

## The EU in Asia's alphabet soup

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»» A growing number of political, economic or security oriented regional institutions, with varying degrees of influence, make up the 'who's who' of Asia's political constellation. Some of these are slowly turning into viable platforms for deeper economic, political and soft-security cooperation. Such bodies have not yet provided substantive solutions to Asia's myriad conflicts and disputes. They do however emphasise the importance Asia attaches to dialogue and allude strongly to the significance of personal contacts and interaction within Asian societies. As the global balance of power shifts toward Asia, many non-regional international actors who wish to play a role in the region increasingly covet membership to these fora.

Apart from bilateral frameworks and strategic partnerships, the European Union (EU) also participates in a series of Asian regional forums. It has created a distinct forum to engage with Asia – the Asia Europe Meeting (ASEM) – and is now on the waiting list of the East Asia Summit (EAS), a leading strategic dialogue platform grouping 18 Asian countries. Over the past years, the EU has aimed to build a stronger political role in Asia, analogous to its significantly large economic and diplomatic presence in the region. Asia's fora offer valuable grounds for the EU to enhance its relationship with the continent as well as consolidate its role in the region.

However, despite being cognoscenti of the 'ABC' of Asia's alphabet soup of fora, the EU has not fully played by Asia's

### Highlights

- Despite much criticism, the hybrid regional architecture developing in Asia is playing an important role by sustaining dialogue and confidence-building in the region.
- The EU should enhance its overall participation in Asia's fora to convince its Asian partners of its commitment to the region.
- The EU should not just focus on joining the East Asia Summit but also invest in the ASEM framework and better define its objectives.



rules. In a region where participation is a sign of engagement and even the mightiest or toughest countries show up at the table, the EU's paltry presence and lack of political investment over the years has not helped it to convince its Asian partners of a durable commitment. Following the US's pivot to Asia, 2012 was an unusually active year for the EU in the region, but it risks being a one-off. A reluctant socialite at Asia's political soirées, the EU must change its attitude towards the region's conventions if it hopes to play a significant role in Asia's future.

### HOW TO READ THE ASIAN ALPHABET SOUP

The Association of South East Asian Nations (ASEAN) has a handbook with a large list of acronyms used regionally, which it distributes to participants in its meetings. The copious number of regional groupings, organisations, fora and sub-fora, initiatives, projects and treaties is difficult to follow or visibly influence. The most important of those include the Asia Pacific Economic Cooperation (APEC), the Shanghai Cooperation Organisation (SCO), the South Asian Association for Regional Cooperation (SAARC), the East Asia Summit (EAS), the Asia-Europe Meeting (ASEM), the Shangri-La Dialogue, the Six Party Talks, the Bali Democracy Forum and those that spawn from ASEAN. ASEAN-sponsored regional platforms include the ASEAN Regional Forum (ARF), ASEAN Plus Three (ASEAN, China, Japan, South Korea), ASEAN Plus Six (ASEAN, China, Japan, South Korea, India, Australia, New Zealand) and the ASEAN Defence

Ministers Meeting Plus (ADMM+). There are also numerous regional free trade initiatives, including the ASEAN Free Trade Area (AFTA), the Regional Cooperation Economic Partnership (RCEP), the Trans-Pacific Partnership (TPP) and the ASEAN Australia-New-Zealand FTA (AANZFTA).

Asia is changing. Interconnectivity has reached unprecedented levels amidst the continent's evolving economic and security landscape. A culture of inclusivity and partnership diplomacy is developing against growing geopolitical tensions. Multilateralism has been gaining pace as Asians are increasingly inclined to find cooperative solutions to regional issues. A regional architecture is slowly being shaped, the upshot of which remains yet unclear, but will surely include a hybrid variety of regionalism characterised by a complex set of more or less institutionalised fora. However, none has a grand political vision.

The multiplicity of fora, which are overlapping at times and with competing mandates, is a defining factor in the construct of the region's architecture, deliberately lacking an overarching or supranational institution or a single leading country. In a region as diverse as Asia, this both contributes to the gradual creation of an Asian community and constitutes a comforting element for nation states that would prefer to limit the ambitions of these nascent institutions. Designed to be consensus-oriented and unimposing, their basic function is to build trust rather than to pool sovereignty. These fora succeed in spawning transparent dialogue processes, facilitating cooperative solutions to regional issues.



## THE ECONOMIC AND SECURITY ARCHITECTURE

Most visible is the region's economic architecture. Asia's various fora have spawned major pluri-lateral initiatives which seek to tame the flailing noodle bowl of intra-regional Free Trade Agreements (FTAs) and Economic Partnership Agreements (EPAs) – over 150 in various stages of development. The ASEAN-centred Regional Comprehensive Economic Partnership (RCEP) aims to coalesce ASEAN's bilateral FTAs with Australia,

China, India, New Zealand, South Korea and Japan. The 12-member US-backed TPP was announced at the 2012 APEC Summit and aims to be an adapted version of the Free Trade Area of the Asia Pacific (FTAAP). Through the East Asia Summit, Japan still hopes to promote a 16-member Comprehensive Economic Partnership for East Asia (CEPEA). BIMSTEC, the Bay of Bengal

Initiative for Multi-Sectoral Technical and Economic Cooperation, also seeks to achieve a free trade area by 2017 amongst its 7 members (Bangladesh, India, Myanmar, Bhutan, Nepal, Sri Lanka, and Thailand). The South Asian Free Trade Area (SAFTA), which was agreed on 6 January 2004, will eliminate all customs duties between SAARC members (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) by 2016.

The regional security framework is less advanced. Asia's regional fora have often been decried for being talk-shops with limited visible outcomes so far. Critics have pointed to decades of heightened tensions for example between India and Pakistan, North Korea and South Korea, China and Taiwan, and China and Japan, or to the numerous territorial and maritime controversies such as the Thai-Cambodian skirmishes over the Preah Vihear temple, or the South and East China Sea dispute. A more recent critique of these fora is their inability to manage the current military build-up in Asia. The Stockholm International Peace Research Institute (SIPRI) notes that besides the top five global arms importers being Asian (India, China, Pakistan, South Korea and Singapore), Asia's defence spending overtook Europe's in 2012.

However, such criticism needs to be put in context. Asia is certainly a continent that houses some of the world's most volatile conflicts, long-standing inter-state rivalries, as well as nuclear armed states in high dudgeon with their neighbours. Indeed, the common element among all Asian countries is antagonistic neighbourly relations. The level of mistrust remains acute with no scope for alliance politics: no one is a permanent enemy nor can anyone be trusted enough to be a permanent friend. This is why dialogue is particularly important. Bringing together adversarial leaders to discuss regional issues is an achievement in itself. Asia's fora provide a fluid and informal context to channel the rivalry between major powers in the region such as the US, China, India and Japan, and prevent further polarisation of relations. The military build-up does not need to lead to military confrontation, even if there is

**Tangible outcomes are necessary both to sustain the dialogue process and to demonstrate the EU's commitment to the region**



a risk of incidents spinning out of control. Asia's security architecture is still evolving and cooperative measures are more intended to prevent crisis spillovers than delivering definitive solutions.

There are multiple, overlapping security mechanisms in Asia including the ARF, the ADMM+, the East Asia Summit, and the Shangri-La Dialogue. While none of these has corrected tempestuous situations, they have mollified tensions by building confidence amongst the most important policy-makers in the region's defence and security community. Break-out meetings on the sidelines of these forums are also useful. The role of the region's forums in addressing security matters has been limited but not totally negligible. Trends point towards more demonstrable outcomes as trust develops. ASEAN's tabletop exercises on disaster management for example have been useful in building trust amongst various participant nations and in identifying weak points. On 17-20 June 2013, the ADMM+ will conduct in Brunei an unprecedented military exercise grouping the navy chiefs of 18 countries. This exercise, focused on disaster relief and aimed at strengthening the inter-operability of the participating armed forces, will be one of the most significant ones in the Asia-Pacific as it will include all major regional actors such as the US, China, India, Japan, and Australia.

Asian countries also increasingly use multilateral platforms to discuss territorial disputes, in the hope of managing rather than resolving issues like the South China Sea dispute. A Code of Conduct in the SCS, which is currently being negotiated regionally, would be a major confidence-

building break-through. There have been some concrete developments on other, non-traditional, security issues too. The eight members of SAARC have created a food bank collectively to face supply shocks following natural calamities or otherwise. A similar initiative is the ASEAN Plus Three Emergency Rice Reserve (APTERR).

Despite some progress, Asia's overall security architecture still needs to catch up with the much more refined economic architecture. Many issues remain. The region has also so far failed to create a real dialogue on human rights and democratic governance. Apart from the Bali Democracy Forum, a human rights oriented framework remains palpably missing.

## THE RELUCTANT SOCIALITE

The EU has a multi-layered relationship with Asia. European engagement is mostly done at the bilateral level with individual countries. Some bilateral relations are quite complex in structure: the EU-China relationship for instance is comprised of 56 sectoral dialogues and an even larger cornucopia of agreements, memoranda and treaties. The EU has a number of (completed and pending) bilateral free trade initiatives with several nations. The EU also has five strategic partnerships in the region (China, India, Japan, Russia and South Korea). Inter-regionally, the EU engages with ASEAN as an organisation via an enhanced partnership, and through the ASEM process, created in 1996 and which comprises 49 members. In addition, the EU is a member of several Asian fora and aspires to join others. There



is increasing awareness within Europe of the need to interact not only with Asian partners but also with other important global actors in Asian fora, as well as with Asian actors in other global platforms.

The EU has observer status in SAARC, closely monitors the SCO, and is present in most of the important fora that stem from ASEAN. The ARF is particularly important, especially due to a greater US presence since 2011. The EU aspires to join the East Asia Summit and has signed the Instrument of Accession to the Treaty of Amity and Cooperation (TAC), which is a regional non-aggression pact and also a precondition for EAS membership. ASEM remains the only platform solely dedicated to Asia and Europe where 49 European and Asian nations, the European Commission and the ASEAN Secretariat meet to discuss the future of bilateral relations and global affairs. The forum not only brings together leaders from both sides, but also represents a continuous dialogue mechanism for ministers and specialists on foreign affairs, and economic, financial, environmental, cultural or educational issues.

Given the EU's economic investment and political ambitions in Asia, its participation in Asia's fora has been poor until High Representative Catherine Ashton attended the 2012 ARF, her first major Asian multilateral forum meeting. Attendance is key and Asian nations see no reason why EU leaders cannot make it if other global leaders can. Lack of participation is seen as lack of interest and commitment. But participation also requires more active engagement. So far, the EU has been unable to advance dialogue

over major issues, which have been taken up by other actors, such as the South China Sea dispute, initiated instead by the US. Understandably the EU has no military role to play in the region. But an alternate response has been amiss. While the US has equipped the Philippines with a powerful radar that helps deal with a breadth of security issues including piracy and illegal trafficking, the EU has not even made a nominal financial contribution towards the Aids to Navigation Fund, a regional cooperative mechanism to manage the Straits of Malacca. The Fund already receives support from Saudi Arabia, South Korea and the UAE amongst others. As a result, the EU's overall commitment has been called into question.

## MORE SUBSTANCE

Beyond greater participation in regional fora, the EU also needs to bridge the commitment gap through concrete deliverables. There is wide scope to engage the ARF more strongly to support anti-piracy efforts. Given its perceived neutrality in the region and vast experience on shared resource management, the EU is particularly well-placed to engage all South China Sea disputants. The ASEM Trust Fund created in 1998 to provide money, technical expertise and assistance for financial restructuring to Asian economies hit by the 1997 crisis has been a concrete and positive example and could be re-emulated to assist European economies in distress. Greater investment in the region is needed.

It is equally essential for the EU to prioritise those platforms to which it can add value. In this sense, instead of focusing primarily



on the EAS, which is seen by many in Asia as an effective forum for intra-regional integration, the EU could strengthen other fora such as ASEM, which is dedicated solely to Europe-Asia relations and can play an essential role in connecting the EU and Asia region-to-region. ASEM is increasingly criticised for being more of a talk-shop without really enhancing inter-continental ties. The EU could help reinvent ASEM and extract potential by streamlining its modus-operandi and sharpening its purpose. For instance, the EU could use ASEM to reduce tariffs among member countries. ASEM needs better defined goals and perhaps even a secretariat.

The EU needs to upgrade its approach to Asia's hybrid regionalism. The lack of EU's interest in Asian regional fora owed to their difference from the model of European integration, which the EU was bent on promoting. But this will not work. Asian nations will remain unwilling to relinquish sovereignty for the foreseeable future. The EU must instead promote its experience in crisis management, conflict prevention and resource-sharing, based on consensus-building mechanisms which can fit the Asian context. The EU can also strengthen the evolving regional architecture by assisting Asian nations in enhancing the regional dialogue on human rights, sustainable development and democratic governance. Such a dialogue could eventually develop into a stronger body, which would complement the various politico-security fora.

## CONCLUSION

Asia's emerging regional architecture may appear shallow and disaggregated but the hybrid model of Asian regionalism is evolving in ways that match local demands and expectations. The EU must intensify its participation and, at the same time, effectively show what it can bring to the table. Tangible outcomes are necessary both to sustain the dialogue process and to demonstrate the EU's commitment to the region. The high priority accorded to EAS membership can be reassessed, while commitment to ASEM needs to be stepped up, especially in light of the upcoming summit in 2014. Reinventing ASEM can be an effective way of strengthening EU-Asia relations. There is space for an EU role in helping shape the developing regional architecture. Greater engagement with ASEAN will be essential, as it is likely to lead regional institution building in Asia as the region's agenda-setter and dialogue facilitator.

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