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**"The Rise and Decline of the Asia-Europe Meeting (ASEM): Asymmetric Bilateralism and the Limitations of Interregionalism"<sup>1</sup>**

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<sup>1</sup> This is a significantly revised and much updated version of a previous article « Contemporary EU-East Asian Relations : An Assessment of the ASEM Process » in R.K. Jain (ed.) *The European Union in a Changing World*, New Delhi, Radiant Publishers, 2002, pp. 142-165. One of the problems in the analysis of ASEM is that many of the observers, including this author, are also participants, albeit minor ones, in the process by dint of their involvement in ASEM's two track activities. This engenders both a problem of maintaining a critical distance and, also, an understandable tendency to give value to an object of research, in which one has invested so much time and energy and which provides so many opportunities for travel and networking between Europe and Asia. Such is the creative tension within which observers of ASEM are required to function.

## **Abstract**

East Asia's economic dynamism attracted the attention of European political leaders in the 1980s leading to the publication of Asian strategy papers by most European governments. However, it was the 1994 publication by the European Commission of its communication "Towards a New Asia Strategy" and the holding of the first Asia-Europe Meeting (ASEM) in Bangkok in September 1996 that marked the first pan-European attempt by the European Union to enter into a process of dialogue with a considerably less institutionally structured Pan-Asian region. This article is an attempt to explore how ten years of the ASEM process have failed to live up to initial expectations of interregionalism as one level in multi-layered global governance. This reflects, on the European side, the continuing tensions between intergovernmentalism and supranationalism as the modus operandi of the European Union. On the Asian side, it demonstrates the lack of a coherent Asian region with which the EU can dialogue. The decision at the Helsinki Summit in September 2006 to expand participation to all members of an enlarged European Union (with the addition of Rumania and Bulgaria) and in Asia, with the membership of India, Pakistan and Mongolia will probably accentuate this problem. Moreover, asymmetries between a highly institutionalised European Union and an Asia devoid of strong institutions are exacerbated by significant disparities in capacities and levels of political will amongst the member states of both regions. Thus what is somewhat loosely labelled as interregionalism can more carefully be defined as asymmetric bilateralism. Trapped between the Charybdis of multilateralism and the Scylla of bilateralism, interregionalism as a phenomenon engendered by globalization is at best a second-best option for political leaderships in both Europe and Asia. Thus, without a solid basis for development on both sides the future of Euro-Asian interregionalism seems problematical at best.

## Introduction

During a conversation at the turn of the last century, one of the most eminent British political economists made the comment that “if, and it is a very big if... if a regime or institution is measured by the amount of academic attention it receives - in terms of peer reviewed academic journal articles and the number of PhD candidates wishing to work on the subject - then ASEM is up there with the United Nations as a serious element in global governance”.<sup>2</sup> As the bibliography at the end of this article suggests, ASEM has attracted a great deal of academic interest even generating its own peer-reviewed journal, the *Asia-Europe Journal*<sup>3</sup>. Yet notwithstanding a new fluttering of academic interest related to relatively new debates on interregionalism as a form of global governance, there is a distinct waning of enthusiasm for the subject. How can this be understood? It is possible that all that needs to be explained, has been explained, by the more perspicacious observers? This is, in part, this author’s view. Or, to be more banal, it is also possible that academic fashions have moved on? Or finally, as is the thesis of this paper, the object has become less worthy of attention.

In more radical terms it could be suggested that the two ostensible dialectical actors in the Asia-Europe relationship, i.e. a united Europe and a coherent Asia do not, perhaps, exist? Even in constructivist terms their imaginings are singularly wanting . As a consequence in practical terms it could be asked if interregionalism is possible when the regions involved are not the structured, homogeneous entities that theoretical musings may wish them to be? Be that as it may, from an academic point of view within the discipline of international relations, ASEM continues to attract attention precisely because it would appear to be an example of inter regional relations and, thus, its study advances research in the burgeoning area of comparative studies of regionalism, regionalization and

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<sup>2</sup> Conversation with the author, October 2000.

regional integration.<sup>4</sup> Moreover, its analysis contributes to understanding the role of the European Union as a model, or at least reference point, for global governance.

## **The Origins of ASEM<sup>5</sup>**

The first Asia-Europe summit was held in Bangkok on 1st and 2nd March 1996 and involved the heads of State and government of ten East Asian countries – the then seven members of ASEAN<sup>6</sup> plus China, Japan and Korea – plus the then fifteen members of the European Union and the president of the European Commission. The objective of the meeting - and more generally since what has become known as the ASEM (Asia-Europe Meeting) process - was to foster political dialogue, reinforce economic co-operation and to promote cultural exchange. ASEM has been described as an attempt to find the missing link between Europe and Asia. More particularly, it is posited as a means to balance the trans-Pacific and trans-Atlantic sides of a global triangle: the EU-North America links (through such bodies as the G8) and North America-Asia links (through APEC) with a link between Europe and Asia. Yet, from its very birth, ASEM was affected by differing expectations in Asia and in Europe. From the Asian side, it was felt that in the post-Cold War context, the rise of an economic agenda freed from ideological competition made ASEM possible.<sup>7</sup> For some observers, particularly in Japan, the burgeoning market driven linkages between Asia and Europe of the '80s and '90s needed to be given some degree

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<sup>3</sup> The *Asia-Europe Journal* is based in the Asia-Europe Foundation in Singapore, the one and only institutional manifestation of the ASEM process.

<sup>4</sup> The most significant contribution to the comparative regionalism literature, and one that takes account of structuring by external hegemon is Peter Katzenstein 2005), *A World of Regions: Asia and Europe in the American Imperium*, Ithaca NY: Cornell University Press.

<sup>5</sup> The most comprehensive general account of the creation of ASEM and its first years is provided by Yeo Lay Hwee, *Asia and Europe: The Development and Different Dimensions of ASEM*, London, Routledge, 2003.

<sup>6</sup> Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam.

<sup>7</sup> See, for example, the edited volume on ASEAN and the EU, by Chia Siow Yue & Joseph Tan, *ASEAN and EU: Forging New Linkages and Strategic Alliances*, Singapore, Institute of Southeast Asian Studies, 1998.

of institutional underpinnings.<sup>8</sup> If there was a geopolitical agenda it was expressed by Tommy Koh, an academic and roving ambassador close to the Singaporean government who argued in terms of creating a new trilateral system to replace a half-century of bipolarism.<sup>9</sup> Moreover, the experience of APEC (Asia-Pacific Economic Cooperation), which involves economic entities and not nations (hence the presence of Hong Kong and Taiwan), led a number of Asian practitioners to believe that a similar construct was possible with Europe.

On the Asian side, the parentage of the Summit is clear: the idea was first mooted by the then Singaporean Prime Minister Goh Chok Tong in Davos at the World Economic Forum of 1994. On the contrary, European parentage of the first summit is a cause of some debate over the relative importance of France or Germany. Documentary evidence would give weight to the German role. The paper published in Bonn in 1993 entitled “The Federal Government’s Concept of Asia” can be seen in some ways as a forerunner of the “New Asia Strategy” published by the European Commission the following year. Yet other evidence would suggest that a close relationship between French president Jacques Chirac and his then Prime Minister, Edouard Balladur, with Singaporean Prime Minister Goh gave the political impetus to initiating the summit.

From its very birth, ASEM was affected by differing expectations on both sides. From the Asian side, the end of the Cold War and the decline of ideological competition meant, as mentioned, trade and investment issues could be brought to the fore.<sup>10</sup>

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<sup>8</sup> See Fukasaku Kiichiro, Kimura Fukanari & Utara Shujiro (eds), *Asia & Europe: Beyond Competing Regionalism*, Brighton, Sussex Academic Press, 1998.

<sup>9</sup> Tommy Koh was later to be appointed the first Executive Director of the Singapore based Asia-Europe Foundation (ASEF) created in February 1997. ASEF to this day remains the only permanent institutional body emanating from the ASEM process.

<sup>10</sup> For a discussion of ASEM’s origins written at the time see David Camroux & Christian Lechervy, “Encounter of a Third Kind: The Inaugural Asia-Europe Meeting of March 1996”, *The Pacific Review* 9 (3): 441-452.

However, at the insistence of European members, it was decided to give three pillars to the dialogue, namely political and cultural as well as economic. A superficial interpretation of this insistence would suggest that the Europeans wished to make up for their relative economic weakness in relation to Asia, compared to the United States, by insisting on other dimensions. However, upon deeper analysis, the importance of the three pillars must also be interpreted in terms of the creative tension between supra-nationalism and intergovernmentalism in order to articulate the national interests of member states within Europe. Indeed the pre-eminence given to the political and cultural dimensions can be attributed, in part at least, to the weight of the European Commission and of the European Parliament in determining the agenda of the Asia-Europe dialogue. From the perspective of this article, it is important to underline at this point the structural underpinnings of differing expectations in Asia and in Europe as to what ASEM can be expected to deliver.

This multi-dimensional approach in the jargon of ASEM involves, in theory at least, to giving equal importance to the three pillars previously enunciated: the political, economic and cultural. Yet, in practice, the emphasis placed on each of these is not the same for the different actors in the ASEM process. Divergences in emphasis are not merely between European actors and their Asian counterparts but within the two regions. Even within the microcosm of the EU institutions in Brussels, the insistence on the political pillar is strongest within the European Parliament and elements of the Commission, whereas, to simplify the situation, within the European Council (where member states are represented), the primary concern is with economic questions. This has become even more apparent in the last few years, a period which has seen relations with Asia, particularly with China, dominated by trade issues resulting from the pressures in the European Council from member states. Prior to the reorganisation of the European Commission under the presidency of Romano Prodi, relations with Asia were dealt with by two separate directorates: DG1A and DG1B. The former then with Sir Leon Brittan as its

Commissioner had responsibility for relations with Japan and China, which, given Sir Leon's writ as Trade Commissioner, were largely seen in economic terms.<sup>11</sup> DG1B, then with Manuel Marin as Commissioner dealt with Southeast and South Asia (as well as Latin America) and, in the experience of this author, had an agenda largely framed in developmentalist / "tiers mondist" terms, where political questions were given primacy over economic ones.<sup>12</sup> Furthermore the fact that the "Asia" of DG1B also covered non-ASEM countries, notably in the Indian sub-continent, meant that the senior European bureaucrats in this section had difficulty in integrating its agenda in the ASEM process. Prior to the reorganisation of the Commission under President Romano Prodi and the new division of labour between the directorates-general responsible for external relations, trade and aid, DG1 and DG1B found themselves with different priorities. Differing agendas concerning Asia still haunt the corridors of power in the Brussels institutions.

The role of the ASEAN countries was crucial in the implementation of the project. The Japanese leadership and many Japanese bureaucrats remained sceptical of the idea, if not quite hostile. Some of this scepticism reflected "territorial" conflicts between the Ministry of International Trade and Industry, generally classed as being pro-Asian, and the largely pro-American Ministry of Foreign Affairs.<sup>13</sup> Complicating the situation is the influence of structured pro-Chinese group within the latter.<sup>14</sup> Mindful of their major concern - their trade disagreements and security relations with the United States - the Japanese appeared loath to enter into a forum which might be construed as antagonistic to their giant Pacific neighbour. Persuasion was also required to convince the Chinese leadership of the usefulness of a forum in which it might find itself, once again, the target

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<sup>11</sup> DG1A was also responsible for relations with North America, Australia and New Zealand.

<sup>12</sup> The question of the proportion of external aid provided to Asia compared to South America was a major issue. See Martin Holland, *The European Union and the Third World*, Basingstoke, Macmillan, 2002.

<sup>13</sup> MITI has since undergone a name change to become the Ministry of the Economy, Trade and Industry.

<sup>14</sup> Some of the arguments of this lobby can be found in Kohara Mashahiro, *East Asian Community*, Tokyo, Nihon Keizai Shimbun, 2005 (in Japanese).

of criticism. Finally the tenth invitee, and perhaps the easiest to convince, South Korea, displayed also some hesitancy due to the ongoing process of positioning Korean foreign relations in a new international context brought about by the end of the Cold War. Despite reservations, ASEAN leaders were ultimately able to convince Northeast Asian governing elites to embark, albeit timidly, on a further expression of Asian regionalism. Nevertheless, as it was to turn out, the differences between a reasonably united Southeast Asian position vectored through ASEAN and the divergent independent agendas of these Northeast Asian nations were to remain perceptible in Bangkok in 1996 and remain so some ten years after the first summit.

The holding of the Summit in Bangkok was the result of two factors. On the one hand, there was a realisation in a number of European capitals of the economic importance of East Asia and the weakness of European involvement in the region. As Christopher Dent has argued in explaining EU member states willingness to enter into a further intergovernmental forum:

“An ASEM-type arrangement ... provided the EU with the opportunity to plug more effectively into East Asian economic dynamism, and hence confer prosperity-generating benefits for its member states: East Asia offered rapidly expanding markets and competitively priced sourcing that most European firms had yet to effectively exploit.”<sup>15</sup>

On the other hand, a convergence of interests linked to multilateral trade negotiations and a perceived view of the United States as both being less committed to multilateralism and ambiguous in its Asian policy led some European officials to believe that a window of opportunity had opened up to initiate an Asia-Europe forum. At the European level, the European Commission presented to the European Council, late in

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1994, a first draft of a report on an Asian strategy for the EU. A summit meeting of European foreign ministers and their ASEAN counterparts was held in Germany in November 1994. This meeting was to provide both an impetus and a model for ASEM. One year later, having been approved by the European Parliament, an official strategy was adopted by the Union. All these reports insisted on the economic opportunities for Europeans in East Asia and deplored the relative weakness of a European commercial presence in what, it was underlined, was the fastest growing region in the world. A further report published after the summit criticised the low level of EU foreign direct investment in Asia: at 13% in 1993 (a fall from the 16-17% recorded in the late 1980s) compared to the 12% of Japan and the 26% of the US.

This vision of Asia as a region of dynamic growth and the impression of lost economic opportunities was echoed within individual member states. For example, a German Foreign Ministry report argued that if the Federal Republic could attain the level of investment in Asia that Japan had attained in Europe, then this would generate 400,000 jobs in Germany. A more aggressive strategy was required in order to increase Germany's market share of 4% of imports in Asia to a figure commensurate with that in other regions. French president, Jacques Chirac, offered a similar diagnosis, and gave as an objective a tripling of French market share in Asia from 2% to 6% the proportion of international trade held by France. Chirac's Asiaphoria was echoed in other European capitals with individual member countries from Spain to Luxembourg publishing their own Asian strategy papers in the ensuing years. The desire for greater access to Asian markets was echoed in Asian concerns over a "fortress Europe" and entry of Asian goods in European markets. Within the framework of negotiations at the multilateral level under the auspices of the WTO and

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<sup>15</sup> Christopher Dent, "The Asia-Europe Meeting (ASEM) process : Beyond the triadic political economy ?" in Heiner Hänggi, Ralf Roloff and Jürgen Rüländ (eds), *Interregionalism and International Relations*, London, Routledge, 2006, p. 115.

within the perspective of the WTO ministerial meeting to be held in Singapore in September 1996, these converging mutual concerns took on particular salience.

Nevertheless the timing of the Bangkok meeting cannot be explained only by these considerations. Although the United States was not represented in Bangkok, the only remaining superpower was present in the strategic and negotiating thinking of both European and Asian participants.<sup>16</sup> On one level, as previously intimated, ASEM was designed to provide a counterweight to APEC (Asia-Pacific Economic Cooperation) – a forum which includes the United States. On this issue, the European and Asian views differed. For Europeans then within the climate of the Uruguay Round of the GATT negotiations, APEC's progress towards regional institutionalisation was perceived as more rapid than anticipated. There was increasing concern over its possible use by the US as an instrument to promote US interests to the detriment of the EU. This appreciation was shared by some Asian observers particularly in Malaysia and China which had led to Asian initiatives to wrest control of the forum's agenda. The waning of American interest in APEC – symbolised in Clinton's non attendance at the November 1995 Osaka summit – and the ability of the Japanese and others to impose the idea of flexibility in trade liberalisation, seemed to provide the opportunity to develop a counterweight through a Europe-East Asia axis. Furthermore, both Europeans and Asians felt aggravated by US heavy-handedness in imposing unilateral solutions on its trading partners – and in delaying Chinese membership of the WTO – as well as by the gap between US rhetoric on free trade and its own behaviour. For both sides, ASEM therefore represented the occasion and a particularly sensitive moment to send a message to the United States.

While economic questions overwhelmingly dominated the Bangkok meeting, participants entered the discussions with other agendas. There was an Asian perception of

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<sup>16</sup> See Davis Bobrow, "The US and ASEM: Why the Hegemon didn't bark?", *The Pacific Review*, 12 (1), 1999: 103-128

close US-European ties which, it is felt, should be emulated. While such a view is based more on an Asian perception of transatlantic cultural cohesion than institutional reality, it is nevertheless persuasive. ASEM seemed to offer the opportunity to balance this axis with one between Asia and Europe. For some European countries, particularly Britain and France, ASEM represented an opportunity to argue for their role in an Asian security framework: both countries wish to have individual membership of the ASEAN Regional Forum, rather than being only part of the EU delegation. On questions of security, at least in the public discussions, Europeans were to discover that Asian leaders need to be convinced of the credibility and usefulness of a European security role in Asia.

If judged by the positive comments it received and, more importantly, the series of two track activities it generated then, the Bangkok summit was a success. These activities included the creation of the Asia-Europe Foundation to encourage cultural, intellectual and people-to-people exchange, an Asia-Europe Business Forum, and the setting up of a Vision Group. Nevertheless with the benefit of hindsight, the grounds for future disappointment were already laid. The East Asia of Bangkok was, from the European perspective, the Asia of the economic miracle, whereas the Europe seen by East Asia was one that needed to be discouraged from its fortress tendencies. In these misguided, or at least contextually based perceptions, can be found some of the seeds of later disappointment with the ASEM process.

### **Ten Years of ASEM Summitry**

On the Asian side, the relative weight given to the three pillars also varied not only between the member countries but also within the member countries themselves. In Japan, for example, given its brief, the Ministry of International Trade and Industry, gave

more weight to the economic dimensions than to the political pillar. The relative disinterest of MITI (now METI) bureaucrats in ASEM suggests that the forum is seen of little consequence as a forum on these issues: bilateralism and multilateralism being perceived as more appropriate channels for promoting Japanese interests. For officials in the Ministry of Foreign Affairs, on the other hand, ASEM can be viewed as a useful, if minor, forum to promote a Japanese political role on the international scene. This being said, the Japanese generally have been fairly passive followers of the process proposing few initiatives themselves, an attitude partly explicable by this bureaucratic gridlock.<sup>17</sup>

On both the Asian and the European side from the first till the sixth summit, one of the overriding causes of debate has concerned the invitation list. The prospect of European enlargement had already raised several questions: should participation be limited to members of the European Union or should Switzerland, Norway and the East European countries also be involved? And what about Russia? Asian participation was perhaps even more problematical. Two groups of countries denied invitations to the first six summits - India, Pakistan and the other countries of the Indian sub continent on the one hand, and Australia and New Zealand on the other – initially lobbied hard in order to participate. However with a growing sense of ASEM's unimportance their lobbying fervour diminished significantly.

The underlying question in all six summits and one which remains of pertinence is "with which Asia should Europe dialogue?". It is of considerable importance that the "Asia" of ASEM was - during the first ten years - the Asia of the then Malaysian Prime Minister Mahathir's putative *East Asia Economic Caucus*: the ASEAN countries plus China, Japan and South Korea. The message of the invitation list was to provide credence to Dr Mahathir's tactical appreciation of a world divided into three economic blocs, those of

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<sup>17</sup> This passivity is a little perplexing given that the Japan always provides the largest delegation for ASEM summits, an indication that capacity alone without political will is insufficient.

North America, the European Union and East Asia.<sup>18</sup> Given the European interest in creating a counterweight to APEC in the economic field, such an objective seemed appropriate.

The question of Burma's (Myanmar's) participation in the ASEM process was a continuing irritant in EU-East Asian relations over the first ten years of the ASEM process. With Myanmar's official admission to ASEAN in July 1997 - despite the overriding objections of the West - a convincing argument could have been made for an invitation to the London summit. After all was not the original composition of the Asian side, ASEAN plus? Yet Myanmar was not invited. The argument advanced by the London summit organiser, British Foreign Secretary Robin Cook, was that the poor human-rights record of the Burmese junta and its failure to enter into any meaningful dialogue with the democratically elected opposition led by Aung San Suu Kyi counted against its participation. It should be noted that the European Union has had sanctions in place for some years against the Rangoon regime, sanctions that include a ban on visas to senior Burmese officials. For the Southeast Asian countries themselves Burma/Myanmar has been a source of embarrassment and disagreement. Indeed, Mahathir's threat of an ASEAN boycott of the London Summit; if the Burmese were not included, was not approved by other ASEAN leaders. The Burma/Myanmar question has continued to plague EU-East Asian relations and particularly EU-ASEAN relations ever since. For several years, the annual EU-ASEAN Foreign Ministers Meetings were cancelled. In the lead up to the fourth summit in Hanoi in October 2004, the question of Burmese attendance almost led to a cancelling of the whole event. Even after a diplomatic solution was found to enable the Hanoi summit to go ahead, in 2005, an EU-ASEAN meeting of

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<sup>18</sup> For a discussion of Mahathir's Asian vision see Richard Higgott & Richard Stubbs, "Competing conceptions of economic regionalism: APEC versus EAEC in the Asia-Pacific", *Review of International Political Economy* 2 (3): 516-535.

trade ministers was boycotted by ASEAN because the Burmese delegation had been subject to the visa bans imposed throughout the EU.

Another cause of tension in EU-ASEAN relations - at least till the referendum in 1999 on independence - was the 1975 Indonesian annexation of East Timor, a territory considered in international law as a Portuguese colony. Indonesia's brutal occupation of the territory and the exploitative and violent means of maintaining its control in the Suharto period were constantly being brought to the fore in the European media. After East Timorese independence the Portuguese both made the greatest European contribution to the peacekeeping force sent to the island under the auspices of the UN and continue to provide the bulk of European aid and assistance to this struggling new nation. Moreover, Portuguese lobbying has made sure that EU development assistance to Timor is the highest per capita in Asia. Independent of the questions of the justice of the European approach, the East Timorese question demonstrated the capacity of one member country in the European Union, namely Portugal, to have European Union policy towards not only a major Asian partner, i.e. Indonesia, but also ASEAN as a whole to some extent subordinated to the resolution of a question over which it has an overriding interest and motivation. Indeed the East Timorese case provides a counter example to conventional views of EU intergovernmentalist praxis as leading to support being given to the lowest common denominator amongst the positions of member states. In the absence of strong interest or resistance amongst other EU members, one member country, Portugal, was able to impose a strong diplomatic position.

Despite the progress in democratisation that occurred in Indonesia under Presidents B.J. Habibie, Abdurrahman Wahid and Megawati Soekarnoputri and what is considered as the stable leadership of Susilo Bambang Yudhoyono elected in October 2004, neither political nor economic relations between the EU and Indonesia have developed profoundly since the fall of Suharto. For example, there has been no visit by

major European leaders to what is the world's largest Muslim country, one that could now claim to be the world's third largest democratic nation. European companies have remained relatively reticent to invest in Indonesia in part because of continuing social instability and in part because of the European rush to establish market share in China. The tsunami of 26<sup>th</sup> December 2004 that ravaged the coast of Aceh did, however, provide an occasion for the EU to provide substantial amounts of emergency aid. More importantly, after the tsunami the peace agreement brokered under the guidance of a former Finnish president, Martti Ahtisaari, between the Acehnese separatist movement, GAM, and the Indonesian government also allowed a strong European input. EU observers were sent to monitor the successful disarming of the separatists and the withdrawal of Indonesian troops from this province in the north of Sumatra. Nevertheless while being warmly welcomed by local populations, both the EU's action in East Timor and in Aceh, have been problematical for EU relations with all of ASEAN. In both cases it has provided support for the perception amongst some of Europeans as "neo-colonial meddlers" in the internal affairs of sovereign nations.

### **The East Asian Economic Crisis and Changing European Perspectives**

European perceptions of an economic miracle in Asia were somewhat shattered by the economic crisis that affected much of Southeast Asia and South Korea in 1997 – 1998. Space does not allow the possibility of going deeply into the causes of this crisis, particularly as there are some substantial differences between East Asian countries.

<sup>19</sup>However, generally across the board, the most important factors were high levels of

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<sup>19</sup> Amongst the numerous studies of the causes and effects of the crisis two studies stand out : François Godement, *The Downsizing of Asia*, London, Routledge, 1999 and Mark Beeson (ed.), *Reconfiguring East Asia : Regional Institutions and Organisations after the Crisis*, London, Routledge, 2002.

both private and public indebtedness often used to generate real estate and stock exchange bubbles which became unsustainable. By borrowing at low interest rates in both dollars or European currencies, it was possible to invest with substantial returns in countries with much higher rates and booming real estate markets. However when the inevitable devaluation of the Thai baht, South Korean won, Indonesian rupiah, etc. occurred, a vicious cycle of falls in stock and real estate values was unleashed, engendering further devaluations, etc. The economic malaise provoked the intervention of the International Monetary Fund and World Bank in order to impose strict austerity measures on countries seen as “living beyond their means”. In all of the countries in East Asia, with the notable exception of Malaysia that had refused IMF intervention, the drastic economic restructuring had both social and political spin offs with the defeat of existing governments and, in the case of Indonesia, the end of over thirty years of a semi-military dictatorship.

In dealing with European reactions to the East Asian economic crisis, there is a glaring paradox. While Europe was very present in economic terms in dealing with the crisis itself, politically it was seemingly absent. A few figures are useful to make this point. Prior to the crisis, the total amount of debt to European banks in the most affected countries - South Korea, Thailand and Indonesia - was greater than that owed to both Japanese and US banks combined<sup>20</sup>. Following the outbreak of the crises, the European contribution to the various IMF packages (20%) was greater by dint of the larger European share of IMF funding than that of the United States. Nevertheless, this strong European contribution was never acknowledged in East Asia where the IMF imposed packages were perceived, especially in Korea, as being at best the products of the Washington consensus on economic liberalisation and, at worst, as an imposition of US policy. Preoccupied with enlargement in Europe itself and, above all, with the introduction of a common currency,

European political and business leaders by and large supported the prescriptions of multilateral bodies such as the IMF and the World Bank. In short, there was no specifically European response to the East Asian economic crises.

This became abundantly clear at the second ASEM summit held in London in April 1998. While expressing rhetorical solidarity with the East Asians, the European leaders and their Senior Officials who prepared the summit encouraged their partners to accept global convergence and encourage greater accountability and transparency in their economies. The only specifically EU response was the creation of a 41 million euro ASEM Trust Fund to help finance technical assistance and advice. But even this fund was to be managed within the World Bank.<sup>21</sup> For the rest, the leaders accepted the conventional wisdom that the crises accrued from the structural problems of the East Asian economic system and therefore required drastic financial reform and the strong economic leadership of Japan. The leaders reconfirmed the responsibility of the Bretton Wood's institutions in resolving the financial strains in Asia. Eight years after the summit with all the economies affected now having recovered, albeit timidly in the case of Indonesia, it could be argued that the most important initiative of the Europeans was a non-initiative, namely, that of maintaining, like the US, an open trading system capable of absorbing significant imports from East Asia. These Asian exports were the main cause of the rebound in those economies evident as early as 2000.

The London Summit also saw the first meeting of an Asia-Europe Vision Group comprising eminent persons from the member countries whose report was presented a year later and then ... summarily ignored. With the benefit of hindsight the report itself offers a yardstick in the development of interregionalism, for implementing even some of these modest proposals would have required a degree of political will, notably in terms of

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<sup>20</sup> Brian Bridges "Europe and the Asian Financial Crisis: coping with contagion", *Asian Survey* 39 (3), May-June 1999: 456-467.

<sup>21</sup> *Ibid.*

both pooling and sharing sovereignty. While acknowledging the importance of trade, investment and technology, the authors of the report proposed that Asia and Europe should be integrated into a “common living space for the 21<sup>st</sup> century”.<sup>22</sup> Much of the report concerned improving or strengthening existing forms of dialogue. For example, it was proposed that the Asia-Europe Foundation - the one permanent institutional emanation of ASEM - should be strengthened so as to be better able to carry out its extended objectives in promoting cultural co-operation and exchange. In institutional terms, given the priorities of ASEM members, their first recommendations concerned the economic pillar: the group proposed the setting up of Asia-Europe Business Advisory body, an ASEM Information Technology Council and an ASEM Environment Centre.<sup>23</sup> In the area of educational, cultural and societal exchanges the group recommended the creation of a “prestigious, high-profile” ASEM Scholarship Scheme in order to bring about a five-fold increase in the total number of students exchanged between Europe and Asia and to improve the balance between the two continents.<sup>24</sup> Finally the report recommended the establishment of a lean but effective secretariat given, what it saw as the insufficiency of the existing institutional framework and the increasing complexity of the ASEM process.<sup>25</sup>

Some seven years after the report none of the institutional recommendations of the group have been implemented. The economic pillar relies on the ASEM Business Forum created after 1996. Even, what would appear to be uncontroversial proposals, such as an Asia-Europe Trade Week, or particularly the ASEM Scholarship Scheme have not

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<sup>22</sup> Asia-Europe Vision Group, *For a Better Tomorrow: Asia-Europe Partnership in the 21<sup>st</sup> Century*, photocopy, 1999) p. i.

<sup>23</sup> *Ibid*, pp. li,

<sup>24</sup> *Ibid*, pp.iii, 3, 22

<sup>25</sup> *Ibid*, p. iv, 32..

eventuated.<sup>26</sup> No permanent secretariat has been established, indeed as the report prepared for the Helsinki Summit indicates this still remains controversial.<sup>27</sup> ASEF has been given the responsibility of maintaining an ASEM Bulletin Board and being an instrument in promoting ASEM's profile but finds itself, in the view of this observer, suffering from "mission overstretch" and a lack of the resources commensurate with the tasks being given to it, a situation exacerbated by the unwillingness of a large number of ASEM members to financially contribute in a significant way to its operations. In the area of a political and security dialogue none of the mechanisms suggested such as cooperation between the ASEAN Regional Forum and the Organisation for Security and Cooperation in Europe or the joint-training of Asian and European peace-keepers has occurred.

In areas where some of the objectives have been addressed, such as closer macro-economic policy co-ordination, this has occurred outside the ASEM framework and in a multilateral context. The most important example here is the introduction of the euro which has become a second reserve currency in Asia and a reference point, if not necessarily a model, for the eventual creation of an Asian Currency Unit. The European Union has also impacted on Asian countries by dint of its weight as the world's largest single market: EU technical norms and environmental standards are ipso facto increasingly the standards for Asian export goods.

### **EU-East Asia Relations and Changing Balances in Asia**

One of the areas of interest that emerges in examining ASEM summitry is the role of the organising country, in particular the ability of the host to determine the agenda, the

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<sup>26</sup> The ASEM DUO Scholarship Scheme launched at the Seoul Summit, received the support of only four countries: France, Korea, Singapore and later Denmark, each of which maintains control of its own scholarships. As for the proposed ASEM Environment Centre, this was meant to have been based on the existing Asia-Europe Environmental Technology Centre located in Bangkok, which itself has become moribund.

parameters of debate and the political will / capacity to use the reunion to promote national interests both domestically and on the international scene. The most pronounced example of this tendency was that of the South Korean leadership in organizing the Third ASEM Summit in Seoul in October 2000. Prior to the summit, the South Korean leadership had demonstrated that it was seeking more balanced, multilateral and strategic co-operation with Europe. President Kim Dae Jung made state visits to Italy, the Vatican, France and Germany from 2nd to 11th March 2000. The visit to Italy had particular importance for it was the first state visit there by any Korean president since the two countries had established ties in 1884. Furthermore, Italy was the first European country to establish diplomatic relations with North Korea on 4th January 2000. It is fair to argue that Korea's foreign policy agenda begins from its concern with reunification, that is to say, the starting point of its external relations has to do with policies towards North Korea. Yet while the government of Kim Dae Jung was encouraging the international community to engage North Korea, at the same time, it did not fail to re-emphasise the strong bilateral or multilateral relationships between South Korea and the other countries.

From this perspective ASEM III provided a valuable opportunity for South Korea to reinforce the basis for co-operation with European and the other Asian countries with regard to North Korean issues by drawing international support for Kim Dae Jung's "Sunshine Policy", the engagement policy toward North Korea. Yet there are two other aspects to the South Korean use of the ASEM process. The first concerned the South Korean view of human rights. Kim Dae Jung, it should be noted, was a political dissident who narrowly escaped political assassination. Contrary to the proponents of Asian values, Kim personally supported the idea of universal values. For him, values were common in Asia and Europe and that, even in Asia, democracy and human rights should be both

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<sup>27</sup> See discussion below.

promoted and protected.<sup>28</sup> At ASEM III, as the largest diplomatic event ever held in South Korea, Kim tried to induce "commonness" rather than differences between Europe and Asia. He argued that Asia and Europe were close neighbours in this age of globalisation and that they had many common concerns they could address together such as preventing another financial crisis, stabilising energy supplies, co-operating in telecommunications, removing both social gaps and access to information, promoting understanding and social exchange and minimising the negative effects of globalisation.

The second aspect concerns the hosting of ASEM as demonstrating to the local population that South Korea was a major player on the international scene. A new imposing skyscraper was baptised as the ASEM building, an ASEM avenue inaugurated and the South Korean press during the Summit published voluminous special supplements. After the Olympic Games of 1988, and in anticipation of the World Cup in Football in 2002, the ASEM summit was the biggest event in the Korean capital for a decade. The fortuitous awarding of the Nobel Peace Prize to President Kim Dae Jung just a few weeks prior to the summit gave to the host an unexpected greater aura of moral authority.

While the Seoul summit did not replicate the high hopes of Bangkok, neither did it reproduce the sense of disappointment in London. This is partly because within the lengthier learning process resulting from greater frequency of contact amongst key players of the European Union and East Asia, more realistic and lowered expectations for the ASEM process had emerged. As mentioned, the grandiose plans of the ASEM Vision Group were quietly ignored in the run up to the Summit and the initiatives proposed - such as a Franco-Korean proposal for an ASEM scholarship scheme to encourage a two way flow of students - were very modest. The European leaders themselves hardly gave a

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<sup>28</sup> As can be noted in his intervention in the "Clash of Civilizations" debate provoked by Samuel Huntington's controversial essay and later book. See Kim Dae Jung, "Is Culture Destiny? The Myth of Asia's Anti-Democratic Values", *Foreign Affairs*, 73 (6). 1994: 109 - 126.

display of European solidarity when British Prime Minister, Tony Blair, and German Chancellor, Gerhard Schroeder, announced a unilateral diplomatic recognition of North Korea without this being a combined EU initiative. The Seoul summit nevertheless did display a shift in the balance within regions particularly in East Asia. Within this region, the most significant development - and one with far-reaching implications – was, and is, the rapid emergence of China as a major economic and indeed political power. In the lead up to the Bangkok and London summits, the Chinese, like the Japanese, were relatively low key. In this regard, it should be pointed out that, for both countries, the ASEM process is of less importance than for the smaller Southeast Asian countries: there are regular EU-China and EU-Japan bilateral meetings as well as a host of other forums (the G-8 for Japan, the UN Security Council, etc.) in which their national interests can be defended. Nevertheless, since the London Summit and in the last three summits, there has been a very distinct attempt by the Chinese leadership to control the agenda.

The shift in the balance within Asia has been to the detriment of the ASEAN countries who now find their centrality in Asian regional construction threatened. Malaysian Prime Minister Mahathir's dream of an East Asian Regional Grouping - much decried in the mid-1990s when APEC seemed the only regional construct with a future - has returned with a vengeance. Regular meetings of what is called in shorthand terms "ASEAN + 3" (i.e. the ten ASEAN countries plus China, Japan and Korea) have given credence to the Mahathirian vision. The Chiang Mai and Tokyo swap agreement involving mutual support amongst Asian countries to defend Asian currencies which has since been strengthened<sup>29</sup> and the role of the ASEAN Regional Forum all indicate the some steps towards East Asian regional integration at the institutional level. Certainly, the degree of institutionalisation is light years away from that within the European Union. Nevertheless, it is now clear - as it

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<sup>29</sup> See Heribert Dieter & Richard Higgott, Richard, "Exploring alternative theories of economic regionalism: from trade to finance in Asian co-operation", *Review of International Political Economy* 10 (3), 2000: 430-454.

was not prior to 1997 - that political leaderships in China and Japan as well as South Korea now have a commitment to the East Asian project. The East Asian Summit held in Kuala Lumpur in December 2005 demonstrated that ASEAN +3 would remain at the heart of regionalisation in Asia, even if other countries such as India, Australia and New Zealand may be invited to participate in an "East Asian Community". In a sense, both China and Japan exclude each other from taking a leadership role in the process, a role which anyway would be contested by the other smaller countries. Then, by default, ASEAN has been left "in the drivers seat", to use the jargon of the Kuala Lumpur summit.<sup>30</sup>

Europe's role in this development has been marginal but not insignificant: ASEM, in defining Asia as East Asia had provided a degree of legitimacy to such a construct. With the enlargement of ASEM this may well no longer be the case. Furthermore, from a theoretical point of view, in much the same way as in the post-world war period, the structure and behaviour of existing nation-states were determining factors in the attributes of those which emerged after decolonisation, so as Julie Gilson<sup>31</sup> has postulated, it could be argued that institutionalisation in one structured region elicits responses of greater institutionalisation in another. This may merely be a form of mimicry, or may involve institutions of a similar name – the European Parliament and the ASEAN Parliament – but of very different substance. In practice, the institutional creations in Asia in order to dialogue with the European Union within the ASEM process have been minor indeed: the appointment of joint Northeast Asian and Southeast Asian coordinators to prepare Senior Officials and other meetings. This is a rotating form of coordination following both the EU and ASEAN models.

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<sup>30</sup> For a discussion of the East Asia summit see David Camroux "Bandung 1955... Kuala Lumpur 2005... "Whose Asia ? " Contextualising the First East Asian (Community?) Summit", *The Pacific Review*, forthcoming, 2007.

<sup>31</sup> See Julie Gilson, *Asia Meets Europe: Interegionalism and the Asia-Europe Meeting*, Cheltenham, Edward Elgar, 2002 and also her article "New Interregionalism? The EU and East Asia", *Journal of European Integration* 27 (3), September, 2005: 307-326.

## **Revising EU Policies**

The publication by the European Commission in 2001 of a Communication on “Europe and Asia: A Strategic Framework for Enhanced Partnerships”, marked an important watershed. Seven years after the 1994 paper, “Towards a New Asia Strategy”, the first EU wide attempt to develop a coherent and co-ordinated approach, this paper took stock of seven years of EU-Asia relations. The original 1994 paper was an expression of the clear political will in the European Commission and, as previously mentioned, built on similar strategy papers in the member countries, especially in Germany. Unlike that paper, however, the 2001 Communication did not seem to have been drafted as a result of clear political will with clear directives, but rather as a result of bureaucratic momentum to review the initial strategy and possibly to do so before the Council of the European Union produced its own paper. In this author’s view, the Communication revealed four fundamental - and inter-related - analytical failures.

The first of these - and the most basic - concerned a definition of Asia, defined as an area extending from Afghanistan to New Zealand. As a consequence, the Commission proposed a series of sub-regional strategies to deal with Central Asia, South Asia, Southeast Asia, Northeast Asia and Australasia. These various strategies seemed however unrelated with each other and ASEM’s role as a useful forum was down-played. Moreover, the thrust of article 3(2) of the Treaty on the European Union designed to bring consistency into the EU’s external activities had apparently been neglected. In other words, the turn of century objective of establishing a Common Foreign and Security Policy (CFSP) did not yet seem to cover Asia. For example, high profile European policies on

human rights and the environment in the international arena were not given any particular weight and were rather clumsily integrated into the Asia strategy<sup>32</sup>.

In this approach, the vision of the then External Relations Commissioner, Chris Patten, can be, perhaps, detected. The document demonstrated, albeit unwittingly, at best a British reflection of economic interest and, at worst, a certain British view of Asia springing from its colonial heritage. Certainly, the definition of Asia proposed was more that heard in London than in Berlin or Paris, given the emphasis placed on India. With the benefit of hindsight this may have been prophetic. However, as Central Asia, South Asia and Australasia were not part of ASEM, the ASEM process was reduced in importance as an instrument in a global policy for this vast pan-Asian region. Within the Brussels context, the document demonstrated the perhaps inevitably diverging views between the three Directorates-general responsible for foreign policy: External Relations, Trade and Development. The role of the High Representative for the CFSP, Javier Solana, was conspicuous by its absence.

A second failing, undoubtedly linked to this fuzziness over the definition of “Asia”, was an inability to set clear priorities on actions in, and amongst, the different sub-regions. This represented the creative tensions that exist between the various Brussels institutions and the member countries which each has its own specific Asian policy. While there is a great deal of co-ordination amongst EU members, in these countries the European element is precisely that, one element in national projects and policies. Behind the document, and indeed much Brussels-speak on Asia, is the unresolved - and probably unsolvable - issue of an EU-wide approach, in juxtaposition to the sum of the individual approaches of member states.

The inability to set priorities was, and is, demonstrated in a third failing, namely the incapacity to situate the rise of China in a wider regional context. While the ASEAN

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<sup>32</sup> See Georg Wiessala, *Re-Orienting the Fundamentals: Human Rights and New Connections in EU-Asia*

countries were lumped together and continue to be treated, more or less, as one entity, relations with China - like with Japan - are placed on a bilateral basis. On the EU wide level, it was perhaps not entirely fortuitous that the paper was released one day prior to a high-level EU-China Summit. The common declaration from that meeting - the fourth EU-China Summit - made no mention either of China's neighbours nor of even wider EU-Asia dialogue. Given the entry of China as a respectable member of the international community over the last fifteen years - involving interactions with Europe at all levels from the UN Security Council to the WTO - there has been a perceptible shift towards bilateralism in relations with China. Seen from Brussels, and indeed from most European capitals, China and Japan are the actors that count in Asia and the rest is of lesser importance.

In terms of the practice of summitry mentioned above the experience in London (1998), Copenhagen (2002) and Hanoi (2004) is revealing. In London, host of numerous international gatherings, the ASEM summit of 1998 was a very low key affair. Given the strengthened Sinocentrism alluded to above, the summit was overshadowed by the concomitant first State visits of then Chinese Prime Minister, Zhou Rongji, to both Britain and France. The other Asian participants seemed merely to be performing the role of supporting actors to this symbolic consecration of China as a "responsible international citizen". In Copenhagen, the Danish presidency of the EU at the time seemed to have no particular agenda for the summit, nor did it seek, unlike the Korean leadership two years previously, any particular political benefit to be attained for itself. The Danish experience and that of the Finns in preparing the Helsinki Summit, gives the impression that, for the smaller members of the European Union, the organisation of an ASEM summit seems to be just another unfortunate obligation in assuming the rotating presidency. Nevertheless, in the post 9/11 context, the Copenhagen summit did come out with a consensual

declaration on terrorism and with an in principle agreement to enlarge the participation list for Hanoi to the ten accession states of the EU and the three members of ASEAN, Burma/Myanmar, Cambodia and Laos who had not participated at previous summits.

While the Vietnamese leadership wished the hosting of the 2004 Summit to showcase Vietnam's progress and provide support for its entry into the WTO, the major concern of the Vietnamese regime was to avoid the kind of agitation that is often demonstrated by NGOs in the accompanying People's Forum. While the regime in Hanoi was obliged to accept the holding of such a civil society activity, this was held several months prior to the summit and not, as is usual practice, concomitantly. The forum thus passed even more unnoticed than is usually the case and embarrassing scenes of NGO activists marching to the venue of the official forum completely avoided.<sup>33</sup> For the Vietnamese Communist Party leadership, the resolution of the participation of another authoritarian State, i.e. Burma, seemed sufficient success in itself.

This being said, as a member of ASEAN, Vietnam had hoped to benefit from that regional association's relations with the EU. However, there has been deterioration in those relations since the signing of the EEC-ASEAN Cooperation Agreement in 1980, one essentially economic in nature. Despite a 1991 decision to sign a more wide-ranging agreement, some fourteen years later, this has not occurred. As mentioned, the sticking points were, initially, Indonesia's annexation of East Timor and, since the mid-nineties, Burma/Myanmar's membership of ASEAN. Following the enlargement of ASEAN to include Laos, Burma, Vietnam and Cambodia, there was a general downgrading of EU-ASEAN relations reflected in the cancelling of meetings and the lower level of representation. Independent of the question of Burma/Myanmar, this would undoubtedly have occurred anyway given the prevailing sentiment then that specifically Southeast

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<sup>33</sup> Such an arrangement seems to be on the agenda for the Seventh ASEM Summit to be held in Beijing in September 2008, one it would seem that is intended by the Chinese authorities to be a sideshow to the Beijing Olympic Games.

Asian – EU forums are redundant when dialogue can occur in the larger ASEM, i.e. East Asian framework. With an ASEM now expanded to 43 members, it remains a moot point as to whether the EU-ASEAN meetings will be imbued with greater meaning.

Within ASEAN, as previously mentioned, there was clear resentment at the European approach over Burma/Myanmar, which is contrary to the sacrosanct principle of non-interference in the affairs of a fellow ASEAN member. On the European side, there remained a clear lack of sympathy for ASEAN's lack of "club membership rules" - that contrasts singularly with the highly legalized structure of European Union membership, membership that involves adherence to certain explicit notions of democratic governance.<sup>34</sup> Vietnam is perceived as being supportive of the junta in Rangoon and has clearly not been one of those countries, such as Malaysia and the Philippines, pushing the Burmese regime to reform. As noted previously, the question of Burma/Myanmar came to the fore in the lead up to the Fifth ASEM summit. As one of the two Asian coordinators, the other being China, and as the host country, Vietnam was in a particularly delicate position. Indeed, in July 2004, there was a clear threat that the summit would be cancelled. In the end, a compromise, brokered by the Dutch presidency, was reached in which the 10 European accession states joined ASEM and the three post-1996 members of ASEAN were also admitted. However, Burma/Myanmar was to be represented at a lower level than head of state. After the Hanoi summit, the European Union reiterated its threat to boycott meetings with ASEAN if Burma/Myanmar, as planned, took over the rotating chairmanship of ASEAN in 2006. In the end, under strong pressure from other ASEAN members, the Rangoon junta agreed to pass over its turn.

## **Helsinki September 2006**

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<sup>34</sup> A Vision group was established at the ASEAN Summit of 2004 in order to draft an ASEAN Charter for the end of 2006. See Rodolfo Severino, *Framing the ASEAN Charter: An ISEAS Perspective*, Singapore, Institute of Southeast Asian Studies, 2005.

In the lead-up to the Sixth ASEM summit held in Helsinki in September 2006, the Finnish Foreign Ministry in conjunction with its Japanese counterpart initiated an evaluation of the first ten years of ASEM.<sup>35</sup> In the report, jointly prepared by the Japan Center for International Exchange and the Network for European Studies of the University of Helsinki, the following conclusions were reached:

“ASEM finds itself at the crossroads...With the different types of functions and bodies it covers, ASEM has developed into a political framework for diverse activities rather than a unitary structure of cooperation”.<sup>36</sup>

Drawing on the work by both research teams it went on to argue that

“... while progress has been made in improving dialogue on a wide range of issues, the dialogue while broad has not been deep. The dialogue process has furthermore stayed at (the) information-sharing level and has not moved into substantive cooperation” Yet, the report goes on to declare that there “seems to exist no overall consensus on whether ASEM should be developed as a state-to-state or a region-to-region structure”.<sup>37</sup>

While concluding that “ASEM’s ambiguities must be solved and its identity clarified in order to bring it more in line with the ideal and objectives of close interregional cooperation”, and that “tangible results are indispensable” the recommendations for improvement are somewhat limited. Other than welcoming and harnessing existing bottom up-initiatives, the only institutional proposals were the setting up of a small Asian ASEM secretariat within the ASEAN +3 desk of the Jakarta based ASEAN secretariat. For the EU, the report merely proposed that the role of the Commission should be examined and enhanced. Indeed the only other tangible proposal concerned the setting up of a small

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<sup>35</sup> Finland held the rotating presidency of the EU in the second half of 2006 and hosted the summit, while Japan was the Northeast Asian coordinator for it.

<sup>36</sup> Ministry for Foreign Affairs (Finland), *ASEM in its Tenth Year: Looking Back, Looking Forward*, Helsinki, March, 2006 ([www.asem6.fi](http://www.asem6.fi)); pp. 5,8.

Task Force “to look into drafting a comprehensive communication strategy to profile ASEM”.<sup>38</sup>

As for the summit itself, it would appear that the Finnish presidency had no particular national agenda to promote.<sup>39</sup> For this observer in Helsinki the ASEM Summit itself was overshadowed by the 9<sup>th</sup> EU-China Summit<sup>40</sup> and, to a lesser extent by the 3<sup>rd</sup> EU-Korea Summit, both held the day before. These two bilateral summits also provided opportunities for one on one meetings with the leaders of the major European countries and the Chinese and Korean partners. In a sense, form (the ballet of official vehicles and photo opportunities) reflected substance (the pre-eminence of EU bilateralism over EU-multilateralism, within ASEM). The chairman’s statement at the end of the Summit contained the usual wide range of consensual positions that had already been expressed in multilateral or in bi-lateral fora. Nevertheless, thanks to the complicity of some ASEAN countries, on the question of Burma/Myanmar the Europeans were able to achieve a fairly strong statement on the “lack of tangible progress and lack of inclusiveness in the process towards national reconciliation.”<sup>41</sup> Moreover, the participants published a separate declaration on climate change, for the first time giving what could be argued is the most urgent and crucial question of contemporary global governance a prominent place. European Senior Officials in the negotiations leading to the summit had hoped to get clear and above all, measurable, commitments on the reduction of pollution and improving the global environment. The Asian participants, however, balked at entering into binding obligations of this nature. Given that all the participants are signatories to the Kyoto

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<sup>37</sup> *Ibid*, p. 10, 11.

<sup>38</sup> *Ibid*, pp. 15, 17, 19, 21.

<sup>39</sup> Indeed one senior Finnish journalist replied to this author’s question as to what the Finnish government wished to achieve in these somewhat disabused terms: “To get the whole thing over with without any incident “.

<sup>40</sup> The importance of bilateral relations with China was clearly underlined in a Commission document a month or so after the summit. Commission of the European Communities, *EU-China: Closer partners, growing responsibilities*. October 2006.

Protocol of the United Nations Framework Convention on Climate Change, it was a relatively easy matter for this to be the reference point of the ASEM consensus. This had a further advantage of underlining US isolation on environmental questions, and thus pointing the finger at the common “adversary”. Finally, environmental questions are also ones that play to the strengths of European industry in the global economy thus enabling the statement to link political and economic objectives.

The most important decision endorsed at the summit, and one that was largely unexpected, was an agreement to enlarge membership to include the two new European accession countries, Bulgaria and Rumania, and, in Asia, India, Mongolia and Pakistan as well as the ASEAN Secretariat. That there was no veto for this proposal from the European countries, such as France, who were opposed to Indian membership, or from China, equally opposed requires some explanation. One form of explanation would insist on institutional momentum or institutional creep: as full members of the EU from January 2007, it was argued that Bulgaria and Rumania should, ipso facto, become members of ASEM. It is more difficult to advance such an argument for the three new Asian entrants. While at the East Asian Summit held in Kuala Lumpur in December 2005 the idea of an Asian Community was enlarged from ASEAN +3 to include India, Australia and New Zealand were also invited, but neither Mongolia nor Pakistan. The institutional regional membership arguments therefore founders, particularly as Australia and New Zealand expressed as early as 1996 a desire to be members of ASEM.

A more salient interpretation would insist on the perception of ASEM as a forum of decreasing importance. Indeed it is difficult to disagree with the judgement of Hans Maull and Nuria Okfen writing just prior to the Helsinki Summit:

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<sup>41</sup> *Chairman’s Statement at the Sixth Asia-Europe Meeting*, Helsinki, 10-11 September 2006, p.2.

“In sum, ASEM has been unable to effectively contribute to global governance in either international trade or international monetary relations – nor for that matter, in any other realm of globalization.”<sup>42</sup>

A perusal of the most significant documents from the European Union on relations with Asia in the second half of 2006 underlines the increasing irrelevance of the ASEM process: it is not mentioned once.<sup>43</sup> The enlarging over deepening dichotomy concerning ASEM reflects, in this author’s view, a similar debate concerning the European Union. By promoting, or at least acquiescing, in the enlargement of ASEM political leaderships in both Europe and Asia have made a statement on, what they would appear to feel, is its unimportance. From this perspective enlargement is of little consequence. At another important level, ASEM’s eclipse parallels in many ways the decline of APEC as a significant forum for economic governance<sup>44</sup> and, a related perception of it as a threat to European interests. Put more prosaically, given that the putative “poison of APEC” is harmless is a strong “ASEM antidote” really necessary? Transforming ASEM into a “mini United Nations” - but totally lacking its permanency and legitimacy – means, on the one hand, it is too unwieldy to be a meaningful forum and, on the other, too shallow in terms of political commitment and institutionalisation to significantly contribute to global governance.

Wittingly or unwittingly, for some, ASEM’s enlargement should ensure its disqualification as an even potentially serious instrument in global governance. As a result,

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<sup>42</sup> Hans W. Maull & Nuria Okfen, “Comparing interregionalism: the Asia-Pacific Economic Cooperation (APEC) and the Asia-Europe Meeting” in Heiner Hänggi, Ralf Roloff and Jürgen Rüländ (eds), *Interregionalism and International Relations*, London, Routledge, 2006, p. 230.

<sup>43</sup> These documents are: Commission of the European Communities, *Europe in the World*, June 2006 ; European Commission, External Trade, *Global Europe : competing in the world*, October 2006 ; Commission of the European Communities, *EU-China : Closer partners, growing responsibilities*, October 2006.

<sup>44</sup> For a general history of APEC see John Ravenhill, *APEC and the Construction of Pacific Rim Regionalism*, Cambridge, Cambridge University Press, 2001. For APEC’s decline see Mark Beeson, “American Hegemony and Regionalism: The Rise of East Asia and the End of the Asia-Pacific”, *Geopolitics* 11, 2006: 1-20.

bilateral and multilateral mechanisms will be strengthened. Indeed the new trade strategy announced by the European Commission in October 2006 proposes such an approach: on the one hand by signing bilateral Free Trade Agreements with South Korea and China, India and ASEAN and, on the other, in attempting to impact on the Doha Round negotiations of the WTO. The former approach is presented as a form of insurance against the failure of the latter.<sup>45</sup> In the new post-Helsinki configuration ASEAN may well benefit being treated as a regional entity on the par with China and India. With the symbolic presence of the ASEAN secretariat as the 44<sup>th</sup> ASEM member and, above all, movement towards the signing of an EU-ASEAN Free Trade Agreement, it has, perhaps, re-emerged as credible interlocutor for the EU. In this author's view ASEM's pain may be ASEAN's gain.

## **Conclusions**

The preceding analysis of ten years of the ASEM experience does not confirm the importance of interregionalism as a new form of global governance. Rather it points to interregionalism as a subsidiary form of international relations interactions between the multilateral and bilateral. This overview of EU-Asia relations through ASEM would suggest a fluidity of responses where interregionalism sits uncomfortably as a second best option between bilateralism and multilateralism. In this regard the question of Burma/Myanmar alluded to previously confirms this author's theory that the pan-European, ie EU, dimension to a particular problem and the resort to interregionalism is inversely proportional to the real stakes. It is somewhat easier for Europeans to speak with one voice in interregional terms when the real costs – particularly economic – are quite low. However when we turn to the multilateral level, for example within the Doha Round

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<sup>45</sup> European Commission External Trade, *Global Europe: Competing in the World*, Brussels, October 2006.

negotiations of the WTO, where the economic stakes are quite high then the EU speaks with one voice for only a united European voice is capable of opposing that of the United States.<sup>46</sup> However, when it comes down to individual economic advantage, for example in providing China with railroad technology or aircraft, then individual EU member states act within a classic bilateral framework when possible.

There are limits however to such bilateral possibilities and as the trade disputes with China in 2005 and 2005 demonstrated. Appeals to EU solidarity, through the intervention of the EU Trade Commissioner, in order to impose quotas on Chinese (and other) exporters of textiles and footwear were clearly more effective than bilateral member-state initiatives.<sup>47</sup> Moreover, institutional momentum within the structures of the European Union provides a countervailing force to such tendencies among member states. For example, the position on the high moral ground taken by the European Parliament, say on adopting a strong line on human rights questions in China puts limits on the capacity of individual member states to conduct a purely bilateral policy. In 2005 this was most eloquently shown when, despite strong pressure from political leaderships in France and Germany, the arms embargo on China, resulting from Tien An Mien, was maintained. The combination of opposition both from political leaderships in some member states (notably Britain and the Scandinavian countries), US opposition and also hostility within the

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<sup>46</sup> Reaching a united position and the actual forms of trade negotiations are much more complex than would appear on the surface. In his study of trade liberalisation in Europe, in particular in relation to the Common Agricultural Policy, Klaus Günter Deutsch (*The Politics of Freer Trade in Europe: Three-level Games in the Common Commercial Policy of the EU, 1985-1997*, Munster, Lit Verlag / New York, St Martin's Press, 1999) argues that the governments of the member state are negotiating not only at two tables, namely the domestic and multilateral, as Robert Putnam had suggested, but at a third table at the same time, namely within the Council of the European Union and its interactions with the European Commission. Given the increasing importance of the European Parliament since the time of Deutsch's study and the ensuing increased complexity in the functioning of the European Union this third table may even be conceived of as having three sub-tables: that of the Council of the European Union, the Commission and the European Parliament. Deutsch draws our attention to the importance of institutions interests and ideas in the bargaining processes that are the grist to the mill of institutional regionalisation.

<sup>47</sup> The compromises involved in reaching a common position in negotiations with the representatives of member states and pan-European and domestic business interests confirm the three level-game scenario alluded to in the preceding footnote.

Brussels institutions demonstrated the both the compromise nature of intergovernmental decision-making and also the importance of powerful external actors. In day-to-day terms consultation between the Council of the European Union and the European Commission eases certain internal frictions within the Brussels institutions over other Asian issues on which there are differences of opinion.

In a continuum extending from Burma/Myanmar, on the one hand, to China and Japan, on the other, countries like Vietnam and Indonesia sit in an intermediary position. The economic interests of member states and in particular the more important ones such as Britain, France and Germany, are such that Vietnam can be dealt with bilaterally. Nevertheless, even in this area, given the prerogatives of the European Commission in trade negotiations, individual EU members have to defer to Brussels, say on Vietnam's entry into the WTO. In relation to both Indonesia and Vietnam there is, moreover, an appreciation that a co-ordinated European Union approach is more effective particularly in the areas of development aid and promoting democratic reforms. In certain cases such as Vietnam<sup>48</sup>, an attempt was made at "pooling visibility" by bringing together member state statistics and communicating on how the aid, both of the European Commission and the member states of the EU, was together "European aid".<sup>49</sup> On the political level, EU member states interests largely coalesce in relation to Vietnam and Indonesia and a supranational EU approach is undoubtedly perceived as more effective and less time consuming than a series of bilateral actions.

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<sup>48</sup> Two actors of the European presence in Vietnam have been responsible for this outcome, Andrew Jacobs and Stefan Hell, both of whom work or worked for the European Commission. In the experience of this author, the willingness of Asia-based diplomats from member states to cloak their action in a European guise varies considerably.

<sup>49</sup> See Carlo Filippini, Bui Huy Khoat & Stefan Hell (eds), *Moi rộng EU và các tác động đối với Việt Nam/ EU Enlargement and Its Impact on Vietnam*, Hanoi, European Studies Programme Vietnam/National Political Publishing House, 2004. Also Nguyen Duy Quy, Nguyen Thu My & Duong Phu Hiep (eds) *Asia-Europe Cooperation and the Role of Vietnam*, Hanoi, Vietnamese Academy of Social Sciences/National Political Publishers, 2004.

For the student of interregionalism, a particularly interesting case study will be that of European relations with India, relations which lie outside the scope of this paper. The first EU-India Summit was held in Lisbon in June 2000 and a strategic partnership announced in June 2004. Nevertheless, both from the perspective of the Brussels institutions and within European capitals, a certain obsession with China reflecting that in the European media, had, perhaps, blinded European leaders to the second emerging political and economic giant in Asia. For example, in terms of Foreign Direct Investment, for every euro invested by Europeans in India some twenty euros are invested in China! President Jacques Chirac's February 2006 visit to New Delhi would, however, suggest that perceptions are changing. That visit in itself raises the question as to where on the above mentioned continuum, future relations with India will be conducted: at the bilateral level with member states, or in a pan-European framework? While India was seen as a poor developing country requiring substantial development assistance, then "playing the EU game" was not only more effective it was also economical for member states. An important lesson can be drawn from this experience applicable to other Asian countries. Donor-recipient type relations would appear to be more conducive to forms of interregionalism, nevertheless on closer examination these involve forms of asymmetric bilateralism: the EU as a regional entity and individual Asian countries. In the case of India, the mooted Strategic Partnership is of a similar nature. Only in the proposal for an EU-ASEAN Free Trade Agreement can a glimmer of interregionalist praxis be detected.

The problem of any examination of Asia-Europe relations is, perhaps, that it is based on "false" premises namely that the two actors, Europe and Asia exist. Perhaps they do not? Within Europe, in relation to other regions, namely Asia, it is not clear that the EU is more than the sum of its parts, at least until recently. Certainly with the increase in the number of Delegations of the European Commission the visibility of the EU as a distinct entity and actor in Asia has increased. Yet these initiatives are largely

overshadowed by bilateral activity of the major EU member states in Asia. In the absence of a Common Foreign and Security Policy, this situation is unlikely to change soon.

To conclude, most research on the development of a common European defence and foreign policy has concentrated on relations with the immediate European neighbourhood or with the United States. Yet, in the view of this author, the test for such policies and, most importantly, of practice comes in relation to other “regions in construction” and their constituent members such as in Latin America or, above all, in Asia. In all research we are prisoners, to some extent, of the norms of our place of observation as much as the political spaces we observe. The observation of EU-Asian relations has the salutary consequence of making us aware of the multi-dimensionality and the fluid forms of both.

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