
ASEM: from words to action?

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BACKGROUND

Two years ago at the Asia-Europe Meeting (ASEM) in Beijing, leaders from both regions vowed joint action to rebuild the battered global economy. “We swim together, or we sink together,” European Commission President José Manuel Barroso told his ASEM counterparts.

As governments struggle to boost growth and ensure recovery, Asian and European Union leaders at the eighth ASEM meeting in Brussels on 4-5 October must send a similarly strong message of solidarity.

The stakes are high, especially for Europe. ASEM 8, bringing together 48 Asian and European leaders (or their representatives), is a pivotal test for the future of the EU’s uninspiring and often haphazard relationship with Asia.

EU leaders can either use the meeting to inject new dynamism into Asia-Europe relations or reinforce an impression in Asia – prompted by the long struggle with the Lisbon Treaty’s ratification, or initial EU discord over the sovereign debt crisis – of Europe’s decline into global “irrelevance”.

Significantly, the summit allows the EU to move beyond its current focus on China and India by strengthening connections with other Asian nations, including Japan, South Korea and the ten-member Association of Southeast Asian Nations (ASEAN). As such, ASEM 8 offers an opportunity to stop Asia and Europe drifting apart.

Interdependence

While they may disagree on many issues, the two regions need and depend on each other. Europe cannot meet its aspirations of becoming a powerful global actor without actively engaging a rising Asia. Exports to Asia are helping economic recovery in

Germany and other European countries. Meanwhile, for all their economic resilience, Asian countries need European markets, investments and technology – and sometimes EU aid – to maintain robust growth and continuing development.

Leaders in Brussels will issue a statement on improving global economic governance, achieving sustainable development, combating global warming and meeting aid targets. Pledges on forging closer cooperation to ensure global peace and security will be made.

Following the seeds of financial consultation sown in Beijing in 2008, a separate ASEM declaration will seek to further develop Asia-Europe cooperation on restoring market confidence and boosting economic recovery. Crucially, the summit will call for modernising International Monetary Fund governance to improve the organisation’s credibility, legitimacy and effectiveness and to implement IMF quota reform.

Global and regional hotspots, including North Korea and Burma/Myanmar will be reviewed and – as usual – probably cause discord. Leaders will discuss joint anti-piracy actions and take a common stance against nuclear proliferation. Australia, New Zealand and Russia will be officially welcomed as new ASEM members.

From words to action

In an age of rapid change and uncertainty prompted by shifting global power structures, such commitments must be encouraged. ASEM participants need to move from words to action.

Launched in Bangkok in 1996 to make Asia-Europe relations as strong as transatlantic relations ties

and as vibrant as long-standing US-Asia links (including through APEC – the Asia Pacific Economic Cooperation forum), ASEM has had some success in fostering closer political, economic and cultural Asian-European contacts – and understanding.

In addition to the biennial ASEM summits, ministers and senior officials from both sides meet frequently to discuss global developments, trade, labour and financial issues. The Asia Europe Foundation (ASEF) in Singapore seeks to build stronger links between the two regions' non-state actors. An Asia-Europe Peoples Forum of civil society members and the

Asia-Europe Business Forum meet at the same time as ASEM leaders.

The intense activity is impressive. However, meetings do not replace policy, photo opportunities are no substitute for real exchanges and making set speeches is not the same thing as listening and understanding. The relationship has undeniably lost much of its original lustre and excitement over the years. If the Asia-Europe relationship is to progress and go beyond ritual and process, both sides must look more closely at the substance of their ties.

STATE OF PLAY

Those looking for quick breakthroughs at the Brussels meeting are likely to be disappointed. As an informal platform for discussion and consultation, ASEM meetings are not expected to produce immediate "deliverable results".

ASEM's key task has been to facilitate decision-making in other international fora. In Brussels, leaders will consult on preparations for the G20 Summit to be held in Seoul on 11/12 November. They will also discuss the state of play on climate change negotiations ahead of the conference in Cancun, Mexico, from 29 November-10 December.

President of the EU Council Herman Van Rompuy will chair the two days of talks, with Commission President Barroso and Belgian Prime Minister Yves Leterme by his side. Other European leaders are expected to turn up although the final tally has yet to be made.

However, Asian attendance is expected to be patchy. The Indonesia and the Philippines Presidents are not coming because of domestic concerns, Indian Prime Minister Manmohan Singh is preoccupied with the Commonwealth Games and the Russian and New Zealand Prime Ministers have also declined. Australia's new Prime Minister Julia Gillard, however, will make her first international appearance.

Changing Asia

Much has changed in Europe and Asia, in EU-Asia relations and on the global stage since ASEM was launched 14 years ago. If it is to survive in the age of globalisation, it will have to reflect, accommodate and leverage these changes.

To some extent, this adaptation to new realities is occurring. Despite criticism that it is now too big and unwieldy, the diversity of ASEM's membership – including large and small, rich and poor countries, democracies and communist nations, state-run and market economies – reflects

a changing world order where countries with different histories and values need to work together to tackle common challenges.

ASEM meetings often help to bring together leaders and officials who may not meet and interact elsewhere. With its focus on politics, economics and culture, ASEM has also injected a more multi-sectoral element into the previously trade-dominated Asia-Europe agenda. The forum also allows the creation of "mini alliances" of like-minded nations which want to pursue joint interests in other fora.

Changes in the EU since 1996 have impacted on relations with Asia. With EU enlargement, 12 former Eastern and Central European countries have become full members of ASEM. Europe is seen as an important player in regulatory behaviour and sets standards – for consumer products, car emissions, food products – in many parts of Asia. The entry of the Lisbon Treaty, meanwhile, has raised hopes that Europe will start punching its weight more forcefully on the global stage.

The changes in Asia have been more dramatic, visible and arguably, had an even stronger global impact.

Asian countries have weathered the financial and economic crisis much better than anticipated – and better than most European countries. China, India and several members of the Association of Southeast Asian Nations (ASEAN) are notching up impressive growth rates. Fiscal stimulus packages agreed by countries across the region have helped bolster the world economy. China's recent purchase of millions of euros worth of Spanish and Greek government bonds has helped to stabilise the European currency and restore market confidence.

Asian "regional architecture"

Meanwhile, an array of Asian initiatives aimed at building a new "regional architecture" are encouraging new contacts between Asian governments, businesses

and people. New roads, railways and pipelines are criss-crossing Asia. Trade within the region is growing at roughly twice that with the rest of the world.

The region is home to a dense web of overlapping regional and sub-regional institutions which are largely inter-governmental and mainly focused on specific goals. The key challenge facing the region is to build stronger institutions. ASEAN has said it wants to learn from the EU experience.

Asia's regional cooperation debate is spearheaded by ASEAN which is engaged in a fast-track road to further integration among its 10 members. Among recent moves, ASEAN governments have agreed to implement an ambitious Charter which includes plans to achieve an ASEAN Economic Community, with a frontier-free single market, by 2015.

ASEAN leaders meet regularly with their other Asian counterparts. The East Asia Summit (which includes ASEAN plus six Asian-Pacific neighbours) is being opened up to US and Russian membership. Adding to the integration momentum, the "noodle bowl" of Asian free trade agreements keeps getting larger.

As Asians build new regional alliances and partnerships, Europe must make sure it is part of the game and acquires a seat at the top table. The EU is especially anxious to join the East Asia Summit – but may have to wait for a while.

EU-Asia relations remain patchy

Outside the ASEM framework, the EU is working hard to forge closer relations with most countries in Asia – but with mixed results.

EU and Chinese leaders will meet for summit talks in Brussels right after the ASEM meeting. Identified as a "strategic partner" by the EU, China continues to be wooed ardently by European policymakers despite persistent concerns about Beijing's reluctance to open some sectors of the economy to foreign businesses and differences over human rights.

EU ties with other Asian countries are still mainly dominated by trade. Japan would like to negotiate an economic integration agreement with Europe, hoping to follow on the heels of South Korea which has just negotiated a Free Trade Agreement with Brussels. Taiwan wants a similar deal.

An EU-India Free Trade Agreement is expected to be finalised by the end of 2010 while similar accords are being negotiated with Singapore, Malaysia and Vietnam. Indonesia and the Philippines have negotiated partnership and cooperation agreements with the EU.

While these economic initiatives are important, Europeans have been unable to transform their economic strength into a stronger political presence in Asia. The EU needs to develop a central, strategic vision which looks at the different ways in which Asia's rise, growing global role and increased self-confidence are affecting Europe. None of the key challenges facing Europe – growth and jobs, climate change, immigration, terrorism – can be tackled successfully without closer engagement with Asia. ASEM, if used correctly, can provide a forum for just such inter-action.

PROSPECTS

With 48 partners, representing half of the world's GDP, almost 60% of the world's population and 60% of global trade, ASEM could become a more potent player on the world stage. To achieve this, however, Asia and Europe will have to move the focus from process to substance. Decisions taken at the myriad ASEM meetings must be properly recorded, documented and implemented. Important decisions need to be taken on future enlargement and whether ASEM should have its own secretariat.

Most importantly, if ASEM is to fulfil its potential as a forum for consultation and coordination, Asia and Europe will have to develop a fresh, inclusive mindset, which focuses on what binds the two regions together rather than what divides.

Preparations for the Brussels meeting were marked by disagreements among ASEM officials on whether Russia

should join as a European or Asian country, Asian frustration over EU insistence that only its Member States could be in the European group and the fact that EU Council President Van Rompuy, rather than the Belgian Prime Minister Leterme, will chair the meeting. Asians say these decisions are turning ASEM into a region-to-region "EU-Asia" dialogue, diminishing ASEM's value as a discussion forum for individual Asian and European countries.

One sign of such discord is the fact that Russia, Australia and New Zealand are in a so-called "Temporary Third Category", pending a future discussion on the procedures, criteria and principles of ASEM enlargement.

Discord on human rights

Political discussions within ASEM have become more intense in recent years – but continue to be marred by

disagreements over human rights. Asian countries dislike Europe's policy of sanctions against Burma/Myanmar and EU statements on human rights violations in other countries. China remains firmly against meetings between EU leaders and the Dalai Lama and is reluctant to agree tougher sanctions against Iran over the country's nuclear programme. Although it is the only country with any clout in Pyongyang, China has also refused to publicly denounce North Korea over the torpedoing of the Cheonan.

However, as ASEAN crafts its own agenda for improving human rights and civil society actors in the region become more vocal, both sides need to explore the potential for greater cooperation to ensure good governance and the need to establish and respect the rule of law. Europe can provide its experience and expertise to Asians as regards the training of judges, prison reform and police training.

In addition to efforts to stabilise financial markets, Asia and Europe need to look beyond the current crisis to ways of crafting a new growth model. They must move ahead with much-needed reform of the international economic and financial architecture, including IMF governance, to reflect the rising economic power of Asia.

On trade, ASEM leaders must make a compelling case for open markets and an early conclusion of the long-stalled World Trade Organization (WTO) talks on global trade liberalisation. Fresh approaches are required to help achieve the MDGs and move forward on climate change.

Efforts to combat global warming would benefit from shifting the debate from confrontation on achieving binding emission standards to cooperation on developing a low carbon economy which helps reduce greenhouse gas emissions while maintaining the momentum towards economic and social development.

Way forward

The meeting in October should recognise that building a real strategic Asia-Europe partnership will require out-of-the box thinking, involving people, not just officials.

An agreement on setting up an 'ASEM Secretariat' is unlikely but there is an emerging consensus on the need for a "minimum administrative tool" to allow the collection and dissemination of information and ensure

follow-up of initiatives and facilitate information exchange among ASEM participants. For the moment, the European Commission acts as ASEM's permanent coordinator.

Suggestions that ASEM could initiate a "big project" to attract public attention need to be considered with caution. It is unlikely that the idea of "ASEM games" or "ASEM visa-free travel" will secure any political backing. There is similarly little appetite for exploring the creation of an ASEM-wide free trade area.

However, there is room for greater ASEM cooperation in the energy sector, especially now that Russia is a member. ASEM participants could agree to information-sharing and technology and research exchange on renewable energy. Greater cooperation to combat piracy at sea should be explored. ASEM can provide a framework for cooperation on disaster relief and post-crisis policies.

A more active ASEM cultural agenda should be encouraged, with governments asked to participate in more frequent initiatives like the "Passage to Asia" art exhibition in Brussels as well as the organisation of ASEM film festivals, music concerts and book fairs. Exchanges between students, academics and think tanks should be strengthened.

Asia-Europe cooperation is a compelling necessity. ASEM is not the only vehicle for building stronger Asia-Europe relations. However, it does provide an informal platform for frank and open discussion. If used properly, ASEM could therefore become a very useful tool for improving global governance.

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Current ASEM partners are: Australia, Austria, Belgium, Brunei Darussalam, Bulgaria, Cambodia, China, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, India, Indonesia, Ireland, Italy, Japan, Laos, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Mongolia, Myanmar, New Zealand, Pakistan, Poland, Portugal, Republic of Korea, Romania, Russia, Singapore, Slovakia, Slovenia, Spain, Sweden, Thailand, The Netherlands, The Philippines, United Kingdom, Vietnam, the ASEAN Secretariat and the European Commission.

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