



# STRATEGIC FILE

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## Reinvigorating European–Asian Cooperation and the Role for Poland

**Patryk Kugiel**

*The ASEM Summit of 53 leaders of states and organisations from Europe and Asia in Milan this week will be one of the largest inter-regional forums in the world. However, to live up to the expectations, ASEM must prove it is more than just a talking shop and deliver tangible results to reinvigorate European–Asian cooperation. For Poland, this offers an opportunity to hold bilateral talks with Asian partners and present itself as a valuable player in the ASEM process. Due to its geographic location, Poland has a particular interest in the success of this year’s main summit theme of connectivity and expanding transport infrastructure to Asia through Ukraine.*

The 10<sup>th</sup> Asia–Europe Meeting (ASEM) Summit in Milan, on 16–17 October, is an occasion for celebration, but it will also need to answer the questions about the rationale and future of this inter-regional process. The meeting takes place at a crucial and testing moment marked by the ongoing crisis in Ukraine, tensions in the South China Sea, transition in Afghanistan and destabilisation of the Middle East. The impact of the economic crisis is still being felt in the EU, and ongoing trade and climate change negotiations reveal many differences between European and Asian partners. Still, ASEM should conclude with something more than just a wish list for a better world if it is to gain recognition and attract more public interest. Concrete initiatives with adequate resources to boost Europe–Asia connectivity would be good first steps towards this goal.

Poland, as the largest state on the EU’s eastern border, can contribute to the ASEM dialogue. It has already been very active in influencing EU policy towards the eastern neighbourhood, but its interests and ambitions should not end there. With growing economic stakes in Asia and more say in EU affairs, Poland can play a positive role in reinvigorating Europe–Asia relations. To realise this potential, Poland would need to show more commitment to the ASEM process, voice new ideas for inter-regional cooperation, and find a constructive approach to Russia, which is an important ASEM member and crucial for the success of its many initiatives. In particular, Poland can support the inclusion of Ukraine in ASEM and promote trans-regional infrastructure projects that will bring benefits to both Russia and Ukraine, and enhance connectivity between the EU and Asia.

### **ASEM as a Talking Shop?**

The Asia–Europe Meeting was established in 1996 as an informal process of dialogue and cooperation between two continents. The first ASEM Summit in Bangkok gathered together representative of 15 EU Member States and seven ASEAN nations, plus China, Japan, South Korea and the European Commission. In the following years, the platform expanded to reach 53 states in 2014 (Kazakhstan and Croatia will be accepted at the Milan summit). It includes 28 EU countries, the European Union, Norway and Switzerland

on the European side, and 10 ASEAN members, as well as the ASEAN Secretariat, China, Japan, Korea, India, Pakistan, Mongolia, Bangladesh, New Zealand, Australia, Russia and Kazakhstan on the Asian side.

ASEM is not a formal organisation and has no permanent secretariat. The coordinating role is played instead by foreign ministers, who are assisted by two coordinators from Europe (EEAS and the country holding the EU presidency), and two from Asia (one from ASEAN and one from the rest of the region). The highest authority is the ASEM summit held at the level of heads of states or governments, every second year, in Asia or Europe alternately. This is complemented by ASEM foreign ministers meetings (every second year between the summit years) and senior official meetings (held at least twice a year). The dialogue also includes ministerial meetings between ministers of finance, culture, education, labour and employment, environment, and economy. Moreover, at the unofficial level the work is continued by the Asia–Europe Parliamentary Partnership Asia-Europe Business Forum (AEBF), the Asia-Europe Peoples’ Forum (AEPF), and the ASEM Eco-Innovation Center (ASEIC). The only formal and permanent institution of the ASEM is the Asia Europe Foundation (ASEF), established in 1997 and based in Singapore, which has the task of promoting “greater mutual understanding between Asia and Europe through intellectual, cultural and people-to-people exchanges.”

ASEM dialogue is based on three pillars. These are political, economic and cultural, although the most progress has been achieved in recent years in cultural and educational cooperation, with new initiatives launched and new ministerial meetings between ministries in these fields. It is generally accepted that the largest asset of ASEM is that it provides an opportunity for leaders from Europe and Asia to meet and exchange views on the most pressing international and regional challenges. It serves as a convenient forum for organisation of bilateral or multilateral meetings and numerous side-events. Due to the informal and interactive character of ASEM, and its flexible working methods, with many working groups and task forces, it can be a convenient tool to react flexibly to challenges and opportunities.

However, while ASEM is preparing for its 10<sup>th</sup> summit this October, and will celebrate its 20<sup>th</sup> anniversary in 2016, it has also been criticised for being a mere talking shop. ASEM’s general visibility and recognition is rather low in Europe and Asia alike, and it is rather short on deliverables. The critics point out that none of its meetings have brought a single valuable outcome, and many question what ASEM is for and what its added value is, in comparison with other multilateral forums. One can argue that if ASEM is only a meeting place for Asian and European leaders, there are already many other opportunities in Asia (Asia–Pacific Economic Cooperation—APEC, the ASEAN Regional Forum—ARF) and Europe (the European Council) where they can exchange views. On the crowded market of multilateral, regional and inter-regional organisations and mechanisms, ASEM must prove its own value and usefulness without duplicating the works of others.

The effectiveness of ASEM is being hampered by numerous and real differences between Asian and European partners. There are not many commonalities shared by all members. Unlike APEC, ASEM has no single unifying idea that can be fully embraced by all states. ASEM’s rapid expansion of ASEM leads to diversification of perspectives and makes joint decisions on important challenges more difficult. There are concerns, for instance, that the participation of the Russian president, Vladimir Putin, during the current EU–Russia tensions over the Ukrainian crisis could overshadow the meeting and make compromise on most pressing issues less likely. In fact, although Asian and European states are facing the same challenges, from climate change to terrorism, they usually see different solutions. Moreover, geographic distance, cultural and civilisational differences and political disagreements contribute to a situation in which one side still knows too little about the other and relations are marred by misperceptions and mistrust.

Europe and Asia differ on the use of power, both hard and soft. While Asia is still dominated by traditional states concerned by national sovereignty and hard security, Europe is not seen in Asia as a serious security partner, but rather as an economic hub and a civilian power. The use of soft power tools differs in Asia and Europe. For instance, unlike the EU, Asian states do not attach conditions to their development assistance, they do not share the belief in exporting democracy, and do not like the imposition of environment, labour or human rights standards in economic agreements. One can say that, while Europe is rather soft in terms of hard power and hard when it comes to soft power policies, Asia is hard on hard power and soft on soft power. This structural divergence may explain why any compromise on crucial political or strategic issues is tough to pursue.

## **Can ASEM Become a Building Block for an Asia–Europe Partnership?**

In this context, there is a vital need for building mutual understanding and continuation of dialogue. Although discussions are important, they should not be the ultimate level of ambition. If the ASEM summit is to be anything more than just a photo opportunity and discussion club that produces boring documents that no one wants to read, it must go beyond joint declarations and come up with concrete programmes and projects that will have an impact the lives of citizens in Europe and Asia. There is no better way to raise the visibility of ASEM and attract public interest than by producing tangible outcomes and new, stimulating ideas.

The agenda of the ASEM summit must be more focused on selected areas in which progress is most feasible. The meeting in Milan will cover everything, from trade negotiations to climate change, from security challenges to educational exchanges, but it will focus on a few chosen priorities where compromise is possible. As, under current circumstances, progress on political or security issues is less likely, it must focus on economy.

The theme of “connectivity” for the upcoming summit is well chosen, but it will need to be translated into concrete actions. This requires practical mechanisms and extra funds for investments in hard and soft infrastructure, including promotion of tourism, better flight connections, land transport links and the Internet, but also trade facilitation and cross-border cooperation. Ahead of the summit several think-tanks meetings (for example in Singapore in June, Shanghai in July, and Brussels in September) have developed practical recommendations in this regard, such as forming a transportation ministers meeting and working groups on connectivity, an ASEM Infrastructure Bank, simplification of business and tourism visas, etc. It is up to ASEM leaders to check what can be implemented under the current financial and political constraints.

ASEM does not have strong institutions, and a loose framework is part of its DNA. However, it needs a sound idea with which most members can easily identify and which can serve as a recognisable, distinguishable trade mark. For the time being, as political and security differences run high, it appears that economic cooperation is one area which interests all partners. And as regional integration processes are tested on both continents in numerous configurations, it is reasonable to examine whether this cannot be an overarching theme for ASEM. Even if a broad inter-regional Free Trade Agreement (FTA) is a distant dream at the moment, ASEM can be useful in mutual learning on best practices in regional integration, including through better connectivity.

It seems that the EU has a special interest and more capacities to drive the agenda for ASEM and provide extra financing to keep it alive. As the 21<sup>st</sup> century has been called the “Asian Century” and Asia–Pacific may replace the Euro-Atlantic arena as the major stage for world politics and economy, the EU can ill afford to lose its influence on Asia. This is even more important as on-going negotiations on the trans-Atlantic (TTIP) and trans-Pacific (TTP) trade agreements may push Europe and Asia further apart. Thus, the EU should reinvigorate efforts to boost the relevance of ASEM, invest in Euro-Asian dialogue, and suggest a new, inspiring vision for the future. It can streamline development cooperation instruments to support new mechanisms of cooperation within ASEM dialogue, and generate new resources with voluntary contributions to secure implementation of additional tasks. This will require the engagement of not only “old” EU players but also the active participation of new Member States, which bring certain historical, geographical and political assets.

## **Why Should Poland Care?**

Poland, which has only recently revived its Asian policy, has both genuine interests and valuable assets that it can contribute to ASEM. Firstly, for a middle-sized country, multilateral arrangements such as ASEM can be a very useful mechanism in reaching out to many Asian leaders and raising Poland’s profile as an important European partner. So far, Poland has strategic partnerships with two Asian states (China and South Korea) and a strategic dialogue mechanism with Thailand. It is also discussing special relationships with India, Japan and Vietnam. Its trade with Asia has almost tripled, from \$18.8 billion in 2005 to \$51.9 billion in 2013, but is still far below potential. Asia’s share in Polish exports has risen only from 4.5% in 2005 to 6.3% in 2013, and in imports, from 14.6% to 18.6% for the same period. Rising economies in Asia and the growing maturity of Polish companies provide a good foundation for stronger cooperation in the

future. Hence, the success of ASEM can also facilitate stronger Polish bilateral political and economic relations with Asian countries.

Secondly, Poland has not yet utilised its strategic location to take full advantage of its potential to as a transit hub between West and East. Therefore, “connectivity” as the main theme of this year’s summit fits perfectly into Polish long term interests. If it could encourage other partners to invest in hard infrastructure linking Europe with Asia through Poland, this could bring real benefits to the Polish economy as well as Asia–Europe cooperation. As first rail connection between China (Chengdu) and Germany (Duisburg), which began operation in 2013 crosses Polish territory, similar initiatives will follow, opening new routes to other Asian destinations.

Thirdly, ASEM could also be an important tool for Polish eastern policy. It is in Poland’s interests to secure Ukraine’s future membership of ASEM as this would be another element binding the country with the European structures. Apart from geo-strategic reasons, the inclusion of Ukraine is also important from a technical point of view. Poland’s transit role depends to a large extent on the domestic situation and condition of infrastructure in its eastern neighbourhood. Therefore, it is important to generate additional funds for the modernisation and construction of railways and roads in Ukraine. In this way, the large trans-European transport corridors, which currently end at the Ukrainian border (the Mediterranean and the Rhine–Danube) could be extended further to Asia to connect with Chinese-led projects (the New Silk Road), and to South and South-East Asia.

While Poland can benefit from ASEM dialogue, it also has some assets that can help to reinvigorate the process. Being a country already well embedded in the EU, and which shares many similarities with Asian countries, it has the potential to emerge as an honest broker in some discussions. Poland has traditionally enjoyed good and warm relations with most Asian states, from Vietnam to China and India. At the same time, the recent elevation of the former Polish prime minister Donald Tusk to the post of president of the European Council has confirmed Poland’s strong position in the EU and gives it extra entitlement to exert more influence on European external relations, including those with Asia.

Poland also brings fresh and positive experiences of accession to the EU, and can serve as a success story of EU integration in times when many in Asia question the European example in the aftermath of the financial crisis. As many Asian countries are in the process of their own integration processes, Poland can breathe more enthusiasm into proponents of closer cooperation, and coordinate discussions on different models of integration and exchange of best practices.

Moreover, Poland shares many concerns of Asian countries regarding climate change policy, while at the same time paying due attention to EU perspective on the matter. Thus, it can prove helpful in reaching a compromise between Europe’s ambitious climate goals, and the realistic capacities of Asian countries. Finally, as an EU border country, Poland is in a special position to drive cooperation on connectivity, especially regarding transport infrastructure between Europe and Asia.

Although Poland may not be the major player in formulating European policy towards Asia, it has certain capacities and assets that it can contribute positively to a stronger Asia–Europe dialogue. If it could suggest a few ideas and practical solutions in areas of its interest (regional integration, climate change, and transport connectivity) it could well strengthen its position in ASEM and help make it a more relevant forum. Poland can, for instance, suggest establishing an ASEM Connectivity Trust Fund to finance investments in hard and soft infrastructure, or forming a task force to explore new mechanisms for systemic sharing of integration experiences from Asia and Europe.

## **Towards a Successful Summit in Milan**

ASEM is an important mechanism, and a growing number of members and the unrelenting interest in ASEM from new countries show that it is still very much needed. It is a unique forum that brings together most European and Asian leaders and contributes to global discussions on common challenges. This is especially important for leaders from small and medium-sized states, such as Poland, which do not have so many opportunities to meet their counterparts from distant regions regularly. Informal retreat sessions offer useful opportunities for frank discussions between partners interested in specific topics. Moreover ASEM

provides a framework for more regular interaction between parliamentarians, business people, experts, students, artists and civil society groups. It is a crucial tool for building mutual understanding and trust.

However, serving as a discussion forum may not be enough in this increasingly complicated international environment. ASEM, in the current format, is not a place to forge new solutions and establish binding commitments from European and Asian leaders. The summit in Milan will most likely not make a headline with groundbreaking decisions, and it risks raising criticism. To avoid this, ASEM should prove that it can also deliver practical results and new ideas. If the summit ends with a concrete plan on how to better develop connectivity between Europe and Asia, it would be its major achievement in recent years. It should propose ambitious and inspiring aims of developing Europe–Asia transport corridors, backed by a substantial budget, and connecting with corridors constructed by China, India and ASEAN. Moreover, the leaders should initiate discussions on a unifying vision and future role for ASEM, to be decided by the 20<sup>th</sup> anniversary in 2016, and rethink prioritisation of regional integration and cooperation.

For Poland, the upcoming ASEM summit may be a good place to raise its visibility vis-à-vis its Asian partners. While Poland can use the summit traditionally, to hold bilateral meetings with chosen leaders, it should engage more actively in general discussions and offer strong support for major initiatives and decisions. Proper utilisation of this forum would need several elements. First, the participation of Poland's prime minister, Ewa Kopacz, despite recent change of government, must send a positive signal of strong commitment to the ASEM process and make Poland's voice better heard. Secondly, if Poland wants to utilise its geographic position effectively, it should fully embrace the idea of connectivity and promote the expansion of trans-European transport corridors further into Asia.

Thirdly, Poland should advocate Ukraine's membership of ASEM, as this is the last missing link in the land route from Europe to Asia. Ukraine has signalled its interest in joining ASEM, and it will need to get the support of all ASEM members from Europe and Asia, depending on which side it wants to join the platform (for instance Russia joined ASEM in 2010 as an Asian state). This step could facilitate the transport infrastructure investments in Ukraine, which could eventually link the European and Asian landmasses.

However, in order to achieve these aims Poland, would need to have good working relations with its eastern neighbours, including Russia. In the current situation this is challenging task, and the presence of the Russian president in Milan may not be comfortable for many leaders. Yet, rather than avoiding him, Poland should put aside broader disagreements over Russian policy on Ukraine, and engage Russia in discussions about a constructive solution of the Ukrainian crisis within broader Euro-Asian cooperation. In fact, stronger transport connectivity between Europe and Asia requires the participation of both Russia and Ukraine. Development of new East–West transport corridors from the EU through Ukraine and Russia to Asia would create tangible benefits for all partners. By this move, Poland could also underline its image as a constructive and forward-looking partner.

Although Ukraine is not a member of ASEM, it may dominate the summit, taking into account EU–Russia tensions over the Ukrainian crisis and European sanctions. ASEM may serve as a platform to search for innovative solutions within a win-win strategy. It is the responsibility of Poland to promote Ukraine as a bridge, not a border between Europe and Asia. Poland should actively lead discussions on trade and transport connectivity and present Ukraine not as a source of tensions, but as an opportunity. If Poland could endorse this on the agenda, its contribution would be a good starting point to reassert its role as a constructive and important player.