EU and its member states should seriously work on a common strategic vision that will accommodate the EU's China policy with the broader EU Asia strategy as well as with the more traditional transatlantic alliance and the EU-Japan partnership. The EU's presence in Asia is changing and this raises the question as to whether the EU is willing, and capable, to acquire a security role in the area and whether this will be welcomed – and to what extent – by the region's major powers.

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RIDING THE ASIAN TIGER? HOW THE EU ENGAGED CHINA SINCE THE END OF THE COLD WAR

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ABSTRACT

This article examines the China-European Union (EU) relationship after the end of the Cold War. It argues that the EU uses a 'benign Wilsonian' foreign policy style and is committed to a Wilsonian worldview that is couched in promoting normative values and principles of democracy, the rule of law, freedom of people, free markets and open access to international economic markets. Brussels tries to 'entice' and engage Beijing to follow and adopt European values and principles. However, despite Europe's normative posture, the EU is not hesitant to pursue its own interests.

In this article, the theoretical 'benign Wilsonian' construct will be applied in order to examine particular components of the China-EU relationship: the push for political and social reforms, the human rights issue, economic relations, and geopolitical visions of the nature of the international system.

INTRODUCTION

European security interests in Asia were evident throughout the Cold War and subsequently expanded in line with the post Cold War diversification of the security agenda. However, it was not until 1994 that the European Commission's policy paper 'Towards a New Asia Strategy' developed potential European Union

(EU) contributions to regional stability in Asia particularly by strengthening the Union's economic presence (European Commission 1994a). The objective of the EU was to maintain the Union's leading role in the world economy and to promote economic development in the Asia-Pacific region. Second, a larger EU involvement contributed to more stability and developed greater international cooperation and understanding. The third objective was to contribute to the development and consolidation of the rule of law, respect for human rights and democratic principles, particularly in China.

Since then the relationship between the EU and China has improved considerably beyond the economic dimension. China has been the EU's largest trading partner and its economy currently attracts large sums of foreign direct investment (FDI) from companies based in the EU. At the same time, European multinationals are not hesitant to push China to open its markets even more and to modernize its system of governance to allow the rule of law and democratic control of institutions and decision-making processes. The EU has achieved some success in this regard, but no doubt, there still are significant shortfalls particularly with regards to respecting international human rights. China, however, seems to be willing to learn from Europe's historical experiences of unifying disparate markets and developing remote areas of its continent.

The EU-China relationship is also remarkable in the sense that both have shown the willingness to shoulder more responsibility in global affairs. China is a permanent member of the United Nations Security Council and thus holds a veto power whereas the EU intends to become a member of the same council but has not achieved this goal yet. The claim of this article is that relations between the EU and China will become more important over the next few years, not only economically but also geopolitically.

Why Is China So Important for the EU as a Global Player?

The European Union and China are continental sized economies and are thus powerful players, not only in international business. As a result, they also hold significant geopolitical weight. China had three times the population of the EU before its eastern enlargement and is four times as large as the United States in terms of its landmass. Its gross domestic product (GDP), however, is only about a tenth of the size of either the EU and the US, but with growth rates in the double

digits it is encroaching on these two large Western economies.¹ In 2003, China went through an economic boom and became the third largest trading entity in the world. The EU slowly started to become aware of China's influence in international affairs and its unique position as a stakeholder in major international conflicts and problems, such as the current crisis in Darfur or Lebanon. The European Commission paid respect to the rising power by formally recognizing China's importance in global affairs in its strategic document of 2001: 'A country the size of China is both part of the problem and the solution to all major problems of international and regional co-operation' (European Commission 2001:7). The European Security Strategy of 2003 further highlights the importance of China:

'Our history, geography and cultural ties give us links with every part of the world: our neighbours in the Middle East, our partners in Africa, in Latin America, and in Asia. These relationships are an important asset to build on. In particular we should look to develop strategic partnerships, with Japan, China, Canada and India as well as with all those who share our goals and values, and are prepared to act in their support' (European Council 2003: 14.

In light of all this, the following research questions arise: how could one classify the EU's foreign relations with China? What style, principles, values and interests do Brussels pursue in the bilateral relationship?

I will argue in this article that, based on the European Security Strategy of 2003 and other official EU documents, the Union espouses a 'benign Wilsonian' foreign policy with regards to China. This is a foreign policy style that is closely associated with former US President Woodrow Wilson. Europe's Wilsonian style, however, is somewhat different from that of its closest ally, the United States, which itself enjoys a very close bilateral relationship with China. The European Union's foreign policy approach is in stark contrast to the US strategic ambition of changing regimes of sovereign countries around the world (this strategic outlook was best explained in the US National Security Strategy and its notion of pre-emption and prevention) in order to promote democratic institutions, the rule of law etc. Brussels acts passively, it attempts to 'entice' and engage other countries to follow and adopt European values and principles. Thus, one gets the impression that it appears less coercive and using its 'softer power' (See for example Nye 2004a, Nye 2004b, and Nye 2002). Meanwhile, Brussels was not

¹ The problem with determining China's exact GDP is the highly imprecise aggregated data published by the government.

hesitant to pursue its own interests, but, not as forcefully and coercively as the US.²

Aim of the Article and Contribution to the Literature

This article provides an overview of developments of the EU-China relationship since after the end of the Cold War and in light of the ‘strategic partnership’ signed between the two countries at a joint EU–China summit in The Hague in 2004 (Crossick 2006: 1). The ‘benign Wilsonian’ hypothesis helps to characterize this relationship as well as to show the importance of China for EU’s external relations. Its aim is also to demonstrate that China, as an evolving power in Asia, and the EU, share similar normative values of how to conduct international relations.³ The scope of the article, however, is limited to an examination of the EU as a supranational organization including its agencies. As a result, this article excludes an examination of the relationship individual EU member states might have established with China but, nonetheless, acknowledges that such a relationship exists.

The article is novel in its contribution to the body of literature on EU external relations in two ways: first, Europe’s foreign and defence policy was traditionally preoccupied with an examination of the transatlantic relationship with the United States and Canada.¹ This pre-occupation was understandable given the commitments the US and Canada made to European stability and security since World War I. Both countries committed their political, economic, and military resources to a peaceful European continent and institutionalized their relationship with Europe most chiefly in the North Atlantic Treaty Organization (NATO). Nevertheless, the European Union also enjoys external relations with other regions and states beyond those in North America. A description and evaluation of the relationship of other states in the world with the EU beyond North America have largely been marginalized in the body of literature of EU external relations. This article offers to fill this gap by choosing the EU-China relationship as a starting point of analysis. It is also novel in the sense that it offers an additional dimension of analysis in the China-EU relationship beyond the economic one. It

² The limitation of Europe’s external relationship with China will be examined from a European perspective largely because of language barriers and restricted access to government documents in China.

³ It is recognized that it is difficult to interpret Chinese decision making processes because they are neither ‘monolithic’ nor ‘centralized’. See for example Crossick (2006: 1).

makes reference to the political and security dimension of the relationship.⁴ Third, the theoretical foreign policy construct of Wilsonianism is also new to the literature of EU's external relations. However, it appears to be rather beneficial in the sense that it allows for a focus on shared norms and values.

The article is structured as follows. Section one explores the theoretical settings and assumptions of the 'benign Wilsonian' foreign policy style. In section two this construct will be used to explain four specific components of the China-EU relationship: the push for political and social reforms, the human rights issue, economic relations, and geopolitical visions of the nature of the international system and China's and the EU's role in it. The final section draws some conclusions of the EU-China relationship by allowing a discussion of the convergence of the norms and values of the bilateral relationship.

THE THEORETICAL CONSTRUCT OF 'BENIGN WILSONIANISM'

The notion of Wilsonianism made its first appearance in the literature of International Relations and US foreign policy in reference to Woodrow Wilson's fourteen-point speech in 1919. Wilson advocated, among other things, 'political independence and territorial integrity to great and small states alike'.⁵ He proposed the League of Nations, the world's first collective security agreement. Wilson himself, however, was not necessarily an idealist or a pacifist. No doubt, he was an idealist in nature but also mindful of pursuing and enhancing America's national interests. This, one might argue, put him more into the realist camp. Since then, the Wilsonian voice in international affairs has not been silent and continues to attract considerable scholarship.⁶

Wilsonianism is associated with the beliefs of promoting democracy, the rule of law, freedom of people, liberal market economies and open access to markets. Wilsonian's guiding principles are strong commitments to human rights and the rule of law. The assumption is that once the threats to liberty are removed, peace and security are more likely to flourish across the globe. It was understood that democracies would make better and more stable partners than dictatorships or

⁴ I am not arguing here the preoccupation with the economic relationship was necessarily a bad. Indeed, it was an important and significant contribution to the literature considering the large trade interests of both actors.

⁵ quoted in McDougall (1997: 124).

⁶ See for example Ibid; Mead (2001).

monarchies.⁷ This was a pursuit of strategic as well as moral objectives: strategically, poverty, crime and corruption could pose a threat to national security. Morally, poverty in the world affects Western values. As the US government put it succinctly, ‘a world where some live in comfort and plenty, while half of the human race lives on less than \$2 a day, is neither just nor stable’ (Bush 2002).

Another characteristic of Wilsonians are their commitment to democracy as a means of preventing states from going to war with one another. This, in their view, allows for societies to prosper and to advance. Monarchies and dictatorships are seen as unpredictable forms of government where the will of the people is not reflected. Consequently, the support of democracy abroad is not only a moral duty but also a ‘practical imperative’. Wilson himself said: ‘We are participants, whether we would or not, in the life of the world. The interests of all nations are our own also. We are partners with the rest’.⁸

Wilsonianism, however, is not limited to spreading normative values of democracy and the rule of law around the globe. Based on the US tradition, international Wilsonians also believe that Wilsonianism is not only the better choice but indeed has a moral duty to the world for changing international behaviour. In this sense, based on the maximization of their national interest, Wilsonians pretend to have a natural right of projecting their values on other countries and to create global free trade regimes and producing wealthy and peaceful countries around the world. As such, the domestic politics of nation states is a fundamental concern for Wilsonians.

Taken all together, one might argue that Wilsonian’s effort of trying to spread Western values and norms of democracy, the rule of law, and enhancing the governance structure of sovereign states can be understood as a nation-building effort.

CHINA AS A CASE STUDY

As Anthony Foster argues, the EU’s relationship with Asia and specifically China is not particularly strange; indeed, both parties had close relationships for a long period of time (Foster 1999: 744). After Beijing’s relationship with Moscow deteriorated in the 1960s, China was forced to look for like-minded countries that

⁷ This is commonly referred to in the literature of international relations as the democratic peace theory. For an elaborate reading on the democratic peace theory see for example Doyle (1985a); Doyle (1985b).

⁸ Quoted in McDougall (1997: 122).

did not necessarily associate with the two superpowers, the United States and the Soviet Union. Hence, China established diplomatic relations with France in 1964, with Italy in 1970 and with Great Britain and Germany in 1972. Diplomatic relations with the (then called) European Communities (EC) were formally established in 1975. Only three years later, the EC signed an economic agreement with China and included it in its preferential trading system by offering lower tariffs for importing goods and services. China, on the other hand, has seen Brussels mostly as a counterweight to other global powers, particularly the United States. However, after the end of the Cold War, the government in Beijing quickly realized that the EU was striving to become an international political actor with global aspirations that reach beyond its trade interests. Hence, Beijing opened up its relationship with the EU and its Member States in the late 1990s.

The 1985 trade and economic cooperation agreement concluded between the European Economic Community and China manifested Europe's economic interests of the bilateral relationship. Both parties to the agreement were able to concentrate on economic issues while the EC was assured that the United States would provide security for the European continent through NATO. The EC therefore could exclusively concentrate on enhancing its economic prosperity. China, however, saw the EC as a member of the 'West' and therefore was less inclined to promote overall friendly relations with the EC.

After the end of the Cold War, however, conflict over economic issues became more important and over-toned the geopolitical struggles of the Cold War. Hence, economic issues slowly found their importance in the bilateral EU-China dialogue and marked a transition from Cold War geopolitics to multipolar geo-economics (Dent 1999: 149). For its part, the EU subscribed to a policy of Chinese engagement on a multilateral and bilateral (member states) level by offering Beijing various incentives such as development aid, technical assistance for various programs, food aid, and by setting up exchange programs. Brussels also encouraged China's accession to international financial institutions such as the World Trade Organisation (WTO).⁹ All these principles and objectives, as we will see shortly, are consistent with a Wilsonian worldview of international affairs. They were laid out in the Commission's document entitled 'Building a Comprehensive Partnership with China', which was adopted in 1998 (European Commission 1998). In this document, the EU called for an upgraded political dialogue with Beijing, showed its support for socio-economic reforms in accordance with the principles of sustainable development and called for the development of a Chinese civil society that is based on the rule of law and respect

⁹ China's negotiations for a WTO membership lasted from 1985-2001.

for human rights. In short, the EU's objectives can be summarized as promoting sustainable development in China, support its integration into the world economy, fighting poverty by promoting democracy, human rights, and the rule of law. All these principles can be interpreted as being consistent with a Wilsonian foreign policy style.

The Push for Political and Social Reforms

It was not until after the end of the Cold War that the China-EU relationship fully materialized and flourished. Meanwhile, a process of transformation took place in Europe. The member states ratified the Maastricht Treaty in 1993, which transformed the European Community (EC) into the European Union (EU) and gave the Union competences in the field of common foreign and defence policy (CFSP). Indeed, with Maastricht, the EU became a more influential international actor that was actively seeking representation in international organizations. This development has also left the impression with the international community that the EU is aspiring greater international responsibility.¹⁰ The European Union gained further international influence through its enlargement process. The EU now consists of twenty-seven member states with more than 450 million people. As a result, the EU has grown to become an economic powerhouse that produces a quarter of the world's economic output. This enlarged European Union has given Brussels various new powers and instruments for engaging China bilaterally.

A major turning point in the China-EC relationship, however, was the Tiananmen Square massacre on 4 June 1989, where a large pro-democracy demonstration was repressed by armed forces. The regime in Beijing realized that if it would accommodate the striking workers was likely to lose its governing power. Mao's successor, Deng Xiaoping, himself a victim of the Cultural Revolution, had an interest in strengthening the rule of law, and an interest in relaxing political control enough to prevent a public outbreak. He intended to mobilize a democratic sentiment against the left and supported his protégé Hu Yaobang. However, when Hu refused to suppress the next great democratic demonstration at Kei Da University in 1986, Deng forced Hu's dismissal and he died only three years later. By that time Hu had already become a hero of the democratic movement. When the leadership arranged a demeaning low-key funeral for Hu, students marched to **Tiananmen Square** to protest and caused large

¹⁰ For a good discussion about EU's new role see for example Hill (1993).

demonstrations against the regime (Liang et. al. 2001). It was apparent that students and workers were inspired by the 'wave of democratization' taking place in Eastern Europe.¹¹ The reactions of the international community and the EC to the massacre were condemning. 'Europe froze its political dealings with Beijing, cut off military contacts and banned all arms sales' (Byrysch et. al. 2005: 9). Those reactions forced the Democratic Republic of China (DRC) onto the defensive. In Europe itself, the Commission as well as the Union's member states closely examined their relationship with China. A major factor in determining a new China policy was public opinion in European capitals, which pushed the European Parliament to pass a resolution urging the Chinese government to enter into an immediate peaceful dialogue with the protestors (Weidenfeld and Wessels 1991).

When twelve member states of the EC unanimously condemned the massacre on June 6 they also suspended all high level talks between the government of China and EC officials. The EC also froze all high-level bilateral meetings, postponed new cooperation projects and cutback existing bilateral programs. The intention of those policies was to force China to resolve the conflict through dialogue rather than by using force (European Political Cooperation Bulletin 1990: 1). One day later, the EC decided to suspend all economic and cultural relations with China. By the end of the month, EC officials urged China during the Madrid European Council meeting of 26-27 June to suspend the executions of dissidents and announced to start human rights talks with the regime in Beijing. However, talks and negotiations are one thing and do not necessarily correspond to coherent policy actions. In early August, however, the EC granted China an emergency loan worth US\$ 70 million for humanitarian purposes in the Suchan province. This marked a renewal of a political engagement process. This political will was endorsed unanimously by EC foreign ministers. It also helped to shape a more consistent European foreign policy towards China: the bureaucrats in Brussels preferred private diplomacy negotiations with Chinese officials and eschewed the United Nations (UN) system in this respect (Shambaugh 2005: 10). It also showed the 'benign' nature of the Wilsonian foreign policy style. This appeared to be somewhat different from the American approach, which espoused a harsher tone towards Beijing.¹² Even though the then EC was aware of China's

¹¹ According to Samuel P. Huntington a third wave of democratization started to affect the European continent back in 1974, beginning on the Iberian Peninsula. Earlier waves refer to the period between 1945 and the mid 1960s. The first wave of democracy took place in the American and French revolution. See Huntington (1991).

¹² This article does not examine the China-US bilateral relationship. However see for the most recent examination of the US-China relationship especially Ibid.

appalling human rights record, it tried to engage the regime in Beijing also in other policy areas with the hope that they would then translate into greater democratic reforms. Contrary to the US, the EC (and later also the EU) also put emphasis on ‘workplace safety, reducing gender discrimination, was decreasing state control of the media, improving prison conditions, and eliminating the death penalty’ (Shambaugh 2005: 10) as well as ethnic minorities, particularly those in Tibet.¹³

In the early 1990s, the US and the EC used an engaging foreign policy style by relaxing the economic sanctions that were imposed on China after the 1989 massacre. This was done in the wake of Gulf War I when the Bush administration was seeking the support from the Chinese government for authorizing a UN chapter VII intervention mission for the liberation of Kuwait. What followed was a package put together by various international actors to engage China diplomatically and economically and tie it closer into the world trading system. In 1990 President Bush extended the most favoured nation status for another year. During the July summit meeting of the G-8 countries, Japan also pushed for a relaxation of sanctions against China and the World Bank extended Beijing’s line of credit. In October, the EC foreign ministers decided to gradually resume economic cooperation as well as high-level political contacts with China (European Political Cooperation Bulletin 1990). Restrictions on high-level contacts, cultural, scientific and technical cooperation were also loosened. Nonetheless, the embargo on arms sales and military cooperation continued to be in place. The policies of engagement and enlargement were justified by the international community (mostly by Western countries) by arguing, as the French Foreign Minister, Ronald Dumas, did that the EU supported this move because of China’s favourable behaviour in the United Nations Security Council during the Iraq crisis. Moreover, as Möller argues, Europe’s rapprochement had to do with the fact that the continent was faced with the beginning of a recession in the early 1990s caused largely by the unification of Germany and needed access to China’s economic market (Möller 2002:20). During this time of recession China became the destination for the majority of Europe’s technology and industrial plants and a place that provided cheap labour conditions (Möller 2002: 23).

EU foreign policy towards China was shaped more precisely in 1995 when the EU Commission published a document entitled ‘A Long-Term Policy for Relations between China and Europe’ in which it called for economic and social reforms in China. At that time, the EU had become accustomed to its new role in

¹³ The United States, on the other hand, places more emphasis on religious and cultural freedoms, fair treatment of political prisoners and dissidents. The literature on this aspect is vast. For the latest work see for example Delegation of the European Commission to China (2005).

the world and had managed to solidify its foreign policies and interests. This solidification occurred at a difficult time for Europe not only because the new competencies it acquired with the Maastricht Treaty were put for a test but also because of its preoccupation with the conflicts on the Balkans. Nevertheless, the EU tried to push Beijing to open its planned economy and to develop a social security system for its people. It labelled these two issues the 'key challenges' for a future relationship. EU bureaucrats were not short of offering their experience and advice through various programs (mostly training programs). These projects were aimed at 'assisting local authorities to build up a body of qualified legal personnel while also improving public awareness of the Chinese legal system and the legal rights of citizens.' The project promotes the EU and EU Member States legal systems as examples of best practice' (Delegation of the European Commission to China 2005). Europe's engagement found a positive response in China, which had started to introduce domestic reforms. Among those were economic market reforms and diplomatic initiatives to push China towards a greater integration into the global economic community. Brodsgard argued that these reforms were successful and have contributed to an overall transformation process. For example, the government has reduced the size of its public service trying to make it more efficient and offering a more service oriented administration.¹⁴ The Chinese government intended to create a 'harmonious society', that is the idea of 'building a socialist new countryside'. 'This involves redistributing economic benefits to China's underdeveloped regions through establishing new infrastructures and through providing educational subsidies and better medical services' (Brodsgaard 2007).

These developments to an agreement signed by the EU and China that supported Beijing's accession to the WTO. In return, China expressed its interest and willingness to help maintaining stability and peace in the world. The EU, on the other hand, reiterated its commitment to training professionals such as lawyers and other projects to strengthen the rule of law and promote civil, political, economic and social rights (Building a Comprehensive Partnership with China 1998). On the issue of promoting the rule of law, the United States as well as the EU believed that achieving this objective would be a first stepping-stone towards reaching broader goals such as a functioning market economy and legal safeguards. Brussels invested considerably more into the legal programs with China than did the United States.¹⁵ It promoted the principles of the rule of law and good governance by setting up and maintaining EU-China legal and judicial

¹⁴ See for example Brodsgaard (2007).

¹⁵ See for details Byrysch, Grant and Leonard (2005: 9).

cooperation programs, such as the EU-China intellectual property rights cooperation program.

The Commission also called for bilateral summit meetings once a year. During the third summit, which took place on 23 October 2000, bilateral discussions about human trafficking and illegal immigration were continued but ended without concrete results. ‘These various common interest have provided fertile soil for a prospering EU-China relationship, which today consists of a plethora of co-operation programs, dialogues and projects’ (Byrysch, Grant, Leonard 2005: 9). According to Möller, China was enthusiastic about the international attention it received, but neglected to live up to the details of the programs (Möller 2002).

The EU continued to issue policy papers on China in 1998, 2001, and 2003¹⁶ in an effort to find a response to the vast changes that were taking place in China, particularly in its society and economy. However, all policy papers that were published after 1995 mostly reiterated previous policies and commitments while widening the scope of cooperation. It was clear that cooperation projects were desired but short term oriented (European Commission 1995). The overall strategic objective of the EU was to socialize and engage the ‘Asian tiger’ on various fronts and to support its modest transformation processes. The main goal was to ‘help China to be a peaceful, stable, democratic, and internationally responsible country, which is internally consensus seeking and externally multilateral, and sharing broadly similar values and goals with the Union’ (Crossick 2006: 2). The engagement took place in many practical policy areas: ‘progress towards full integration in the world market economy, strengthening civil society, poverty alleviation, environmental protection, human resource development, scientific and technological development, progress of the information society, trade and investment cooperation’ (Byrysch, Grant, and Leonard 2005: 10). In addition to functional programs and projects particularly in the economic and social sector, the EU also promoted the so called ‘Human Resource Development Projects’ such as the China-EU International Business School, the EU-China Managers Training program, the China-EU public administration project, and the European Studies Centre Programs, which it put considerable financial resources towards. In 1998, the Chinese Prime Minister travelled to Europe to meet with Javier Solana, the Union’s High Representative for foreign and security policy as well as the President of the Union at the time and his successor held political talks and consultations. Between 2004 and 2005

¹⁶ All documents are publicly available at <http://europa.eu.int/comm/external_relations/china/intro/index.htm>.

more than two hundred official visits of European bureaucrats took place in China (Crossick 2006: 1). 'These annual summits have since helped to sustain momentum for the EU-China relations'.¹⁷ Again, these were functional programs designed to socialize China and attract it to Western values.

Human Rights

With the publication of 'A Long-Term Policy for Relations between China and Europe', the EU Commission attempted to also engage China on human rights issues by offering economic incentives in return. The aim was to engage China globally and regionally in order to promote domestic reforms (European Commission 1995). The objective of the EU's policy was to use a 'constructive engaging' approach for dealing with a rather uneasy relationship. The hope was that China would become more integrated into the international community and would refrain from using military means to solving domestic as well as international conflicts and disputes. As Möller argues, by the mid 1990s China started seeing Europe as a larger political project in international relations while acknowledging that the United States was the global hegemon (Möller 2002: 21).

At the global level issues such as disarmament, weapons of mass destruction and arms controls were raised. It was agreed that the EU would work towards opening and liberalizing Chinese society by raising human rights issues in constant dialogues as well as through the system of the UN. Nonetheless, the EU was well aware of the fact that human rights issues were a delicate topic in their bilateral relationship and that only an engagement would slowly introduce change.

The bilateral dialogue continued in 1998 when the first EU-China summit took place in London. One week earlier the EU Commission had released a new strategic paper entitled 'Building a Comprehensive Partnership with China' (EU Commission 1998). It was also endorsed by the European Council of Foreign Ministers on 29 June 1998. In this document, the EU anticipated that China would rise to be a global political and economical player in the near future. Also, the human rights problem was put into perspective and watered down. The initial long-term vision was exchanged for achieving short term objectives – to 'develop

¹⁷ Umbach, Frank (2004). There is no doubt that the evolving relationship between China and the EU has been short in terms of long-term strategic visions and focussed only on particular areas. There are, for example, few linkages between those various programs. Part of this inconsistency results from the 'competition' the EU bureaucracy is facing from the national capitals in Berlin, London, and Paris. These three member states themselves have established bilateral programs with China, which makes a cohesive European approach difficult. As Barysch (et.al) argues, 'in practice, divisions and rivalries between individual countries often undermine EU objectives'.

a balanced China policy that reflected China's growing international economic and political weight and to further the development of the European Union's fledgling CFSP' (Byrysch, Grant, and Leonard 2005: 12). In consistence with previous documents, the aim of this document was to increase China's integration into the international community by enhancing political dialogue and supporting its membership into the world trading system. For the first time, the EU also aimed to increase its visibility in China itself by not only increasing its training programs but also by sending permanent EU representatives to China.

Internationally, the EU and the US worked jointly towards finding a common position in the UN's Geneva Human Rights Commission. The collaboration succeeded and the Commission passed resolutions condemning China's human rights records and policies. China appeared to be influenced by this international pressure and responded with concessions. It agreed to set up a panel of permanent human rights dialogues, in which the EU mostly provided technical experience and assistance for implementation. This led to a larger human rights agreement between the EU and China in which Brussels committed itself to provide technical assistance for the education of human rights lawyers, judges, and prosecutors. However, even though the EU provided China with its expertise and experience, it did not fall short of publicly criticizing Beijing for its human rights records. Shortly after the assistance agreement was reached between Brussels and the DRC, the EU member states condemned China harshly for its treatment of the dissident Wei Jingsheng (Weidenfeld and Wessels 1996: 477).

Economic Dimension

The process of globalization in the early 1990s brought the two continents of Europe and Asia much closer together. Shortly after the end of the Cold War, China remained relatively remote in comparison to the US-Europe economic relationship (Edmonds 2002: 2). During the course of the 1990s, the Chinese-European economic relationship grew considerably, but remained secondary to other economic relations the EU enjoyed. China had also developed a much closer relationship with other economies in Asia, particularly the one in Japan. Nonetheless, the economic relationship between the two appeared to be untouched by the Tiananmen Square incident and China's violent reactions to the demonstrations. In fact, there were signs that the trade relationship was healthy and increasing.

The new EU currency also attracted considerable Chinese attention. In 1999, the euro was introduced to world financial markets as an accounting currency.

One year earlier, a European Central bank opened its offices in Frankfurt. This provided the European Union with a financial institution that was responsible for 'maintaining price stability' in the eurozone. Similar to other countries, China showed considerable interest in investing parts of its foreign exchange reserves in the euro as opposed to investing it into the US dollar.

The new geo-economic dimension after the end of the Cold War had major implications for the overall China-EU economic relationship. China's export rate to Europe had soared up to 4,300 per cent after China introduced reform policies that opened its planned economy. On the contrary, Europe's sales to China over the same time span have risen up 2,000 per cent and created a serious trade deficit for the EU. In 1999 the trade deficit between the EU and China amounted to \$32.8 billion and rose to \$106 billion in 2005 (Crossick 2006: 2). However, China remained Europe's most important export partner ranked directly after the United States (Lardy 2005: 121.). In 2004 China overtook Japan as the third largest trading economy in the world measured as the sum of exports and imports (Cooper 2005: 6.).¹⁸ At the same time the Chinese economy grew seven per cent per year continuously for the last two decades and increased its exports by fourteen per cent annually (Cooper 2005: 7). This enormous growth rate also had an impact on the world economy, including Europe. European merchandise imports from China amounted to \$2.6 billion in 1982 and grew twenty per cent by 2003 totalling \$108 billion (United Nations Industrial Development Organization 2004: 151 and 83). This manifested China's position as one of the world's leading exporters of manufactured goods, which rose from one per cent in 1981 to more than six per cent in 2000 (Cooper 2005: 7). Simultaneously, Europe's exports to China also increased from \$2.3 to \$45 billion over the same time period (World Trade Organization 2003).

China's economic significance also resulted in its increased weight in international financial organizations. China became a member of the WTO in 2001.¹⁹ Under the WTO rules, China gained access to the EU's €10 trillion internal market and thus guaranteed China a much larger market access. The WTO membership also forced a change in China's economy. Under the accession agreement for membership of the WTO, China became obliged to eliminate quantitative restrictions on imports and to significantly reduce tariffs by 2006.²⁰

¹⁸ See also Maddison and Organisation for Economic Co-operation and Development. Development Centre (1998).

¹⁹ Talks about China's entry into the world's financial system, particularly the WTO lasted from 1985-2001.

²⁰ However, this is not to say that China has lived up to the WTO regulations and directives. As a WTO report shows, China's domestic economy is still protected from international competition

These WTO regulations also apply to the EU-China trade relationship because EU member states are also member of the WTO and therefore subject to WTO regulations. These international economic structures of governance can be interpreted as the 'forceful element' of the Wilsonian tradition. Before acceding to the WTO, China mainly exported manufactured goods to the EU. In recent years, however, China grew into exporting electronic products such as laptops, digital cameras, and televisions etc. to Western countries. This new development in the Chinese economy has attracted considerable foreign direct investors in China, particularly from Europe and the United States. 'It has been the largest developing-country recipient of foreign direct investment (FDI) for more than a decade and enabled it to raise significant amounts of funds in international capital markets'(Cooper 2005: 11). By the end of 2002 the total amount of European foreign direct investment reached \$34 billion and thus accounted for 7.6 per cent of all FDI in China (Shambaugh 2005: 11).

This is not to say, however, that European companies did not run into difficulties doing business in China. For example, infringements of copyrights and trademarks occurred as well as the breaching of property rights and pose a significant problem in China (Shambaugh 2005: 13). Furthermore, there was a fear amongst European investors that administrative barriers were created to distort competition. When the Chinese Prime Minister Wen Jaibao visited Europe in May 2004 he lobbied European politicians for two things. First, he asked for China's economy been awarded market status, which is particularly important for calculating anti-dumping duties. Second, he asked the European Union to lift its arms embargo sales to China, a measure that was introduced by Brussels after the Tiananmen Square massacre in 1989. Both of the demands were denied by the European Union. Brussels made it clear to Beijing that based on its human rights record the administration does not live up to its WTO obligations. The Commission examined the Chinese economy in 2004 and reported that it failed in four out of five accounts. The government was still heavily involved in steering the economy and the economy still lacked transparency. Furthermore, there has been no major progress made for ensuring property rights and a better protection of foreign capital and the Chinese financial system still does not operate independently of the state. In sum, these policies underline Europe's Wilsonian ambition of engaging China while at the same time being forceful in certain policy areas. Most recently, the EU has imposed anti-dumping duties for shoes made in China.

by imposed tariffs for all products. The average tariff applied on foreign goods was 12.4 per cent in 2002. For more details see Lardy (2005: 121).

CHINA IN THE INTERNATIONAL SYSTEM OF POWERS

China's economic power also translated into its influence as a major international political actor. As one of the permanent five members of the United Nations Security Council and by virtue of its veto power, China is a major stakeholder in decisions about international peace and security. Its performance in the Security Council during the Cold War was rather passive. The Chinese government was not allowed to sit on the Security Council until 25 October 1971. In its place the pro-Western Republic of China (Taiwan) represented China on the Security Council. To protest the exclusion of the communist Chinese government, Russia boycotted the Security Council from January to August 1950. This is why China used the veto in the Security Council only 3 times from 1946-1989 (compared with 114 for Russia and 67 for the US). The issues they vetoed all related to new memberships to the UN (Morphet 1989: 347).

In the Post Cold War Era, China has been 'passive' - it tends not to want to appear as a conflicting party unless absolutely necessary. For example, it vetoed peacekeeping missions in Macedonia and Guatemala because they had not recognized the communist Chinese government. This appears to be a tendency in Chinese foreign policy after the end of the Cold War: if China is uneasy about something, it will abstain rather than veto.²¹ During the Iraq crisis in 1990, there were signs in international affairs that China would change its policies of blocking UN authorized international operations and assume a constructive role in international affairs.

Meanwhile, the international system of states underwent a process of transformation. While significant debate raged among scholars about the nature of the international system at the end of the Cold War – whether it be a unipolar or a multipolar one - they all agreed that the system had transformed. Joseph Nye has tried to 'bridge' the debate about bipolarity vs. unipolarity by offering a combination of the two concepts. He used the United States as a case study and argued that the 'new' international system indeed could be described as three-dimensional. On the military level, the United States undoubtedly became the sole global hegemon with unprecedented global-reaching capabilities. However, on the economic and cultural level the United States was faced with increased

²¹ A most recent example of this might be China's voting behaviour in the U.N. Security Council with regards to the situation in Sudan. China has been rather quiet on this subject. For example, UN Security Council resolution 1556 called for the disarming of the Janjaweed and China abstained as did Pakistan. China has a close relationship with the non-aligned movement, which of course has a greater relevance in the UN General assembly than it has in the Security Council.

competition particularly by the European Union and Asia. This image of a three-dimensional chess-board could be translated to international relations and has significance for understanding China's role in it. Currently, China does not possess far-reaching global military capabilities that could balance the United States. However, on the economic level, China has become a major international player. It is most likely that its international economic role might translate into greater influence in global political affairs in the near future.

Convergence of EU and Chinese Strategic Values and Norms?

In general, China and Europe appear to share similar strategic objectives of how to conduct business in international affairs: both are in favour of a multipolar system of international relations and disapprove a unipolar international system in which one great power is the dominant player (Shambaugh 2005: 13). Furthermore, both advocate the promotion of peace and stability in the world and prefer to solve international crises through consultation, negotiation, and resolution by making use of the UN's institutional bodies (See Byrnsch, Grant, and Leonard 2005; Möller 2002). In matters of intra-state affairs, Europeans are willing to interfere in the affairs of other sovereign states for humanitarian reasons but otherwise share with the Chinese the belief of non-interference. China maintains independence and cherishes its own right and respects for independence. It upholds that any country, big or small, rich or poor, strong or weak, should be equal and its sovereignty should be respected. It appears that the EU and China share a commitment to international institutions such as the UN that shape normative behaviour. 'Europeans and Asians are much more comfortable with institutions that shape normative behaviour through consensus and the exercise of soft power. This attitude may reflect their relative weakness in hard-power terms, but it also indicates a preference for resolving differences through consensual negotiation' (Cooper 2005: 13). It also reveals that the European Union is interested in the domestic policies and developments in China whereas the United States appears to be solely concerned about geopolitical issues. Europe's intention thereby is clear: it wants to prevent China from becoming a failed state. Hence, the EU puts more emphasis on preventive engagement with China as opposed to dealing with a failed state when the process of engagement might be more difficult. The European Union, for example, is one of the leading contributors of (humanitarian) assistance to China. In addition, some of the member states such as Britain, France, Germany, Italy, and Spain have additional 'China assistance programs' in place. In 1995 the amount of

assistance totalled \$885 million but dropped to \$258 million in 2001 (Malik 2002: 10). Concurrently, the European Union ran various China aid programs over more than 250 million euros in 2002. This amount was anticipated to double by the end of 2006.

Moreover, the fact that China is a nuclear power and a member of the UN Security Council raises important questions about the future of the international system and China's position in it. 'What will China's role and engagement be with members of the international community? China's behaviour will have an impact on Europe's preferences for multilateralism. It will also impinge on its interests such as environmental security, WMD non-proliferation, trafficking of human beings, organized crime, and money laundering. In case of the environment, for example, three quarters of Chinese energy consumption depend on coal firing plants'(Crossick 2006: 3).

Furthermore, China's geographical location, its close political relationship with North Korea, and its alignment with Pakistan since the Sino-Indian border war of 1962 could have larger implications for Europe (Shambaugh 2005: 7). China could potentially make use of its power and influence over a volatile Pakistan by, for example, supplying the regime in Islamabad with more military equipment, nuclear technology and know-how. This then would become a problem for the EU and NATO in particular as they are deployed in a NATO led mission outside of Pakistan's doorstep in Afghanistan.

Moreover, China will be an important actor wherever the EU focuses its attention to. China plays a significant role in the UN transformation process. Its position in the UN Security Council is of particular importance for Europe's ambitions of seeking a permanent seat in the Council, in which case the EU would require a Chinese endorsement. Hence, China possesses considerable voting power in one of the world's most important decision-making bodies. Also, because of its veto power, it will play an important role in deciding about the nature and form of foreign interventions that are endorsed by the United Nations under chapter VI or VII of the U.N. charter. Most recently, for example, Brussels needed the diplomatic cooperation with Beijing for solving the crisis with Iran, which is attempting to acquire nuclear technology for military purposes. Hence, the EU has an interest in making sure that it enjoys a healthy relationship with the 'Chinese dragon'. In sum, 'both partners share an interest in a strengthened, multilateral rule based international system of governance'(Crossick 2006: 4).

CONCLUSION

According to the economic distribution of power, there seems to be no doubt that the future international system will be shaped by the European Union, the United States, and China as one of the new major international actors (Shambaugh 2005: 7 and 15). It is apparent that these three players do not only possess the bulk of the world's financial resources, but also have considerable military as well as political influences around the world. Furthermore, their power is institutionalized in the UN Security Council (even though the EU itself does not have a permanent seat in the Council but two of its largest members, the United Kingdom and France, enjoy the veto power). Shambaugh predicts that China's rise to the apex of international economics will have an influence on its role globally. If this prediction holds then a shift will have taken place – Beijing will then have transformed from a passive to an active but entangled global player. As a global player, Beijing is likely to shoulder more responsibility in international affairs and will be confronted with transnational issues such as counterterrorism, weapons of mass destruction, rogue states, international crime such as money laundering, trafficking of human beings, and peacekeeping as well as nation-building efforts in remote areas of the globe (Sandschneider 2002: 34). This plan, however, is part of the EU strategy towards China to get Beijing to engaged in international affairs and to cooperate on major international issues with the EU. It has been argued and shown that Europe's foreign policy style is driven by Wilsonian principles of international relations engagement rather than strategic competition or even military confrontation; promotion of democracy and the rule of law, freedom of people, free markets and open access to markets. This engagement, however, is taking place silently rather than publicly (Umbach 2004). The consequence of China's rise for Europe and the United States is that they will increasingly act cooperatively with Beijing rather than compete because their governments are aware of China's weight in the world. 'It is in this wider context that the European Union, as an increasingly ambitious global actor, is seeing the systematic integration of China into the international community and China's transformation into a country that respects the rule of law and international human rights'. The (strategic) objective of the EU seems to be clear: Brussels prefers to deal with a China that is entangled with a multipolar world order. This multipolar world order is anticipated to be more stable than a hegemonic or anarchical world order in which only one global hegemon rules or, in case of an anarchic world system, no power at all. The EU as a global actor also believes in the rule of international law as much as international norms and institutions for governing international affairs. These are the core elements of the European 'Weltanschauung'.

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‘EXPECTATIONS DEFICIT’ IN EU-JAPAN RELATIONS: WHY THE RELATIONSHIP CANNOT FLOURISH

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ABSTRACT

It is often argued in the study of European Foreign Policy (EFP) that there is a 'capability-expectations gap' in European Union (EU) foreign relations, which normally means the gap between excessive expectations toward the EU from abroad and the insufficient capability of the EU that cannot match the expectations. But in EU-Japan relations, a reverse gap that this article calls 'expectations deficit' can often be observed. It is a result of Japan's low expectations of Europe, which remain largely unchanged despite the growing weight and influence of the EU as an international actor. Simply put, Tokyo has yet to regard the EU to be an international (political) actor. This article analyzes the structure that generates the expectations deficit--underestimation of Europe in Japan. It argues that the existence of the 'expectations deficit' prevents EU-Japan relations from flourishing.

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INTRODUCTION

Romano Prodi, the then President of the European Commission, hailed in his address to the Japanese Diet (Japanese legislature) in April 2002 that the relationship between the European Union (EU) and Japan was ‘blossoming as never before’ (Prodi 2002). Indeed, it has become commonplace to describe the bilateral relations to be in good shape. The relationship in recent years has been remarkably free from trade frictions that plagued relations in the past. An ironic consequence of this, however, is that, as former European Commissioner for External Relations Sir Christopher Patten was said to have pointed out, ‘the problem (in EU-Japan relations) is that there is no problem’ (EPC 2004). If EU-Japan relationship is in fact something that becomes problematic when there is no urgent problem to be solved between the two sides, one may wonder what the nature of such a relationship is.

On the one hand, Prodi’s claim, if somewhat exaggerated, is not wholly groundless. Economic relations have never been deeper in terms of both trade and investment, which are primarily driven by private companies. In the intergovernmental domain, Japan and the EU adopted an Action Plan for EU-Japan Cooperation at their annual summit meeting in December 2001 (EU-Japan Summit 2001). The document, which is ambitiously titled *Shaping Our Common Future*, lays out more than hundred items for bilateral cooperation ranging from security and trade to cultural and people-to-people exchanges (Shinyo 2002; Tsuruoka 2002). The overall purpose of the Action Plan, according to Prodi, was to ‘make our cooperation tangible and concrete, raise its public visibility and thus make it more politically credible’ (Prodi 2001). The idea of the Action Plan originated in Japanese Foreign Minister Kono Yohei’s initiative launched by his speech in Paris in January 2000, in which he called for a ‘millennium partnership between Japan and Europe’ and declared the first decade of the twentieth-first century to be a ‘decade of Euro-Japan cooperation’ (Kono 2000). The Action Plan also marked the tenth anniversary of The Hague Declaration of July 1991 between Japan and the then European Community (EC), which defined the basic principle of the relations, spelled out shared values between the two parties such as the rule of law and democracy, and established consultative frameworks between the two sides most notably the annual summit meeting between the Presidents of the Commission and the Council on the one hand and the Prime Minister of Japan on the other (EC-Japan Summit 1991).¹ It is still too early to judge whether the

¹ Even with the new Action Plan, The Hague Declaration provides the basic framework of EU-Japan relations. The relationship between the Declaration and the Action Plan is very similar to that

'decade of Euro-Japan cooperation' envisaged in the Action Plan will turn out to be a success or not. Nonetheless, the document did mark a new start for EU-Japan relations and the momentum for deepening the relationship seemed to have been reinvigorated.

On the other hand, beneath these new developments in EU-Japan relations since the early 1990s the basic structure of the relationship that dates back to the early post-war period does not seem to have changed in a fundamental way. To put it quite frankly, in terms of current issues of politics, security, and economy rather than history and culture, Japan's attention to Europe remains low, so does the public awareness of the EU as an international actor. The relations with the EU are hardly mentioned in the context of general debate on Japan's foreign policy. The same can also be said of the EU, which does not seem to give high priority to the relationship with Japan in its external relations.² The result is that the relations 'are conducted in a climate of relative indifference' (Nuttall 1996: 104), according to Simon Nuttall who was in charge of relations with Japan at the European Commission. He went on to admit that 'those who have a professional stake in maintaining relations do their best to overcome this indifference, but their efforts seem puny compared to the immensity of the problem' (Nuttall 1996: 104). There are obviously more reasons why EU-Japan relations remain underdeveloped in spite of more potential for cooperation. But this article shares Nuttall's assessment that mutual indifference—or put it more diplomatically, the inadequacy of mutual awareness—is one of the most fundamental problems that hinders the development of EU-Japan relations, thus preventing the two from taking advantage of the full potential of their relationship.

What follows in this article is an examination of the Japanese side of this structural problem in EU-Japan relations, namely the issue of Japan's lack of awareness of or expectations toward Europe/the EU. Seen from Europe's standpoint, it is a problem of what this article calls 'expectations deficit'. The concept draws heavily from the argument of 'capability-expectations gap (CEG)' in European Union foreign policy that Christopher Hill introduced more than a

between the Transatlantic Declaration of November 1990 and the New Transatlantic Agenda and the Joint Action Plan of December 1995 adopted by the EU and the United States. On The Hague Declaration, see, for example, Gilson (2000: ch. 5); Abe (1999: ch. 5); Tanaka (2000); Owada (2001). Owada was Deputy Foreign Minister at the time and actively involved in the negotiations of the Declaration. Indeed, the whole process came to be known as the 'Owada initiative'.

² The European Security Strategy (Solana Paper) of December 2003 states that 'In particular we should look to develop strategic partnerships, with Japan, China, Canada and India, as well as with all those who share our goals and values, and are prepared to act in their support' (European Security Strategy 2003: 14). But it does not seem to be representing a changed order of priorities or a surging interest in Japan.

decade ago (Hill 1993). It denotes a gap between excessive expectations for the EU from both inside and outside the Union and the insufficient capability of the EU to match them. The CEG is thought to be pervasive in a wide range of EU foreign relations. In EU-Japan relations, however, a reverse gap that I call the expectations deficit can be observed from the EU's standpoint. This emerged because Japan's expectations for the EU in the international arena remained low despite the growing weight and influence of the EU (i.e. its capability) as an international actor. I argue that the expectations deficit is harmful not only to the development of specific bilateral relations such as EU-Japan relations, but also to that of EU foreign relations as a whole, not least its desire to become a significant power in the world.

The central aim of this article is to conceptualize the expectations deficit and to explore the structure that generates the deficit in EU-Japan relations. This article will proceed in two steps. I will first revisit the concept of 'capability-expectations gap' and explain the idea of expectations deficit in relation to the CEG. Second, I will analyze the structure that generates the expectations deficit in EU-Japan relations, explore its implications for cooperation between the two sides and the EU's foreign policy as a whole. Before going into the body of the article, three points have to be clarified. First, this article is essentially diagnostic in character. It stops short of offering a prescription, which is another important task to be tackled separately. But given the fact that the structure of the problem in EU-Japan relations that this article will discuss has not been examined so far, focusing on diagnosis should be justified. Second, this article is not necessarily intended to advocate closer bilateral cooperation between Japan and the European Union. What it tries to offer is a scholarly examination of the structural problem that lies at the heart of EU-Japan relations. Third, this article will mainly discuss political and foreign policy aspect, or in other words, government-level relations between Japan and the EU. This by no means denies the fact that private business relationships are the deepest among various pillars of EU-Japan relations. However, in the light of the fact that political dialogue and cooperation are the area not only that politicians and officials are now increasingly interested in developing (at least in rhetoric), but also that is least examined by scholars, this article will rather focus on political and foreign policy aspect of the relationship.

WHAT IS EXPECTATIONS DEFICIT?

'Capability-expectations gap (CEG)', as coined by Christopher Hill in 1993, denotes a gap between what the EU is able to deliver in the international arena

through its foreign policy instruments and what people and governments both inside and outside the Union expect and demand the EU to achieve in this regard. The gap opens up because while improving the capability of the EU is always difficult, the expectations and demands to the EU are very easy to increase, often to such an extent that they become unmanageable. The gap thus is an imbalance between low capability and high expectations, which Hill argues is dangerous (Hill 1993: 315). The reasons why it is dangerous are, first, 'it could lead to debates over false possibilities both within the EU and between the Union and external supplicants' and second, 'it would also be likely to produce a disproportionate degree of disillusion and resentment when hopes were inevitably dashed' (Hill 1998: 23). As the gap is indeed detrimental to the Union's foreign policy, it should best be closed, which can only be achieved either by increasing the capability or decreasing expectations (Hill 1993: 321).

Expectations of the EU are composed of internal as well as external elements. It is, however, still important to note that the concept of CEG can be seen as an attempt to take into account what third parties think of the EU in understanding EU foreign policy: perceptions and expectations by third parties matter (Bretherton and Volger 1999: 43). This should be self-evident given the fact that the EU cannot exist in a vacuum. But the problem of CEG when applied to EU-Japan relations is that the concept does not, at least explicitly, envisage the possibility that the gap could sometimes be in the reverse.³ The CEG always assumes that expectations outweigh capability. That is because, argues Hill, 'structural forces exist which keep expectations up just as they limit the growth of capabilities' (Hill 1998: 29). Although it may be generally the case, external expectations should not be taken for granted at all times. This article argues that in EU-Japan relations 'expectations deficit' (or reverse 'capability-expectations gap') has consistently existed and continues to exist today. In theory, the reverse gap can be a result of either excessive capability on the EU's side that should be cut or insufficient expectations to the EU on Japan's side. But the latter should certainly be the case and constitutes the starting point for discussions here.

Does the expectations deficit matter, and if so, why? I argue that it is detrimental not only to the development of EU-Japan relations, but also to that of EU foreign policy in general. First, since external expectations and demands for EU action in the world are thought to be one of the most important stimuli for its foreign policy (Smith 2003: 6-7; Ginsberg 2001: 10; Niblett 2005-06), their absence or insufficient existence would mean decreased impetus for the Union to

³ While Hill acknowledges that 'some outsiders have always been aware of the limitations of European foreign policy' (Hill 1998: 30), his argument does not seem to fully take into account the possibility of reverse gap.

act in the world and to develop its own foreign policy as a whole, which could result in a slow development in EU foreign policy. Indeed, from the outset, external relations of the EC/EU have in large part developed in response to international events and external demands and expectations: they have been reactive rather than spontaneous in other words. Relations with the ACP—African, Caribbean, and Pacific—countries, as a case in point, could not have developed that far without the persistent demands and expectations from the ACP side.

Second, if there are only an insufficient number of major actors in the world who regard the EU to be worth counting as an important partner, its capability and the willingness to do something in the world (assuming that the EU has both) will not be fully utilized. There may be something the Union can do by itself without having partners to work with. But in many cases, the EU needs external partners, preferably major partners, to get things done in this globalized and interdependent world. Indeed, it is the EU itself that always emphasizes the virtue of multilateralism where having partners is a fundamental prerequisite. No matter how hard the EU struggles to establish itself as an international actor, the result inevitably depends on whether the third countries regard the EU as such. The cost of being underestimated should be taken seriously. While this cost seems to be well recognized by EU diplomats who interact on a daily basis with those who regard the EU as little more than a free trade area, most scholars of European Foreign Policy (EFP) tend to overlook or underestimate it. Though I fully share the central concern of CEG that excessive and misplaced expectations are dangerous, I argue that reverse concerns should not be discounted too easily: the expectations deficit is equally alarming to EU foreign policy.

In Japan's case, Tokyo's expectations for the EU or Europe in general seem to be much lower than what they deserve.⁴ Of course, there have been some fluctuations in the degree of expectations to the EU: in the period immediately after the Cold War when there was what was called 'Europhoria' in Europe, Tokyo's expectations (or interest) to the Europe increased to some extent for a while, but it was an aberration. The problem is structural in nature, rather than cyclical, meaning that the expectations deficit cannot be seen as a result of disillusionment after excessive expectations. Nor is the problem a mere reflection of the EC/EU's lack of competence (not least in the foreign policy domain). To be sure, the EC/EU's ability to function as an international actor has been seriously limited by its lack of competence, and Tokyo's expectations for Brussels has, to

⁴ It is almost impossible to measure what expectations the EU deserves to attract. I will not try to quantify expectations for the EU or the capability of the EU (Hill has not tried this either). Therefore, what follows is a general argument, rather than a strictly quantified argument.

some extent, evolved accordingly. But the problem is much bigger and more complex than that, because there are other—domestic and external—elements that determine Japan's expectations for the EU on which it has no control. As will be examined in the next section, Japan's expectations to the EU have remained consistently low. This has serious consequences to the development of EU-Japan relations because Tokyo has often disregarded the EU as its partner in international relations. Developing EU-Japan relations should not be easy in this circumstance.

As mentioned in the introduction, the problem is mutual in nature. Japan's lack of expectations of Europe is only one side of the coin: the other being the issue of the EU's indifference or the lack of expectations of Japan. But in this article I will focus on Japan's side of the problem, namely the expectations deficit from the EU's standpoint, because it is the aspect that has rarely been discussed in the context of European Foreign Policy (EFP) and is remarkable in the light of the seemingly pervasive existence of CEG in EU foreign relations.

Before going into details on the structure that generates the expectations deficit in EU-Japan relations, it would be worthwhile to note that the existence of this problem is not in fact a phenomenon unique to EU-Japan relations. The EC/EU has had more or less similar problem in its relations with the United States. In the history of the relations between the United States and the EC/EU, the latter has always struggled to establish itself as a dependable partner in the eyes of the US (Lundestad 1998; Cromwell 1992; Featherstone and Ginsberg 1995). Though the degree of success in this regard has varied over time, the expectations deficit in EU-US relations has certainly been a cause of concern for Brussels. A general perception that the EU is powerless remains pervasive in the US (Kagan 2003; Mead 2004). Washington has long tended to rely on the framework of NATO, where it can exert bigger influence and traditional bilateral relations with major countries of Western Europe such as Britain and Germany, which do not seem to have disappeared after the end of the Cold War (Cameron 2002: 158-9). EU-Russia relations, though in a different context, suffer from a similar set of problems, which have proven to be detrimental to the development of relations (Forsberg 2004).

In short, it can be argued that EU foreign relations have two distinct aspects: one is a set of relationships with mainly the third world where there is the capability-expectations gap; the other is the relationships with major countries such as the United States, Japan, and Russia, where the expectations deficit can be observed. China's high expectations for Europe may be remarkable in this respect. But it can largely be explained by Beijing's desire to see a multi-polar world in opposition to the US dominance. China in many ways expects the EU to be one of

the major poles of the world that resists the unipolar world led by the US. These ideas are hardly shared by Japan. Reflecting the fact that the relationship with the Third World, which include many former colonies of EU member states, has been the most developed area of EC/EU external policy, not least in institutional terms, scholars in the field have been paying much attention to it. On the other hand, relations with the United State, or transatlantic relations, have tended to be dealt with in a different context with a separate framework. The major influence that the concept of CEG has enjoyed in the study of EFP could be seen as a result of this situation. But the other side of the coin, namely the expectations deficit which has rarely been discussed, must be taken more into account in EFP research.

THE STRUCTURE THAT GENERATES EXPECTATIONS DEFICIT IN EU-JAPAN RELATIONS

It might be tempting to attribute the existence of expectations deficit in EU-Japan relations solely to Tokyo's excessive focus on relations with the United States.

Table. Sources of the Expectations Deficit in EU-Japan Relations

		ORIGINS	
		<i>Japan</i>	<i>Europe / the EU</i>
OBJECT OF LOW EXPECTATIONS	<i>Europe as a whole</i>	Focus on the US and Asia (Japan's indifference to Europe)	Europe's indifference (and even arrogance) to Japan / Different values and principles?
	<i>The EU as an international actor</i>	Lack of understanding on EU policy-making / Preference for bilateral relations with major EU countries	EU's failure in its common foreign and security policy / Complexities of EU policy-making / EU's lack of competences / Different perceptions or interests?

To be sure, it is one of the main sources of the deficit. But what lies behind the expectations deficit in EU-Japan relations is more complicated than it appears to be at first sight. I will divide the sources of expectations deficit into four through two criteria. First, in terms of the origins of the deficit, it can be divided into factors internal to Japan and those which originate on EU side. Second, in terms of low expectations, there are two kinds: one is low expectations of Europe in general, and the other is those of the EU as an international actor specifically. These four categories are illustrated in the table on the previous page, which I will explore in turn.

(1) Japan's Focus on the US and Asia

First, not surprisingly, the lack of Japan's expectations of Europe derives from Tokyo's focus on its relations with the United States and Asian neighbours. Since the end of World War II, the mainstream élites both within and outside the government in Japan have attached the first and foremost importance to relations with the US. An alliance with Washington has always been and remains to be the only guarantee of the very survival and security of the country. The United States is the only ally that can ensure Japan's physical security in the face of any instability in the Korean Peninsula, for example. In the economic aspect as well, the US has long been the largest and the most open market to Japanese exports, on which Japan's post-war economic reconstruction and development have relied to a great extent. The result was an almost excessive focus on the US and a resultant negligence for other potentially important partners in the world, including Europe. It is sometimes criticized that in the Foreign Ministry, the influence of what might be called 'America-first-ism' has been particularly strong. The influence of post-war Americanization has also been widespread in the society as a whole. One Japanese scholar of French literature even pointed out that those who were fascinated by France in the early post-war years belonged to a camp of 'spiritual opposition', often associated with anti-Americanism (Nishinaga 1998: 17). For a country that turned almost exclusively to Europe when it sought modernization in the late nineteenth and early twentieth century, the change of orientation could not have been starker. The United States replaced Europe as the model of post-war democratization, reconstruction and development. At the same time, how to deal with its Asian neighbours has also been a top priority for Japan's foreign policy. Initially, what Japan had to do was to re-establish normal diplomatic relations after the war and settle the reparation issues. Since the 1960s and 70s economic

relations with the countries in South East Asia and North East Asia have become increasingly important.⁵

At least in theory, a strong relationship with the United States and Asia should not necessarily preclude the development of close cooperation with Europe. But the mere fact that the priority given to Europe remained low has resulted in the under-development of relations between the two. Given the limited resources that Japan was able to allocate in its foreign relations, the need for close cooperation with Washington and the Asian neighbours had to crowd out relationships with other parts of the world including Europe. In this circumstance, expectations for Europe could not have increased regardless of the merits of Europe.

In recent years, however, there is a growing, if still limited, awareness in and outside the government that Japan has ignored Europe for too long and wasted the huge potential of cooperation with it, not least in political and security terms, which led to the adoption of the Action Plan between Japan and the EU in December 2001 (Tsuruoka 2002). In a report published in November 2002, Prime Minister Junichiro Koizumi's consultative body, the 'Task Force on Foreign Relations', argued that 'in a new world order, Japan needs to have a strong partner according to individual issues. In some issues, Europe can be a rational choice as such a partner' (Taigai Kankei Task Force 2002: 20). But the overall order of priorities in Japan's foreign relations is not likely to change in a short period of time. Indeed, in that report, the section on Europe comes close to the end, eighth out of eleven, though it does not explicitly say that each issue comes up in order of importance.

(2) Japan's Lack of Understanding and Preference for Bilateral Relations

Second, on Japan's side, the lack of understanding of the EU and Tokyo's preference to deal with major countries of Western Europe bilaterally rather than talking to Brussels have contributed to Japan's low expectations for the EU as an international actor. European integration in many respects has changed the way foreign relations are conducted. In 1970, for example, the European Community

⁵ On the overall development of Japan's post-war foreign relations, Iokibe (1999) is arguably the most authoritative and popular textbook in Japan. It is telling that though the book is supposed to deal with Japan's foreign relations as a whole, it is in large part a history of US-Japan relations. In Japan, mainstream scholars who are regarded to be experts on Japanese foreign policy, not coincidentally, tend to be experts on the United States and US-Japan relations.

(the Commission of the EC) took up large part of the competence in trade under the framework of common commercial policy (CCP), which presented a huge challenge to the third parties who now had to negotiate with a new interlocutor in Brussels rather than more familiar London or Paris. Furthermore, the division of labour between Brussels and member states did not seem very clear, particularly in the eyes of outsiders, which I will discuss later. In Japan at that time, there was simply not adequate knowledge, even in government, about how the EC was working and how Japan had to deal with it. The result was that Japan continued to prefer dealing with individual countries rather than with the EC as a whole, which in turn frustrated Brussels and aroused suspicion that Japan was employing a strategy of 'dividing' Europe (Hosoya 1993: 201-202).

Though Japan's knowledge and understanding on European integration have certainly improved in later years, the problem has not disappeared completely. In a sense, it is influenced by the press coverage in Japan. The majority of the Japanese press tends to be sceptical toward European integration in general, at least in part because they rely heavily on the British press for European news.⁶ Up until just before 1999, many Japanese did not expect that the single currency would be realised as scheduled. Now, very few people in Japan are aware of the recent development of defence cooperation in the EU including the adoption of the EU's first ever Security Strategy in December 2003 and a growing number of EU led military and civilian operations under the framework of European Security and Defence Policy (ESDP).⁷

In spite of the growing experience of dealing with Brussels, the government's preference for dealing with individual countries bilaterally has not become a thing of the past. There are many reasons for this, one of the most important of which being the repeated failures of the EU to speak in a single voice in the international arena, which will be discussed later. On Japan's side, it is because the perception of the EU as an international actor has not been fully established. The adoption of The Hague Declaration of July 1991 between Japan and the EC helped raise the awareness of the EC/EU as an international actor in Japan, at least to some extent. But apart from trade issues where the Commission has an exclusive competence, the role of the EU in the eyes of Tokyo in the broader issues of foreign and

⁶ This is because English is the most accessible language for the majority of Japanese and London sees the largest concentration of the Japanese press in Europe. Many newspapers and broadcasters have their European headquarters in London, and only a handful of major ones have permanent correspondents in Brussels. At the same time, regardless of relying on English sources, journalists, by nature, prefer reporting troubles and failures to achievements and successes.

⁷ The Europeans also have difficulty in recognizing these new developments. See Giegerich and Wallace (2004).

security policy remains vague. In the light of repeated failures of the EU in its attempt to forge a common foreign and security policy, it is difficult for Japan to change its perception of the EU. The EU itself seems to recognize this problem. In its policy document (Communication) on the relations with Japan in 1995, the Commission stated that ‘The EU will not improve its own image in Japan until it is seen to have political weight to match its position as an economic and technological power’ (Commission of the European Communities 1995: 7). One could also argue that the concept of ‘pooled sovereignty’ of the EU is very different from Japan's more traditional understanding of sovereignty, which makes hard for the Japanese to make sense of the EU as an international actor without (traditional) sovereignty. Robert Keohane (2003) argues that there is a difference between the EU and the US regarding the concept of sovereignty. The same can be said, while in a different context, of Japan and the EU.

At the same time, Japan was very active in revitalizing and consolidating bilateral relations with the major countries of the EU in the rest of the 1990s after the adoption of The Hague Declaration. Though the strengthening of the relations with major countries in Europe should not have been a bad thing for the overall relations between Japan and Europe, there was a fear that these rather traditional bilateral relations would ‘dilute’ EU-Japan relations (Tanaka 2000: 16-17).⁸ The above-mentioned report of November 2002 by the Prime Minister’s ‘Task Force on Foreign Relations’ argues, while acknowledging the importance of cooperating with the EU, that ‘it will be necessary for Japan to choose between dealing with the EU [the Commission or the Presidency] and negotiating with relevant member countries bilaterally at its own discretion to suit individual cases’ (Taigai Kankei Task Force 2002: 20). Even before the release of that report, just after his inauguration, Prime Minister Koizumi visited London and Paris in June-July 2001 without calling on Brussels, which indicated the government’s approach to Europe. Though Japan’s degree of preference for bilateral relations with individual countries is influenced by the state of the division of labour between Brussels and national capitals and the effectiveness of EU institutions, most notably the Commission, as will be discussed later, what is important in this section is that Japan's preference for bilateral relations with individual countries is in many ways inherent in nature.

⁸ Simon Nuttall points out that, at the time of the adoption of The Hague Declaration, there was an opposite fear in Europe that ‘a strengthening of Japan’s ties with the EC might lead to a corresponding weakening of links with the Member States’ (Nuttall 2001: 217). It is undeniable that large member states normally prefer keeping their own distinctive relations with major countries outside the EU such as the US, Russia, China, and to a lesser extent, Japan, rather than giving a large role to the EU institutions, not least the Commission.

(3) Europe's Indifference to Japan and Different Principles?

'Indifference' is a word very often used to describe the nature of EU-Japan relations. To be sure, Japan's indifference to Europe has long been obvious, as has been argued so far. But at the same time, indifference to Japan in Europe has also been consistent throughout the post-war period. The problem therefore is that of mutual indifference. To make matters worse, Europe's indifference or underestimation of Japan has been felt by the Japanese involved in the relations between Japan and Europe. Murata Ryohei, a veteran diplomat who served Vice Minister for Foreign Affairs and Ambassador to the US and Germany, argues that, while acknowledging the problem of Japan's indifference to Europe, the biggest characteristic of Europe's attitude to Japan has been its indifference to Japan and expresses his concern that 'ignorance' or even 'arrogance' toward Japan has been pervasive in Europe (Murata 2004: 74-78; Kawashima 2003: 128 and 131). It is hard to deny that Europe's indifference to and underestimation of Japan influenced Japan's own perception of Europe in a negative way: the argument goes like 'given that Europeans are not interested in Japan, we do not have to pay attention to them either'. As far as the situation in Japan was concerned, there was certainly a vicious circle of what can be called mutually reinforcing indifference.

In more concrete terms as well, it is undeniable that European countries' dealings with Japan in the early post-war years did have a negative impact on Japan and its perception of Europe. In this regard, Europe has always been seen in comparison with the United States. The perceptions established after the Second World War through the 1960s in Japan was that the United States was much more open, fair, sincere, and helpful to Japan than West European countries were. In the field of trade and diplomacy, that perception was consolidated in the negotiations of Japan's accession to General Agreement on Tariffs and Trade (GATT) and the Organisation for Economic Cooperation and Development (OECD), during which West European countries were reluctant to accept Japan and tried hard to maintain discriminatory measures against the country (Akaneya 1992; Murata 2000: 14-19). Though such a European stance was not totally without legitimate grounds, it nevertheless left an impression to the Japanese that Europeans were different from the Americans and more difficult to deal with.

This sort of stereotyped perception of Europe established by the 1960s proved to be persistent. Yabunaka Mitoji, a senior Japanese trade negotiator, recalls that, even during the period of fierce trade frictions with the US in the 1980s, the Americans were much fairer and sincere to Japan in trade negotiations whereas the Europeans seemed to prefer going it alone by protecting their own market

(Yabunaka 1991: 203).⁹ Though Japan itself had not had a very good record in terms of trade liberalization until the 1970s and 80s, Japan almost consistently regarded Europe to be protectionist and its complaints about trade deficits to be a scapegoat for its own economic problems (Yoshimori 1986). In spite of The Hague Declaration's assertion to the contrary, people in Japan (and probably the Europeans as well) have been wondering whether the two sides really share common values and principles not least in economy and trade. This is particularly a big problem, because economy and trade have almost always been the two most dominant themes in EU-Japan relations. The overall image of Europe among the Japanese has inevitably been influenced by these negative aspects. But the situation has greatly changed since the mid-1990s, by when trade frictions between Japan and the EU had largely been solved. Receding of trade and economic problems in EU-Japan relations has allowed the EU and Japan to explore possibilities for extending dialogue and cooperation between the two parties to non-economic issues, notably foreign policy and security fields (Tsuruoka 2006). Against this background, the 'decade of Euro-Japan cooperation' was launched. But its long-term impact on the development of EU-Japan relations remains to be seen.

(4) Complexity and Failures of the EU, and Different Interests?

Last but not least, the sheer complexities of EU policy-making and the EU's failures in the CFSP have often brought down Japan's expectations of Europe. First, the complexity of the EU's policy process has often dissuaded Japan from seeking more cooperation with it (Gilson 2000: 61). The Union remains, in many respects, a difficult actor in the world to deal with in the eyes of outsiders. As explained earlier, Japan's lack of understanding of how the EU works is one of the sources of the problem. The Japanese may have to learn more about how the EU works but the EU must also bear some responsibilities on this, given that the same problem can be observed in relations with other countries as well. The EU is itself aware of this problem, which is why the issue of how to make the workings of the EU less confusing to the outside world as well as to its own citizens has been one of the central objectives in successive institutional reforms. Various reforms that were to be introduced by the Constitutional Treaty, signed in October 2004, were expected to improve the situation in this respect. Introducing the posts

⁹ Yabunaka, who is now Deputy Foreign Minister, was Head of Second North America Division (*Hokubei-Dainika*) in charge of economic relations with North America when he published this book.

of EU Foreign Minister and permanent President of the European Council were, among other reforms, supposed to make the EU more visible and understandable in the world stage. Scrapping the current system of rotating presidency, under which external partners see their different interlocutors every six months, would have been another important step to be of particular benefit to both the EU and the third parties. But the failure of the Constitutional Treaty, triggered by the rejection by the French and Dutch voters in their respective referenda in 2005, was a huge blow to the EU's (particularly political) profile in international relations.

Second, the EU's repeated failures to forge a common position on important international issues have often reduced the attractiveness of the EU as a partner in the international arena, not least in the field of foreign and security policy. The most infamous case was its deep division on Iraq during the run-up to the war in 2003. Prime Minister Koizumi and his government had not initially ruled out consultations with Brussels on Iraq, but found it just impossible to carry out a meaningful dialogue with EU institutions—Presidency of the Council, CFSP High Representative, or the European Commission—because of the division among major EU countries and the resultant paralysis of the EU on the issue. That was why, when Prime Minister Koizumi toured European countries immediately after the war in April-May 2003, he chose to visit London, Madrid, Paris, and Berlin before going to Athens for the EU-Japan annual summit. Substantial discussions on the issues of Iraq and other urgent matters were conducted in national capitals and the EU-Japan summit was hardly a climax of the visit, though it adopted a Joint Press Statement in which the two sides expressed their shared support to the reconstruction of Iraq. Given the deep division of opinion on the Iraq War, there was little room for EU-Japan initiative on Iraq, which had nothing to do with Tokyo's tactics or inherent bilateralism in its relations with Europe. In addition to Iraq, one more issue that has been of top priority to Japan has been the reform of the UN Security Council. Japan has been trying to become a permanent member of the Security Council for a long time (Drifte 2000), and stepped up its effort in recent years, especially in the framework of 'G-4 (Group of Four)' with Germany, Brazil, and India in 2005. On this issue again, the EU failed to forge a single voice (mainly due to Italy's opposition to a German permanent membership in the Security Council), and as a result, the EU disappeared from Tokyo's radar screen because it was of no use from the Japanese point of view in seeking its own permanent seat of the Council. Tokyo instead sought bilateral support from individual EU member countries, not least France and Britain as permanent members of the Security Council.

A sense of frustration and uneasiness among Japanese and other Asian policymakers about Europe's (the EU's) behaviours in Asia also affect their

perceptions of Europe and the EU. How to deal with North Korea, China, and Myanmar are cases in point (Kawashima 2003: 129). Especially from the viewpoint of Tokyo, which faces a set of serious problems with North Korea from the issue of abduction of Japanese citizens to that of nuclear development, the EU's more relaxed approach to Pyongyang has often been a cause for concern. The issue of lifting arms embargo on China, which has been under discussion in the EU since December 2003, is also perplexing to Japan and other countries directly involved in the region, including the United States. What was most striking and indeed worrying in the debates on this issue in the EU was that there had been few discussions, not least in initial stages, on the strategic implications and regional consequences of Brussels' decision. The issue of arms embargo thus demonstrated a huge perception gap on East Asia's security environment, which led to the launching of 'strategic dialogue' between the two parties in 2005 (EU-Japan Summit 2005). Beyond as a temporizing mechanism, the central aim of the new dialogue is to forge a common perception on security environment of East Asia between Japan and the EU, through which Tokyo expects the EU to become more attentive to the situations of the region and behave to Japan's liking in the region. But given the inevitably limited room for Europe's role in the security of the Asia-Pacific region, it remains the reality that Tokyo's expectations of the EU's role in the region seem very limited beyond expecting the EU not to do anything harmful to Japan's interest, such as lifting the arms embargo on China.

CONCLUSIONS

As has been discussed throughout, the expectations deficit is a serious phenomenon that has negative impacts on the development of EU-Japan relations. The causes of the deficit are deep and often decades old on both sides. Despite the recent developments in EU-Japan relations symbolized by the adoption of the Action Plan in December 2001, the basic structure of the problem does not seem to have changed greatly. But the extent and the nature of the expectations deficit could always change. Indeed, various sets of both internal and external factors are exerting influence on the calculation of Tokyo's expectations for Europe. Economic, political and social situations in the EU and Japan, direction of US foreign policy, the state of international security and the problems of global environment are just a few examples that could influence, for better or worse, the course of expectations deficit. At the same time, much also depends on the EU, which needs to take into account the nature of the problem and its adverse implications for the development of EU foreign policy as a whole. Scholars

working in the field of EFP would also have to pay more attention to the issue of the expectations deficit in addition to their customary reference to the capability-expectations gap.

In the final analysis, what is clear is that there is no easy solution to the problem of expectations deficit. The shape and the degree of the deficit is a function of many factors that are often beyond the control of government authorities including EU institutions. But any attempt to overcome the problem must start from the full understanding of the fundamental structure of the problem. There is no short cut.

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TRADING SECURITY IN ALLIANCES: JAPANESE AND GERMAN SECURITY POLICY IN THE NEW MILLENNIUM

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ABSTRACT

Throughout the Cold War period and after, German and Japanese security and alliance policies have been frequently compared. Almost all analysts have stressed and continue to stress the basic similarities, rooted in similar histories, geopolitical circumstances, major alliance partners, constitutional limits, etc. This article claims that Germany and Japan have actually parted ways in their security and alliance policies since the early 1990s. Whereas the core function of German security policy is the 'export' of security, facilitated by the fact that there is no realistic threat to its territorial integrity, the core function of Japan's security policy is to 'import' security (from the US). These different functions explain differing attitudes regarding the necessity of nurturing the alliance with the United States, Germany's and Japan's most important military ally. Whereas norms of multilateral and peaceful conflict resolution and the search for more autonomy are strong forces in both countries, exerting a powerful pressure towards a more independent stance, structural factors, but also the self-constructed role of Japan as security importer, prevent these forces from dominating the country's security and alliance policies. The article makes a functional argument that cuts across the established dichotomy of realist and constructivist approaches.

1. A NEW EXPLANATION FOR GERMAN AND JAPANESE SECURITY AND ALLIANCE POLICIES

The collapse of the Soviet Union and the end of bipolarism have sparked a lively and still ongoing debate about the future direction of Germany's and Japan's security policies. In the forty years following their disastrous defeat in World War II, both countries had transformed themselves into economic powerhouses with stable political systems. Both became deeply integrated into international alliances. Their economic rise was facilitated politically as well as financially by the constraints they accepted with regard to their military forces which were limited in size and under tight international supervision. Such a low profile in military matters was made possible by a close alliance with the United States. Washington offered a security guarantee while at the same time providing reassurances for smaller neighbouring countries against potential new threats from their former nemesis.¹

After the disintegration of the Soviet Union, the major motivation for both Germany and Japan to strive for American protection and consequentially accept American tutelage seemed gone. Would they both now transform their economic power into military might and pursue once more independent and possibly nationalist forms of foreign policies? The ensuing debate was shaped by a series of widely quoted articles by neorealist authors who claimed that the anarchic structure of the international system inherently undermined alliances between powerful countries because these, in the interest of self-protection, are forced to balance against other major powers. Rising international power and the weakening of their security dependence would push Germany and Japan towards more autonomous policies and finally even the acquisition of nuclear weapons as the ultimate guarantee for national survival (Mearsheimer 1990; Waltz 1993). Neorealist scholars argued in the early 1990s that signs for such a development were already clearly visible and detected, for example '...the beginning of a more forceful and independent course now that Japan no longer is constrained to "obey US demands"' (Layne 1993: 39). The same trend against a continuation of the vital alliance with the US was supposed to happen in the case of the united Germany.

These rather pessimistic predictions regarding the alliances, however, were refuted by most of the subsequent literature on empirical as well as theoretical

¹ The history of Germany's and Japan's alliance with the US is well known. A few titles suffice as reference: Larres and Oppelland (1997); Schaller (1997); Iriye and Wampler (2001); Junker (2004).

grounds. The rapid militarization of Japan and Germany and the expected dissolution of the alliances did not happen. Institutionalist theories explained this with the embedding of both countries in entangling alliances. These created a common set of interests, reenforced by economic interdependence (Anderson and Goodman 1993). According to this school, alliances accumulate political capital and are able to adapt to new geopolitical situations (Wallander 1999). They do not simply wax and wane as a response to external threats (Wallander, Haftendorn and Keohane 1999). An even stronger argument was made by scholars in the constructivist tradition. According to them, norms shape the preference formation of states and these norms do not simply wither away once new circumstances appear (Katzenstein 1996b). Scholars claimed the existence of particularly strong norms in Japan and Germany which had a huge influence on how these countries interpreted the international environment. Berger wrote of a 'culture of anti-militarism' (Berger 1996: 318) which derived from the lessons of history and manifested itself in a broad societal resistance to the use of military means as instruments of foreign policy. In addition, the elites of both countries are strongly wedded to a multilateral and cooperative mode of conflict resolution. These norms were by now anchored in domestic institutions, firmly entrenched in practices and, thus, do not change easily. Rapid reorientations, such as the ones forecast by neorealists, are very unlikely. Both Japan's and Germany's post-Cold War security policy have been explained in this vein (Katzenstein 1996a; Katzenstein 1997; Berger 1998; Inoguchi 2004). Hanns Maull has popularized the term 'Civilian Power' to describe the characteristics of such policies (Maull 1990). The international policies of civilian powers are dominated by a strong preference for the use of soft power resources instead of military means. The view that Germany and Japan represented prime examples of Civilian Powers gained wide currency and came to dominate research.

This view was put to a test when Germany and Japan increasingly employed their troops abroad in multilateral missions and their leaders started to use rhetoric which emphasized the necessity of autonomous decision-making and a so-called 'normalization' of their foreign policies. However, voices claiming that neorealist predictions were now coming true remained a minority (e.g. Miller 2002; Inoguchi and Bacon 2006). Most studies still claim a basic continuity (Harnisch, Katsioulis and Overhaus 2004; Risse 2004; Maull 2004b; Nielebock and Rittberger 1999; Webber 2001; Maull 2006). The German-American clash on the Iraq War was widely interpreted as German reaction to America's violation of multilateral norms (Rudolf 2005). German and Japanese military missions abroad were seen as the results of exceptional international crises and pressures from alliance partners.

However, this still begs the question why Germany, despite similar normative predispositions, seemed to be much faster than Japan in its acceptance of sending troops abroad as part of its international strategies. In particular, how can we explain the very different responses to the Iraq War of 2003? I argue that the constructivist argument of fundamental continuity obscures the core change in German security and alliance policies and the real reasons for a Japanese policy which (against neorealist predictions) still remains very much wedded to its traditional international policy, in particular with regard to the alliance with the US. The argument advanced here also suggests that policies suggested, for example, by Prime Minister Shinzo Abe's pronouncements in his first policy addresses - to pursue a more robust diplomacy uninhibited by the historical burdens of World War II - will only go so far and not change Japan's reliance on the alliance with the US (Pilling 2006). Nor will the recent nuclear test by North Korea (October 2006), despite a flurry of speculation after that event about a nuclear Japan.

To break up the by now rather sterile dichotomy of realist and constructivist approaches, I focus on the *functional basis* of German and Japanese security policies and the consequences for their alliance policies. Like neorealists, I locate the factors determining these functional bases in constraints resulting from the position of both states in the international system. However, I do not support neorealism's mechanistic view of balancing and bandwagoning, because the motivation behind the policies of states regarding security alliances is not shaped by their relative power but rather by the function of their security policies which in turn also shapes the self-understanding of actors. The approach uses the basic insight of functional theories, i.e. that policies are determined by their function, as heuristic instrument and does not explicitly refer to any specific functional theory. The goal is to cut across entrenched ways of thinking in International Relations (IR) theory. As core functions of a state's security policies I define *security export* and *security import*. Security Importers are states which are unable to solve their fundamental security problems, such as territorial integrity and safeguarding their sovereignty, on their own. Therefore, they have to rely on direct or indirect security guarantees of more powerful states. Their security policy is focused on their own territory; activities abroad result from objectives related to the basic function of security import. Security Exporters need no partners to deal with their fundamental security problems. They try to contain threats by preventively (or pre-emptively) combating potential risks through (military, economic and cultural) engagement abroad.

These two basic functions lead to fundamentally different alliance policies. Security Importers are forced to pursue a policy which is characterized by

asymmetric burden-sharing with one or several dominant security partners. Security Exporters do not need that and try to search for allies in the pursuit of their objectives within the framework of 'equal partnerships'. Security Import and Burden-Sharing were characteristic for Germany's security and alliance policies until the early 1990s, and they still shape Japanese policies. Germany, however, during the 1990s assumed rather quickly the role of a Security Exporter. One consequence was an insistence on nominal equality in its security partnerships and a more variable and ad-hoc pattern in the search for international partners.

To substantiate these claims, I will first analyze the functional basis of German and Japanese security policies and the consequences for their policies regarding security alliances until the end of the Cold War. Then I will look at the changes that occurred in the 1990s and I will derive predictions on the future of German and Japanese policies towards the US.

2. GERMANY AS SECURITY IMPORTER AND BURDEN-SHARER

Burden-Sharing and Security Import were the two fundamental bases of Germany's alliance and security policy after it regained its (semi-)sovereignty in 1949. Chancellor Adenauer's core goal was the consolidation of West Germany², at the expense of quick reunification (Schwarz 1991). The intensifying Cold War made the territorial integrity of the Federal Republic (in particular in the form of the enclave Berlin) seem very precarious. The necessity of guaranteed protection by the former adversary and now allied superpower, the United States, became an unquestioned dogma of Adenauer and his successors. After the US government had come round to the view that West Germany should become a vital part of the Western bulwark against Soviet expansionism, it was in principle ready to do so: the 1951 'troops to Europe' decision embodied the American security guarantee for West Germany and the rest of Europe (Zimmermann forthcoming). However, there was one strict condition placed on this commitment. The Europeans were expected to contribute to the sharing of the defence burden. The central component of burden-sharing as envisioned by the US (and the UK) turned out to be the contested plan for German rearmament: it was to relieve the Western allies from the burden of paying for huge conventional forces and at the same time

² The terms West Germany, Federal Republic, and Bonn (the former capital) will be used when reference is clearly made to the Western part of Germany until 1990. 'Germany' refers to the unified country.

utilize the growing West German economic potential (Zimmermann 2002). Despite intense protests in the German population and among West Germany's neighbours, the plans went ahead. The country's accession to the North Atlantic Treaty Organisation (NATO) in 1955 codified the functional basis of the German-American alliance: Bonn imported security from the US, also in the wider sense reassuring the other Europeans through the continued presence of American troops. West Germany's part of the deal was burden sharing: establishing conventional forces, paying occupation and later stationing costs, providing forward bases for US conventional and nuclear forces and extending numerous privileges to the US army. Economic burden-sharing was also part of the deal: West Germany cooperated in the US sponsored global economic institutions, it soon supported friendly regimes financially and it participated in the global ideological warfare. Nonetheless, the Americans continuously urged the Germans (and other allies) to assume more of the burden. This conflict continues to shape the diplomacy of the Western Alliance today (Duke 1993; Thies 2003; Sloan 2005: 83-86).

West Germany attempted to pursue the sometimes difficult balancing act to keep its defence contribution as limited as possible and at the same time high enough to prevent the US from cancelling the overall deal. However, even in times of severe budgetary restraints and strong transatlantic disagreements on the overall strategy of the West, the pivotal importance of security import as the base line was never put into doubt. This remained stable despite a strong antimilitarist bias in large parts of the German population which advocated a demilitarized Germany (Duffield 1998). This norm certainly influenced the domestic debate and many features of German security policies, often in the form of a combination of pacifism and anti-Americanism. However, it never came to dominate during the Cold War (and after). Similarly, an important part of the German establishment argued for more German autonomy and reduced dependence on the United States. These traditional nationalists, however, were never able to escape the basic logic of German security import.

This was true for the debate on German rearmament, but also during the 1960s when the US became increasingly worried about the economic burden represented by its military commitments abroad. In a series of very controversial agreements, West Germany agreed to use its monetary strength to support the American dollar which, according to the most popular American interpretation, was under pressure not because the US had lost competitiveness vis-à-vis its European partners, but due to the foreign exchange cost of US security commitments (Zimmermann 2002). West Germany's support in this respect and the inauguration of an increasing foreign aid program, which mostly benefited

needy American allies in the global ideological battle, was, like its own defence efforts, completely tied to the interest of protecting its own territory. Bonn's own international policy was relatively passive. Thus, it resisted US demands for a visible engagement in Southeast Asia. Once the American frustration with the unhelpfulness of its allies threatened to spill over into the transatlantic security guarantee, the Federal Republic agreed to important new financial concessions, such as a guarantee to support the dollar. The Vietnam War cast doubts on the stability of American security import. Thus, in the early 1970s, the Germans became more open for steps towards a more autonomous common European foreign policy. As part of their effort to get the Europeans to share more of the burden, this was acceptable for the US. However, as long as the Europeans relied on the American security guarantee, the Americans were not ready to give up their leadership role and West Germany, in the final consequence, never seriously contemplated shedding its asymmetric burden-sharing role for the sake of uncertain European cooperation. The transatlantic Ottawa declaration of June 1974 reaffirmed the basic US security guarantee and the necessity of burden-sharing (NATO 1974).

The intensification of the Cold War in the late 1970s after the Soviets invaded Afghanistan underlined the importance of German security import. Despite mass protests in the population, West German governments agreed to the stationing of medium range ballistic missiles on German soil and undertook further measures to relieve the US from some of the associated burden (Haftendorn 1991: 168). In 1982, Bonn and Washington concluded a Wartime Host Nation Agreement which regulated German support for US forces in the case of a military conflict (Duke 1993: 73). Throughout the Cold War decades the functional basis of the German American alliance never changed: West Germany was conscious of the necessity to import security from the US and agreed to an asymmetric role in the alliance characterized by burden-sharing.

3. JAPANESE SECURITY IMPORT AND TRANSPACIFIC BURDEN SHARING

As mentioned before, Japan's situation after World War II exhibited many parallels to the one of West Germany. First, similarly to the Federal Republic, a widely shared societal norm of non-military conflict regulation was one of the longstanding consequences of World War II in Japanese thinking about international affairs. This pacifist renunciation of military power as means for

resolving conflicts was enshrined in Chapter 2, Article 9 of Japan's constitution. The constitution was imposed by the US, but large parts of the population accepted it as part of Japanese identity, as shown by the presence of strong pacifist parties. Despite this deeply engrained notion, Japan was remilitarized in the framework of an asymmetric alliance with the United States. Japanese post-war leaders were convinced that the country needed protection by the superpower, that is, it had to import security (Schoppa 2002: 103). The Japanese-American Security Treaty of 1951 granted to the US the right 'to dispose United States land, air and sea forces in and about Japan'. According to the treaty, these forces might also be used to protect Japan against outside attacks and even internal riots (if the Japanese government requested such help), and furthermore to maintain security in the Far East, an ominous reference given the ongoing war in Korea.³ In the following years, Japanese diplomacy tried to change this agreement more in line with the logic of its interest in security import: first, to limit its validity to the Japanese territory and, second, to obtain a tight and binding security guarantee from the US.⁴

As in Europe, America's security export had two faces. It protected Japan against Communist aggression and it reassured Japan's neighbours by demilitarizing and controlling the former aggressor. This allowed Japan, like Germany, to put its energies behind economic reconstruction and rapid growth which in turn led to a ceaseless debate between the Alliance partners about the adequacy of Japanese burden-sharing. The so-called Yoshida doctrine, named after Yoshida Shigeru, Japan's most influential politician in the post-war decade, formulated the basic outlook of Tokyo's security policy: close strategic cooperation with the US, radical limits on Japan's own military potential and concentration on economic growth (Green 2001: 11). However, this caused another endless series of debates on permitted and non-permitted forms of support for the global and regional commitments of the United States (Tsuchiyama 2004: 77). In the revised Security Treaty of 1960, the notion of potential American military intervention in domestic conflicts was abolished, but the stationing rights for US forces were renewed. Japan also achieved a more binding form of the US security guarantee and, in a secret side-protocol, granted the US military the right of transit of nuclear weapons through Japanese territory (Gallicchio 2001: 124).

Japanese politicians also realized that the security import from the US entailed a very asymmetric relationship with the Americans. Nationalist

³ For the text of the Treaty see: American Foreign Policy 1950-1955, Basic Documents Volumes I and II Washington, DC: U.S. Government Printing Office (1957).

⁴ This is shown by recently declassified documents from Japanese archives. See: 'Japan studied narrower scope of security pact with U.S' *Japan Policy and Politics*, 28 Feb. 2005.

politicians since have argued for more autonomy and periodically criticized Japan's dependence (Nitta 2002: 77; Green 2001: 13). From the other side of the political spectrum, the socialist opposition railed against any militarization of the country, particularly not in the framework of a close alliance with the US which might get Japan involved in all kinds of international conflicts. Again, however, these forces were not able to prevail against the structural realities of Japan's geopolitical position which required security import and therefore led to a situation in which the 'logic of burden-sharing' (Katzenstein 1996a: 102) defined US-Japanese relations. Conflicts about the respective burdens emerged already during the negotiations for the 1951 Security Treaty. Japan resisted American efforts to create a conventional force of 500.000-700.000 men. Like Germany, it instrumentalized domestic opposition to limit the size of the defence contribution the Americans were able to extract (Schoppa 2002: 101-5). In the end, both sides settled for about a fifth of this ambitious figure.

The treaty of 1960 sparked intense protest in the Japanese population, resulting in the fall of Prime Minister Kishi's government. Many feared that this treaty would force Japan to participate in American military operations in Asia (Schoppa 2002). This danger became very obvious during the Vietnam War. Japan avoided any direct participation in the American effort, but it supported non-communist allies of the US financially and permitted that its territory became a major hub for US operations in South East Asia (Hughes 2004: 27-30). A State Department policy planning paper stated: 'Our object should thus be to encourage Japan to concentrate her military efforts on air and sea defence of the home islands, plus the approaches thereto, while playing a modest role in international peacekeeping, and to urge also that Japan use her growing power along economic and political lines, bilaterally and in regional groupings, to assist the development and stability of countries of the area' (Department of State 1968). However, the Japanese, like the Germans, toyed with the idea of reducing the dependence on the US as a result of the Vietnam disaster. But Japan did not have the German alternative in form of a regional alliance. Another option would have been to develop nuclear weapons. In a secret meeting with high-ranking German foreign ministry officials, the Japanese went so far as to suggest that, despite their signature of the Non-Proliferation Treaty, they were planning to develop nuclear weapons over the long run. Meanwhile they would use Article 9 of the Japanese Constitution to counter American demands for more conventional contributions. The Germans thought such outspokenness 'shocking' (AAPD 1999). However, it turned out that such speculations by Japanese officials were far removed from the reality of the Japanese situation.

The crisis of trust resulting from the Vietnam War actually sparked a reaffirmation of the alliance (Green 2001: 13). As a consequence of the War, dissatisfaction in the American Congress with the contributions of America's allies to the global struggle ran to unprecedented levels, culminating in massive demands for a reduction of commitments abroad. With the Nixon doctrine of 1969, the administration seemed to move into the same direction and demanded an end to the disproportionate share of the military burden born by the US. This debate, which lasted into the 1980s, demonstrated to the Japanese governments that the American security export was based on a quid-pro-quo and not self-evident (Maull 2004a: 323; Tsuchiyama 2004: 78). Japan had to step up its burden-sharing efforts. This resulted in the 'Guidelines for US-Japanese Defence Cooperation' of 1978, in the framework of which Tokyo and Washington intensified their military cooperation (Green 2001: 19-23). They were a first steps towards a geographic expansion of Japanese support by defining the scope of mutual cooperation as including the deterrence of an attack on Japan, common activities in the actual case of an attack, and general support of the U.S. in situations which also endangered Japan's security (Maull 1999: 293-4). As a consequence of the 'Guidelines', the cooperation between the militaries of both countries increased enormously (Katzenstein 1996a: 133). Japan became a major market for US military exports and assumed most of the cost of the American forces stationed in Japan. It also supported other US allies in the region, such as South Korea by extending trade privileges.⁵ Prime Minister Nakasone's Midterm Defence Program for 1986-90 was directly placed under the heading of burden-sharing with the US (Tsuchiyama 2004: 78). At that time, also the previously fragile popular support for the alliance in Japan became more stable (Bobrow 1989).

Japan also undertook efforts to neutralize the threat to the security alliance resulting from the economic clashes of these years. It agreed to voluntary restrictions on exports and continued holding dollar reserves, enabling the US to perpetuate their twin deficits, partly caused by worldwide military commitments (Inoguchi 2004: 44). Despite the intense nature of these conflicts, Japan and the United States never principally questioned the alliance. Japan still needed the security import, and the Americans needed Japanese burden-sharing in the global conflict.

⁵ Memorandum to Brzezinski from Mike Armacost regarding discussions with the Japanese government concerning an increase in Japan's cost-sharing responsibilities for the defense of South Korea, National Security Council, Jan 19, 1978, Declassified Documents Reference System.

4. GERMAN SECURITY AND ALLIANCE POLICIES TRANSFORMED

German reunification sparked intense speculations about the future foreign policy of a bigger Germany, now liberated from the post-war restrictions on its sovereignty. However, it soon became obvious that Germany's international policies would continue within the parameters of restraint and multilateral cooperation set by the post-war diplomacy of the Bonn Republic. Nonetheless, this continuity in the means obscures the fundamental change which is going on since the early 1990s: the transformation of Germany to a Security Exporter, a transformation that was to have a strong impact on the country's alliance policies.

The first Gulf War in 1990/91 was a final manifestation of traditional transatlantic burden-sharing. Germany did not participate in the military campaign; however, it extended wide-ranging logistical support and substantial financial contributions (Duke 1993: 76-81). After the end of the Cold War and in recognition of the central role Germany played in the transformation of Eastern Europe, George Bush senior offered the German government a 'partnership in leadership' and thus a restructuring of the relationship. However, the aspirations to change the alliance into a partnership of equals turned out to be premature. First, the United States still saw an independent European security organization as duplication and a potential waste of resources. The operations in the Balkans during the 1990s furthermore demonstrated to many decision-makers in Washington that campaigns without clear 'leadership' were militarily inefficient. In addition, the Europeans themselves were split regarding the future of the alliance. In the early 1990s, most European NATO members, including Germany, saw no urgent necessity to change the basic terms on which the alliance functioned.⁶

Thus, in the first years after the disintegration of the Warsaw Pact, due to the military superiority of the US and the security deficit in Europe, the German-American security alliance remained wedded to the terminology of burden-sharing and consequentially also the acceptance of American leadership. As argued here, this was the natural consequence of the different functional roles of American and German security policies. However, in a slow way, German security policy began to change during these years. The focal points which became catalysts for this change were the question of Bundeswehr deployments abroad and September 11, 2001.

⁶ On those debates see Schmidt (2000).

Out-of-area operations of the Bundeswehr were first seriously contemplated during the first Gulf War, when the Americans asked the new Germany to participate in military campaigns even if these were not strictly related to the NATO area. Of course, this ran directly against the widespread aversion to the use of military means in Germany which had its roots in the catastrophic experience of World War II. German politicians resisted US demands by pointing to Germany's Basic Law which was interpreted as prohibiting out-of-area operations of the Bundeswehr (Baumann and Hellmann 2001: 68). However, the Gulf War made clear (not for the first time) that this norm could easily conflict with the demands placed on the country by the alliance. In particular, Conservative politicians argued that the bigger Germany could no longer afford to stay at the sidelines when its allies undertook large-scale missions in the name of the alliance. Thus, they demanded an end to the taboo regarding military deployments abroad (Baumann and Hellmann 2001: 71; Duffield 1998: 178).

Solidarity among allies became the argument which was used most frequently by the supporters of German military activities abroad. Governments in particular emphasized the necessity to bolster the German status as reliable partner in the alliance, whenever the question of Bundeswehr deployments was debated during the 1990s. This was, however, not a new argument. German activities abroad were defined here in the same way as earlier burden sharing efforts which were justified by the requirements of the transatlantic or European alliance. Thus, the traditional logic of burden-sharing was the base of this argument, and not a qualitatively new strategy (Takle 2002; Duffield 1998: 175). As we will see, this difference is essential for understanding the divergence of German and Japanese alliance policies.

In the domestic debate, the argument of solidarity with the allies clashed usually with the norm of antimilitarism. This conflict obscured the development of a de-facto qualitatively new base for German security policy which became visible only in the past couple of years. Yet it started already in 1989 as a consequence of the transformation in Eastern Europe and the break-up of Yugoslavia. Germany assumed a central role in the Western effort to stabilize the former Warsaw Pact countries, especially through massive financial transfers. Former Defence Minister Volker Rühle justified that in May 1994: '...if we do not export stability now, we will be sooner or later seized by instabilities ourselves' (Rühle 1994: 422).⁷ In addition to enormous credits for East European economies, Bonn also dispensed large amounts to help scrapping obsolete nuclear weapons

⁷ „Wenn wir Stabilität jetzt nicht ‚exportieren‘, dann werden wir früher oder später selbst von Instabilitäten erfasst“ [This and the following translations are my own].

(Duffield 1998: 87-94). Traditional roles in the alliance were briefly reversed when Germany asked its NATO allies to participate in the cost (Duffield 1998: 94). The German government tried vehemently to multilateralize this stability export in accordance with the major characteristics of West German post-war foreign policy, that is, the use of economic instruments and the embedding of foreign policy in multilateral structures (Gardner Feldman 1999).

Stability export was also the underlying motivation of the efforts of the German government in the intensifying Yugoslav crisis 1991/92. The widely criticized rapid recognition of Slovenia and Croatia was justified on these grounds. Military instruments, however, were not yet considered. Yet, many observers thought already at that time that a strategy of stability export sooner or later could no longer renounce the use of military means. Of course, this argument flew into the face of the traditional norms of peaceful conflict resolution and the renunciation of German military out-of-area operations (Philippi 2001). The conflict was clearly exposed by the Bosnian wars. After lengthy debates, Germany slowly stepped up its participation in military peacekeeping missions, culminating in the Kosovo operation 1999. Apart from the Balkan missions, Germany also participated in the UN-Missions in Cambodia, Somalia and East Timor during these years and recently sent its Navy to help in the stabilisation of Lebanon (for details on the earlier missions, see Wagener 2004). Very soon after the decision to participate in the Kosovo campaign, Chancellor Schröder stated at the Munich Security Conference 1999, that Germany was now 'without any hesitation ready to accept responsibility as normal ally'. This role was not limited to the NATO area: 'In this sense our foreign and security policy has to be a contribution to the global safeguarding of the future. Let's call it what it is: an export of political stability' (Schröder 1999). Germany also gave up its reservations regarding the limited territorial reach of NATO after September 11 (Meiers 2006: 50). Each of these actions sparked heated domestic debates (Duffield 1998: 181-221). The argument that participation in these missions violated the Basic Law was voided by the judgment of the Federal Constitutional Court of June 1994, which held that out-of-area operations of the Bundeswehr within the framework of collective security were constitutional if the parliament gave prior authorization (or in urgent cases, post-facto authorization).

As mentioned, the political debate was shaped by the conflict of those who argued vehemently against the discarding of the anti-militaristic norm, mainly members of the Green and Social Democratic (SPD) parties, and those from the more conservative spectrum who emphasized the importance of solidarity in the alliance. Some commentators therefore argued that interests and norms related to Germany's embedding in multilateral institutions were responsible for the new

policy of the Berlin Republic (Baumann 2001: 179; Duffield 1998: 175; Nabers 2004: 66). However, there are many indications, such as the German position during the war in Iraq and the new German defence guidelines, which suggest that this was one motive but not the dominant reason. In fact, what happened was that a new structurally induced function of German security policy slowly came to dominate policy despite domestic opposition and conflict. It was not a diffuse feeling of solidarity with the US and European allies but rather the transformation into a Security Exporter which explains Germany's quick embrace of military engagements abroad.

This clearly articulated change in the German understanding of its security policy has manifested itself in former Defence Minister Struck's widely quoted phrase: 'The defence of Germany starts at the Hindukush' (Struck 2003a). September 11 and the global reach of terrorism have accelerated this trend. Security export also lay at the heart of the Schröder government's most important strategy document, the Defence Policy Guidelines of March 2003:

'Defence as it is understood today means more, however, than traditional defensive operations at the national borders against a conventional attack. It includes the prevention of conflicts and crises, the common management of crises and post-crisis rehabilitation. Accordingly, defence can no longer be narrowed down to geographical boundaries but contributes to safeguarding our security wherever it is in jeopardy' (DPG 2003).

'Stability transfer' and 'equal partnership' are also staples of Christian Democratic Union (CDU)/Christian Social Union (CSU) statements on security policy (CDU/CSU 2003). Not surprisingly, the Grand Coalition of Chancellor Merkel shows continuity in this respect (Meiers 2006: 58). On Oct 24, the *Financial Times* reported that according to the new 2006 White Paper 'Germany's military (would) officially abandon its primary post-war task of defending the country's borders in favour of a more robust role for German troops on international missions' (Williamson 2006). The White Paper quoted Defence Minister Jung with the words: 'We have to deal early on with crises and conflicts where they originate, to keep their negative consequences to the extent possible distant from Europe and our citizens' (Weissbuch 2006: 18). The language has not changed since the Schroeder government.

The notion of security export was also an essential part of the European Security Strategy of December 2003. Foreign Minister Fischer justified Germany's participation in the European Union (EU) peacekeeping mission in Congo (ARTEMIS), apart from humanitarian aspects and European solidarity

during a speech in the parliament: 'If this continent, our direct neighbour, starts to export the horrible instability which reigns there, the security interests of all Europeans in the 21st century will be directly implicated. The solution of these conflicts to my mind is therefore part of a European responsibility. Germany as one of the most important EU member states has to contribute to that' (Fischer 2003).

Germany's anti-terrorism policy is also shaped by security export. The fight against terrorism is coordinated by the Ministry of the Interior and until recently it concentrated exclusively on the pre-emption of threats from within, by either right- or leftwing extremists. The terrorist attacks since 2001 showed the limits of such a geographically confined concept. Thus, European cooperation was vastly expanded in this field, in addition to German-American consultations.⁸

German security export is furthermore evident in an ideological component: transmitting the German experiences with reconciliation in Europe and the consensual modes of policy-making in the EU into the realm of international politics. This became visible in the argumentation of the Schröder government during its campaign for a permanent seat at the United Nations (UN) Security Council. In its public announcements justifying this initiative, the German foreign office quoted from an article by Karl Kaiser in 'Internationale Politik' which emphasizes German achievements after World War II in this respect.⁹ All these examples are evidence of how the transfer of stability to distant regions and not the attempt to protect its own territory became the focus of German security policy.

What does the transformation from security importer to exporter mean for German alliance policies and specifically the alliance with the US? First, the functions of American and German security policy have become functionally equivalent: both see in the neutralization of potential threats outside of their own territory the central task. Of course, the extent and the means of the respective security export are vastly different, given the geopolitical positions and the enormous difference in capacities. However, the decisive factor of the argument

⁸ For details see the website of the Ministry of the Interior, <<http://www.bmi-bund.de>>.

⁹ 'The postwar foreign policy of the Federal Republic, its record on restitution and reconciliation with its former enemies, its efforts to promote European integration and East-West détente, its tradition of multilateralism and its responsible use of its growing power, its exemplary contributions to development aid, as well as its material and political involvement in the activities of the United Nations have all made Germany a natural candidate for a permanent seat. To forgo this opportunity would most surely arouse consternation abroad and be seen as an evasion of Germany's responsibilities in today's world.' See <http://www.auswaertiges-amt.de/www/en/infoservice/download/pdf/vn/global_commitment.pdf>. The article is Karl Kaiser, A Security Council Seat for Germany, in: Internationale Politik (Transatlantic Edition), 3/2004, 23-30.

made in this article is that both – the US and Germany with its European partners – have functionally equivalent security policies which can be described as security export.

From that follows that the reason for Germany's willingness to accept an asymmetric burden-sharing role in the transatlantic alliance, the security import from the US, has disappeared. This is a decisive change in the bilateral relationship: whereas a traditional burden-sharing role necessarily creates a hierarchy within the alliance, the new role of German security policy removes such a hierarchy. When Chancellor Schröder in the Bundestag on 13 September 2002 said that 'the existential questions of the German nation will be decided in Berlin and nowhere else' (Schröder 2002), he succinctly expressed the new situation, in contrast to the Cold War.

However, this does not necessarily lead to increasing conflict with the US or signal that the transatlantic alliance has become unimportant for Berlin. The strategies of German security policy are, contrary to neorealist speculations, still marked by an instrumental and deeply rooted multilateralism (Duffield 1998: 65). Being a security exporter does not determine whether a state pursues unilateral or multilateral strategies, as the frequent American shifts in strategy after 1945 show. Almost all official German statements on security policy emphasize the importance of the country's transatlantic and European links (White Paper 2006). Demands for a re-nationalization of German foreign policy are relegated to the extremes of the political spectrum (Varwick 2004: 18).

How then can we explain the German position in the Iraq War? Most analyzes emphasize the importance of domestic factors, in particular the 2002 national election campaign, or they see the opposition to the Iraq War primarily as a consequence of deeply rooted anti-militaristic norms in the population (Harnisch 2004: 173-4; Risse 2003: 15). While these factors certainly play an important role, they are not enough to explain the surprisingly blunt way in which Germany opposed the United States. Almost all statements by high-placed German officials on US-German relations in this period use phrases that are variants of 'equal partnership' (e.g. Struck 2003b). The *New York Times* quoted Schröder: 'But consultation cannot mean that I get a phone call two hours in advance only to be told: We're going in. Consultation among grown-up nations has to mean not just consultation about the how and the when, but also about the whether' (New York Times 2002). The Iraq War was not the first time the US has undertaken unilateral actions without consulting its allies. However, the difference is that the policy of the Bush administration not only violated the traditional norm of multilateralism, but also the new self-understanding that came with a new function of Germany's security policy which does not accept an asymmetric burden-sharing role

anymore. The United States still bases its policy on such an understanding of mutual relations. However, the equivalence of US and German security policy creates German demands for a 'partnership of equals', in the sense of sovereign countries operating at eye level.¹⁰

Without these differences of opinion, it would not be inconceivable for Germany to participate extensively in the stabilization of the Iraq, a major potential target for security export (but not in the original military campaign which, according to most Germans, exported instability to the region). Of course, budgetary constraints and remaining doubts about the new role make any spectacular operations by the German forces rather unlikely. In addition, popular opposition to military engagements abroad remains high. However, this does not change the basic fact of the functional re-orientation.

5. CONTINUITY IN JAPANESE SECURITY- AND ALLIANCE POLICIES

After the collapse of the Soviet Union, the original rationale of the Japanese-American alliance seemed gone (Maull 2004a: 323-4). Many commentators now expected a quick normalization of Japanese security policy. An intense debate has started in Japan whether the geopolitical changes require a fundamental transformation of its security policies.

One of the major catalysts of this debate was the first Gulf War 1990-91. Japan pursued a similar policy as did Germany. It resisted US demands for a participation of Japanese troops on the ground and extended substantial logistical and financial help. The government tried to initiate legislation which would authorize Japan's participation in UN peacekeeping missions but it failed to win approval in November 1990 (Katzenstein 1996a: 126; Green 2001: 18). In any case, the threat to Japan's economic situation from Iraq's occupation of Kuwait was effectively removed by the US. Thus, Tokyo continued to operate within the basic logic of burden-sharing.

However, Japan's reluctance once again threatened to undermine the American security guarantee, because of intense domestic reactions in the US regarding the perceived Japanese free-riding behaviour, notwithstanding the huge financial contributions. A new wave of Japan-bashing swept the country

¹⁰ See already Minister of Defense Rudolf Scharping's speech of 5 July 1999 in Berlin; Europäische Sicherheitspolitik und die Nordatlantische Allianz, in: *Presse- und Informationsamt der Bundesregierung*, 1999, Stichworte zur Sicherheitspolitik 07, 56-60.

(Reischauer Centre 1992: 10-17). Tokyo realized that its so-called check book diplomacy had not yielded any political gains and had placed the country in a rather humiliating position (Green 2002: 24). Consequentially, Japanese governments began to advocate greater participation by its forces in military missions abroad (Green 2001: 197). The main lines of the ensuing debate were drawn in a similar way as they were in Germany. Many argued for the continuation of Japan's civilian power status, stressing the pacifist traditions of the country. Some demanded participation in UN missions to prepare for the end of US protection (Ichiro Ozawa, 1994 *Nihon Kaizō Keikaku*; quoted in Mochizuki 1997b: 57-9; Green 2001: 19) or for a regional security system to lessen dependence on the US.

While this debate went on, Japan in fact moved towards direct participation in UN missions, provided its forces were not implicated in any combat activities (Katzenstein 1996a: 126-7; Aoi 2004: 116-7). In the mid-1990s Japan participated in a UN mission in Cambodia (Haar 2001: 131-44). In December 2001, the country sent troops to East Timor to support a peaceful transformation after the civil war. The most spectacular engagement, however, was the participation in the Iraq War since 2003. Tokyo thus seems to move down the same path as Berlin. However, it is not the same phenomenon: Japan did not make a conscious decision to export security.

Most Japanese decision makers do not see these activities in the framework of intrinsic strategic objectives but rather as a means to strengthen the security partnership with the US (Mochizuki 1997b: 59-61). The argument is similar to the one made by many in Germany during the 1990s regarding the importance of demonstrating solidarity in the alliance. In the final consequence, Japan's ambivalence about military engagements abroad has been trumped by the 'alliance imperative of demonstrating support for the US in Iraq to consolidate support for Japan' (Hughes 2004: 47). In a press conference on the extension of the service of Japanese Forces in Iraq in early 2005, Koizumi indicated that strengthening the alliance with the Americans was the major reason: 'Japan cannot secure its peace and independence alone in the context of international coordination and the Japan-US Alliance. I am aware of the significance of the Japan-US Security Treaty, considering the current and potential future situation regarding Japan's neighboring countries... Many people agree that the Japan-US Alliance and international coordination is the way to ensure Japan's development and prosperity. My decision this time is to implement this in concrete terms. I have no doubts about my decision' (Koizumi 2005). Koizumi's attempts to revise the constitution to enable Japan to participate more effectively in peacekeeping missions also have been explained in this vain (Pilling 2004).

For one, military cooperation with the US has become more and more extensive. The Japanese government, in the *National Defence Program Outline* (NDPO) of November 1995, stressed the security partnership more than ever and declared its willingness to participate in UN missions (Mochizuki 1997a: 13-14). In the so-called Nye-Initiative of 1995, the US emphasized the continued necessity of keeping troops in East Asia, signalling that it would not give up its role as security exporter (Funabashi 1999: 248-54).

In April 1996, the US and Japan concluded an agreement regarding the provision of military services by the Japanese for American forces (Maull 2004a: 324). This intensified cooperation resulted in the 1997 *Guidelines for US-Japan Defence Cooperation* (Guidelines 1997). These did away once and for all away with the geographic restrictions for Japanese support of American operations (Smith 2003: 122). At the same time, both countries signed an *Acquisition and Cross Servicing Agreement*, which foresaw Japanese support for American peacetime manoeuvres and in peacekeeping missions with or without UN-mandate (Hughes 2004: 99). In this context belong also the recently regularized meetings of the Japan-U.S. Security Consultative Committee.¹¹ The continuation of Japan's security import is also shown by its pursuit of participation in the planned Ballistic Missile Defence system of the US (Nakamoto 2006). Of course, the real threat of North Korea, dramatically displayed by its recent nuclear test and missile tests over Japanese territory, is one of the major reasons for that as well as a potential Chinese threat. Again, this will result in increased technological and strategic dependence on the US (Hughes 2004: 114). The basic logic behind these reaffirmations of the bilateral alliance remained burden-sharing.

Second, the necessity to import security from the US is also caused by Japan's failed attempts to establish regional security structures and cooperation mechanisms. The underlying reason for that is the dominance of the bilateral partnership with Washington:

'With regard to...regional multilateral frameworks, such as the Asian Regional Forum, and Japanese participation in UN peace-keeping operations and the 'war on terror', Japan's exploration of multilateralism is designed more to ultimately strengthen bilateral cooperation with the US. In no way do Japanese policymakers seriously contemplate multilateralism as providing an alternative or even rival to the bilateralism of the security treaty' (Hughes 2004: 118).

¹¹ <<http://www.mofa.go.jp/region/n-america/us/security/scc/index.html>>.

The centrality of this alliance is stressed almost unanimously by research: ‘Japan remains dependent on American hegemony for its own security in East Asia....Indeed, much of Japanese diplomacy is aimed at buttressing U.S. leadership in the United Nations and the international financial institutions’ (Green 2001: 5; see also Aoi 2004: 120). Thus, there is no fundamental change in Japanese security and alliance policies. The core function remains the same as during the Cold War: stabilizing and even enhancing the Japanese-American security alliance (Maul 2004a: 335; Soeya 2005).

Of course, this means that Japan continues to be relegated to a burden-sharing role which it does not like and which strongly constrains its autonomy. Japan is still forced to import security from the US. Two structural reasons of Japan’s international environment are responsible for this: first, the continued threat from North Korea and China (Funabashi 1999: 254-6; Hughes 2004: 42-46). In addition, conflicts with Russia are possible, for example the Kuril and Sakhalin Island controversy; second, Japan is not integrated in trust-enhancing regional structures and it has not made a determined effort to come to terms with its past (Berger 2003; Aoi 2004). This perpetuates tensions in the region and deprives Japan of an alternative to the US security guarantee.

Thus, the US-Japanese alliance is still dominated by the logic of burden-sharing. The dynamic of bilateral relations always follows the same blueprint: ‘Japan seeking both autonomy and a greater defence commitment and the United States seeking greater burden sharing’ (Green 2002: 29). The imperative of security import continues to trump the norm of antimilitarism and the search for independence. Japan will continue to be confronted with American linkage strategies in bilateral economic relations (which Germany escaped through EU common trade policies and a redefinition of its security role).

CONCLUSION

Germany’s alliance policies have fundamentally changed: its security partnership with the US was defined by burden-sharing and American leadership and it is now defined by an equality of functions, causing a demand for a balanced partnership. Since the mid-1990s, Germany and the US conduct a functionally equivalent security policy - Security Export – whereas during the Cold War, Germany had to import security from the US and was constrained into a burden-sharing role. Thus, the fundamental goals and means of the US and Germany look more alike: both try to contain threats to their security by intervening politically, economically and militarily in the international system. Slowly, Germany equips

itself with a similar range of instruments to fight these threats, albeit, of course, on a much lower quantitative level and under serious financial constraints. Besides normative preferences, this requires the continued integration of German security policy in multilateral structures, in particular the European Security and Defence Policy.

Although Japan on the surface seems to move towards security export, its relations with the US and its security policy are still fundamentally based on burden-sharing and security import. The latter is required because of the threat from North Korea, China, and possibly Russia. In addition, Tokyo has no regional alternative in its security policy, similar to European security cooperation. Thus, unlike Germany, Japan perpetuated and intensified its security cooperation with the US in the past 15 years and consequentially also its burden-sharing role. A more equal partnership between the US and Japan, as urged by the Armitage report of 2000 (Armitage 2000) is hardly likely, even if Japan assumes more tasks outside of its own zone of influence. This basic situation will not change in the near future.

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TOWARDS A COMMON EUROPEAN POLICY ON CHINA?¹ ECONOMIC, DIPLOMATIC AND HUMAN RIGHTS TRENDS SINCE 1985

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ABSTRACT

This article argues against the received view of European Union-China relations as hostage to historical rivalries and competing national interests between EU member states. It analyzes the trends in the EU's economic, political and human rights policies towards China since the 1985 European Community-China Trade and Cooperation Agreement was signed. By focusing on the interactions between three major member states with significant interests in China - Germany, France and the UK - and the Europeanization pressures which undercut national leaders' powers, and shape their preferences and options, it argues that there has in fact been significant convergence in the policies of the major EU states and the European Commission towards China.

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INTRODUCTION

This article examines the Europeanization processes in European Union (EU) foreign policy vis-à-vis a major Asian country (China). The received view of EU policy towards China is that it is hostage to historical rivalries and EU member states' competing national interests (Grant 1995; Neves and Bridges 2000; Barysch et al. 2005: 10-20). The influence of third parties (especially the USA) also looms large in the EU-China relationship. Indeed, EU-China ties have notoriously been characterized as 'secondary' and 'derivative' of relationships with the USA or USSR (Yahuda 1994; Shambaugh 1996). Three episodes since the 1985 European Community (EC)-China Trade and Cooperation Agreement (TCA) are often highlighted as symptomatic of EU incoherence with regards to China. First, the breakdown of European solidarity in the EC's sanctions policy following the Tiananmen massacre in July 1989. One by one, the member states from 1990 broke ranks with the common sanctions in order to gain political and economic favour with Beijing (Wellons 1994; Wong 2006: 88-95). Sectarian (chiefly economic) national interests are often presented as paramount in the calculations of EU foreign policy makers, to the detriment of collective goals such as the promotion of human rights. Second, the April 1997 breakdown of the common General Affairs Council (GAC) position on sponsoring an annual EU resolution criticizing China at the United Nations Commission on Human Rights, leading to a climbdown in the EU's confrontational human rights policy (Clapham 1999; Human Rights in China 1998; Foot 2000). Finally, EU member states barely held together in 2004-5 over German and French attempts to lift the arms embargo on China (in place since 1989); with the EU-25 backtracking in the face of internal divisions and energetic warnings from Washington (Gompert et al. 2005; Godement 2004, 2005).

In contrast to this mainstream view of EU incoherence, a minority view perceives harmonization of the EU's China policies. Some analysts note that the EU is connected to China through extensive channels of cooperation, and that its China policy is 'in progress' (Wiessala 2002: 104; Bâtie 2002). Others argue that increasing Franco-German cooperation would form the nexus of common EU approaches towards China (Nesshöver 1999). This article contends that there has in fact been convergence of EU member states' policies towards China. An analysis of trends in three key areas of EU-China interactions (economics and trade; political-strategic ties; and human rights) and the Europeanization pressures which shape member states' preferences and options, reveals significant convergence in the policies of the major EU states and the European Commission over 20 years.

Europeanization

The novelty of ‘Europeanization’ in foreign policy studies is a function of the debate on the existence of a common European foreign policy (Wong 2005, 2007). Yet analyzing the EU’s foreign policy is problematic because it is not a unified state actor, neither does it have clear and consistent external objectives. Instead of a coherent and authoritative decision-making centre, national foreign policies persist and operate alongside – and sometimes at variance with – ‘EU’ policies defined by the European Commission, the European Parliament and/or the General Affairs Council. As the EU is not a unitary actor, ‘EU foreign policy’ (EFP) is usually understood and analyzed as the sum and interaction of the ‘three strands’ of Europe’s ‘external relations system’, comprising: (a) the national foreign policies of the member states; (b) EC external trade relations and development policy; and (c) the Common Foreign and Security Policy (CFSP) of the EU (Hill 1993; Ginsberg 1999; Tonra and Christiansen 2004).

The concept of foreign policy Europeanization is often employed to explain the top-down (‘downloading’) adaptation of national structures and processes in response to the demands of the EU, or what some call ‘EU-ization’ (Tsardanidis and Stavridis 2005; Miskimmon and Paterson 2003). Under the CFSP, ‘Europeanization’ can be understood as a process of foreign policy convergence. It is a dependent variable contingent on the ideas and directives emanating from EU institutions in Brussels, as well as policy ideas and actions from member states. Europeanization is thus a process of change manifested as policy convergence (both top-down and sideways) as well as national policies amplified as EU policy (uploading). In this article, Europeanization is understood as three distinct but inter-related processes according to the agents, targets and directions of change. As a downloading process, Europeanization is the process of change in national foreign policies caused by participation over time in foreign policy-making at the European level. As an uploading process, it is the projection of national preferences, ideas and policy models to the EU level. Europeanization is thus a bi-directional process that leads to a negotiated convergence of policy goals, preferences and even identity between the national and the supranational levels (Hill and Wallace 1996; Aggestam 2004; Wong 2007).

China as a Case Study

China is an interesting case study of EU foreign policy, as it ranks among the most important countries in the EU’s external relations. Not only is it the most

populous country on earth, China has the fastest growing major economy, is the EU's second largest trading partner after the US, and is the centrepiece of EU policy in Asia. It is increasingly viewed as economically, politically, militarily and even culturally strategic to European interests (Commission of the European Communities [henceforth "Commission"] 1995, 1998, 2001a, 2003; Shambaugh 1996; Neves and Bridges 2000; Edmonds 2002). The EU is China's largest trade partner, and Europe is useful to China as a counterweight to US influence in China's economic and political development, and even as an alternative source of strategic technology (Bâtie 2002; *FEER* 2004; *IHT* 2005). Diplomatic relations were first established in 1975, the first bilateral trade agreement, signed in 1978, and a Trade and Cooperation Agreement, in 1985 (still in force). An EC Delegation was opened in Beijing in 1988, but common political and economic sanctions were imposed by the 1989 Madrid summit following the Tiananmen massacre in Beijing on 4 June 1989.

A common policy on China was officially defined only in July 1995, when then-Trade Commissioner Sir Leon Brittan unveiled the EU's 'A Long-term policy for China' (Commission 1995; Shambaugh 1996). This trade-centred China policy was enlarged in 1998, 2001 and 2003 by EU policy documents to clarify EU political and human rights interests in China after intramural disagreements in 1996-97 (Commission 2003). Political and human rights policies towards China have witnessed a significant convergence of policies between Paris, Berlin, London and Brussels. French-inspired characterizations of the US as an '*hyper-puissance*' that needs to be balanced by other powers – in particular the EU, China and Russia – have updated the Gaullist perspective in which China is the most promising, if not sole rising power capable of challenging continued US hegemony in the 21st century (Védrine 1998; Brzezinski 2000). The rise of China fascinates many Europeans, recalling the Napoleonic prediction that 'when China awakes, the world will tremble' (Peyrefitte 1973, 1996; *Economist* 2000).

Some writers have scoffed at the idea of a credible EU policy in international politics, or even the existence of an EU policy at all (Bull 1983; Clapham 1999). Indeed it has been argued that the EU has so far failed to surmount the national reflexes of member states (especially Britain and France) with significant colonial histories in Asia in order to pursue a common and coherent strategy in China (Neves 1995). While some see the consolidation of Franco-German coordination as the foundation for a common EU policy in China, others argue that member states must surrender more authority and coordination power to a central authority, in particular the Commission (Nesshöver 1999: 95; Ferdinand 1995; Neves 1995).

I. ECONOMIC RELATIONS

Trade is arguably the backbone of the EU-China relationship (Dent 1999). EU member states adopt a continuum of economic strategies to promote both their national and collective economic interests in China. They range from aggressively championing *national* industries, to partnerships with other EU states, to cooperating on a pan-*European* platform in the pursuit of economic goals.

On one end of the scale is the mercantilist strategy of pushing politically motivated *national* initiatives and large-scale *grands contrats* signed by governments. This has been the typical French approach – with varying degrees of success and often erratic results hostage to fluctuating political relations – since at least 1964 when Paris established full diplomatic relations with Beijing (Taube 2002). Politically motivated deals were the most effective means to ‘get back into the game’ in a command economy, and for a few years in the 1960s, this strategy worked. In 1981-83 under Mitterrand, French agricultural exports – primarily wheat – increased dramatically to constitute one-third of all French exports to China, but then collapsed to less than 2 per cent in 1984 (Taube 2002: 83). In 1996, President Chirac announced the ambitious goal of tripling the 2 per cent French share of China’s trade to 6 per cent within ten years.² During a state visit to China in May 1997, Chirac brought with him some 200 French industrialists and CEOs. Beijing agreed to buy 30 new Airbuses worth \$1.5 billion, and together with contracts on power stations and car production, the visit yielded \$2 billion worth of contracts.

However, French government-led economic initiatives tend to be launched in fits and starts, and have failed to coax small and medium sized French enterprises to invest in China. Many smaller French businesses that ventured in soon after China’s opening in 1978 discovered that China would first become a great exporting nation before being a market for luxury products such as cars, perfumes and wines, the products in which France is competitive. By some estimates, only 5 per cent of the Chinese population is able to buy goods that are imported or produced by Sino-foreign joint-venture companies (Hubler and Meschi 2001: 158, 168; Chol 2002). Unlike British and German businesses which in the 1980s and 1990s made China a priority country in their international or at least regional (ie. Asian) strategies, French companies still prefer to locate and invest in Indochina. China is a second-tier recipient of French Foreign Direct Investment (FDI),

² *Le Monde* (1996). The author’s interviews with French Foreign Ministry officials in March 1996 and the Chinese Embassy in Paris in September 2000, confirmed the French determination to match the German presence in the China market.

receiving far less from France than from other EU member states, the US and even tiny Singapore (Dorient 2002: 188).

The German strategy is to adopt pragmatic policies that emphasize good political relations and ignore political or human rights differences. West Germany during the Cold War had concentrated its energies on building good economic relations with the People's Republic. This pragmatism can be traced to at least 1955 when despite the 'Hallstein doctrine' which refused diplomatic recognition to all states which recognized the German Democratic Republic, the Federal Republic of Germany (FRG) established a trade office in China. This pragmatic economic policy soon paid good dividends. By 1966, the Federal Republic had become China's top European trading partner (Möller 1996: 708,712). In the 1980s, it was estimated that almost 50 per cent of the foreign technology imported into China came from the FRG (Kapur 1990: 185). In contrast to the state-led initiatives emanating from France, German business dealings in China have tended to be led by the private sector. The government plays the role of trade and investment facilitator rather than initiator.

Compared to France, the German state's support for German firms in China has been more sustained and less disrupted by bilateral political issues. The largest bilateral project in recent years has been the commercial use of the German-built Transrapid magnetic levitation train, a project which met stiff competition from Japanese and French rivals. The strong commitment of Chancellor Schröder and Premier Zhu Rongji was instrumental in this contract being awarded to Germany.³

Since the mid-1990s, Germany alone has accounted for nearly 40 per cent of total EU trade with China, over twice as much as Britain, China's second largest EU trading partner (Shambaugh 1996: 21). In 2004, Germany accounted for 41 per cent of the EU 25's total exports to China (Table 1). Germany's policy towards China since 1992 had been founded on three principles: silent diplomacy (hence no human rights confrontation); change through trade (encouraging political liberalization in China via economic development); and a strict 'one-China' policy (Nesshöver 1999: 95). The success of the 'German model' was evident in its enhanced trade position. German exports to China practically doubled between 1992 and 1994, from DM5.7 billion to DM10.2 billion. The UK (+71 per cent), Italy (+71 per cent), Netherlands (+146 per cent), Spain (+226 per cent) also witnessed significant export growth to China. In contrast, French exports only grew 22 per cent in the same period as a consequence of a diplomatic

³ Auswärtiges Amt (2004) claims that, 'as this example shows, strong state support continues to be an important factor in the success of German companies in China'. Available from: <<http://www.auswaertiges-amt.de/www/en>> [22 June 2004].

freeze between Paris and Beijing. Meanwhile, Germany systematically depoliticized economic relations with China. Germany recognized the significance of Asian new markets when EC trade with East Asia overtook EC-US trade for the first time in 1992, and took the lead in formulating its 'Asian policy' in October 1993. The central ideas of Germany's Asian policy were 'to strengthen economic relations with the largest growth region in the world', restore high level visits to Beijing and stop applying pressure on human rights (Nesshöver 1999: 9; Maull 1998: 194). In December 1993, Chancellor Kohl returned from a visit to China with a pile of contracts and letters of intent. A few months later, Bonn was the first Western capital to host a visit by Chinese Premier Li Peng, despite Li's close association with the Tiananmen crackdown.

Germany's economic success in China made an unmistakable impact on other EU member states' policies. The British Secretary for Trade and Industry Michael Heseltine visited China in 1994 accompanied by 130 businessmen (Cabestan 1995: 42). A joint Franco-Chinese communiqué was issued in January 1994 during Prime Minister Balladur's visit, which committed France to recognize one China and to refrain from selling new arms to Taiwan. The French Industry Minister Gérard Longuet followed this up by visiting Beijing and Hong Kong in mid-1994 to launch 'Ten initiatives for Asia'. China in the late 1990s became the developing world's top recipient of Foreign Direct Investment (FDI), and even edged ahead of the United States as the world's top FDI recipient in 2002 (\$53 billion; *Economist* 2003).

Table 1. EU Trade with China (Percentage shares of largest EU Traders)

	1978	1988	1989	1992	1993	2004	
Germany	52.1	41.1	35.6	42.7	43.0	40.9	Exports
Italy	9.8	19.2	17.9	17.1	18.3	8.9	
UK	9.2	10.8	9.9	8.6	8.3	7.9	
France	10.4	13.7	22.5	16.1	11.9	12.5	

	1978	1988	1989	1992	1993	2004	
Germany	30.2	31.9	33.7	38.5	40.1	22.0	Imports
Italy	16.4	18.5	18.4	14.3	12.5	8.9	
UK	17.6	10.2	9.5	8.6	9.6	15.6	
France	18.6	18.7	18.8	18.0	17.7	9.2	

Sources: Eurostat; Richard Grant 1995: 93; and Andreosso-O'Callaghan and Nicolas 2007: 37. NB: Figures for the UK above are artificially low as they exclude trans-shipment trade through Hong Kong.

Among EU member states, Britain and Germany have been the most bullish on China. Since 1999, Germany has been competing with the UK as Europe's largest investor, although both lie far behind Hong Kong, the US, Taiwan and even Singapore. German companies are strong in several sectors – notably in the chemicals industry and in luxury cars. In 2002, China overtook Germany's long-time partner Japan as Germany's most important export market in Asia (Auswärtiges Amt 2004).⁴

French governments have pushed to 'catch up with the Germans' and have tried copying the 'German Model' of strong economic and political relations with China. In 1995, Foreign Minister Hervé de Charette announced that Asia would receive special attention as the '*nouvelle frontière*' of French diplomacy. French leaders' visits to China began to take on a pattern of political dialogue on international developments, accompanied by announcements of contract signatures (Wong 2006: 65-76). The Department of External Economic Relations (DREE) in the French Finance Ministry increased the number of officials working in its East Asian departments; the Ministry also increased its activities promoting trade and spent much time consulting with Chinese and other Asian colleagues during the 1997-8 Asian crisis (Dorient 2002: 180-81).

Playing the European Card

A third (and increasingly favoured) strategy is to use the 'European card' in economic dealings with China. Since 1985, the Commission has been the engine in developing various forms of economic cooperation between Western Europe and China. The EC-China Joint committee created by the 1978 bilateral agreement and affirmed in the 1985 EC-China Trade and Cooperation Agreement quickly became the most institutionalized component of the EC's interactions with China, with the Commission playing the role of intermediary.⁵ The European Community as a whole witnessed a rapid expansion of relations with China in the 1980s.

Against the backdrop of China's phenomenal growth rates, the EC has emphasized commerce with China. This allowed for the EU's economic exchanges with China to continue growing despite the frequent political tensions between individual European actors (the Parliament, Britain and France in particular) through the 1990s (section II of this paper). The 1995 China strategy

⁴ If trade with Hong Kong is included, this has been the case since 2000.

⁵ A good account of this period is found in Kapur (1990: chapter 9 and 10).

paper recognized the 'rise of China as unmatched amongst national experiences since the Second World War'. It followed on the Commission's 1994 'Towards a New Asia Strategy' initiative but placed even more attention on China as a 'cornerstone in the EU's external relations, both with Asia and globally' (Commission 1994, 1995). The 1994 and 1995 papers took very similar positions to those of Germany and Britain. All emphasized economic relations and looked upon China as a 'cornerstone' of the EU's 'New Asia Strategy'.

Negotiations following China's 1986 application to join the General Agreement on Trade and Tariffs (GATT)/World Trade Organization (WTO) (achieved in December 2001), further consolidated the Commission's role as the central actor in economic relations between Europe and China. Unlike the US, the EU was receptive to Chinese arguments to be treated as a developing economy and thus brokered China's agreement to accept commitments to an open market economy over a phased schedule. Based on objectives spelt out in the Commission's 1998 'Comprehensive Partnership' country strategy paper, then-External Trade Commissioner Pascal Lamy reached an agreement with China on its WTO accession on 19 May 2000. After years of intense negotiations, the member states succeeded in coordinating their efforts under Lamy to pry open protected sectors such as insurance, telecommunications, banking, aviation and infrastructure building - sectors in which European companies are strong (Le Monde 2000a). Despite the absence of a new TCA (stalled over China's objections to the inclusion of human rights conditionalities) to replace the 1985 Agreement, EU-China trade continued to expand at a spectacular pace, from €17 billion in 1990 and €70 billion in 1999, to over €174 billion in 2004 - total trade increased over forty-fold between 1978 and 2004 (Commission 2006). In 1999, the EU overtook Japan to become China's second largest export market. European companies invested US\$4.5 billion in China in 1999, making the EU the largest foreign direct investor in China that year, and the second in 2000.

Overall EU economic policies in China are a blend of national and joint European policies. On one hand, member state governments promote their 'national champions' in Beijing. Yet since the 1985 EC-China TCA, they have uploaded their distinct policy preferences and used the Trade Commissioner as a cover to confront China over trade disputes ranging from textiles to car parts (Mandelson 2005; Straits Times April 10, 2006; Economist 2006; Andreosso-O'Callaghan and Nicolas 2007). Since the 1994 'New Asia Strategy' and slew of China policy papers (Commission 1995, 1998, 2001 and 2003), the member states have entrusted the External Trade Commissioner to conduct economic negotiations with China as a collective unit. They have uploaded to the Commission their individual preferences to tackle an ever-growing trade deficit

with China. The convergence of member state and Commission economic policies was achieved only after a series of political frictions between China and individual EU states. These problems rallied them to an unanticipated level of cooperation in throwing their support behind the Commission so as to maximize their economic leverage as a trading superpower.

II. POLITICAL AND STRATEGIC RELATIONS

Political relations between the EU as a unit and China are relatively new compared to the ties some member states enjoy with Beijing. This has often resulted in China adeptly ‘dividing and ruling’ between EU member states competing for political favour with Beijing.

Of all the EU member states Britain probably has the most developed and extensive ties with China. It fundamentally disagreed with the US policy of isolating the People’s Republic between 1949 and 1971, and in 1950 was the first major Western country to recognize the People’s Republic of China (PRC) (Shambaugh 1996). Hong Kong remains the most important political issue between London and Beijing. From 1979 to 1997, London-Beijing relations were dominated by negotiations and debates about the return of Hong Kong to Chinese sovereignty. Although both sides signed in December 1984 a Joint Declaration on the terms for the handover on 1 July 1997, the fallout from the Tiananmen incident in 1989 raised anxieties about the future of Hong Kong and the protection of its residents’ freedoms and human rights. Diplomatic tensions concerning British policies in Hong Kong following the 1992 appointment of an activist Governor, Chris Patten, tended to disrupt otherwise good bilateral ties (Foreign and Commonwealth Office 2000: 10-11). Issues of contention included the new €10 billion airport at Chek Lap Kok (which won Chinese approval in 1991 after tortuous negotiations), the right of abode for Hong Kong residents in Britain, and Patten’s moves to introduce political freedoms in a more democratic Legislative Council than what Beijing had envisaged in 1984 (Sandschneider 2002: 35-36; Yahuda 1993: 245-66).

When the Chinese government threatened in 1994 to discriminate against the British in trade matters because of Governor Chris Patten’s ‘unilateral actions’ on constitutional reform in Hong Kong, the EU Trade Commissioner Sir Leon

Brittan warned that the EU would not condone a member state being singled out in this way. Brittan's warning staved off Chinese action against the UK.⁶

The bilateral relationship improved after the 1997 handover and with a new British Labour government in power. The Chinese Premier Zhu Rongji made Britain his first stop in Europe when he attended the second Asia Europe Meeting (ASEM) summit (and inaugural EU-China summit) in London in 1998 - the first visit by a Chinese prime minister to Britain in 13 years. A comprehensive agreement was signed by Prime Ministers Zhu and Blair to intensify their political and military dialogues. Queen Elizabeth II visited China in 1999. The British Consulate-General in Hong Kong is the largest one in the world, and strong economic, academic, social and cultural ties persist between Britain and its former crown colony. Britain closely follows Hong Kong's autonomy as a Special Administrative Region (SAR) under the 'one country, two systems' formula. Even so, overall political relations have gradually been 'Europeanized'. The future of Hong Kong has since 1997 (and Macau since 1999) increasingly become an *EU* issue rather than the preserve of a sole EU member state (Neves and Bridges 2000). Even Chris Patten, once the bane of Beijing, became 'Brusselsized' in his toned-down human rights criticisms of Beijing when he was External Relations Commissioner.

French relations with China have witnessed even more dramatic turns than London-Beijing ties. After 1949, Paris had recognized Chiang Kai-shek and not Mao Zedong as China's legitimate national leader (unlike Britain which recognized Mao and the PRC). The close links between France and Taiwan continued after Paris and Beijing established diplomatic relations in 1964. As the first major Western country to exchange ambassadors with China, France portrayed itself as laying the foundations for a special political relationship with China. In reality, there was no coherent French policy on China for 30 years. China was a low priority in French policy up to the 1980s, and the zigzags in the bilateral relationship were symptomatic of Paris' effective 'One China-One Taiwan' policy (Mengin 1994).

The Tiananmen massacre in June 1989 triggered a series of bilateral incidents culminating in a diplomatic freeze until 1994. French Socialist leaders reacted more emotionally and with less restraint than those of other Western democracies

⁶ Maull (1998: 185). One retired senior Foreign and Commonwealth Office (FCO) official however estimated British losses in trade with China at £1-2 billion on account of wrangling over Hong Kong in 1992-96 (Craddock 1999: 281). France in 1991-92 (over Taiwan) and Denmark in 1997 (over human rights) were however singled out for retaliation.

in their support for the Chinese student demonstrators.⁷ Paris gave them a special place in the bicentennial Bastille Day parade, and even allowed them to set up the Federation for Democracy in China (Foot 2000: 117; Mengin 1994: 51-52). After Tiananmen, bilateral ties sank to an even more rancorous level from 1990 with the sale of six French Lafayette frigates to Taiwan (worth \$4.8 billion; Mengin 1992: 46; Wellons 1994: 345), and Taipei's 1992 purchase of 60 Mirage 2000-5 fighter jets. The Mirage sale plunged bilateral relations into a sharp and long-drawn dispute. Beijing retaliated by closing the new office of the French Consulate-General and Economic Expansion Office in Guangzhou, and cancelled several large French contracts in China.⁸

As a consequence of the 1990-92 spats over French arms sales to Taiwan, the French share of China's total trade declined as the Chinese took punitive measures against France. The economic consequences of Chinese reprisals contributed to a shrinking French share of the Chinese market. The French share of EU exports fell from 16 per cent to 12 per cent.⁹ After full diplomatic relations were restored in 1994, Prime Minister Balladur made a fence-mending visit to Beijing. President Jiang Jemin's visit to France in September 1994 finally turned the corner when trade agreements worth \$2.5 billion were signed (Foot 2000: 159; Dorient 2002).

Yet while relations with China improved under the Presidency of Jacques Chirac since 1995, political problems related to Taiwan continue to dog France-China relations. After Paris approved the sale of an observation satellite by the French-British company Matra Marconi to Taiwan in 1999 over Chinese protestations, French companies were excluded from the public tender to construct a gas terminal in southern China. The Chinese were also unhappy with the high profile accorded to the Dalai Lama's visit to France in September 2000 (*Libération* 1999; *Le Monde* 2000b, 2000c; *Beijing Review* 2000).

Silent Diplomacy and Constructive Engagement

In contrast to Britain and France, Germany has enjoyed a far less volatile political relationship with China. As a defeated Axis power, it had no outstanding

⁷ Peyrefitte (1997: 296) criticized Mitterrand's post-Tiananmen policy as based on the '*émotion du moment*'.

⁸ The Balladur government estimated at FF3 billion the value of contracts lost during the 'freeze' in relations. The French employers' association put it at twice that value. See *Financial Times* (1994).

⁹ According to Peyrefitte (1997: 301), the French share of China's total trade shrank from 4 per cent to 1.5 per cent while the West German share rose from 3 per cent to 5 per cent between 1981 and 1990.

colonial issues with China at the end of World War II, and no diplomatic relations with the Republic of China in Taiwan. On the international stage, Germany shied away from taking diplomatic initiatives, and usually took the cue from its major Western allies, e.g. the recognition of the PRC in 1972 which followed on Nixon's visit to China (Kempf 2002: 6-14; Rupprecht 2000: 63-69).

In the 1980s and 1990s, Kohl's Germany adopted a policy of 'silent diplomacy' which emphasized trade with China (Sandschneider 2002: 38-39; Nesshöver 1999). Although it supported the Madrid sanctions on post-Tiananmen China, Germany under Kohl continued 'business as usual' half a year later, breaking away from the economic sanctions before they were officially lifted in September 1990. Germany was the first EU country to define a national policy towards the Asia-Pacific region, and it made China the centre of its Asia policy. Among the large EU countries, Germany is probably the most sensitive to China's sense of 'face', and thus studiously avoids situations or actions that might be construed as high-handed by the leadership in Beijing. No wonder that the Germany-China relationship is often looked upon as a 'special' one (Cabestan 1995: 42-44; Möller 1996). Without the British and French problems over Hong Kong or Taiwan, Germany has usually backed down on issues involving Beijing's sense of sovereignty and national pride. For example, Kohl refused to approve the sale of 10 submarines and 10 frigates to Taiwan in January 1993 and reaffirmed Germany's 'One China' stance (Möller 1996: 720-723).

Gerhard Schröder continued to concentrate on promoting economic relations with China while paying some lip service to German foreign policy interests in areas such as human rights and environmental protection. In 2000, the German government had cancelled an export license for a German-made satellite to Taiwan following official protests during Chancellor Gerhard Schröder's visit to Beijing (*Libération* 2000). Germany has been active in promoting cultural exchanges with China. In 2000, there were more students from China (10,000) studying in Germany than there were from Poland or France, making them the largest group in Germany. The German Foreign Ministry's 2002 policy paper on East Asia admitted that while predictions in the 1990s of an 'Asian century' had been premature, the sum of the Asia-Pacific's nations, economic, political and market potential rendered it a more prominent feature in German foreign policy, 'though also as a rival and source of critical developments with possible world wide consequences'. It also recognized that regional realignments and power shifts after the 1997 Asian crisis and September 11, 2001, made it more incumbent on Germany to work through the *EU* and other organizations, to exercise German influence in countries such as China (Auswärtiges Amt 2002: 14).

Angela Merkel's first visit to China in May 2006 continued her predecessors' pattern of cosy relations with China and downplaying human rights, although she distanced herself from Schröder's controversial attempt to lift the China arms embargo (Eyal 2006).

The EU as a whole (like Germany) has enjoyed a less problematic relationship with China than have Britain or France. Since an EC Delegation was established in Beijing in 1988, a political dialogue set up in 1994, and an annual summit started with China in 1998 (regular ministerial level meetings began in 1995), the EU as an actor has begun to challenge the traditional dominance of London, Berlin and Paris in Europe's relations with China.

The Commission's activism in China has grown in line with its rising profile in Asia. The Commission's March 1998 'Comprehensive Partnership with China' initiative which envisaged a comprehensive partnership between the EU and China, aimed to upgrade political consultation to annual summits, dialogue on human rights, support for China's accession to the WTO, and the promotion of bilateral trade and investment. The ASEM process has facilitated regular high-level contacts between Chinese and European leaders. The Commission's support for ASEM's creation in 1996 could be seen as a consequence of the need to restate the EU's credentials as a stakeholder in the region and to engage China in a multilateral political framework. ASEM was also necessary to put life into the EU's relations with the region since the EC-Association of Southeast Asian Nations (ASEAN) relationship had ceased to be a 'success story' owing to deadlocked disagreements over human rights and conditionalities for a second-generation TCA (Forster 1999). ASEM II in April 1998 provided the occasion for the first EU-China summit (held in London immediately after ASEM II).

The EU also entered into strategic linkages with China, especially in aerospace cooperation projects. A joint Sino-European satellite navigation cooperation centre was opened in Beijing in February 2003 - the same year in which China became the third nation to send a man into space - and an agreement was reached in September committing China to finance up to €230 million or one-fifth of Galileo, the EU's €1.1 billion satellite positioning system which is seen as an alternative to the US' Global Positioning System (BBC 2003; *Le Monde* 2003a; Commission 2003: 17-20). The announcement of the Galileo decision made a positive prelude to the sixth EU-China summit the following month in Beijing, although human rights, market access and the EU's growing trade deficit with China continued to be niggling issues (*Le Monde* 2003b). Evidence that China has begun to take the EU seriously as an actor can also be found in the publication of the Chinese Foreign Ministry's first-ever 'EU policy paper' in October 2003. The paper noted that the EU was an important international player

in the trend towards multipolarity, and that the euro and the EU's expansion to 25 members in 2004 served to augment the EU's weight in international affairs. Although there were 'twists and turns' in China's relations with the EU, both were not security threats to each other, but shared fundamentally similar views and interests on trade and world order (Chinese Foreign Ministry 2003).

Notwithstanding the progress in EU-China relations in 2003-4, Taiwan, Tibet, trade and human rights issues continue to be frequent bones of contention. In 2003, the European Parliament's (EP) Liberal, Democrats and Reform (ELDR) Group attempted to invite Chen Shui-bian, Taiwan's President, to address the European Parliament in Brussels (France had refused to issue a visa for the address at the EP's building in Strasbourg).¹⁰ However, Belgium caved in to Beijing's demands when the Chinese Embassy threatened that Belgium-Chinese relations could be 'set back 10 years' if the Belgian government proceeded to issue the visa to Chen. The decision to refuse the visa was then presented as a veto by the General Affairs Council (GAC), despite support from the Foreign Ministers of Belgium, Sweden and Denmark (Wong 2006: 50).

In 2004-5, the EU found itself under a lot of pressure from the US when Paris and Berlin prematurely announced that the EU arms embargo on China – in place since 1989 – would soon be lifted. Although the US sells more weapons to China than all the EU members states combined (€416 in 2003), the EU's response on this issue was construed as a litmus test of loyalty by Washington. The resulting dissensions within the EU scuttled the lifting of the embargo, and instead intensified US-EU joint consultations and intelligence sharing on China (Barysch 2005: 62-64; Gompert et al. 2005; Godement 2005).

EU member states' political and strategic policies towards China show clearer evidence of convergence Europeanization than economic policies. Member states have not always held together, especially when in a face-off with Beijing over Taiwan, Tibet, human rights or the arms embargo. They have sometime allowed Beijing (and sometimes Washington) to 'divide and rule' when pursuing selfish national (essentially economic) interests. But as the increasingly regular and frequent attempts at coordination show, member states realize the need to harmonize their national policies in order to maximize their collective influence in such a large and populous country.

¹⁰ The EU acknowledges Taiwan as a 'Separate Customs Union'. This de facto 'economic recognition' is based on the latter being among the EU's most important trade partners (larger than Australia or Canada). The Tibetan government-in-exile opened an office in Brussels in April 2001, and the Dalai Lama campaigns actively in Europe (Finland, Sweden, etc). Taiwan's accession to the WTO in January 2002 has also helped its external relations. See Wiessla (2002: 102-105).

III. HUMAN RIGHTS

Human rights can be considered a special component of the EU-China political dialogue. It has been a major theme of EU-China relations only since the Tiananmen Square crackdown in June 1989 (Commission 2004). Until the end of the Cold War, and apart from the Netherlands, Denmark and Sweden, few member states made human rights a major plank in their relations with China (Foot 2000: 48). Tiananmen politicized the Community approach to economic relations with China. For example, the Commission which had hitherto refrained from political comments, issued a statement expressing ‘consternation’ and ‘shock’ at the ‘brutal suppression’ in Beijing, and cancelled Foreign Trade Minister Zheng Tuobin’s scheduled visit to Brussels (Shambaugh 1996: 11). The introduction of sanctions, human rights and the United Nations Commission on Human Rights (UNCHR) issues in EC-China relations shifted much of the discussions on China to the Council and CFSP structures.

From 1989 to 1997, the EU policy on human rights in China lay principally in (i) the sanctions policy (effectively lifted in October 1990), (ii) dialogue between individual EU governments and China, and (iii) holding China accountable in multilateral fora, in particular the UNCHR by annually co-sponsoring with the US a resolution criticizing China’s human rights record. Some human rights activists consider this the most ‘symbolically important’ EU policy in monitoring and moderating human rights in China (Baker 2002; Human Rights in China 1998). The EC-12 held together in supporting most of these sanctions from June 1989 to October 1990, the date when most of the sanctions were lifted (except the ban on military sales – see Part II). The CHR approach was adhered to each year from 1990 to 1996 (except 1991 when the US, Britain and France sought China’s vote in the Security Council to endorse allied action against Iraq in the Gulf War). Although the resolution was always defeated by a no-action motion (except in 1995), the move was politically symbolic and significant in underlining the EU’s commitment each spring to improvements in China’s human rights record.

China is considered ‘the most complex and multifaceted dialogue on human rights’ which the EU has with any country (Patten 2001). Although the EU has established an important human rights dialogue with China, it has suffered from conflicting interests and coordination problems between the General Affairs Council (GAC), the member states, the European Commission and the European Parliament (Commission 2001a: 11). As the shock of Tiananmen faded away, the GAC and larger member states have tended to pay lip service to human rights in order to cultivate good political and economic relations with Beijing.

The British, conscious that their influence in the Asian region since the military pullout from Singapore in 1971 could never be more than marginal, have found it prudent after the handover of Hong Kong to 'soft-pedal their interest in human rights and democratic principles' in order to maintain a working relationship with China (Martin and Garnett 1997: 38).

The French under a Socialist president (Mitterrand) initially took a high-profile principled position on human rights after Tiananmen, but piped down considerably after the Beijing-Paris spat over Taiwan arms sales. Under President Chirac, Paris made a dramatic volte-face shielding China's human rights record from EU and international scrutiny (notably at the 1997 CHR in Geneva). In 1997, Foreign Minister Hervé de Charette remarked that it was 'preposterous for the West, which invaded and humiliated China in modern times, to "lecture" China, a country with a 5000-year old civilization, on the Human Rights Declaration and the US Constitution, which are merely 200 years old' (*Beijing Review* 1997b).

The new French position was brought to bear at the 53rd UNCHR debate in April 1997 in Geneva. Unable to persuade its EU partners and the Dutch EU Presidency to drop the resolution criticizing China, France decided to withdraw its support from the ritual EU sponsorship of the resolution. Instead France led the 'Airbus group' (France, Germany, Italy and Spain) in defecting from the common position. It was left to Denmark to draft the resolution, and the US and 14 other Western countries to co-sponsor it. With the split in EU ranks, the vote was 27 in favour of China's no-action motion, 17 against and 9 abstentions, the most stunning repudiation of the UNCHR mechanism condemning China since the campaign started in 1990 (*Beijing Review* 1997a). The UNCHR débâcle was celebrated as a spectacular victory by Chinese diplomacy. Meanwhile France was heavily criticized by many Western governments for 'kowtowing to Chinese pressure', putting short-term national economic interests over collective long-term EU interests and hence undermining the EU's credibility and its own credentials as the birthplace of human rights (Wong 2006: 95). The stage was then set for Chirac's state visit to China in May 1997, where a France-China joint declaration was issued. On human rights, it declared that both parties would 'respect diversity' and take into account the 'particularities of all sides' (French Foreign Ministry 1997; *Beijing Review* 1997c).

After the French-led defection in 1997, a new European approach to human rights in China was decided by the General Affairs Council and codified in the Commission's March 1998 strategy paper, 'Building a Comprehensive Partnership with China'. The 14 March 1998 GAC meeting agreed that at the upcoming 1998 UNCHR session, the EU would 'neither propose nor endorse,

either by the organization as a whole or by individual members' any resolution criticizing China. In effect, the French position had won the day and the 'hardliners' found themselves tied to an EU position projected by France. This Europeanized position *not* to co-sponsor (albeit with reservations expressed by the 'hardliners') the UNCHR resolution with the US has been reached at the Council each March since 1998. The Council has typically agreed that the EU should adopt the following approach at the UNCHR on China (EU General Affairs Council 2001a, 2001b):

If the resolution is put to a vote, EU members of the Commission will vote in favour, but the EU will not co-sponsor; EU members will vote against a no-action motion, should one be presented, and the EU will actively encourage other Commission members to do likewise, since in the EU's view, the very notion of no-action is itself contrary to the spirit of dialogue (Wong 2006: 96).

Pressured by the pragmatic positions taken by Germany and France, most of the EU member states and the Commission had towards the end of the 1990s toned down their critiques of the Chinese government towards a coordinated but weak common position of 'constructive dialogue'. Aside from common actions taken under the CFSP and coordinated by the Commission, individual governments regularly raise human rights concerns in their discussions with Chinese leaders. For example, German statesmen continue to voice at the CHR and other fora concerns over human rights abuses in China. Foreign Minister Joschka Fischer mentioned China at the CHR in 1999 and 2002. The German Federal government and the Bundestag have also repeatedly called upon the Chinese government to enter into a dialogue with the Dalai Lama with a view to granting Tibet substantial autonomy, and to end the suppression of Tibetan culture and religion (Auswärtiges Amt 2002: 6).

In practice, the leading actor within the EU in promoting human rights in China has been the European Parliament. It has since 1987 made regular and public criticisms of the Chinese human rights record, especially on Tibet, arbitrary detention, capital punishment, religious and political freedoms. The GAC in May 1999 supported the EP's 1994 initiative to streamline a series of budget headings under a single chapter of the EU budget (B7-70) in the 'European Initiative for Democracy and Human Rights' (EIDHR). The EP's budgetary power over the EIDHR, gives it added oversight of the Community's external relations. The EP thus holds the Commission and GAC accountable for developments 'on the ground' for the continuation of the EU-China dialogue (Commission 2001b; EU Annual Report on Human Rights 1998/99: 24-25; 2002: 131).

Aside from its powers over external assistance, the EP has leveraged on the political prestige and international publicity it can confer on foreign personalities

embodying human rights struggles. The EP infuriated the Chinese in 1996 when it awarded Wei Jingsheng – then China’s most celebrated dissident – the Sakharov prize for Freedom of Thought (Nathan 1999: 155). Then it invited the Dalai Lama to address a session in Strasbourg in October 2001.

Dealing with China on the subject of human rights remains a bone of contention within the EU, between member states who prefer making China publicly accountable at international fora, and those who prefer silent diplomacy or constructive engagement. While France and the ‘Airbus group’ defied the EU common position in 1997, they were nonetheless constrained by the general EU consensus at the GAC that China’s human rights record is in need of improvement. The convergence (or compromise) of the member states’ human rights policies on China since 1998 has watered down the positions of some of the more hardline countries. A combination of the hard EP and Nordic governments’ unilateral approaches combined with the conciliatory EU approach of ‘constructive dialogue’ pioneered by France and Germany, could be viewed as a way of engaging China through a mixture of negative measures and positive incentives (Alston 1999: 578-80).

CONCLUSION

The utility and impact of EU institutions on national foreign policy behaviour towards China is more significant than is commonly imagined or admitted. Overall there is a more coordinated European position on China today compared to 1985. The policies of each of the member states have in effect undergone significant *convergence* with each other, as well as with the Commission.

Much of this trend towards convergence has been by default rather than design. First, Europe’s influence and presence in China had been on a steady and rapid decline after 1945. Only Britain and France have some residual diplomatic influence in the ‘*grandes négociations politiques*’ (Domenach 1990: 242). Second, the EU’s role and presence in China has grown. One may argue that in the 1990s, EU policy towards China has effectively been ‘Germanized’, in that Germany has succeeded in exporting its model of discreet diplomacy, change through trade and non-confrontation on human rights to the EU level. In other words, Germany has ‘Europeanized’ what was originally one member state’s national China policy. This is most patent in the economics realm, where the issue of human rights has been de-linked from trade. What exists of EU policy in China continues to be dominated by Pillar I issues. China is the focal point in a region with which in

1991 the EC traded more than with North America for the first time (Maull 1998: 57).

Convergence was also evident in the political-diplomatic arena. This was the case in ASEM's genesis, where EU member states and the Commission between 1993 and 1995 agreed on the need to engage China in a political framework, and Asian states called on the EU to participate in a summit-level dialogue with East Asia in order to counterbalance perceived excessive US (and growing Chinese) influence in the region.

Even in the area of human rights, the common EU positions built from 1989 acted as a constraint and damper on the French-German-Italian-Spanish defection in 1997. In human rights, France may have defected from the specific agreed EU action of sponsoring a resolution at the CHR, but it had to redouble its efforts urging the Chinese government along other paths desired by the EU, e.g. signing onto the International Covenant on Civil and Political Rights (ICCPR), resuming the EU-China dialogue on human rights, and in 1998 agreeing to a common GAC position to vote in favour of a resolution on China (albeit one not sponsored by the EU).

The complexities and seemingly contradictory trends in the EU's policies towards China are better understood by taking into account the foreign policy Europeanization of EU member states. EU foreign policy outputs are the result of interactions and compromises between the EU's common positions (i.e. both Community and CFSP positions) and member states' national foreign policies. Over time, European foreign policy-makers can be expected to share even more coordination reflexes on foreign policy towards China. They have similar values and interests in China's economic development, diplomatic-military power, as well as its political and social evolution. Compared to recent US-Europe disagreements over Iraq and dealing with terrorism, EU member states' policies towards China have actually been steadily converging between themselves and diverging away from Washington's preferences. The ability of the EU 25 to stay the course of pursuing a distinct and independent policy towards China may well be a litmus test of the viability of a common EU foreign policy. Unlike the US, the EU does not view China as a strategic competitor. Its positions are closer to China on the need for multilateral global governance based on the United Nations and on international law. Both need to be more active in resolving conflicts such as those in the Middle East, as they depend on imported energy. In fact, China has been hoping to use the EU as a counter-weight to the US, in areas as diverse as trade, human rights and aerospace (*Far Eastern Economic Review* 2004; Wong 2006). While an 'EU-China axis' (Shambaugh 2004) may not be apparent, the relationship is no longer the 'secondary relationship' of the past.

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PUBLIC PARTICIPATION, DELIBERATION, AND REGIONAL IDENTIFICATION: EUROPEAN CONSTITUTIONAL PROCESS IN COMPARATIVE PERSPECTIVES

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ABSTRACT

The article departs from some theoretical hypotheses of deliberative democracy to explore the relationship between deliberation, identity construction and democratic legitimacy in the process of regional integration. The ongoing constitutional process in Europe is employed as a case to provide some empirical evidence for the study. Current literature suggests that certain elements of deliberative politics can be found in the constitution-making process in Europe. However, the constitutional crisis following the negative referendums in France and the Netherlands in spring 2005, demonstrates that this deliberative or quasi-deliberative process is a limited, even flawed process given the power-political constraints. Furthermore, it confirms that the European project, designed by its elites, has to find ways to accommodate the diverse interests of various social groups and to construct a more inclusive European identity. Moreover, this article offers a study of the emerging regionalism in East Asia so as to provide a comparative perspective that explores inspiration and wisdom, indeed lessons, from the European experience. In spite of some empirical and methodological imperfections in the study, the author argues that Europe's constitutional experience is relevant for East Asia in several ways. First, the deliberative spirit in the European experience can provide some philosophical or moral inspiration for

East Asia. Second, deliberation may play some complementary role in enhancing the construction of regional identity in East Asia although it may be a very limited, incremental one in a foreseeable future. Third, the constitutional debate in Europe may help East Asian people understand the limits of the deliberative approach. In the current global and regional systems, the wisdom of the postmodernists cannot go beyond the boundaries of power-political constraints.

INTRODUCTION

In recent years, the spread of regionalism throughout the world has posed a great challenge to the traditional notion of democratic governance based on national territories. The decision making in a regional institution has long been considered to be a bargaining process between the self-interested governments of its member states. However, as integration processes widen and deepen, people have begun to ask about the intrinsic democratic question in these arrangements. Underlying the debate is the lack of a well-developed regional identity which constitutes a bottleneck for the progress of regional integrations.

As ‘deliberative turn’ emerged in the landscape of political science in the 1990s (Dryzek 2004: 48-50), the renewal of some classical political thoughts has evoked the dichotomy between ‘the judicial order of the political community and the cultural, historical and geographical order of national identities’ (Lacroix 2002: 945). In recent years, this approach is extended to the debate on the legitimacy and political identities in the unprecedented integration efforts in Europe.¹ Some research findings demonstrate that moderate deliberative elements and their ‘legitimizing effects’ exist in certain phases of the European constitutional process (Shaw 2003: 45-68; Magnette 2004: 207-247; Von Bogdandy 2004). However, the failures of the European constitution in France and Netherlands (through their negative referendums in spring 2005) have made it imperative for us to reconsider some deeper issues underlying the European and other regional integrations in a broader context.

In the studies of comparative regionalism, there has long been an ardent debate over whether the European Union (EU) represents a paradigm for other regions. Since the 1997-98 Asian Financial Crisis, the East Asian integration has greatly accelerated, which offers an opportunity for fostering a new collective

¹ Habermas’ constitutional patriotism has become a dominant model in understanding the political identities in European integration. See Habermas (2001: 5-26). For a good survey about Habermas’ view on European integration, see Eriksen and Weigard (2003: 232-260).

regional identity. In this process, public participation or even deliberation may be involved for its long-term viability. There is no doubt that Europe currently stays at a much higher stage of regionalism than East Asia. For many scholars, 'Europe's immediate past is not Asia's immediate, or indeed long-term future' (Higgott 2006: 35-36; see also Breslin and Higgott 2000). Can the policy-makers and academia in East Asia learn some lessons or obtain inspiration from the controversial constitutional process in Europe? In spite of the great difficulty for analogy, a comparing and contrasting the European experience with East Asia's realities may provide us some instructive lessons on the necessity, nature, as well as limits of democratic participation or deliberation in the emerging regional integration in East Asia.

SOME BASIC ASSUMPTIONS ON THE DELIBERATIVE APPROACH

Deliberation: A Dichotomy between Liberal and Republican Democracy

Modern political theory on democracy contains rich traditions of liberalism/pluralism and republicanism. As a conventional explanatory paradigm, the liberal/pluralist views have long dominated the discourse in political science. The political scientists in this school hold that political legitimacy stems from the free, private voting of individuals. Thus a set of formal voting arrangements are vital to the legitimacy of political institutions. The logic of the notion is based on the theories of rational choice, which argue that best outcome in the political arena can only be achieved through the compromises and free choice of individuals in the formal election process.

However such a utilitarian approach has been challenged by political theorists in the Republican tradition. For them, voting itself is insufficient; more important is citizens' participation in formal and informal discussions about the common good for the society. Moreover, such participation can be meaningful and effective only when it involves not only rights and justice, but also virtues and common interest (Sandel 1996:25-26; Michelman 1998: 281-84).

In this context, deliberative democracy has been influential in recent years. According to some political theorists, such as Jon Elster and John Dryzek, 'citizens' participation in genuine deliberation constitutes the core of democratic legitimacy' (Dryzek 2004: 51). Unlike the liberalist bargaining mechanism in

which self-interested actors with fixed preferences will reach agreement through rational choice and compromises, deliberation means a process of argument, reason-giving, and compromises among equal, free individuals. In the process, some citizens may change their preferences because they are persuaded or convinced by others. Hence, this approach leaves more room to accommodate moral or ethical considerations in the policy making process of a political community (Eriksen, and Weigard 2003: 121-22).

Although such a deliberative model is theoretically desirable, critics have raised some questions about its feasibility. Empirically the pure deliberation in the republican sense only existed in ancient Greek city states with their much smaller geographical space and population. In fact, most contemporary theorists agree that the role of deliberation is to complement the existing formal voting arrangements, rather than to replace them.

Deliberation and Regional Identification: Theorizing the EU Experience

As a traditional model of understanding domestic politics, how and why is the deliberative approach relevant for regional integration? The answer largely rests on its potential role in promoting regional identification. The emerging regionalism, particularly in Europe, has created a number of innovations not only in its market regulatory competence but also in redistributive and normative spheres. As regional integration widens and deepens, it is necessary for the regional community to establish a collective identity, i.e. a sense of belonging among individuals. Since the rise of nationalism in the late medieval ages, the common historical and cultural feelings in almost all regions have been weakened or given way to the efforts of consolidating identities of nation states. European integration can be seen as a revival of the conscious construction of regional identities. People in other regions have also been increasingly aware that overlapping identities, namely a combination of national, regional and global identities, are more and more viable and desirable in a highly interdependent world. However, rebuilding certain feelings of belonging, which are usually based on common ethnic and historical experience as well as common language, will be a long process that will last for centuries. A more feasible solution to the current

deadlock appears to lie in a dissociation of ethic/historical/cultural identities and other forms of identities (e.g. economic, political, legal, and institutional ones).²

Inspired by the ancient Greek conception of *demos* and *ethos*, Weiler refutes the notion that the absence of a European *Demos* precludes democratization of the Union, but argues for a notion of regional community in which each individual may belong to ‘multiple *demos*’ defined in different ways. Thus, the future of regional identification may rest on the coexistence of a regional, civic, and value-driven *demos* with a national-cultural one. In the words of Weiler (1995):

‘Maybe the in-reaching national-cultural *demos* and the out-reaching supranational civic *demos* by continuously keeping each other in check offer a structured model of critical citizenship’.

In the debate on the European constitutional treaty, he further points out how such multi *demos* may be produced in the European context: ‘in many instances, constitutional doctrine presupposes the existence of that which it creates: the *demos* which is called upon to accept the constitution is constituted, legally by the very constitution, and often that act of acceptance is among the first steps towards a thicker social and political notion of constitutional *demos*’ (Weiler 2002: 567). The deliberative elements in the constitutional process will provide a potential opportunity to construct such a collective identity and constitutional *demos*.

Habermas’ constitutional patriotism, a more influential notion in this strand, further stresses the importance of values and constitutional principles a political order (or a constitution) represents in this identification process. The existence of universal values or principles may serve as the premise for decoupling individuals’ political allegiance and cultural affinity in the community. Since differences in interests among various social groups are unavoidable realities in both domestic and international communities, the formation of political culture which is made in public spheres through communicative actions becomes a key factor in Habermas’ theoretical construction. This deliberative process may help form a new inclusive identity based on universalistic principles. In recent years, Habermas put forward the concept of a world domestic policy. Well aware of the great constraints in the anarchical world system, he suggests that regional institutions have the potentials to serve as a middle ground between nation states and world government. Moreover, the EU may be seen as a good example of a world domestic policy where Europeans are trying to implement the values of justice and solidarity in the times of globalization (Telò and Magnette 2001: 87-

² For a good discussion on different types of regional identities, see Mayer and Palmowski (2004: 573-98).

89). In his recent works, Habermas explicitly sees the EU constitution as a project to realize his blueprint for a global domestic policy at the regional level. He maintains that the European constitution will produce great ‘catalytic’ effect on collective European identity formation. It will also help create a public sphere and shared common political culture in Europe:

We should not forget, however, that this convergence in turn depends on the catalytic effect of a constitution. This would have to begin with a referendum, arousing a Europe-wide debate – the making of such a constitution representing in itself a unique opportunity of transnational communication, with the potential for a self-fulfilling prophecy (Habermas 2001: 16-17).

In many cases, regional governance is confronted with the following dilemma: on the one hand, governance at transnational level is often labelled as a ‘government without democracy’; on the other hand, a region-wide direct election for a full legislative body is still far from feasible. Deliberation for its flexibility and fluidity has the potential to become a middle ground.

As Habermas observes, a model for world governance should be ‘intergovernmental bargaining complemented with new governance structures and deliberation in a transnational civil society’, which can be ‘an alternative to a world government’ (Eriksen and Weigard 2003: 251). In this sense, this deliberation cannot be seen merely as procedural matters, but able to accommodate substantive, or ethical/moral considerations (Gutmann and Thompson: 31-33). This is particularly an urgent task when the welfare state is confronted with the threat of neo-liberalism in the process of globalization. On a regional level, deliberation has the potential to curb the negative impact of globalization, for it may make working people’s voices better heard by elites. Among a group of people who are directly affected by a particular policy, this may complement the intergovernmental bargaining. Theoretically this bottom-up approach may be effective in certain areas that affect people’s rights and well-being. If such consensus can be achieved, it will in turn increase the legitimacy of policy making. However, how can people from different nations establish an effective mechanism in which individuals can make compromises between their normative values and self-interests, particularly when their interests are highly divergent? How can members of the community be persuaded to give up their preferences when their interests are in conflict with universal values? These are some crucial questions the advocates of the deliberative democracy must answer.

Deliberation (or Quasi-Deliberation) under Real-World Constraints: Necessity and Limits

The driving force behind the deliberative turn in Europe is not idealism, but the actual needs in the development of European regionalism. The introduction and extension of Qualified Majority Voting (QMV) in most policy areas have greatly enhanced the autonomy of the supranational institutions within the EU. Nevertheless, the question of democratic legitimacy arises. For intergovernmentalists, global or regional organizations are inherently unable to adopt direct democratic deliberation in decision making (Dahl 1999: 19-36). They argue that even for the EU polity, indirect legitimacy is adequate as long as the governments of the member states are all democratically elected, its competence clearly defined and supranational institutions confined to specified areas in strict terms (Moravcsik 2004: 348-361; Magnette 2003: 4). This line of explanation has at least two defects. First, if an elected government of a member state belongs to the minority in the Council, it usually has to accept the EU legislation at the expense of the will of its voters. Second, political elites and general public, in many cases, do not converge in their wills and interests. Therefore, it is desirable that the decisions in certain policy areas (e.g. monetary policy and working place standards) that directly affect people's well-being require more public participation at transnational level. The problem may be addressed separately within specific policy areas. However, the institutional inertia on both the national and European levels has made real change rather difficult. In this sense, a comprehensive arrangement or a region-wide debate on it might become a catalyst for increasing public interest and participation in regional affairs.

The driving force behind the constitutional experiment in Europe also comes from certain practical considerations. In recent years, the Intergovernmental Conference (IGC), as the orthodox treaty revision method, has been widely criticized for its 'inadequacy and inefficiency', or even for being a 'bad, exclusive, malfunctioning' method (Shaw 2003: 54); more IGCs have been convened with limited outcome. At the opening of the IGC in Luxembourg in 1989 Jacques Delors remarked optimistically that 'conferences like this one are not convened every five or ten years, there may not be another between now and 2000'.³ However, there were at least three IGCs during that period. It is also the case for the Nice Treaty. When the Nice treaty was waiting for the results of national ratifications, the constitutional Convention and subsequent IGC were put on the agenda. Critics argue that the notion of governmental representatives with a

³ Quoted from Gazzo (1986: 23).

clear national preference in their minds is only a myth, and that what the exhausted ministers can do at the IGCs is merely to make limited, muddling compromises at the last moment (Smith: 219-225). The Nice treaty, aimed at completing the Amsterdam IGC's unfinished work, is widely considered as another failure. Only a few months after it came into effect, its contentious institutional arrangements became a burden in the negotiations for the constitutional treaty.

However, even within the EU, the deliberative approach cannot escape real-world constraints. In the anarchical international (or regional) system today, states remain territorially sovereign and legally empowered to act on behalf of their societies. Ordinary citizens do not have much access to decision-making on foreign policies. The question of feasibility will arise when the model is applied to regional governance. The obstacles include sovereignty concerns, a gap in economic interests, geographical and cultural diversity, and difficulty in mobilizing the general public.

Currently the EU is still characterized by its in-betweenness, unlikely to become a federal state in the near future. This ambivalence is highlighted by the fact that the first proposed European constitution takes the name of a constitutional treaty. That means that the draft constitution for Europe will be closer to a public international law than a constitutional law (Weiler 2002: 565-566). The on-going constitutional process also indicates that the deliberative elements are rather weak, limited ones, which may be termed as a 'quasi-deliberation' with low public participation and heavy dependence on political elites. At the current stage, a more realistic choice is to increase policy openness and encourage public participation on the European level. Whether it can develop into a sufficient, full deliberation in the long run largely depends on the interactions among all the actors concerned.

THE CASE OF EUROPEAN CONSTITUTION

Judged by the widely accepted criteria of modern constitutionalism, the EU has already had some constitutional features for its separation of powers, adherence to the rule of law and the protection of fundamental rights in its founding treaties. However, as a political community, what it lacks is the existence of constitutional 'demos' in Weiler's terms (2002: 565-569), or sufficient identity-construction, which may need to 'take generations and civil wars to be fully internalized'. Currently, any move towards a European constitution is unlikely to be a perfect match with a national constitution. In spite

of these limitations, the proponents of the project see the constitutional process as a great chance to advance their causes.

As discussed above, constitutional patriotism in a transnational context means a kind of regional identification through the construction of universal values and principles. As Ferrajolis (1996: 157) put it, the constitution is ‘the sole democratic foundation of the unity and cohesion of a political system’, and that ‘the future of Europe as a political entity depends to a great extent on developing a constituent process open to public debate, aimed at framing a European constitution.’ Hence the deliberative method often adopted in a national constitution-making becomes necessary in the European constitutional experiment. For a long time, constitutional patriotism was criticized as utopian thinking partially for the lack of a real European constitution. In 2001, the Laeken Declaration marked an operative stage for EU’s long debated constitution-making. This on-going process provides us with some valuable empirical facts in understanding the complicated relationship between public participation, deliberation, and EU’s identity construction.

THE EUROPEAN CONVENTION⁴

In the Laeken European Council, the national leaders deliberately innovated the Convention on the future of the Union to meet the democratic challenge that came both internally and externally.⁵ The subsequent institutional arrangements, known as the ‘Convention method’, carried some important deliberative characteristics. First, unlike the traditional IGC, the 105 formal representatives were from both national and European levels, over 70 per cent of whom were directly elected members of national and European parliaments, while members from national governments accounted for only 27 per cent. In addition, 13 observers from different regions and groups attended the Convention. The participants represented interests of national or transnational groups, rather than the presupposed single national interest.

Second, the Convention commanded a good deal of institutional autonomy (Shaw 2003: 55). The Laeken Declaration set the goals and time for the Convention in general terms, but left some room for the Convention to adopt its own agenda and rules of procedure.

⁴ For the basic information about the Convention, see the relevant materials from its official website <http://european-convention.eu.int/>.

Third, during the Convention, its members, particularly its chairman, Giscard d'Estaing, tried to preserve a 'deliberative spirit' in rhetoric at least. His coinage of 'conventionnels', or 'conventioners', was a good example. In an interview, he claimed that he did not like the term 'representatives' but 'conventionnels' which has fewer implications for their national or institutional connections (d'Estaing 2002a). In his introductory speech, d'Estaing (2002b: 8) asked the members of the conference to 'embark on our tasks without perceived ideas and form our vision of the new Europe by listening constantly and closely to all our partners...members of associations and civil society represented in the forum...'.⁵

Fourth, the Convention took consensus rather than formal voting as its major decision-making procedure. Consensus is not only the procedure of deliberative democracy but also its ideal objective. Through such procedures, its members may do more to justify their proposals, and persuade others to accept right decisions. If broad consensus could be reached, the decisions would carry more weights in the eyes of public and thus enhance their legitimacy.

Although the Convention is criticized for being merely a case for deliberation among elites, some measures it took increased public accessibility and participation, and facilitated some transnational discussion though their impact was rather limited. For instance, all its official documents were available on its website (with average of 47,000 visitors per month); the Forum for the civil society received 1,264 contributions from Non-Governmental Organizations (NGOs), the business community, academia and others; finally there was a special session devoted to civil society convened in June 2002.⁶

In spite of these deliberative characteristics in the objectives and procedures of the Convention, we should not idealize or overestimate its importance. First in its representation, most of the representatives were officials or ex-officials of national politics, while influence of civil society was rather limited. There is an obvious 'gap between the types of moves which the Convention has made towards receptiveness ... and the creation of a genuine public sphere in relation to the politics of the EU' (Shaw 2003: 66).

Another problem with the Convention was the poor public knowledge. *Eurobarometer* results showed that the 'Yes' responses to the question on the knowledge of the Convention accounted for only 28 per cent and 48 per cent respectively in 2001 and 2002 (European Commission 2001; 2002).

⁵ According to the Declaration, internally the EU institutions must be brought closer to its citizens, and externally it is confronted with a fast-changing, globalized world.

⁶ See 'Report from the Presidency of the Convention to the President of the European Council' (2003).

Moreover, the Presidium had exerted excessive influence on the agenda and final text of the Convention report. The emphasis on consensus also constituted some hidden pressure on some representatives, some of whom gave up their dissenting opinions to avoid destroying this ‘consensus’. Even so the Convention did not reach a real consensus. Ironically, the working group on the social policy was among the first to complete its work to examine the relevant part of the draft treaty, although few substantive changes have been introduced in the constitution compared with the provisions in the Treaty of Nice.⁷ The debate during the French referendum indicates that social policy is far from an area where consensus has been achieved. In addition, several Eurosceptic members claimed that d’Estaing’s insistence on consensus deprived them of the right for ‘normal voting’, and therefore was undemocratic.⁸

The Text of the Treaty Establishing a Constitution for Europe (TeCE)

On the whole, the text of TeCE does not contain much drastic change on the existing treaties. However, some elements that may potentially promote citizens’ participation and deliberation are worth noticing.

First of all, Title VI (Part I) provides participatory democracy with the same constitutional status as representative democracy in the EU. This is reflected in Article I-47, which provides that citizens’ participation and deliberation at various levels are encouraged and facilitated by the Union.

Second, the role of social partners and autonomous dialogues are promoted (I-48). A most notable development in this regard is that citizens are able to initiate the drafting of EU legislation if they can collect no less than 1,000,000 signatures from required number of member states (Paragraph 4, Article I-47). Meanwhile, the involvement of national parliaments in the EU affairs is strengthened, and the European Parliament’s legislative power and budgetary power further clarified or extended. Moreover, the Convention is made a standard method for EU’s treaty amendment in the future.

More important than these procedural matters are the efforts in the constitutional process to build the basis for the deliberation, for both due process and values are important in exercising deliberative democracy. The reference to ‘a common destiny’ sends a clear message of the importance of building_a

⁷ See ‘Final Report of Working Group XI on Social Europe’ (2003).

⁸ See Annex III of the report from the Presidency to the President of the European Council.

community in which its members are all dependent on one another within the EU (TeCE 2004: 3). The third recital of the preamble states that ‘the peoples of Europe are determined to transcend their former divisions and united ever more closely to forge a common destiny’ (TeCE 2004: 3). This objective strongly indicates that the Europeans will have their fates closely bound together and therefore they need to work together for their common good.

Moreover, the basic values on which the EU is founded are openly declared in the Preamble, Part I (General Objectives), Part II (the Charter) and provisions on relevant policies. Article I-2 provides a clear definition on the values, which includes not only such traditional values as democracy, human rights, and rule of law, but also some other specific rights like tolerance and non-discrimination. Although some criticized the inclusion of these overlapping rights at the expense of the constitution’s simplicity and conciseness, it appears that the drafters intended to stress the importance of the rights for minority groups and put them on an equal footing with those traditional values. The efforts are further strengthened by the inclusion of the entire Charter of Fundamental Rights as the second part of the constitutional treaty. The Charter constitutes an equivalent of the bill of rights in liberal democratic states, although its symbolic significance is greater than the actual. Moreover, the constitution further reasserts EU’s uniqueness in its social model, and defines deliberation as means for the realization of social justice and solidarity in Europe.

In spite of these elements for deliberation, drawbacks of the constitutional treaty are also obvious. In those salient areas or the areas where Europeans have high expectations, the treaty only reaffirms those abstract principles rather than giving concrete measures. In the document of over 230 pages, few new relief measures are provided for people to resort to if their rights are violated. As an area that European people take great pride in, progress in social policy would have had great potential to mobilize people to participate in and give support to the constitutional process. However, most powers in this area still lie in the hands of national governments. Similar dilemmas exist in other areas such as EU taxation and budget.

The Turbulent Ratification Process

Although the Constitutional Treaty itself is not completely analogous to a state constitution, the modifier ‘constitution’ or ‘constitutional’ has aroused great public concern on both national and European levels. Although the vetoes in France and Netherlands have endangered the whole constitutional process,

possibility still exists that they may evoke great public participation in the debate, which will provide a chance for the elites and general public to reflect on the future of the Union. This will rest on the outcomes of the subsequent national and Europe-wide communications and reflections.

In the ratification process, it appears that the treaty has faced greater challenge in those countries requiring a referendum than those adopting parliamentary method. On the one hand this may be explained as a result of the divergence in the public support for the European project in different countries. On the other, it indicates that people's perceptions about the EU are more divisive than European political elites have anticipated, and that opinions of ordinary citizens do not necessarily converge with those of their elected representatives. In this sense, the involvement of people constitutes both an opportunity and a more complex challenge to the constitutional endeavour.

The vetoes from the two founding members also remind us that the huge divergence within and between member states cannot be ignored. As Weiler (2001: 67) observes, the EU is still 'a union among distinct peoples, distinct political identities, distinct political communities...The call to bond with those very others in an ever closer union demands an internalization – individual and societal – of a very high degree of tolerance.' What took place in France and Netherlands highlighted the difficulty in achieving such high level of tolerance.

Some empirical studies suggest that the factors shaping public support for European integration include cognitive mobilization, cost/benefit considerations, impact of domestic political considerations, and immigration (de Vreese 2004). The vetoes in 2005 are the result of these factors combined. For example, social Europe had been a key issue in the French debate for the Constitution, which caused the social left split over it. For the left wing Socialists, the European constitution would enforce a neo-liberal project in Europe. The painful reforms introduced by the French government convinced some voters of real danger of downward adjustment in the welfare provision. Although the mainstream Socialists supported the constitutional treaty, some party members stood firmly on the 'no' side. Moreover, the negotiations on Turkey's accession also helped the anti-treaty campaign. For the first time in the French history, the Communists and Socialists stood together with Le Pen's National Front to say 'no' to a European treaty.

According to the results of the *Eurobarometer* (European Commission 2005a) poll, the first five reasons for French voters to say 'No' were: (1) negative effects on the employment situation, (2) the weak economic situation, (3) excessive economic liberalism in the draft treaty, (4) opposition to the president/the national government/certain political parties, and (5) insufficient social Europe, while the

sovereignty issue and opposition to further enlargement were much lesser concerns. In Netherlands, many voters complained that the government had not communicated sufficiently with the general public on the Constitution. The lack of information became the top reason for citizens to say 'No'. It also indicated that 'No' voters were worried about a loss of sovereignty within a political union and the possible cost of Europe for tax-payers (European Commission 2005b). It is worth noting that few voters in the two countries questioned their country's EU membership although 'no' votes won clearly in the referenda. In the opinion of 82 per cent of Dutch citizens and of 88 per cent of French citizens, their country's membership of the EU was a good thing. Of the French voters, 75 per cent even supported the idea that a Constitution for Europe was essential for European construction, and more than 60 per cent of the French believed that the 'no' victory would facilitate the renegotiation of the Constitution in order to achieve a more social constitution. This may show that most voters in the two countries do not oppose the Union, or even the constitution-making process, but certain provisions of the text for various reasons.

On the eve of the French referendum, Habermas made several appeals to the French, arguing for a 'Yes' vote to 'strengthen Europe's power to act' (Biermann et al. 2005; Habermas 2005). However, these appeals did not receive positive responses from the French left. In fact, after the honeymoon in the Delors' era, they began to complain that the EU had been degraded into a neo-liberal project rather than a social democratic one. Their sacrifices in the ratification of the Maastricht Treaty and the 2002 presidential election were not paid off. As a summary in the Sharpener website (2005) put it,

[T]here is no improvement in the content of the Union's policies when it comes to workers' rights, social issues, the environment or gender equality. There are some beautiful words, but no obligations made or tools created for progressive politics...'

They criticized Habermas for relying too heavily on the political elites and formal institutions in Europe but seeing 'no possibility of change from below'.

The Aftermath of the Vetoes

During the period of reflection, the public participation in the constitutional debate is being encouraged by the EU institutions, yet its impact remains rather limited. In 2005 and 2006, the European Commission (2005; 2006) launched a

number of initiatives ‘to listen and communicate better to the citizens’ and to trigger national and transnational discussions on certain policy areas related to the constitutional debate. These initiatives include an action plan, a ‘Plan D’ for democracy, dialogue and debate, and a white paper. In 2006, the Commission issued President Barroso’s new ‘new citizens’ agenda’ on the basis of the results of Plan D and relevant debates. By using this method the EU hopes to meet the expectations of its citizens in such areas as social policy, internal market and even foreign policy. However, it is greatly constrained by the fact that policies in these areas are largely decided by the member states.

Although German Chancellor Angela Merkel promised to find a solution to the constitutional impasse when Germany took over the EU presidency in January 2007, views are still highly divergent among member states. The eighteen members that have ratified constitutional treaty demand to preserve the current text, some of which even called for a declaration to include more ‘Social Europe’ in the Constitution. Meanwhile, other states including the UK prefer a ‘mini-treaty’ focused mainly on institutional reforms. The British government explicitly threatened to veto any attempt to adopt a maxi-treaty. The term ‘European Constitution’ is avoided in the Berlin Declaration marking the EU’s 50th anniversary. If the EU countries finally compromise on a minimal-treaty solution to avoid further referenda, it will have a negative impact on a transparent and democratic debate on the future of Europe at least in the short term.

EAST ASIAN COOPERATION⁹ IN COMPARATIVE PERSPECTIVE

The Relevance of the European Experience

The Asia-Pacific region has long been considered as an example of low-profile regionalism for its lack of high-degree institutionalization and legalization (Kahler 2000: 549-550). However, since the mid-1990s, the Asian financial crisis and China’s emergence as an enthusiastic partner with Association of Southeast Asian Nations (ASEAN) have imposed great impetus for the efforts.

For a number of scholars, Europe and Asia represent two distinctive regionalisms. The political agenda in East Asia has lagged far behind that of Europe. Two major obstacles to the development of deliberative democracy in the

⁹ Here East Asia Cooperation is a broad term denoting the on-going regional integration efforts among East Asia, Northeast Asia, and the ASEAN countries.

region are the lack of a real area leader and of shared regional memory. At the current stage, 'the gradually emerging model of competitive regional cooperation or multilayered regional framework' may better reflect the realities in East Asia (Nicolas 2005: 7). Even in the foreseeable future, it is unlikely to have an East Asian constitution. However, considering the recent regional development, the EU's constitutional experience is still relevant in several ways.

Europe and East Asia may take different paths in their treaty reforms even in the long term. However, the basis of this comparative study may not be a perfect match between Europe and East Asia, but Asia may learn some useful wisdom and inspiration from the European experience. It is more on the philosophical level than on a specific policy area. What matters for East Asia are the progressive elements, deliberative spirit and even the lessons from the failures in the constitutional process. It represents a kind of quest for social justice and democratic governance in the current international system. It will be a long process that is as much socially constructed as it is economically and/or politically determined. Another useful lesson for East Asia is that a region building is not a linear process even for the highly integrated Europe. To overcome these constraints, they have to use their wisdom and find their own way. Therefore they should be well aware of those obstacles for deliberative democracy in East Asia. In the mean time, some latent but positive developments have also appeared in the region. As Acharya put it, '[t]he fact that Asia and Europe are different is not an adequate basis for celebrating European regionalism at the expense of Asia's, nor does it call for ignoring the transformative potential of the latter' (Acharya, 2006: 313).

Some Negative Factors against Deliberative Democracy in East Asia

The diversity in historical and cultural experiences, as well as in economic development levels in Asia has caused great difficulty for its regional integration efforts. Strong distrust arises at various levels of society although most actors in the region hope to enjoy the benefits of economic integration. In most cases, the misunderstanding and hostility are fiercer among the general public than among political elites, which may constrain the deepening of the regional cooperation.

A major negative factor is the lack of shared historical memory in the region. A common historical experience is favourable for the development of regional identity and transnational deliberation, though whether it is a prerequisite has

become controversial in recent years.¹⁰ Unfortunately, such shared historical memory is scarce in East Asia.

For a long time in its history, China, as the strongest power in the East Asian system, held a hierarchical view of international relations and ensured a tribute system in which China's neighbouring states became vassal states of the Middle Kingdom (Fairbank 1973: 1-19). Although some researchers argue that this system was completely different from Western colonialism due to its nature of amity, mutual reciprocity and China's non-interference in the internal affairs of the vassal states (Peng 2005: 194-206), some people in Asian countries who are wary of the threat of a rising China still use it to justify their concerns about China's threat to her neighbours. Moreover, Chinese support for Communist groups within several Southeast Asian countries in the 1960s reinforced their suspicion.

Since the mid-19th century, Japan replaced China to become the leading country in the region. Within the ensuing 100 years, Japan pursued an aggressive policy to its Asian neighbours, which culminated in World War Two. For most Asians, Japan's campaign for what it called a 'greater East Asia co-prosperity sphere' in the first half of the twentieth century is merely a synonym for Japanese aggression and domination. Whether these historical problems are insurmountable barriers remains a question for the integration in East Asia.

The question of leadership is also a barrier for cooperation in the region. Given their economic and political power, China and Japan are natural leaders of the regional order in East Asia. Nevertheless, unlike France and Germany, the two powers have never achieved real reconciliation after the bitter experience of World War Two. In the 1960s and 1970s when Japan pursued a flying geese model in the region, it was out of question for Communist China to accept Japanese leadership. Since the late 1970s, China has been undergoing a process of peaceful rise in which it has successfully integrated itself into global and regional economy. Thus, the strategic competition for regional leadership has been intensified between the two countries. The situation is compounded by their different understanding of history, territorial disputes and Japan's alliance with the US.

Moreover, since the 1990s, Asian countries have witnessed a rapid deterioration of the Sino-Japanese relationship, which not only undermines their capacity to play the leading role in regional affairs, but also binds the hands of their political leaders to take radical initiatives. This is highlighted by the anti-

¹⁰ For some scholars, European history is open for different possibilities in the story of a common European identity. In fact, since the Westphalian settlement, Europe has had more experiences of national division than that of Christendom. See Mayer and Palmowski (2004: 573-98).

Japanese demonstrations across China in the spring of 2005. In the same year, poll results showed that Japanese attitudes towards China continued to decline, favourability ratings hit an all-time low since 1978.¹¹ In this context, China and Japan are not likely to take the leadership separately or jointly. Recently China has openly supported ASEAN's leading role in the regional cooperation, though it is not clear whether ASEAN can take the responsibility effectively.

The Spillover Pressures for Public Participation in Regional Policy-Making

Since the late 1990s, a series of concrete achievements have been accomplished in East Asia Cooperation. As in Europe, the most fruitful integration occurs first in economic areas. On January 1, 2002, the ASEAN Free Trade Area (AFTA) came into force for the original six ASEAN members. ASEAN leaders also pledged to achieve an ASEAN Community by the year 2020 which would rest on the three pillars of security, economic and socio-cultural communities. As announced in 2001, the ASEAN-China Free Trade Area (FTA) is being built in stages. In 2010, an FTA of nearly two billion people with a total GDP of almost US \$3 trillion will take shape.

In the region the effects of the early FTA arrangements are being spilt over to other areas. In spite of the widespread skepticism, the financial cooperation with the focus on the Chiang Mai Initiative and Asian Bond Market has been going forward smoothly. A new network of industries, trade and investment is taking shape, which lays a foundation for further development of regional cooperation. The Chiang Mai swap mechanism has been improved with a rapid expansion in its size. By May 2006, it reached US \$75 billion, 90 per cent increase of a year ago. To date there have been at least twelve ministerial meeting mechanisms including public security, labour, agriculture, culture and health, which have promoted a wide range of cooperation in the areas.

On December 14, 2005, the East Asia Summit was held in Kuala Lumpur, and the leaders of ASEAN + 3¹² countries issued a 'Kuala Lumpur Declaration', which declares that the East Asia Summit will be a 'forum for dialogue on broad strategic, political and economic issues' and that they will be committed to

¹¹ According to the Cabinet survey, about 32.4 per cent of respondents say 'have or tend to have an affinity towards China', while those who tend not to or don't have such affinity amount to 63.4 per cent. For more detailed results, see <http://www.mansfieldfdn.org/polls/poll-05-12.htm>.

¹² It refers to the proposed FTA between ten ASEAN countries plus China, Japan and Korea.

promoting community building in the region'.¹³ In this process, regional arrangements will directly affect citizens in terms of employment, income growth, education, environmental protection, and working place safety. The demand increases for public participation in decision making at regional level.

Some Positive Elements for Deliberation in East Asia

In both cultural and institutional senses, there are several factors that might be favourable for deliberation in East Asia. First, the influence of Asian values, which can be dated back to the origin of Confucianism and other traditions, are still present in the region, though their influence varies in different countries. These values emphasize the importance of harmonious society and consensus-building rather than that of legalism, which to some extent converge on the deliberative spirit. Common good is a kind of virtue in the society. To obtain the common good, individuals should try to balance their interests with those of others and of society. This may serve as a good starting point for the deliberative process. In recent years, a unique 'ASEAN way' has been developed in its decision-making process.¹⁴

Actually the ASEAN way is important not only in the intergovernmental decision making process but also in the daily operations and communications in the regional cooperation. For China and other countries, an informal consensus-based way in the construction of the East Asia Community is more desirable than those Western-style formal voting with rigid, binding outcome.

Second, the widespread Western influence in East Asia has counterbalanced some negative effects of traditional Asian values, particularly their inadequacy in the protection of individual rights. In fact, most countries in the region have, more or less, accepted the Western values in their path to democratization. Japan and Korea were the first groups of Asian countries that embraced the Western model in the postwar era. In the past two decades, civil society movements in some Southeast Asian countries have utilized different political and cultural schemes to advance their democratic claims. Even in China, market economy and democratic politics (though it may have different interpretations on them) have become part of its new political orthodoxy in recent years. The latent trend of increasing

¹³ See ASEAN (2005)

¹⁴ According to Davidson (2004: 167), the ASEAN way means, 'processes including intensive informal and discreet discussions behind the scenes to work out a general consensus which then acts as the starting point around which the unanimous decision is finally accepted in more formal meeting...'

homogenization in the region opens way for the construction of certain ‘universal’ regional principles, which will be a blend of traditional Asian values, different national cultures and Western influence.

Third, China’s ‘peaceful development road’ has the potential to provide a new driving force for the East Asia Cooperation. In the first years of this century, ‘harmonious society’, ‘harmonious Asia’ and ‘harmonious world’ have become buzzwords in the Chinese leadership and among its strategic thinkers. This move indicates that China has largely abandoned its traditional way of thinking based on its ideological orthodoxy. To achieve the goals of harmonious development, interests at different levels, i.e. interests on individual, group, national, regional, and international basis must be taken into account in the policy making process. Thus its domestic goals are closely interwoven with its international ones. Active involvement of international institutions, including regional ones is considered as an important part of its grand strategy. In December 2005, the State Council published a white paper entitled *China's Peaceful Development Road*, which systematically clarified the Chinese government's theory on its development model. It held that the goal of China is to build a harmonious world of sustained peace and common prosperity. In the document, the harmonious world is further defined as a ‘democratic, harmonious, just and tolerant’ world.¹⁵

China’s innovations in its national strategy put new impetus on the harmonization in its relations with other countries in the region. Internally, this new strategy means a so-called comprehensive implementation of a ‘scientific outlook on development’, which stresses the importance of promoting social justice and fairness and of building an energy-efficient and environmental-friendly society. Moreover, it encourages consultation and inclusiveness. In the spring of 2007, some intellectuals openly suggested that China follow a Nordic model of ‘social democracy’ which resulted in great controversy in China’s political and intellectual circles (Xie 2007). To some extent, China’s new model has something in common with the welfare capitalism pursued by Japan and other Asian countries.¹⁶

In addition, Sino-Japan relations are undergoing certain positive changes. After Prime Minister Shinzo Abe’s ice-breaking visit to China in autumn 2006, Chinese Premier Wen Jiabao called his visit to Japan an ice-thawer. Before Premier Wen’s visit, the China Central Television aired a series of programmes on Japan including its culture and lifestyle of people. His speech in the Diet was

¹⁵ For more details on China’s policy of peaceful development, see The State Council Information Office of China (2005).

¹⁶ The concept of ‘welfare capitalism’ was advanced by Ronald Dore. It is a type of capitalism that can achieve both market efficiency and individual happiness. See Dore (2001).

televised live at home. At this moment, a dialogue on the people-to-people level may be particularly valuable and helpful to break the ice. The proposed joint research activities on history and culture may be a good start in this direction. These factors combined have the potential to promote certain forms of deliberation on both national and transnational levels, in which citizens will accept some new norms and construct allegiance in the regional institutions.

Second Track Mechanism and Citizens' Involvement in Regional Agenda Setting

Apart from the intergovernmental mechanisms such as ASEAN+3 summits, East Asian countries also set up some important Track Two unofficial coordinating mechanisms, which have taken some deliberative features. In 1998, South Korean President Kim Dae Jung proposed that two research institutes under the ASEAN+3 framework should be established to promote regional cooperation in East Asia: East Asian Vision Group (EAVG) and East Asian Study Group (EASG). In addition, an 'Industry and Commerce Forum' made up of business people and scholars was formed in the business community to discuss entrepreneurial cooperation affairs among East Asian countries. Since 2003, several Track II mechanisms have been set up under the suggestions made by the two EAVG and EASG reports: notably (1) East Asia Forum consisting of governmental and nongovernmental officials at all levels, with the purpose of promoting extensive social exchange and regional cooperation; (2) Network of East Asia Think Tanks; (3) Comprehensive Human Resources Development Program for East Asia.

The EAVG is a civilian level institution with its members consisting of outstanding intellectuals in the region. In October 2002, it completed an EAVG (2001) report entitled 'Towards an East Asian Community', which became important grounds for discussing East Asian cooperation at the 10+3 unofficial summit.¹⁷ The report proposed 22 key recommendations in economic, financial, political/security, environmental, cultural, and institutional cooperation. In its blueprint for an East Asia Community, the report particularly stresses the importance of fostering 'the identity of an East Asian community by encouraging active exchanges and regular dialogues at both the governmental and non-governmental levels.' It also put 'shared identity', 'people focus' and 'inclusiveness' at the top list of guiding principles. The EASG report (2002) made

¹⁷ For the details of the report, see EAVG (2001).

by governmental officials endorsed the EAVG recommendations and made further concrete suggestions for the Community building in East Asia.

Currently community building has emerged as a shared future agenda in East Asia. Apart from the traditional intergovernmental mechanism, the intellectual communities in the region have shown great enthusiasm in and given vital support for the official process in various functional areas. The potential economic benefits and costs in some functional areas have created great incentives for businesses and even general public to participate in the debate about the future agenda. But generally speaking, their interest in and knowledge about East Asian cooperation are very limited. It is an important task to promote wider participation from ordinary citizens, civil societies and Nongovernmental Organizations (NGOs) in various types of functional operations. Only in this process can some kind of 'we' feeling and a collective identity be gradually developed among the people in the region.

CONCLUDING REMARKS

Theoretically dynamics of economic integration will create pressures for coordination in macro-economic policy on the regional level, which will, in turn, pose a challenge to both national and transnational governance. The tension has sparked lively debate in Europe. However this problem manifests itself in a more complex manner in other regions of the world, where more complicated constraints and deepening integration exist simultaneously. This is further compounded by the tremendous gap between the EU and other regional arrangements, which makes risky any efforts to build links between them or to take the European experience as a benchmark.

The assumptions in deliberative democracy provide a useful theoretical framework for us to reflect on this issue. As suggested by Habermas and other political scientists, deliberation in regional integration will complement rather than replace the intergovernmental approach not only because it, due to its flexibility and fluidity, is more viable than formal transnational voting arrangements, but also because it potentially has closer connections with the construction of common values and moral commitment in regional governance.

From the on-going constitutional process in Europe, we may learn:

1. At certain stages, this constitutional process may have the potential to enhance deliberation both nationally and transnationally.

2. In the process, democratic legitimacy, common identity and deliberation may be interlocking and mutually reinforcing elements.
3. The primary dilemmas for such a deliberative model are how the public can be mobilized, how they can be persuaded to give up their self interest and preference to embrace universal values, and how the broad consensus can be established in a highly diverse regional community. Theoretically, deliberation and construction of common perceptions (e.g. values) in salient areas (e.g. welfare policy) may promote public interest and consensus-building.

Under these constraints, the deliberative process in Europe has to be at a primitive stage. Moravcsik (2004: 337) argues that any assessment of transnational democracy should not be exercised in utopian thinking, and that 'any democratic metric derived from ideal theory must ...be "calibrated" in order to assess whether the current arrangements are the best that are feasible under "real-world" circumstances'. This is undoubtedly a good criterion. The setback in the constitutional process seems a triumph of intergovernmentalism in the short term. However, even today the real-world constraints include both the 'No' votes in the referenda and the existing economic, political and cultural interdependence as well as the widespread concerns over the expansion of neoliberalism in Europe. In this sense, real-world circumstances should not be exclusively understood as static existence, but rather as something dynamic that can accommodate the changing realities in the world.

A comparative study may help us understand the gap between the EU's constitutional experience and the realities in East Asia. Meanwhile certain deliberative elements have emerged in East Asia cooperation, which have demonstrated the potential to address some contemporary challenges in the region.

I am well aware that this study is imperfect in several ways. It is obviously too early at this stage to assess the impact of deliberation on both EU governance and the East Asia cooperation, for its effect can only be seen over a longer period of time. Moreover, even when some changes have occurred, it is still difficult for us to measure the outcome by a social-scientific method, for it is almost impossible to determine 'when and how the actors changed their mind because of the arguments' in the deliberative process (Magnette 2004: 21).

In spite of these empirical and methodological imperfections as well as the complexity of real-world constraints, it is still worth doing, for history will not end in its status quo, but be open to different possibilities. Few people fifty-seven years ago could have imagined that European integration would have gone this

far. At this moment, some wisdom may come from Robert Schuman (2000: 36): 'Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a *de facto* solidarity'. At the same time, the words of Rousseau (1968: 136) are also worth remembering: 'The limits of the possible in moral matters are less narrow than we think. It is our weakness, our vices, our prejudices that shrink them'.

In the changing world, whether or not its constituent instrument will take the name of constitution, regional integration will not only be an economic but also a political, philosophical, and legal process, in which some room may be left to accommodate the spirits of modern constitutionalism. This does not necessarily mean that we must forget the real-world constraints. In this sense deliberation may play some complementary role in the East Asia cooperation although it has to be a limited, incremental one in the foreseeable future.

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**HUMAN RIGHTS, DEMOCRACY AND
FEDERALISM - PART OF THE PROBLEM OR
PART OF THE SOLUTION?
SECURING STABILITY IN THE EUROPEAN
UNION AND THE PEOPLE'S REPUBLIC OF
CHINA**

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ABSTRACT

Federations and human rights have a long, ambivalent and contested relationship. The paper addresses one of these concerns: whether human rights-respecting federal arrangements are sufficiently robust against claims to secession. Some fear that federal elements and human rights combine to fuel destabilizing forces. Comparative research suggests that some of these risks are real, though difficult to estimate. I argue that several elements of democratic and human rights can limit these dangers, and rather enhance the long-term stability of federal arrangements. In particular, the contributions of human rights and political parties to the governance of sub-units and the centre merit close attention. The article has seven parts. It first presents some features of federalism and the challenge of stability. Sections 3 and 4 sketch conceptions of democracy and human rights. Sections 5 and 6 discuss how human rights may both fuel and defuse calls for secession. The concluding section brings these results to bear on attempts at alleviating the 'democratic deficit' of the European Union, and to the People's Republic of China.

INTRODUCTION

Two global trends come together in Europe and in the People's Republic of China (PRC): the experimentation with quasi-federal, multi-level forms of governance, and increased concern for democracy and other human rights.¹ Why do these movements gain momentum and what is their relationship?

Regional cooperation takes place under well known acronyms – the North American Free Trade Agreement (NAFTA) and Association of Southeast Asian Nations (ASEAN), as well as Mercosur in South America, the African Union, and the European Union (EU). Some of these have lofty aspirations toward broader cooperation with federal elements, as exemplified by the European Union, whose Reform Treaty is currently being drafted.² Such 'coming-together' federalism of formerly independent states may also be the model for unitary states that seek to devolve powers constitutionally. Thus, in 1998 the UK decided to grant various forms of autonomy to Scotland, Wales and Northern Ireland. The Constitution of the PRC likewise grants some autonomy to certain minorities and regions, with organs of self-government (Art. 95, 113) that enjoy independence of finance and economic planning (Art. 117).

Human rights have also been gaining ground world wide. Few countries now outright reject international declarations and conventions, and violations are seldom admitted, but typically denied or excused.³ The combination of federal forms of 'multi-level governance' and human rights raises important questions and challenges for traditions and ideals of sovereignty, democracy and human rights – all of which were largely developed for unitary states with centralized sites of political power. I shall suggest that in general, there is neither a happy coincidence nor a tragic conflict between federations and human rights. Some conflicts can be resolved, while some tensions should receive more attention by politicians and political philosophers alike. Democratic theorists must continue to reflect on the grounds for – and alternatives to – 'one-person-one-vote' and

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² For analyses of normative issues in the Draft Constitutional Treaty, cf. Dobson and Follesdal (2004); for an assessment of the recent 'Reform Treaty' that succeeds it, cf. Follesdal (2008).

³ The 1993 'Bangkok Declaration' being an important exception, where representatives of Asian states dismissed civil and political rights as contrary to 'Asian values'; cf. Follesdal (2005) for references.

majority rule among a deeply divided citizenry (Dahl 1983; Barry 1991; Follesdal 1998; Lijphart 1999). Federal arrangements require us to reconsider the universality of human rights, especially the obligations to intervene to protect human rights within a federation. We also need a better understanding of the grounds and mechanisms for maintaining dual political loyalty among the citizenry in a multi-level political order.

The following comments address one of these concerns in particular, namely whether human rights-respecting federal arrangements are sufficiently robust against claims to secession. This is a particularly worrisome concern for those who favour devolution in order to quell calls for secession - what some scholars call 'holding-together' federalism (Stepan 1999).

Federations and human rights have a long, ambivalent and contested relationship that harks back at least to disagreements between 'Federalists' and 'Anti-federalists' about the 1789 Constitution of the United States of America. Some have argued that federal features and human rights are mutually supportive and serve to stabilize popular support for the system of governance. Federal structures are thought to safeguard human rights at both sub-unit and central levels, and human rights constraints render federations more legitimate and trustworthy.

Others fear that federal elements and human rights combine to fuel destabilizing forces. What are the grounds for such worries? Human rights norms might put a federation at risk by fuelling secessionist movements and the complex web of centre and sub-unit authority in federations is thought to more likely violate human rights. Central authorities might more easily ignore citizens' human rights with impunity, and sub-units may enjoy immunity for mistreatment of their citizens, contrary to human rights requirements. So the forces that seek secession might be further fuelled by both human rights and federal arrangements that grant some powers to the sub-unit but not full political autonomy – contrary to the objective of keeping the political order together in the first place. Comparative research suggests that some of these risks are real, though difficult to estimate. I shall argue that several elements of democratic and human rights can limit these dangers, to enhance the long-term stability of federal arrangements. In particular, the contributions of human rights and political parties to the governance of sub-units and the centre merit close attention.

The article has seven parts. First I present some features of federalism and the challenge of stability. Sections 3 and 4 sketch conceptions of democracy and human rights. Sections 5 and 6 discuss how human rights may both fuel and defuse calls for secession. The concluding section brings these results to bear on attempts at alleviating the 'democratic deficit' of the EU, and to the PRC.

1. ON FEDERALISM

For our purposes, federal political orders may be characterized as lacking a unique sovereign, since the centre and the territorial sub-units split or share political authority (Follesdal 2006a).

Federations have a constitutional, well-entrenched division of powers or ‘competences’ between central bodies and sub-units. Each level enjoys final authority with regards to some functions, and this constitutional allocation cannot be changed unilaterally. The sub-units thus enjoy immunity from central intervention in certain fields.

In what is called ‘interlocking federalism’ sub-units participate in central bodies of authority and influence common decisions. Indeed, sub-units can have a veto, and coalitions of small sub-units can often block decisions since they are often overrepresented. Arrangements where sub-units can veto decisions, or leave the federation are often referred to as confederations. In comparison, in other forms of decentralized government the central authorities may maintain, modify or abandon the legal powers of lower level authorities at their discretion.

Federal and Confederal Elements in the EU

Since the 1952 European Coal and Steel Community (ECSC), what is now known as the European Union has developed both federal and confederal elements. The member states have transferred sovereignty to common institutions, and have signed away their right to veto such common decisions in an increasing number of areas. The constitutional division of authority will be made clearer in the Reform Treaty based on the ‘Constitutional Treaty of Europe’ (CTE) (Council of the European Union 2004). It lays out areas of exclusive competence of the Union institutions, and other exclusive competences for the member states. The shift from unanimity as the default procedure in the inter-governmental Council of Ministers and the increased power of the directly elected European Parliament (EP) further underscore that central decisions are explicitly placed beyond the control of any single sub-unit. Majority rule also increased the perception that Union decisions were beyond democratic scrutiny and control, giving fuel to the accusations that the EU suffers from a ‘Democratic Deficit’ (Wallace 1993; Beetham and Lord 1998; Follesdal 2006a; Follesdal and Hix 2006). Member states remain influential and exercise control, especially since they participate in central decision-making bodies in ways typical of ‘interlocking’ federal arrangements. As federal political orders go, Europe remains a very decentralized

federal political order: for instance, it still lacks a common defence policy that is typical of federations (McKay 2001; Moravcsik 2001 and 2002). The fact that many competences remain shared between sub-units and central authorities does not make it less of a federation. Nor does the federal nature of the EU implicitly require more centralization as an objective. On the contrary, it may arguably be a bad idea to increase the powers of Union institutions, as the Reform Treaty seems to require (Schmitter 2004). The Union also has important confederal elements (Meehan 2001) - confirmed in the Reform Treaty by sub-units' right to withdraw from the Union, laid out in Article I-60 of the Constitutional Treaty. Yet some features render the 'confederation' label less appropriate: the Union's subjects are not only the member states but also citizens (Weiler 1996), and common decisions need not be unanimous.

Such 'coming together' federations typically arise when governments seek to obtain objectives beyond the reach of any single state, and that cannot be secured by treaty agreements alone. Examples include external defence, or common regulations in response to a globalizing economy that require more credible self-binding commitments than treaty agreements alone.

A dominant concern for the joining states is to prevent undesired centralization and other abuse of central authorities, thus much care goes into constraining the centre through checks by the sub-units and human rights regulations.

Decentralising Elements in the People's Republic of China

If we use this definition of federalism strictly, the PRC is not a federation. Even so, there are some lessons to be drawn from federal experiences that might illuminate some of the issues the PRC faces, especially concerning whether to continue to grant some autonomy to certain regions and minorities, at the alleged risk of instability. The Preamble of the PRC Constitution states that 'The People's Republic of China is a unitary, multi-national state.' This could appear to be at variance with the grants to ethnic minorities of certain forms of self-government. The Constitution also recognizes regional autonomy, with organs of self-government with some independent authority for finance and economic planning (Art 95, 113, 117).

These clauses do not make the PRC a political order with federal elements in the sense defined above. The constitutionally entrenched decentralization remains – *de jure* and/or *de facto* - at the discretion of central authorities, regardless of the opinion of sub-unit authorities or an independent umpire (Ghai 2000b). As long as

the constitution can be easily changed by the central authorities, they do not have the power to create a federal arrangement. They cannot credibly commit to respect the autonomy of sub-units, since they can reverse their decision to decentralize at will. To create a federal arrangement that grants autonomy to sub-units in a trustworthy way, the central authorities would have to be able to perform a constitutional act of self binding. They would have to constrain their own power of constitutional amendment.

Why OPT for Federal Solutions?

Such opportunities foregone may seem minor and even slightly mysterious: why would a unitary sovereign create arrangements of self-binding in general? In particular, why would a state want to split authority as in a federation especially if such arrangements are likely to fuel secessionist movements? Why would a state pursue federalism in the first place? In response, I submit that the worries about instability often appear misconstrued: federal elements are often introduced as a response to perceived worries of instability and calls for secession. In these cases, to devolve some powers is the effect of popular unrest, rather than its original cause. If sub-units distrust the centre, central authorities may seek to create a federal political order. Thus, ‘staying together’ federations have often been created in order to order to manage multinational pressures, devolving powers to allow local variation and autonomy for separate nations who refuse a unitary structure. A federal arrangement might also give the sub-units’ leaders enough political autonomy to quell upheavals, civil wars or calls for secession (Linz 1999). Thus Alfred Stepan notes that India’s federal structure could accommodate minority demands for some linguistic and cultural autonomy, and thus deflate further political unrest (Stepan 1999).

Critics may still worry that even though there are some ‘happy cases’ such as India and Spain, there are inherent destabilizing mechanisms in federal devolution that increase the risk of secession. Is federalism as a response to instability part of the problem rather than part of the solution? Such worries may also give grounds for pause to those governments that grant local autonomy for quite other reasons than to quell secessionist movements. Thus it is surely of interest to consider whether PRC’s current constitutionalized grants of regional autonomy is likely to fuel secessionists, especially when combined with human rights guarantees. The upshot of my arguments is that several of the reasons for such fears seem overdrawn. They should not dampen the PRC’s endorsement of federal elements and human rights protections.

2. CHALLENGES OF INSTABILITY

To maintain an effective federation over time poses special challenges when compared to a unitary political order. The main concern of this article is the issue of fragmentation, but there are other challenges that must also be met – simultaneously. They therefore merit brief mention.

A stable federation must prevent secession, but also centralization – and stagnation. Yet all federations experience such long term trends toward centralizing and decentralizing decision-making that can hardly be avoided (Dehousse 1994; Tushnet 1996; Weiler 1999: 318). So there is a need for safeguards to prevent secession by one or more sub-units, and to reduce the risk of undesired, creeping centralization of all political authority. But such measures tend to reduce effectiveness and efficiency, yet those safeguards must not constrain the scope of political decision making completely.

Preventing Centralization

To illustrate, to prevent undue centralization, the powers of the central unit are typically restricted by various checks such as specific ‘lists of competences,’ rules of unanimity or qualified majority voting, weighted votes, and principles of subsidiarity. Thus the Reform Treaty of the EU will provide a clearer allotment of different kinds of competences (exclusive, shared, complementary, economic policy co-ordination) and to transparency. These measures may help reduce such unintended drifts, and thus enhance trustworthiness. The proper allocation of such competences remains, however, a crucial normative issue. And some fear that a clear demarcation of competences between the sub-units and the centre will lead precisely to such stagnation (Swenden 2004).

One arrangement that offers some protection against undue centralization without causing stagnation is to include sub-unit officials in the central decision making bodies, for instance in the form of a second legislative chamber. Their institutional interests may provide some ‘centrifugal’ pull, while allowing decisions in response to present challenges.

Subsidiarity

Another interesting arrangement to prevent centralization is based on the EU’s ‘principle of subsidiarity.’ Various competing versions of the principle of

subsidiarity address the contested issue of allocation of powers (Follesdal 2000). It places the burden of argument with those who seek to centralize authority. Article I-11 of the Constitutional Treaty requires that:

3. Under the principle of subsidiarity, in areas which do not fall within its exclusive competence, the Union shall act only if and insofar as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level.

A new arrangement to be included in the Reform Treaty involves the national parliaments, who have an institutional interest in preventing centralization. They may voice reasoned objections against draft legislative acts that they think violate subsidiarity. If enough parliaments agree, the draft must be reviewed (CTE Protocol 2). This may prove very useful against undue centralization.

Increased Trust in the Overarching Loyalty of Others

Another mechanism to reduce the risk of undue centralization is to build trust and trustworthiness among the citizenry at large, so that they will not seek centralization. The need for such trust has increased in the EU, where majority rule among the member states has replaced unanimity in several fields. Unanimity ensured that they would not be forced to take part in arrangements contrary to their own interests, or when they feared that others would not do their share in cooperative ventures. But the unanimity rule often prevented common action even when obviously required: this safeguard against centralization came at the cost of stagnation.

To allow for more effective common decisions, the new Reform Treaty establishes a default standard legislative procedure which requires only Qualified Majority in the Council and involves co-decision by the European Parliament and the Council together. This change increases efficient decision making, but also increases the risk of oppression of minorities and undue centralization. I return to the risk of majority tyranny below.

Stable popular support for such procedures requires a well-developed trust in other Europeans and officials (Nicolaidis 2001). Citizens and representatives must now be trusted to adjust or sacrifice their own interests and those of their voters for the sake of other Europeans in more cases. Institutions can contribute to such trust in several ways. One is by means of human rights, another one is to *socialize*

citizens to the requisite normative sense of justice to consider the impact on others and to foster an ‘overarching loyalty’ to citizens within the whole Union (Rawls 1971; Rothstein 1998; Bellamy and Warleigh 1999; Simeon and Conway 2001: 362). One important way that institutions can facilitate such socialization is through political parties, to which I turn below.

Leaving the issues of centralization and stagnation aside, let me now turn to the main concern of this article: the risks of fragmentation. One crucial issue is how to halt and reverse such a drift and thus maintain the federal character of the political order.

Preventing Secession

‘Holding together’ federations often face the opposite threat of centralization, namely creeping decentralization leading to secession. Whether federal solutions help stave off such consequences is difficult to determine, especially since many of the states that explore such options already are challenged by civil unrest, non-compliance and secessionist struggles. Comparative studies of federalism warn of a higher level of ongoing constitutional contestation concerning the constitution, its values and interpretation than in unitary political orders (Linz 1999). Stabilizing mechanisms that prevent the disintegration of the political order and citizen disenchantment are thus more important. Yet the grounds for such stability may be especially weak in federations, given their frequent genesis as solutions to intractable problems otherwise resolved by a unitary political order. Again, the maintenance of dual loyalties seems crucial (Simeon and Conway 2001).

I now hone in on a subset of these issues, i.e. whether democratic rule and human rights fosters or reduces the risk of secession in federal political orders.

3. DEMOCRACY

Democratic theorists disagree on many details concerning the institutional details, justification, and the proper weight of various elements of liberal representative democracy.

Some arguments for democratic governance are ultimately based on a – possibly ‘Western’ – interest in self-determination and individual autonomy (Held 1995: 147). However, other arguments may defend democracy as the most reliable form of institutional arrangement to prevent risks to individuals’ vital

needs. Thus, Amartya Sen has argued that freedom of the press and democratic competition among political parties protect against famines (Sen 1988).

Within the Confucian tradition, Confucius' disciple Mencius' views (Mencius 1999) might be cited to provide some fragments of grounds for democratic rule:

- that it is right to replace a king who does not govern his kingdom well (51);
- that good and bad, competent and incompetent officials are best distinguished not on the basis of what aides or senior officials say, but when all the people in the kingdom say so (53);
- that the king acts as the delegate of the people when they so say (54);
- the value of scrutiny and transparency of rulers' mistakes, to permit correction and hence sustain popular support (132).

Features of Democratic Rule

The different premises notwithstanding, I submit that there is broad agreement among Western democratic theorists on three central features of democratic rule: a) Citizens have *formal input* in decision-making in the form of voting among competing candidate rulers on the basis of informed discussion of their merits – discussions that affect their preferences. Citizens' input is what makes representative democracy 'government by the people' even when it is best described as an aristocratic oligarchy. The distinctly democratic feature of such democratic 'rule by the few' is that potential oligarchs compete for citizens' votes (Schumpeter 1976); b) This input is causally linked to *outputs* in the form of legislation and policy decisions that are held to secure and reflect the best interest of the public, however defined and determined. The substantive output is what makes representative democracy 'government for the people.' The policies are held to be in the 'best interest of the public' however that may be defined. There is an extensive theoretical debate as to this should be understood as voters' interests; their preferences over political candidates, and whether it should include preferences regarding the decision process itself (Manin, Przeworski, and Stokes 1999). The democratic quality may thus hinge on whether the outcomes are reliably close to the preferences of the median voter, whether they avoid majority dictatorship through courts and human rights protections, etc; c) Input and output are linked by means of *institutional procedures* that provide reliable causal mechanisms which give citizens reasons to comply with the outcomes. These mechanisms distinguish democracy from other ways that a population might get

its voiced interests secured, for instance by a benevolent authoritarian ruler. To rule with the 'approval' of the people is insufficient to label it democratic, since non-autocratic monarchs, aristocratic or plutocratic oligarchies can do as much (Schumpeter 1976: 246). The degree of match between median voter and policy output may be an important test for evaluating constitutional arrangements (Powell 2000). But such correlation between input and output is insufficient for declaring a system democratic. The literature offers several arguments, of various empirical plausibility, for various arrangements of constrained cooperation and competition among contending parties. Even though voters may perhaps not be 'represented' by the elite, the elites are accountable to citizens (Schmitter and Karl 1991; Dahl 1998), through mechanisms of prospective and retrospective voting for candidates or incumbents.

These mechanisms entail a range of conditions or ideals for democratic institutions (Dahl 1998): Equal effective opportunities for participation, an assumption of equal voting weight, Equal opportunities for enlightened understanding about alternative policies and their likely consequences, and agenda control.

The Roles of Party Competition

A broad range of democratic theories insist on the important contributions provided by competition among political parties against a backdrop of free media (Key Jr. 1964: 456; Lipset and Rokkan 1967; Hall 1993). Party competition is not only a mechanism for citizens of selecting among given policy platforms on the basis of given self-interested preference maximization, parties competing for votes also question and challenge ill-directed policies. They provide a mechanism (imperfect, to be sure) for keeping politicians responsive to the interests of citizens by making threats of replacement credible (Manin, Przeworski, and Stokes 1999). They create competing, somewhat consistent platforms giving citizens a better sense of realistic alternatives and the scope of the practically feasible. They contribute to identify more sound and well-directed policies. Furthermore, parties seem especially important for maintaining stable federations: many theorists note the contributions of parties in citizens' character and political preference formation. Parties competing for votes affect voters' preferences and ultimate values. The competition crystallizes interests and perceived cleavages by giving some conflicts priority (Schattschneider 1960: 67; Lipset and Rokkan 1967). Party competition makes a limited set of policy platforms salient to voters, who shape their preferences by discussion (Schattschneider 1960: 37).

Addressing the Risk of Majority Tyranny

One of the central weaknesses of democratic majoritarian rule is that minorities are vulnerable to majority decision making. In societies whose populations are divided in majorities and minorities along cultural, ethnic or other cleavages, individuals face a significant risk of ending in a permanent minority position on a range of important issues, without hope that they will ever get to be in the majority (Barry 1991; Follesdal 1998; Lijphart 1999; McKay 2001: 146-47). To trust a majoritarian system, the minority must be assured that the majority will not threaten the most important interests of the minority (Papadopoulos 2005). This may be done in at least three distinct ways. One is to devolve the issue to sub-units. In order to be trustworthy and function adequately as a democratic political order, a federation might thus take some policy issues away from the common policy agenda – typically language or other cultural elements – and allocate them with sub-units that have greater homogeneity regarding such issues. In this way majorities in the political order at large are prevented from harming territorially based minorities. Considerations of subsidiarity might thus hold that certain issue areas should not be regulated by central authorities, but instead be left to local units.

A second strategy is to seek to socialize individuals – majorities and minorities alike – toward commitments of solidarity. This socialization may be done instance through party platforms and education, as well as by media that informs the population in general about alternative policy options and their likely effects on vulnerable groups.

A third strategy is to limit the domain of decisions a majority may legitimately decide, so that vital interests of minorities are not left vulnerable to the misjudgements or ill will of the majority. One important set of such limits on democratic rule is human rights. We now turn to that topic.

4. HUMAN RIGHTS

A long-standing and broadly shared view on the responsible use of state power is that it must be used for the common good, understood as securing the basic needs of individual members of society. A government that fails in this does not have a moral claim to be obeyed or respected. Such views are found in several (but not all) Western philosophical traditions, as well as in Confucian and other traditions.

Theories of legitimacy may lay out at least two different sets of normative conditions, for a government's *internal* and *external* sovereignty respectively. The legal authority a government enjoys over individuals, and the legal immunity it enjoys vis-à-vis international bodies and other governments. Note in passing that the requirements for internal and external sovereignty may well differ. The conditions for when individuals have a moral duty to obey the government may be quite different from the conditions for when other governments and international bodies have a moral duty to not intervene by economic, diplomatic or military means in the domestic affairs of other states (Martin and Reidy 2006).

A theory of human rights typically does not deny that individuals have a duty to obey the commands of government, nor that state sovereignty should be respected. Rather, it seeks to identify the limits of such obligations. A normative theory of human rights specifies in part how governments should pursue the common good to maintain legitimate internal and external sovereignty. Such requirements may be in the form of various legal or constitutional rights and directives that regulate legislative and executive authority and discretion.

Human rights theories typically differ about which interests are significant and about what legal rights are required. Some philosophers have concentrated on the interest in being free from coercion by others, particularly from the government, to exploit one's resources according to one's own ability and interests (Hart 1955; Berlin 1969). Such premises alone would only support individuals' immunity from government interference in the form of 'negative' rights.

Other theorists recognize further interests, such as the ability to actually select certain options that they have reason to value (Gewirth 1982; Sen 1985; O'Neill 1986). Such accounts may require intervention by the state to provide the individual with the appropriate opportunities, and/or to protect them against the arbitrary will of others. The latter family of theories require a broad range of 'positive' government intervention and various social and economic rights to secure the satisfaction of basic human needs, projects and relationships (Follesdal 2005).

A Note on Confucianism and Human Rights

I submit that Confucius and his disciple Mencius may be read as laying out some standards for legitimate internal sovereignty – though not expressed in terms of human rights. This claim might be surprising, and even contradicted by more common views often expressed: that Confucianism puts more emphasis on respecting hierarchical social structure, maintaining peace and harmonious

relations, than the rights of individuals. If that is the sole acceptable interpretation of Confucianism, it would seem that human rights considerations are fundamentally inconsistent with widely held philosophical views in China. Any introduction of human rights would therefore appear as an uphill battle, fundamentally alien and incompatible with central Chinese standards of legitimate governance.

Space does not allow a detailed response to this worry and its implications. Here it must suffice to indicate that there are competing interpretive strands in Confucianism, more compatible with human rights constraints on government (Chan 1995 and 1998; Gangjian and Gang 1995; de Bary and Weiming 1998; Angle 2002). Such strands counsel against a wholesale dismissal of human rights as inconsistent with ‘Asian values’.

Confucius held that for a governor to be fit to govern, he must avoid ‘Terror, which rests on ignorance and murder. Tyranny, which demands results without proper warning’ (Confucius 1997: 20.3). Mencius went even further, permitting tyrannicide (Mencius 1999: 55). He:

- required the king to take good care of the people, including limited taxation so as to secure that they had food and clothes, education (154-155),
- laid out the responsibility of the king to govern well in famines (121);
- held that to run a state well the king must take care of the people (154); and
- addressed the need to assess and weigh rites against human needs (381).

Mencius also provides some standards for what we would regard as legitimate external sovereignty: Unjust states may be attacked, but only by heaven (128); and humanitarian intervention is sometimes justified (190).

5. DEMOCRACY AND HUMAN RIGHTS FUELLING CALLS FOR SECESSION?

Human rights standards may be thought to foster unrest and trigger secession for several reasons. Firstly, systematic violation of the human rights of citizens of a sub-unit would be sufficient ‘good cause’ for secession, and legal acknowledgment of such rights would strengthen such calls (Baubock 2000). An express right to secede may itself be destabilizing (Sunstein 1994). Similarly, a

focus on human rights may make the option of exit more salient for political entrepreneurs eager to allege mistreatment – regardless of whether such allegations are correct. What are we to make of such concerns?

To clarify what is at stake, I submit that we must distinguish the destabilizing role of human rights institutions from such effects of human rights violations. The concern here is primarily with the first, especially when conjoined with the second. Whether violations of vital interests of individuals themselves prompt secessionist movements is an important issue, but beyond the scope of our concern here. I submit that the crucial question is whether authorities' responsiveness to the best interests of citizens can be trusted and remain trustworthy in the eyes of citizens. One central mechanism in this regard is precisely arrangements that monitor and prevent human rights violations. Such human rights institutions can help provide trust and prevent calls for secession, *both* when there are no violations – because the institutions provide credible assurance thereof – *and* when there are violations. In these latter cases, human rights institutions may provide less drastic measures than secession to correct and prevent the violations. What are we to make of the fears?

First, note that the worry of unrest would seem to be even greater if citizens have no opportunities to scrutinize allegations of pervasive and long standing human rights violations, and if there is an unconditional link made between such violations and the right to secede. The former risk could be reduced by fact-finding and monitoring institutions. Both risks could be limited by arrangements that are known to replace authorities found guilty of such violations. Then secession would be only a safety valve when ordinary judicial and democratic remedies were exhausted. In such cases secession as a last resort might indeed not appear such an unacceptable option – when human rights violations actually occur.

Second, and in response, critics may worry that rights talk and democratic contestation promote self-interest rather than the proper other-regarding 'highest common concerns' of the federation as a whole. Such talk and contestation may fuel conflicts regardless of whether citizens' human rights are actually assaulted. If protesters are allowed to use democratic arenas and public media in furtherance of such objectives – regardless of their merit – debates may further fuel rather than quell unrest. However, I submit that legal human rights need not transform the public political culture into a conception of society as one of contestation among self-interest maximizers, who ignore duties and non-legal relations (Sandel 1982; Glendon 1991). Instead, human rights typically serve as aspects of the background structure securing somewhat fairer terms of day-to-day cooperation (Waldron 1988). They are safeguards that express, rather than threaten, the equal

standing of all citizens (Chan 1995). Whether such legal protections are perceived as expressing a conflict view of society against the individual is not automatic, but largely a matter of the local political culture. Finally, one might worry that calls for secession in the name of democratic self-government and human rights may have a snowball effect, in that they mobilize new groups with less grounds for independence. I consider that concern below.

A preliminary conclusion is that several of these worries seem overdrawn: many fears that democracy and human rights protections will destabilize a holding-together federation seem unfounded. In particular, democratic parties, monitoring by independent media, and judiciary institutions may provide much assurance to reduce misplaced worries of human rights violations.

6. DEMOCRACY AND HUMAN RIGHTS QUELLING CALLS FOR SECESSION

Democratic and human rights may reduce the risk of secession in several ways, especially in a federal political order. They can safeguard the situation for minorities and political leaders within the existing state; they can limit the opportunities for ungrounded secessionist movements; and they reduce the temptations for a minority to create an independent nation state.

Democratic Control over Constitutional Change

Recall that a federal arrangement can serve as a stable half way house with regard to sovereignty. They provide some measures of political immunity and local influence over common policies. Such credible commitment from the centre to respect sub-unit decisions in certain fields may reduce the demand for further independence. As observed in the case of the PRC, the ability to set up a credible federation that sub-unit leaders will trust requires that the central authorities cannot unilaterally revise the constitution. A federal arrangement thus requires an independent judiciary and some elements of the rule of law, including constitutional supremacy and some arrangement for the population of a sub-unit to democratically influence the content of the constitution (Ghai 2000a: 21-22).

Human Rights-Respecting Centre Enhances Loyalty

Human rights, credibly enforced, may reduce sentiments for secession in several ways. If any human rights violations by the centre are visibly addressed once they are voiced, secession-prone minorities are less likely to be and feel oppressed within the federation. Their need to exit is less pressing. In a human rights compliant federation, minorities within a secession-seeking minority will also have their human rights protected (Simeon 1998; Zuckert 1996). They may, correctly, feel more secure within such a federal system than in a separate state where human rights mechanisms have yet to be established by what has become the majority of the new nation-state. Such internal minorities will thus not likely opt for secession.

In a society with democratic rights it may be easier for potential secessionists to voice their claims and gather supporters, as this might be thought to foster unrest. However, freedom of the press and opposition parties able to scrutinize competing claims may also serve to diffuse *unwarranted* claims by such 'ethnic entrepreneurs', for instance to check whether they indeed 'speak for the whole people' or only a vocal part of a majority; or to test whether indeed the centre has singled out a particular region for intentional mistreatment (Linz 1999: 29).

Interlocking Democratic Federal Arrangements

In interlocking democratic federal arrangements, the sub-unit authorities participate in centre decision-making. Such arrangements have two beneficial effects. First, secession-seeking nationalists may prefer to exercise sub-unit power and such a share in central authority, realizing that they may be better off with such influence than by seceding (Baubock 2000: 379).

Second, many scholars point to the important character formation toward overarching loyalty that may occur within such mechanisms that bring central and sub-unit officials together (Kymlicka 1995; Linz 1999; Simeon and Conway 2001). Such arrangements are often recommended owing to the socialization effects when sub-unit representatives meet face-to-face to negotiate or deliberate about common concerns. Interlocking federal arrangements may thus lead officials to adjust their preferences, and include consideration of other members of the federation (McKay 2000 and 2004; Simeon and Conway 2001: 342). It also seems that federation-wide parties that are active at both sub-unit and centre levels are particularly conducive to the development of overarching loyalty (Linz 1999: 24).

Human Rights Requirements Imposed on Any Future Independent State

Democratic and other human rights requirements imposed by the international community may also reduce the attractiveness of obtaining a separate state. Secessionist groups will know that they will be subject to human rights requirements on any future separate state that seeks external recognition. That will restrict the scope of sovereignty in ways that may diminish the perceived benefits of secession. The future political elite will for instance have to accommodate minorities and abide by democratic rule – reducing the opportunities for political gain.

The combined effect of human rights protections for citizens in interlocking federations, and on future secessionist scenarios, suggest that such rights in a federation will tend to reduce the risk of secession, rather than increase the risk. Thus, human rights may well serve a stabilizing function for federations.

7. CONCLUSION: SOME LESSONS

The present reflections have considered whether federal arrangements are sufficiently robust against claims to secession. Some fear that such constitutionally entrenched decentralization of authority will fuel further calls for sovereignty by some sub-units. Several elements of democratic and human rights can limit such risks, and thus enhance the long-term stability of federal arrangements. Several features seem jointly necessary.⁴ A credibly independent judiciary and mechanisms for constitutional self-binding by the centre authorities are necessary to establish a federation at all. Certain interlocking arrangements, and possibly constitutional requirements securing federation-wide parties, are conducive to stability. Moreover, important democratic and human rights may facilitate long term stability – especially freedom of the press and opposition parties. Recall also the crucial roles of political parties, beyond allowing citizens to ‘kick rascals out.’ Competing parties with alternative policy platforms are necessary for voters to have an informed and real prospective choice; they may stimulate creativity regarding agenda and policy options; provide scrutiny; and may enhance and constrain the option set available to the electorate. They can also

⁴ The list presented is not exhaustive. For instance, several authors note that timing is crucial: stability can be maintained if democracy comes first, then federal elements – while the reverse is more uncertain (Linz 1999: 35).

maintain and foster citizens' commitment to broader societal interests. And in federations, parties can enhance the 'overarching loyalty' necessary among citizens of different sub-units who seek to live together – and apart – as political equals.

Implications for the EU and for the People's Republic of China

In closing, consider some implications for the EU and the PRC. With regards to the recent developments of the EU as evidenced in the Reformed Treaty and the CTE, the increased visibility of human rights is thought to foster stability in the form of popular support. The CTE would also affirm or bolster at least three institutional mechanisms for preference formation through political parties, toward an 'overarching loyalty':

- the political order is an interlocking federal arrangement, leading politicians to consider the impact both on individual sub-units and on other citizens of the federation;
- national parliaments get increased opportunities for addressing issues of European integration. Publicity requirements regarding the Council's legislative work and access to documents of legislative sessions of the Council boosts national parliaments. They receive copies of suggested Treaty reforms and may – if sufficiently many agree – seek to prevent creeping centralization by claiming that proposals violate subsidiarity. Such opportunities would require discussion across sub-units, concerning precisely such central issues as the legitimate objectives of the sub-units and of the EU as a whole, and the best policies for achieving such objectives. Such discussions may foster the requisite overarching loyalty.
- party competition is also crucial at the level of the European Union, to develop the desired 'overarching loyalty.' The Reformed Treaty will not only acknowledge some role for political parties (CTE Article I-46); it also would ensure increased transparency of the legislative process (Article I-50) and increased powers to the European Parliament (Article I-20), possibly influencing the choice of Commission President. The upshot may well be that European-level policies become contested - among European-level parties (Hix and Lord 1997; Magnette 2001; McKay 2001). Optimists may hope that these changes would make it more likely that parties will contribute to shaping Europeans' political preferences toward the requisite overarching loyalty over time. Such

contestation may challenge a received view of the proper ‘apolitical’ role of the Commission as the guardian of ‘the’ European interest. But I submit that that view is flawed, and the benefits seem worth such costs. Indeed, it seems impossible to reduce the ‘democratic deficit’ without allowing such political contestation (Follesdal and Hix 2006). That would help citizens discover that Union decisions could be made otherwise – that ‘the European interest’ is indeed contestable, and that some of these decisions are indeed a matter of deliberate choice.

The Reformed Treaty will also provide additional measures that promote such negotiations in public, both by requiring publicity regarding Union institution proceedings (CTE Article 50) and by ensuring that national parliaments get copies of legislative proposals and Commission consultation documents.

These developments should not lead to exuberance. As of yet, parties are not developed and functioning at the Union level – and it remains to be seen whether they will so develop. Elections to the European Parliament are largely ‘second order’ elections, a venue voters use to express their views about national government performance rather than focused on Union level political issues (Hix and Lord 1997; Hix 1999). It is difficult to guess whether such a trend will continue. Further pessimism may be fuelled by younger generations’ ‘postmaterialist’ declining interest in party politics (Inglehart 1999).

Also, there is of course no reason to believe that the current set of political parties is optimal. They do not provide fluid platforms, but largely reflect old cleavages (Goodin 1996), and existing parties seem to force the new issues of European integration onto a traditional left-right axis. The established parties may even act as a cartel, blocking newcomers and new agenda points. Note, however, that these weaknesses are not flaws of the social functions performed by parties, but of the present crop of parties, and the difficulties of establishing and sustaining them in their multiple democratic functions. Thus these criticisms do not point to the need to abolish parties, but rather to the challenge of how to rejuvenate their agendas and stimulate new parties.

Regarding the PRC, it too needs institutions that will foster willing support for the long term stability of the political order. Yet many of the challenges are different. The present reflections suggest that insofar as some nationalities and areas seek greater political autonomy and even secession, several recommendations may be relevant.

Federal experiments could well curb more extreme secessionist movements. A federation in the sense defined, with constitutionally entrenched division of authority, cannot be created with sufficient credibility unless the centre authorities

renounce their monopoly on constitutional change, allowing sub-units some decisive role. The details of such influence must be explored elsewhere – for instance, it would seem unwise to allow each sub-unit a veto, since this easily stifles even necessary changes as long as they are detrimental to any one sub-unit.⁵ Another required change is to enhance the perceived independence of the judiciary in charge of maintaining the division of powers.

Were a federation to be established, the lack of opposition parties in the PRC does not completely rule out the possibility of obtaining sufficient stability, though we may question the normative legitimacy of such an order. It might seem an open question whether the various functions secured by parties in multi-party democracies can be secured by other means. In particular, some bodies should be authorized to question and criticize government action with impunity, in order to promote good governance. Other bodies than parties and free media may do so, recall Mencius' criticisms of officials who failed in their duties and his argument that freedom of information is needed for vital feedback about government failures (Mencius 1999: 63, 121). There may also be other bodies in a one-party state that secure the various other functions outlined above, including the identification of fair policies; creative, realistic and consistent policy formulation; sustaining the right motives among the leadership; and the proper character formation of citizens.

To conclude, democratic, human rights respecting federations may not provide complete guarantees against secession by territorially clustered ethnic, linguistic, cultural or religious minorities. Federal solutions may not be obtainable for all unitary states that struggle with internal conflicts along territorial lines, given their rules for constitutional change. But the alternative modes of accommodating differences may be even less stable.

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⁵ A weakness Robert Dahl identifies for the United States of America (Dahl 2001: 147-48).

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IDENTITY CHANGE AND THE EMERGENCE OF REGIONALISM

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ABSTRACT

Despite considerable research on how regional cooperation forms and how a regional integration process starts, the origin of regionalism, with particular reference to identity change and a formative regional identity, has not been fully explained. Meanwhile, although mainstream studies have acknowledged that a crisis may become the crucial catalyst for the emergence of regionalism, they have not generally analyzed how regionalism emerges in a crisis related context. This article examines the effects of international crises on one key element of the emerging regionalism – the development of collective identity. It links the question of identity change under the condition of international crisis with the emergence of regionalism, a perspective distinct from the explanations purely based on rational choice and adaptation. It further addresses the issue of identity change by referring to European and East Asian experiences, thus contributing to our understanding as to how regionalism emerged in a particular historical context.

INTRODUCTION

Regional cooperation and regionalism have proliferated, from the remarkable regional integration in Europe since the 1950s, to a new worldwide resurgence since the late 1980s and more recent developments in East Asia. While most

research efforts have been focused on the integration process, there has been renewed interest in looking at why and how regionalism emerges in particular regions from different perspectives (Milward 1984; Beeson 2004 and 2005; Stubbs 2002). Collective identity has been recognized as a key element in the making of a region as a social/political/economic entity or a regional community (Cronin 1999). 'Regional identity' is, in a way, also an interpretation of the process through which a region becomes institutionalized – a process consisting of the production of territorial boundaries, regional cohesion and institutions (Berezin and Schain 2003). Regional identity is constructed as part of the making of regions and used to maintain groupness and different exclusionary practices.

There have been quite a few descriptive, as well as normative, analyzes of what regional identity is or ought to be in the European setting (Garcia 1993; Joyce 2002; Fossum 2003). There has also been a debate over whether and to what extent a European identity actually exists, which often links to the question of the identity-shaping potential of the European supranational institutions (Wessels 1998; Laffan 1998 and 2004). In East Asia, it is interesting to note that at the time when the Asian Financial Crisis broke out 'East Asia' remained mainly a geographic concept although the economic regionalization occurred through a market-led process without formal economic and institutional arrangements (Beeson 2004; Ando and Kimura 2003; Stubbs 2002; Saito 1999). The 'region' itself had been ill defined and there existed overlapping and competing definitions – Asia Pacific, Asia, Pacific-Rim are among those most often used (Peng 2002; Bowles 2002). There was a lack of a coherent regional voice on economic issues in East Asia. The rising regional consciousness and coherent efforts concerning East Asian regional economic governance, namely various regional economic and financial arrangements under the framework of the Association of Southeast Asian Nations Plus Three (APT), did not appear until the Asian Financial Crisis (AFC). Despite considerable research on how regional cooperation has formed and how a regional integration process has started, the origin of regionalism, with particular reference to identity change and a formative regional identity, has not been fully explained. The consolidation of a European identity and an emerging East Asian awareness raises the following question: what is the threshold at which a regional identity might emerge?

Although mainstream studies have acknowledged that a crisis may become the crucial catalyst for the emergence of regionalism, they have not generally analyzed how regionalism emerges in a crisis related context. This article focuses on the effects of international crises on one key element of the emerging regionalism – the development of collective identity shared by a group of countries. It links the question of identity change under the condition of

international crisis with the emergence of regionalism, a perspective distinct from the explanations purely based on rational choice and adaptation. It further addresses the identity change with reference to the European and East Asian experiences, thus contributing to a better understanding of how regionalism emerged in particular historical contexts.

This article starts with a review of how mainstream research defines and uses the concept of 'regional identity'. This is followed by probing different theoretical approaches as to how a collective regional identity might emerge and how regional identity has been incorporated into regional integration and regionalism studies. After identifying some definitional and theoretical gaps, this article adopts an analytical framework of identity and scrutinize the emerging regional identity in relation to the European and East Asian experiences, with special attention to the mechanism active in transforming the effects of a crisis.

ABOUT REGIONAL IDENTITY

For International Relations (IR)/regionalism scholars, regional identity is a key element to understanding regional cooperation and integration (Katzenstein 1996a and 1996b; Hall 1999; Johnston 2005). Depending on the context of the use of this concept and the theoretical approach followed what people mean when they talk about 'regional identity' and how this concept has been used are quite different. A few key uses can be identified in the literature.

First of all, regional identity is often linked to the primordial nature of a region. Narratives of regional identity consist of such elements as the nature, landscape, environment, ethnicity, language, religion and culture of a region, often implying a certain degree of homogeneity (Paasi 2003). One of the five categories of regionalism¹ in Andrew Hurrell's study is 'regional awareness and identity', which is 'often defined in terms of common culture, history or religious tradition' (1997: 41). The underlying assumption is that regional identity is contained in regional tradition and values. This argument is mostly found in literatures which trace the sources of European identity to cultural legacies such as ancient Rome and the Renaissance (Abrweiler 1993; Hale 1993; Kumar 2003), or the debates concerning the so-called 'Asian value' (Berger 1988). This is a

¹ Andrew Hurrell breaks up 'regionalism' into 'five different categories': (1) regionalization (autonomous economic process based on market force); (2) regional awareness and identity; (3) regional interstate co-operation; (4) state-promoted regional integration, and (5) regional cohesion. He provides an explanation of each category. However, he does not further explore how one may relate to another. See Hurrell (1997: 39-45).

historically and culturally deep-rooted definition which gives prominence to the particularities of each individual region and highlights the uniqueness of each. Strictly speaking, these features of nature, culture and ethnic group are used to distinguish one region from others and are actually the *identity of a region* (Paasi 2003).

Second, in contrast to the first point, regional identity is something socially and institutionally constructed. It has been argued that regional identity should not only mean 'what the world's 'natural' regions are', but also be used as 'an analytical device' to suggest what they 'ought to be' (Haas 1970: 612). In this inquiry 'one is forced to admit that geographic designations are not 'real', 'natural' or 'essential', [rather] [t]hey are socially constructed and politically contested and are thus open to change and vulnerable to the twin risks of reification and relativization' (Katzenstein 1997: 7). Moreover, in the region-building process, the 'geographical area is transformed from a passive object to an active subject capable of articulating the transnational interests of the emerging region' (Hettne and Soderbaum 2000: 461). While many studies focus on the internal construction of regions, regional identity is also regarded as a constitutive element of localized resistance to globalization (Castells 1997).

Third, regional identity is a perception of regional awareness and belonging, 'a shared perception of belonging to a particular community' (Hurrell 1997: 41). It depends on 'collective beliefs that the definition of the group and its membership is shared by all those in the group' (Zürn and Checkel 2005: 1066). Regional identity is a kind of social identity, shared by a group of states. It is not simply individual identities that are added together. It has intersubjective substance and is typically embodied in symbols, discourses and institutions. This understanding of regional identity is derived from the Social Identity Theory (SIT). In SIT, membership of a social group entails a shared identity, where individuals have a collective awareness of themselves as a group with a distinct social identity, where value and emotional significance is attached to group membership and, crucially, where the social group is constantly evaluated and compared with other social groups within a similar realm (Tajfel 1978: 63).

MAIN APPROACHES IN THE STUDY OF REGIONAL IDENTITY

Having discussed the definitions of regional identity, this section looks at how a collective regional identity might emerge and how regional identity has been

incorporated into regional integration and regionalism studies. Social identity theory suggests that evidence of identity change would involve changes in conceptions of 'ingroupness', new definitions of boundaries, changes in self-valuation as new cooperative arrangements are created, and action motivated by a desire to maximize group valuation (Johnston 2005). Two general theoretical approaches in IR literature have discussed the issue of identity change and tried to analyze to what extent the formation of a collective identity is possible among international actors.

Although liberal institutionalism is more concerned with behavioural cooperation than identity change, its exponents argue that the conditions of rising interdependence increase the objective vulnerability and sensitivity of actors to each other and iterated cooperation affects mutual expectations among actors (Keohane and Kye 1977). Following this logic, increasing interdependency is a systemic condition in which an actor's identity may potentially be transformed through interactions (Sterling-Floker 2000). Moreover, in order to achieve certain goals, actors engage in 'collective practices' – involving 'persistent and connected sets of rules (formal and informal) that prescribe behavioural roles, constrain activity, and shape expectations' – as well as interacting with each other (Keohane 1990: 175). These collective practices allow for the possibility of an emerging collective identity. Once cooperation is associated with efficient interest maximization, the incentive to continue cooperating is reinforced. Repeated cooperation then produces a progressively expanding commitment to the cooperative effort. In other words, cooperative regimes can 'make a difference to actors' beliefs by helping to create a reinforcing 'feed-back' loop (Krasner 1983; Jervis 1991).

Social constructivism perceives collective identity as 'positive identification with the welfare of another, such that the other is seen as a cognitive extension of the self, rather than independent' and 'it is a basis for feelings of solidarity, community, and loyalty and thus for collective definitions of interest' (Wendt 1994: 386). They distinguish between alliances formed for instrumental reasons and collective security arrangements which are based on the commitment and willingness to act on 'generalized principles of conduct' and norms and diffuse reciprocity (Ruggie 1998; Wendt 1994; Cronin 1999). In other words, by defining a 'collective identity' and demonstrating its existence, social constructivists have tried to provide an alternative angle from which to study 'collective actions', which are not merely about rational calculations by self-interested actors and their instrumental interactions, but a process of creating new identities. Regarding the formation of a collective identity, social constructivists have argued that intersubjective structures, consisting of the shared understandings, expectations

and social knowledge embedded in international institutions and threat complexes, help determine the dynamics of collective identity formation (Wendt 1994).

Although both approaches acknowledge the possibility of identity change, there are fundamental differences between them concerning the issue of collective identity. Liberal institutionalism resorts to rationalist assumptions about the actor's motivation to engage in collective actions, namely maximizing utility function. Similarly, its core implications regarding the formation of collective identity are that practices and interests may influence and redefine identity. In contrast, social constructivism, based on the assumption of an intersubjective structure, argues that collective identity is formed out of social interactions and in discursive contexts.

Both approaches have influenced views on regional identity in regionalism and regional integration studies. An early European integration theorist observed that: '...the interests and values defended by the major groups involved in the process ... are far too complex to be described in such simple terms as 'the desire for Franco-German peace' or the 'will to a United Europe'... [V]alues will undergo change, that interests will be redefined in terms of a regional rather than a purely national orientation and that the erstwhile set of separate national group values will gradually be superseded by a new and geographically larger set of beliefs.' (Haas 1968: 13-14) However, even with such sensitivity to the collective identity issues, early integration theories only assumed that once the regional cooperation began to generate benefits, loyalties and expectations will gradually and naturally shift to the new regional centre (Lindberg 1963; Haas 1968). Deutsch pointed out that the key character of a 'political community' is not the establishment of organization or institution, but a sense of belonging (Deutsch 1957 and 1968). The development of a sense of community largely depends upon an effective and significant pattern of communications between units. As the intensity of communication increases, so will the sense of community.

Later research has tried to overcome the ambiguity in defining regional collective identity and explore the relations between regional integration, regional community building and regional identity. There are three tendencies in considering regional identity, which more or less overlap with the concepts and approaches identified earlier. The first is the enquiry into the nature of a potential regional collective identity (Fossum 2003; Keunen 2007). This is an approach examining the content, characteristics and components of commonly shared cultures and values. This is often either a historically and culturally rooted definition which highlights the particularities and uniqueness of an individual region, or a normatively based prescription as to what a regional identity should look like in order to facilitate further integration. The second approach, instead of

emphasizing culture and traditions, argues that a regional identity results from political practices. Similar to the liberal institutionalist logic, it treats regional identity as a dependent variable and analyzes how the evolution of cooperation might lead to evolution of a collective identity and how a regional collective identity is formed in the regional integration process. Checkel has argued that the duration and intensity of exposure to an institution may lead to a higher level or more intensive identification with the institution (Checkel 2005). With its densely institutionalized regional structure, the European Union (EU) has been regarded as an ideal laboratory and ‘social soil within which actor’s preferences might be transformed’ (Jupille and Caporaso 1999: 440). The role of regional identity has also been noted as a precondition for multilevel citizenship (Painter 2002). Considerable research has been devoted to the interplays between regional identity and national identity (for example Checkel 2001; Marcussen et al. 2001). The third approach treats regional identity as an independent variable and brings it into the explanation of the emergence of regional integration and regional community. It often tries to explore the link between regional institutional designs and particular identities. The regional group uses its acquired norms and values to compare and evaluate performances and opinions and this provides rules, standards and beliefs about what constitutes appropriate conduct and attitudes. For example, Terada argues that a particular new regional concept of East Asia has promoted substantial regional cooperation in the region (Terada 2003). However, this approach does not provide a satisfactory explanation as to how a regional collective identity is formed in the first place.

THE GAPS

Even though we are able to identify some fundamental elements of the concept ‘regional identity’ and the main theoretical approaches, the ambiguity in the use of this concept as an analytical tool still exists. One question is the dichotomy between an individual-based understanding of how to define the self in relation to the region as a group and a perspective of a regional group defining its own identity (Hymans 2002). In other words, the former deals with the question of ‘where do *I* belong’ at the level of the individual and the latter the question of ‘where do *we* belong’ at the group level. The first approach answers the question to what extent an actor identifies with the region. It focuses on the central role of the individual in defining its own understanding of its group level of self. A regional identity is what an actor attributes to itself by taking the perspective of a region. From this perspective, regional identity emphasizes an individual’s

positive identification with the welfare of the group and the argument that the formation of a collective identity generates collective interests (Wendt 1994). The second approach looks at the self-understanding of a regional group as a unit, the collective meaning of who and what they think they are. It explains how a regional group, sometimes in the forms of regional institutions or governance, manifests itself in solidarity, in shared dispositions or consciousness, or in collective actions. This may be a product of social or institutional processes or actions, such as 'new social movement[s]' (Brubaker and Cooper 2000). While the first approach is mostly established by an analysis of the concrete social identities of actors which may be state or non-state actors, such as individual citizens, factors such as institutional thickness, social embeddedness and governance are often used in understanding a regional identity in the second approach (Mackinnon et al. 2002). Meanwhile, the increase in the social identities of individual actors in the first approach may not necessarily be equal to a collective regional identity defined by the second approach.

Another question is the different emphasis of 'self' and 'other', of 'differences' and 'similarities' – whether the regional identity is expressing an intra-group or inter-group phenomenon. Social Identity Theory indicates that a collective identity cannot occur without a distinction between 'us' and the 'other' (Della Porta and Diani 1999; Neumann 1999). However, a collective identity is not only based on a differentiation between in-groups and out-groups, but rather on similarities, commonness and intra-group connections (Neumann 1996; Yuki 2003). While competition with out-groups is not irrelevant to a collective identity, it is sometimes far from the most important factor (Rich 1999). 'Individual and collective identities are created not simply in the difference between self and other but in those moments of ambiguity where one is other to oneself, and in the recognition of the other as like' (Norton 1988: 7). Actors acquire and sustain their collective identities within groups by their interactions with each other. A strongly bounded sense of groupness may rest on categorical commonality and an associated feeling of belonging together (Brubaker and Cooper 2000).

The third question is how to measure collective identity. Does collective identity have different levels consistent with the degree of actors' identification with the group? Membership is a kind of constitutive indicator to demonstrate that one individual is constitutively or legally bound to a certain social group. It is an indicator which shows a rather static status and cannot necessarily describe the intersubjective content of social identity and its change. Cronin's way of treating identity as 'a continuum from negative to positive' is useful to clarify the issue of measurement (1999: 17; Wendt 1994). This continuum ranges from the very negative end, hostility, to rivalry, indifference, cohesion, altruism, and lastly to

symbiosis, the very positive end. The first three – hostility, rivalry and indifference – are negative identities, and the last three – cohesion, altruism and symbiosis – are positive identities. With this continuum, a regional identity in the majority of IR discussions lies in the positive part, either from ‘indifference’ (or even rivalry) to ‘cohesion’, or from ‘cohesion’ to ‘altruism’.

Regionalism and integration studies seem to assume either that a primordial regional identity somehow pre-exists, or that significant identity change only occurs in the process of regional integration. An area which has been neglected is that which enquires what the emergence of regional integration schemes has to do with the identity change. The question is: will identity change occur only under the conditions of actors being ‘locked in’ to the cooperative arrangements and taking part into the repeated cooperation, to use liberal institutionalist terminology, or under the conditions of regional integration which is already ‘taking off’, to use regional integrationist terminology? Cannot identity change take place at the time of ‘locking in’ and ‘taking off’? Since ‘regional identity’ has been, in a way, an interpretation of the process through which a region becomes institutionalized and socialized, examining the emerging regional identity in its threshold will also help us to understand the emergence of regional integration and regionalism.

Finally, the ‘catalytic’ impact ascribed to international crisis in relation to the emergence of regionalism has been widely acknowledged (Terada 2003; Bustelo 2003; Stubbs 2002). As some regional cooperation and integration processes start in a crisis or post-crisis context, it is worth examining more closely how crisis has triggered the change of a regional structure. If tackling the crisis by regional actors may advance the awareness of the regional group (Terada 2003), how has the crisis done so? Existing research has overlooked these critical historical moments which have remarkably changed the course of regional development. What is needed is an approach to understanding the identity change that incorporates the mechanism active in transforming the effects of crisis. One way to address this question is to adopt a social constructivist concept of ‘social learning’. This article suggests that identity change and the emerging regional collective identity can be explained by utilizing an analytical framework based on the identity theory together with the social constructivist ‘learning’ process.

EMERGING COLLECTIVE IDENTITY: AN ANALYTICAL FRAMEWORK

Two Dimensions of Identity

This article adopts the analytical framework suggested in Abdelal et al. *Identity as a Variable* and scrutinize identity change and the emerging regional collective identity in the context of international crisis. Abdelal et al. has unpacked the content of identity into four somewhat overlapping dimensions: constitutive norms, social purposes, relational comparisons and cognitive models (Abdelal et al. 2006). This framework will be slightly modified in order to better answer the research question how a collective identity emerges and to link this to the areas of ambiguity identified in the earlier sections.

With the limited space, this article focuses only on two aspects: *normative beliefs* and *relational content*. *Normative beliefs*² are about value judgements of social and political practices. They deal with such fundamental questions as good or bad, better or worse, superior or inferior; whether a particular practice or policy is more desirable or more effective than others in dealing with human problems by maintaining and modifying security and wealth, peace and development, and whether the new form of ‘human community’ is superior than the old one, and it is all about a question of ‘ought to’ (Haas 1970: 608, 624; Nye 1968: 856-7). The normative beliefs shared by a group are a kind of ‘we-mode beliefs’ which are performatively and collectively accepted and committed to (Tuomela 2003). Normative beliefs are the basis for the common goals of a group and lead actors to act in ways which fulfil the group’s aims. Normative beliefs, therefore, form the basis for actions. ‘*Relational content*’ is about self and group understandings as well as views about other actors. It means an accentuation of perceived similarities between self and other in-group members and perceived differences between self and out-group members (Hogg and Abrams 1988: 21). Relational content is actually based on a ‘world view’, a set of ideas and beliefs through which actors try to comprehend the material world, the meaning given to a situation, the self-perception about the position in the international system or in a specific situation. Relational understandings are the basis for a social-psychological appeal, awareness and consciousness.

² As ‘the formal and informal rules that define group membership’ appear in later stage of integration, this paper will not adopt the term of ‘constitutive norms’ (Abdelal et al. 2005: 8), but use the more flexible ‘normative beliefs’.

Change of Identity and Crisis

Changes in identity are generally slow, as actors adapt to social competition and social evolution over the long term (Albert and Whetten 1985). However, special social events may influence the fluidity of identity and are therefore, able to expedite the change of identity. In these cases, the changes tend to be dramatic rather than gentle. 'What constitutes a crisis is an important definitional issue for ideational analysis... [and] the potential contribution of ideational analysis lies in its presumed but not yet clearly articulated ability to explain the factors that affect these perceptions in the first place...' (Campbell 2000 as quoted in Gofas 2001: 13). Here what Sahlins (1991: 43-4) calls 'the structure of meaning' defines an event as significant, in which a cognitive process is involved and determines which external events will be observed, how they will be perceived, whether they leave any lasting effects and how the information they convey will be organized for future use (Bandura 1977: 160). Moreover, the underlining ideational and normative structure cannot revert to its previous condition because the events of crisis create new understandings and attitudes (Higgs 1987). The two aspects of a collective identity often become prominent during crisis. When the existing order is widely perceived as working poorly or even breaking down, the existing normative beliefs and practices are challenged and shaken loose. Crisis also challenges beliefs about friendly or adversary actors, the character of the environment and the adequacy of existing organizational and political arrangements designed to cope with that environment (Stern 1997). Accordingly, new normative beliefs and relational content are defined and applied by the group.

Collective Social Learning

From a social constructivist perspective, the collective meaning of identities is neither fixed nor predetermined, and it is subject to a process of 'social contestation' (Abdelal et al. 2005: 16). Identity change induced by such acute events as regional crisis cannot be explained without explaining how the beliefs 'got in there', and 'why these beliefs happen to coincide' (Kratochwil 2000: 80). 'Collective social learning' serves as the main mechanism in such a cognitive process, linking identity with a changing environment (crisis), and therefore accounting for the change of identity (Wendt 1999: 321-4; Checkel 2001). Stern has argued that the conditions associated with crisis and their aftermath may facilitate learning and change, overcoming the common social and political inertia which often inhibit learning under 'normal' conditions (Stern 1997), thus making

identity change possible. ‘Social learning’ after the crisis makes identity change possible through critical self-reflexivity and the exploration of possible identities (Brown and Skarkey 2000).

In a post-crisis regional context, reflexive consideration of the common experience tends to induce a shared understanding of the material world among regional states. Shared understandings about ‘what is going on?’, ‘what is the situation?’ entail similar beliefs about cause-effect relationships (Goldstein and Keohane 1993:10), creating similar responses and behaviours and leading to a convergence of expectations and policies. Martha Finnemore has used the ‘logic of appropriateness’ to predict similar behaviour from dissimilar actors, who would have acted differently if only regarded as having different utility functions and capabilities (Finnemore 1996; Sending 2002). Through reflexive consideration, the limits of existing identity are exposed and lead to the exploration of alternative future directions – a new possible identity, which enables actors to adapt, change or transform themselves according to how the future unfolds and the external environment changes (Brown and Skarkey 2000). This exploration is a kind of search for meaning, the construction of a narrative that makes sense of both past and future and the actor’s as well as the group’s role in creating this. The logic of ‘common fate’ is often produced under circumstances of uncertainty. Actors face a common fate when they perceive that their individual survival, fitness, or welfare depends on what happens to the group as a whole (Wendt 1999). Unlike the conventional formation of alliance, ‘common fate’ influences not only behaviour but also actors’ identity. The crucial element of ‘common fate’ is dealing with collective uncertainty.

Western European countries after World War II and East Asian countries after the Asian financial crisis respectively shared a common reflexive understanding resulting from the shared experience of suffering and the survival of a destructive war and economic crisis, as well as a regional common fate in terms of securing economic prosperity, rebuilding social stability and dealing with regional economic and political uncertainty. Exploring new identities does not necessarily mean the resolution and integration of a mature identity, but reflects a phase of questioning existing beliefs, restructuring cognitions, searching and developing alternative models of the future through social learning mechanisms. This is a transformation process bridging ‘what was’ and the ideal type, ‘what can be’ (Ashforth and Mael 1996). The experiences of Europe and East Asia present the critical self-reflexivity and exploration of possible identities which brought out changes along the two dimensions of a collective identity, *normative beliefs* and *relational content*.

The following sections will look at identity change and a formative regional identity in European and East Asian experiences under the suggested framework. However, making empirical arguments about collective identity is always difficult and methodologically treacherous (Cronin 1999; Abdelal et al. 2005). It is even more so when dealing with historical cases. Unlike material-based variables, social identity as an intersubjective concept is essentially constitutive rather than causal. Aware of these problems, we must rely on systematic observation and interpretation. This article looks at the nature of discourse that characterizes the interactions among states, the new concept or understandings that have been articulated and the consistent patterns in the way actors define themselves and their situations. By using historical evidences found in the literatures of European history and the hard resources in the secondary literature³ as well as some original governmental and inter-governmental documents and reports on East Asian regional cooperation, we will unpack identity transformation and examine emerging collective regional identities.

CASES

Normative Beliefs and Practices

Europe

International crises tend to undermine the faith of both elites and non-elites in the ideals of the old order (Higgs 1987) and make people think in a reflective way. The continuous catastrophes – the war and the economic crisis – brutally revealed the destructive results of economic protectionism and extreme nationalism in Europe from the late 1920s onwards (Dedman 2000: 32). During the economic crisis, European governments, to varying degrees, applied some similar measures – protection, import quotas, exchange control and drying-up international investment – which resulted in the economic isolation of each country from the rest and the reduction of each country's dependence on foreign trade and payment (Pollard 1974). Such an attempt by each country to solve the problem at the expense of others aggravated the tendency to national exclusiveness and the tension and hatred between nations (Aldcroft 1977a and b). The cost of this regression and the damage went far beyond material or economic factors. In

³ Moravcsik has distinguished the 'soft' and 'hard' primary sources in the secondary literature (1998). While a 'soft' primary source is one in which there is a relatively strong incentive for distortion or speculation, the 'hard' primary sources represent the basic objective facts and data.

contrast to the widely practiced protectionism and disintegration of the international economy in the pre-war period, the post-war period saw an attempt to explore novel solutions and establish commonly accepted norms and rules to regulate international economic relations (Milward et al. 1993). In the process of correcting the quest for extreme autarchy and self-sufficiency and stopping rampant nationalism and protectionism, the assertions are normative rather than simply descriptive as some values are evaluated against and preferred to others. For example, the values of ‘non-coercive’ unification and ‘self-consciously eschew(ing) the use of force’ are preferred over those of the military conqueror, colonizing or seeking hegemony as in previous unifications (Haas 1970: 608). The Schuman Plan, which saw the pooling of European coal and steel resources, made conflict between states ‘not simply unthinkable, but materially impossible’.⁴ This industrial sector with strategic significance was no longer viewed ‘through the lens of national rivalry and relative military advantage’, instead, the new supranational enterprise provided ‘a foundation for a broad economic and political settlement between once-warring nations’ (Hitchcock 1997: 603). The normative beliefs mapped the causal relations between regional political and economic anarchy and instability, economic chaos and war. Order, rules and commitment were the new expectations for the region. Supranationalism, not national autonomy, became the name of the game (Katzenstein 1997). The post-war European regionalism ended the old so-called ‘European system’ or the ‘concert of great powers’ and replaced it with a new stable system among but also beyond nations (Hallstein 1972).

East Asia

Although some argued that the Asian Financial Crisis shattered the self-sufficient ‘Asian Way’ (Rüland 2000), it has also encouraged the searching for a new regional identity. The crisis has inspired fundamental re-thinking in East Asian countries of the role of strong government involvement in industrial development, a salient character of the Asian development model⁵. A discursive deconstruction of the Asian development model after the outbreak of the crisis associated the East Asian development model with ‘crony capitalism’ (Hall 2003;

⁴ French Foreign Minister Robert Schuman’s statement on 9 May 1950. See Raymond Poidevin (1986), *Robert Schuman, homme d’Etat, 1886-1963* (Robert Schuman, man of state), Paris, pp. 261-62, cited in Hitchcock (1997).

⁵ In 1993, the World Bank had coined the term ‘East Asian Miracle’ to appraise the successful economic development and the rapid improvement of the living standards of the people in this region. This report cited macroeconomic stability, human resource development, export orientation, and benign government-business relationships as the causes of high performance in East Asia (World Bank 1993).

Beeson 2004). ‘The discursive structures have designated the economic practices of various East Asian actors as normatively good (ethical and/or economically competent) or bad (unethical and/or economically incompetent) behaviour’ (Hall 2003: 73). Although this has encountered an opposing argument that the ill-sequenced and poorly regulated financial liberalization has undermined effective governance and increased vulnerability to currency and financial crisis in the region (Nesadurai 2000; Lee 2000), there has been a new surge in re-examining the links between economic governance and economic performance in almost every country in East Asia in the years after the crisis (Drysdale 2000). A majority of governments across the region have generally kept close ties with business and played a dominant role in the banking system and corporate finance. These arrangements proved capable of supporting the extraordinary investment effort and the massive unprecedented mobilization of resources that characterized the period of outwardly oriented East Asian growth. However, as development progresses, the risks of these kinds of arrangements appear to rise, such as a lack of effective discipline, increasing allocation risk and opportunities for rent seeking (Wilson and Drysdale 2000: 6-7).

With the outbreak of the financial crisis, commitment to structural reforms and credible economic management does appear to be a prerequisite for a return of confidence and for the sharp rebound in domestic spending in the recovering economies. It has been identified that there has been a shift from ‘socially justifiable’ to ‘degenerative’ moral hazard in the ‘relationship banking’ system (Ozawa 1999), which strongly suggests that deeper institutional reform is necessary. Tackling the relations between economic governance and economic performance and adjusting the East Asian development model has become the centrepiece of the post-crisis economic recovery. East Asian countries have reached a common understanding on the exposed regional-wide weaknesses. These include a lack of regional institutions regulating regional economic relations, especially regional monetary and financial markets, to alleviate international economic fluctuation and risk, as well as a lack of regional self-rescue mechanisms in times of crisis. In the post-crisis period, East Asia has been experiencing a proliferation of projects for improving ‘governance’ which signals a growing appreciation of the importance of governing capacity (Hamilton-Hart 2003).⁶ There emerged a new cooperative body ‘ASEAN Plus Three (APT)’ (or ‘ASEAN + 3’) consisting of ten ASEAN countries, China, Japan and the Republic of Korea. Regional economic governance arranged by state authorities appeared

⁶ Hamilton-Hart defines ‘governing capacity’ as ‘the ability of a government to implement its own declared policy in a reasonably consistent and rule-abiding way’ (Hamilton-Hart 2003: 224).

for the first time in East Asia. APT post-crisis initiatives on regional governance in the financial area thus far fall into three broad categories. The first consists of peer review and formal and informal policy dialogues under the APT. A wide range of transnational regulatory issues, such as mechanisms of capital account monitoring and coordinated investment policy reform, have been considered. The second consists of more technical and substantive actions. An important regional financing arrangement (RFA), the Chiang Mai Initiative (CMI) in May 2000, established a system of swap arrangements constituted by regional liquidity funds⁷ to address the goal of regional wide monetary stabilization. It enables the Central Bank of each East Asian country to resort to other countries' foreign reserves in emergency. Third, the APT Finance Ministers have agreed to the Asian Bond Market Initiative (ABMI) to develop local currency denominated bonds, aiming to establish a bond guarantee agency in the region (ADB 2005). The purpose of this initiative is to develop bond markets to mobilize savings more efficiently for the benefit of the region and to provide long-term local currency funds. In summary, the reflexivity over the crisis has remodelled the causal relations between old economic practice, economic efficiency and growth. Regional countries have pooled their sources together in order to strengthen regional economic governance and address the problems of institutional insufficiency. There seems to be a vision that in East Asia economic development and regional integration are two sides of the same coin and must proceed in tandem (Ohno 2002).

Relational Content

Europe

European governments reflected that 'international efforts to promote reconstruction were woefully inadequate after the First World War, a lesson which was appreciated by the planners responsible for the same tasks after 1945' (Aldcroft 1977a: 63). Hervé Alphand and André Istel, de Gaulle's financial experts, stated that the 'collapse of the international economic system between 1929 and 1931 was not due to a shortage of international credit but rather to the

⁷ In theory, the CMI provides for 33 bilateral currency swap arrangements: 30 agreements between each of the Northeast Asian countries and each of the 10 ASEAN members, plus 3 agreements among the Northeast Asian countries themselves (Henning 2002: 10 and 16). The CMI swap network, emerging between 2000 and 2002, deals with nearly \$ 60 billion and the combined foreign exchange reserves at the disposal of East Asian states amounts to approximately \$1 trillion. See Ministry of Finance, Japan, available from: <http://www.mof.go.jp/english/if/CMI_051109.pdf>

absence of any international institutional machinery to regulate structural problems in the international economy' (as quoted in Lynch 1997: 13). When WWII was approaching its end, the allies had started to discuss how to sustain international peace and to prevent another tragedy. A common task was to establish a novel, more stable international/regional structure able to correct failed policies, to sustain peaceful relationships, to reconstruct the regional economy and to protect common prosperity. In spite of strong national differences in character, temperament, beliefs, and aims, they shared the purposive willingness to remove 'the facets that divide(d), the wasteful use of resources in fighting one another' (Hallstein 1972: 184). A new regional awareness and social purpose was evoked by this constructive attitude. Reformist economists suggested the fundamental reform of the international economy in the clear recognition that expansionary economic policies could not be sustained in isolation. From this point of view, a spirit of good neighbourliness would be easier to achieve if governments would pursue expansionary economic policies in concert to prevent another depression (Geiger 1996). The weakness and instability in one country might easily become a threat to its neighbours' prosperity. Keeping others weak had proven a notorious and self-defeating strategy. They had to cooperate with each other in order to overcome their economic difficulties. Among them, the rapprochement of France and Germany within a European framework was the basis of reorganizing intra-European political and economic affairs.

From the French point of view, the 'German Problem' was historically and psychologically generated from a deep fear of Germany's economic strength, which could boost Germany's ambition of conquering neighbouring countries (Maier 1991; Gillingham 1991; Lynch 1984). The centrepiece of the 'German Problem' was the Ruhr area, which made the French feel their economic 'inferiority' in comparison with Germany.⁸ The Ruhr area is not only a symbol of German economic superiority but also a symbol of the German war industry, so that the French regarded it as material traces of Germany's imperialist and racist politics. France believed that without the Ruhr, Germany was no longer a threat (Maier 1991: 334). It was equally important that successful reconstruction and modernization of the French economy depended, to a large degree, on the guaranteed continued French access to the resources of the Ruhr (Sethur 1952; Lynch 1984). Therefore, French policy makers faced an obvious dilemma: limiting German political power while preserving, and even increasing, the Ruhr's economic importance to France and the whole of Western Europe. The French

⁸ The French thought that 'the difference between the French coal and steel industry and that of the Ruhr is similar to the difference between a 4 CV Renault and a heavy steam engine.' Remarks by Jacques Bardoux, cited in Müller-Härlin (2003: 269-278).

government actively searched for a solution to this dilemma. A background paper written by the chief of the *Quai*'s European desk proposed the internationalization of the Ruhr area as the first step toward a Western union and extended the Ruhr authority to the other heavy industry regions of Western Europe. They proposed a path called 'organic control' (*contrôle organique*), a system for the supervision and regulation of the Ruhr's heavy industry, 'to take precise forms over time while being adapted as closely as possible to the reorganisation of the postwar German and European economies ... to integrate the productive forces of Germany into a new international order' (Gillingham 1991: 153-54, 170). This article insisted that European integration without Germany was a myth, while with it prospects were unlimited. 'By the date of the Schuman Plan announcement, French expressions of interest in reconciliation with Germany had become quite commonplace' (Gillingham 1991: 170). The Schuman Plan reconciled economic and security imperatives and changed the structure and relationship of the French and German economies. It explored a new approach to untangle the problem of Franco-German relations, namely, the elimination of the 'ancient antagonism of France and Germany' through the 'establishment of common bases of industrial production' and the fusion of interests. (Willis 1968: 87).

East Asia

'The financial crisis compelled many Asian countries to re-evaluate their place in the world' (*Financial Times* 2001) and induced fundamental changes of views on inter-regional relations and relations with the outside world. The critical reflections on the priority of foreign economic relations in East Asia exposed East Asian countries' excessive reliance on major global economies outside of the region. The lack of diversification and low level intra-regional financial flows rendered the East Asian economies susceptible to external shocks. In contrast, closer intra-regional economic interactions can act as a 'buffer attenuator' to external economic fluctuations. In the search for an alternative model for the future, East Asian countries have tried to explore their own as well as the region's role in creating it. As the Vice President of the Asian Development Bank, Mr Liqun Jin said,⁹

'Asia needs to address a historical weakness of inadequate collaboration in critical areas. In the absence of close cooperation, Asian economies could succeed separately, but together they could be prone to shocks as their economies become more linked to the developed world rather than each other in the region

⁹ 'Asia-Pacific financial and monetary cooperation', Speech on the 2004 annual conference of Boao Forum for Asia (Wu 2004).

... it cannot go on aiming at the large markets in the industrial countries, to the neglect of working together as a team to develop the regional market on the basis of better coordination in macroeconomic and financial affairs.'

Cohesion has also emerged in the attitudes and stances of the countries in this region towards actors outside the region – for example, the International Monetary Fund (IMF) in conjunction with the US government. The mainstream view in the region about the IMF's response and policy to the Asian Financial Crisis is that the IMF initially misdiagnosed the problem and chose to impose a set of solutions that only served to liberalize the East Asian market and to exacerbate the situation (Higgott 1998; Bello 1998; Bowles 2002). Some East Asian leaders also believed that the solution to the crisis proposed by the IMF was short-sighted and would worsen and prolong the economic crisis (*Business World* 2000). This situation has become the acme of change of American economic policy in this region, which has aroused resentment towards the economic intervention from outside (Haggard 2000). Therefore, regional awareness has greatly strengthened as a result of this reassessment of indigenous group strategy against the outsider's attitude in the circumstances of crisis.

By posing a question concerning the relations between regional countries and the rest of the world and delineating a boundary to differentiate insiders and outsiders, the sense of a 'group' is growing. This is what Hurrell called 'how actors interpret the world and how their understandings of where they belong are formed' (1995: 65). 'Group identities develop out of common experiences: political actors must act together as a group before they can recognize the existence of that group' (Cronin 1999: 33). In the post-crisis era, East Asian regionalism, led by state design, has pursued the goal of restoring to the region a greater degree of political power and autonomy vis-à-vis the rest of the world (Bowles 2002). For example, the slowly evolving regional liquidity fund will give members of ASEAN Plus Three greater autonomy in their relations with global financial institutions (Nabers 2003).

Meanwhile, the crisis has also instigated a change in the self-orientation of every East Asian country. There were few signs of regional awareness in East Asia before the Asian Financial Crisis. In Southeast Asia, ASEAN countries had developed a sense of regional belonging to their own sub-regional association. In Northeast Asia, all three countries – China, Japan and South Korea – had self-orientations which were not derived from the region of 'East Asia'¹⁰ (Li 2003).

¹⁰ Japan once defined itself as a Western developed country. South Korea believed its culture was closer to the West than to the East, although geographically it is an East Asian country. China believed itself to be an independent global power.

Therefore, regional economic cooperation and institutions lacked the basis of regional cohesion and a centripetal force. For example, The *White Paper on International Economy and Trade* issued by the Ministry of Economy, Trade and Industry of Japan in 2003¹¹ emphasizes the importance of East Asian economic cooperation and suggests that the Japanese economy must be invigorated by the economic energy of neighbouring countries. Entering the new century, China has adjusted her 'calming neighbours' (An Lin) policy and added 'enriching neighbours' (Fu Lin) as a fundamental policy in the regional area. Chinese leaders have on different occasions repeated that its ongoing economic reform and development to a great degree depends on regional stability and prosperity.¹² South Korea has planned to become the 'economic centre of Northeast Asia' as a centre of logistics and commerce.¹³ This crisis made ASEAN countries realize how vulnerable they are and use 'looking East' as an opportunity for their economic recovery and sustainable development. The crisis has implanted the concept that every country is first of all rooted in the same region. A regional 'commonness', or 'we-ness', a regional consciousness appeared in this region for the first time in its history. The Asian Financial Crisis was such an extraordinary event that it developed the 'consensual knowledge' and 'inter-subjective understanding' of these countries and encouraged states to promote cooperation (Terada 2003).

CONCLUSION

Although mainstream studies have clearly acknowledged that a crisis may become the crucial catalyst for the emergence of regionalism, they have not generally analyzed how it induces a change in identity. This article has focused on the effects of international crises on a formative regional identity. It has argued that under the conditions of international uncertainty or crisis, actors engage in a process of re-evaluating, questioning and challenging old normative beliefs and

¹¹ From the website of the Ministry of Economy, Trade and Industry of Japan. Available from: <<http://www.meti.go.jp/english/report/index.html>> [12 March 2005].

¹² 'The China Daily's interview with Chinese Foreign Minister, Tang Jiaxuan', Chinese Foreign Ministry. Available from: <<http://www.fmprc.gov.cn/chn/wjdt/wjzc/t3472.htm>>; also see *Chinese Prime Minister's speech at ASEAN Plus Three Summit*, from the Sixth to Ninth Summit. Available from: <<http://www.fmprc.gov.cn>>.

¹³ South Korea is trying to improve the FDI environment and boost the weight of foreign investment in Gross Domestic Product (GDP) to 14 per cent before 2010. See the speech on annual meeting of the Boao Asia Forum 2003 by Kim Jin-Pyo, Vice Chancellor and Minister of Finance and Economy, Republic of Korea.

looking for new ones, opening up the possibilities for new identities to be formed. This often leads to shared interpretations of events, a perceived common fate and a desire to develop a means to protect peace and stability – the exploration of an alternative identity. This article echoes Wendt's point: 'there is nothing inevitable about collective identity formation in the international system', but, 'to the extent that the mechanisms are at work that promote collective identities, models that ignore them will understate the chances for international cooperation and misrepresent why it occurs' (Wendt 1994: 391).

Both Europe and East Asia can be regarded as examples of 'crisis induced' regionalism, in which particular events expedite changes in state identity and trigger the search for new ideas to guide policy-making. There exist commonalities in both cases which indicate that the crisis imposed the challenge of normative beliefs and practices. The crises created a sense of common history and common fate in both regions when the interests of each country depended on what would happen to the group as a whole. Through social learning and critical reflexivity, they have substantially altered the way in which the relationship between individual states and the region is perceived, stimulated a common understanding of the regional situation and developed a regional common fate to deal with regional economic and political uncertainty. In this process, the limits of existing identity are exposed and questioned. The social learning process enables states to adapt, change or transform their identity according to changes in the external environment. In the search for an alternative model for the future, states try to explore their own as well as the region's role in creating it.

In both cases, emerging regionalism has been characterized by the exploration for an alternative identity. It does not necessarily mean a resolution of a mature identity, but reflects a period of questioning existing beliefs, restructuring cognitions, searching and constructing alternative models of the future. In such a process of exploration, the regional policy-makers' incentives have been raised to develop collective responses to the regional threats and problems and to confirm their recognition and commitment to closer connections between neighbouring countries. The initial stage of regionalism in both regions focuses on the lessons learned from the period of the crises and addresses the main weaknesses exposed. The very first crucial initiatives in both cases are regional resolutions to address the key sources of the crises: the supranational arrangement for the coal and steel sector in Europe and the financial stabilization mechanisms in East Asia.

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