The European Union and East Asia

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Introduction

The European Union (EU) and East Asia have frequently been cited as two equal poles of a new global trade triangle and yet the relationship between these two regions has been historically very weak. Even in the wake of the 1997 financial crisis, for example, the European Commissioner responsible for the euro, Yves Thibault de Silguy, made it clear that the ‘Asian contagion’ would not affect Europe; indeed, he implied that this was a crisis brought about by crony capitalism in a distant part of the world. For much of the 1990s, then, and culminating with that crisis, the EU position could even be construed as representing nothing less than ‘the imposition of a reformulated Western orthodoxy on the east’ (Richards and Kirkpatrick 1999: 704). Yet, within a year or so of the crisis unravelling, there were significant changes in tone from the European Commission towards East Asia, promises of greater assistance to resolve the crisis and a bolstering of trade between the two regions. This apparent deepening of relations between Europe and East Asia during the mid-to-late 1990s needs to be considered in the context of a number of different factors, all of which will be explored during this chapter. Thus, while the multiple effects of globalization played an important role in changing trade imperatives and, in particular, in highlighting the prominence of a growing East Asian economic bloc, and while the effects of the ending of the Cold War were still being felt in terms of reshaping inter-state behaviour within and between the two regions, more subtle influences were also important. These include the role of history in the mutual relations of Europe and Asia; the changing nature of both the EU and East Asia as ‘actors’ in the global arena; new institutional frames for engagement; and the rise of civil society in both regions. All of these factors have to be taken into consideration in any analysis of contemporary Europe-Asia relations, and globalization in its many forms cannot be regarded as the only significant reason for which Europe and Asia have started to take one another seriously.

In summary, this chapter examines the ways in which the complex history of Europe-Asia relations and the processes of globalization and post-Cold War experiences have shaped their growing relationship in economic, political and security dimensions. It examines the extent to which developing EU-Asia formal relations contribute to changing global governance structures as part of a ‘new and complex multilateralism’. The first section briefly outlines the post-war
An unspectacular history and growing institutional linkages

The chequered and disparate histories of EU member state involvement in different parts of Asia meant that the EU was slow to embrace East Asia as a region (Lach 1965). In some ways this was due to the fact that for centuries different member states enjoyed different colonial histories with parts of East Asia (Gilson 2002: 31). The West had carved up Asia, like Africa, into isolated colonial zones, but in spite of their colonial footsteps the indigenous forces of post-war liberation sought to ensure that there were few lasting imprints. Asia also remained separated from Europe during the post-war period due to its own internal tensions and divisions. Thus, when the states of South-East Asia did (re)gain their independence through the movements from the 1940s to the 1960s, their leaders and citizens were keen to reinforce their keenly felt sovereignty. Although the Southeast Asian Treaty Organization (SEATO) was set up in 1954, it was primarily regarded as a means of promoting US military aims within the region and locking South-East Asia into the ‘Western’ camp in the rapidly escalating Cold War. Thus, it was never regarded as a driver for regional integration; rather, it enshrined the concept of non-interference in these still new and fragile nation-states. This principle was to form the foundation of the 1967 Association of Southeast Asian Nations (ASEAN) and remains central to regional inter-state relations today.

While most of the states of South-East Asia were engaged in a fight for national independence and the difficulties and challenges such freedoms brought with them, relations with other East Asian states also remained difficult. Japan, for its part, was forced to come to terms with defeat and the need to rebuild a shattered economy, and was locked into a Security Treaty with the USA (Hook et al. 2005). Meanwhile, the Chinese Communist Party built on its 1949 victory to develop an ideological and economic trajectory that would largely isolate it from the rest of Asia until the reforms of Deng Xiaoping at the end of the 1970s. For these reasons, there was scant opportunity for the establishment of broad regional agreements and frameworks until the end of the Cold War. Thus, although there were no attempts to emulate the European Coal and Steel Community of the 1950s, when institutional advances were forged in the 1990s they were able to build on the solidity of the ASEAN regional framework, which has been central to all subsequent attempts at closer political, economic and security co-operation in East Asia.

Closer relations with Europe began in the 1970s when ASEAN sought out co-operation in order to challenge the discriminatory processes of the European common market. However, Rüland and Storz observe that they only maintained an ‘unspectacular and distantly friendly relationship’ throughout that decade. This lukewarm engagement was to turn icy following the end of the Cold War when a barrage of European criticism attacked East Asia’s non-democratic credentials (Rüland and Storz 2008: 7). As noted above, the 1997 financial crisis in East Asia further provoked European condemnation of ‘Asian’ business practices. However, globalizing
trade incentives, growing institutional linkages and greater non-state activism all contributed to putting pressure on Europe to examine its relations with the region of East Asia as a whole. Trade between Europe and Asia had tripled (to US $310,000m.) between 1980 and 1993, and the 1994 EU paper entitled ‘Toward a New Asia Strategy’ was the first time the EU elevated Asia to priority of external relations (Gilson 2002: 59, 114). Designed primarily as a means of managing collective relations with the growing region of East Asia within a broad format to encapsulate issues from trade to the protection of the environment and research on HIV/AIDS, the strategy paper was updated in 2001 to emphasize the need for co-operation in the wake of the 1997 financial crisis, to reflect EU enlargement and developments within the World Trade Organization (WTO). Specific proposals within the strategy paper included a poverty reduction programme and expanded dialogue on social policy, and it represented for Pelkmans and Balaoing a ‘most-useful process of changing the ways of thinking on Asia and EU-Asia relations’ (Pelkmans and Balaoing 1996: 1; Gilson 2002: 87). In practice, however, it did not amount to tangible policy developments, except for a number of business and investment opportunities. Nevertheless, these developments led to calls within East Asia for the strengthening of regional collaboration in a perceived trilateral (EU-US-East Asia) global economy and even for the creation of some kind of currency union akin to the European model, and to calls from within East Asia for greater institutionalized relations.

Such calls for co-operation led to the establishment of the Asia-Europe Meeting (ASEM), which was held for the first time in Bangkok in 1996. While there was clear interest in South-East Asia for closer ties with the EU, the principal motivation for the EU to participate in ASEM was a growing sense, particularly expressed by the European Commission and European business, of the need to capture some of the economic benefits likely to accrue from greater involvement with the rapidly developing markets of East Asia. In other words, East Asia was becoming an economic powerhouse and the EU was already late to take some of the opportunities it offered. The Commission strategy paper of 1994, ‘Toward a New Asia Strategy’ (see above), formulated proposals as to how the EU might initiate such engagement. On this basis in November 1994, Singapore and France proposed that an EU-Asia summit meeting be held, to consider how to build a new partnership between the two regions.

In the words of The Economist, ASEM presented a ‘whole new game’ in international relations and was based on a common commitment to a market economy, to the open multilateral trading system, non-discrimination and ‘open regionalism’. It was also to function according to the four principles of informality, multi-dimensionality, equal partnership and a high-level focus (Chair’s Statement at ASEM 1). Bringing together the then 15 member states of the EU alongside the members of ASEAN, Japan, the Republic of Korea (South Korea) and the People’s Republic of China, it was built expressly upon existing channels of engagement such as the EU-Japan and EU-ASEAN dialogues, and was seen as a response to growing external pressures to consolidate the EU-Asia side of global triangular trade. Since its inception, the ASEM framework has generated encounters at a range of formal and informal levels: from heads of state summits and ministerial conferences, to meetings of business groups and other non-governmental representatives. It has focused variously on economic, political and security agendas. For example, the 1998 summit centred on the financial crisis, and the 2000 summit (in Seoul) had at the core of its agenda Korean peninsula security developments. Meanwhile, between 2000 and 2007 the EU’s trade with its Asian ASEM partners grew by around 60%. During that same period EU exports to ASEM Asia rose from €146,000m. ($197,000m.) to €228,000m. ($308,000m.), with increases in imports from €285,000m. ($385,000m.) to €459,000m. ($619,000m.) (Xinhua News Agency, 21 October 2008). A general swell of opinion suggested to both European and East Asian state representatives that greater co-operation on a range of levels
would benefit both regions. For the EU the ASEM structures formalized a means of dealing collectively with the states of East Asia; for East Asians it offered a similar means of dealing collectively with the EU states, but also provided a first-hand examination of the practices of regional integration and established a framework in which East Asia could present itself as a regional political and economic entity and realize the ‘third side’ in that much talked about global triangle (Serradell 1996: 191).

The seventh ASEM summit was held in Beijing in October 2008 and accommodated heads of state or their representatives of the now 45 member countries. Its substantive concern was to address the effects of the unfolding global economic crisis alongside a focus on sustainable development, and ASEM itself was portrayed in the Chair’s Statement as a ‘multi-faceted dialogue facilitator’ (Chair’s Statement, ASEM 7). Thus, while accusations that ASEM is no more than a talking shop continue to be valid, nevertheless it is an increasingly important framework in which to situate expanding EU-Asia relations and has implications for the institutional structures of contemporary regional (and inter-regional) governance. Indeed, since the inaugural ASEM summit, East Asia has witnessed the 1997 development of the ASEAN Plus Three (APT) process (bringing in Japan, China and South Korea), and the first East Asian Summit in 2005 (adding India, Australia and New Zealand). At the same time, ASEAN has moved towards closer economic co-operation, notably through its ASEAN Free Trade Area, designed to lower intra-regional tariffs (www.aseansec.org). In addition, a new ‘ASEAN Charter for ASEAN Peoples’ came into force in December 2008, with the aim of responding to the financial crisis and emphasizing political security, economic and socio-cultural dimensions. This third dimension is especially important for offering a ‘platform for engagement with representatives from governmental agencies, educational institutes and civil society organisations’ (www.aseansec.org). The extension of regional co-operation in the form of the East Asian Summit has led to calls for the development of an East Asian Community, although at present regionalizing projects remain focused on the closer integration of ASEAN with a supporting role by the ‘plus three’ states. Although ASEM represents only one strand of the many bilateral activities encompassing EU-Asian relations, it raises interesting questions about the very ‘actorness’ of both the EU and Asia in the process, as well as the involvement of non-state actors in mechanisms for governance. It is worth exploring each of these in some detail.

Regions as actors

Today, multiple levels of governance intertwine and regionalism has become one significant component of a global puzzle. However, what role do regions have? Are they globally uniform in their impact, regardless of their internal constitutions? What is the actorness of a region in the context of global governance structures? This chapter contends that the practice of inter-regionalism itself—namely, two regions each having to act as such for the purpose of mutual comprehension and interaction—can have an impact upon the types of behaviour within and between given regions. Thus, inter-regionalism should not be regarded simply as region-to-region dialogue, incorporating two rational actors, which are ‘created and recreated in the process of global transformation’ as ‘territorial based subsystems of the international system’ (Hettne, Inotai and Sunkel 1999: xv). Rather, inter-regionalism has the additional potential to establish a regional profile beyond one’s own confines (as in the EU’s search for recognition in East Asia), or affect the development of the intra-regional identity of one of its participating actors.

The ways in which regions develop as structures of governance within an inter-regional framework may be categorized in one of three ways: as mirror regionalism, partner regionalism, or
oppositional regionalism. First, it is worth exploring the mirror regionalism phenomena. In the unique framework of inter-regionalism, states behave as if they were a region in the face of what they perceive to be a similar, definable Other. In the case of ASEM, the ‘Asian Ten’, which did not at that time formally exist as such, met at least three times in the form of Asian Senior Officials Meetings (SOM), to decide on the format and the agenda for the first ASEM Leaders Summit. All the meetings and consultations that took place prior to the inaugural meetings were consolidated and institutionalized after the Bangkok meeting. Facing a well-coordinated and institutionally developed regional grouping like the EU, the representatives of which would generally come up with a co-ordinated position in formal ASEM meetings, the East Asian members felt the need for continued co-ordination to prepare for the key official meetings. From an EU perspective, the ASEM process reinforced the structures of the EU by further legitimizing the role of the European Commission and of the collective foreign policy approach towards East Asia. By utilizing inter-regional structures as one mechanism for managing economic and political relations with this growing yet disparate region, the ASEM process influenced the concept and shape of an ‘East Asian region’, contributing to its very self-identification and providing a functional structure and a cognitive backdrop for new forms of collective behaviour (Gilson 2005). Although for some observers this kind of collective response represents no more than ‘reactionary regionalism’ (Beeson 2003), ASEM has certainly contributed to the creation of a notion of regional identity within East Asia through the delineation of ‘self’ and ‘other’. As a result of this growing collective behaviour there have been many calls, especially from outside East Asia, for the states in the region to assume a more formalized set of regional institutions and to become more regulatory, in the fashion of the EU itself. In this sense, its development would mirror the trajectory already played out in Europe. It is at this level, too, that East Asia is most frequently criticized for not being sufficiently far along a European-style path to integration. Such criticisms reflect the normative dominance within the inter-regional framework of the governance structures embodied by the EU, and therefore the way in which the EU is able to influence regionalism beyond its own borders.

Second, the partner approach is slightly different; there is no expectation that East Asia needs to form itself in any particular way, but on a global scale it recognizes its need to behave as a region for the purposes, at least, of interacting with other regions. This approach to regional engagement focuses on the praxis of engagement and reflects a need to develop new tools to manage economic diplomacy and other forms of multilateral dialogue. However, it does not necessarily bear out the judgement that only one form of regional governance is possible. Indeed, those who see the development of a ‘partnership of equals’ as espoused at ASEM 1 build their claims on the pre-existing institutional arrangements within East Asia itself (notably ASEAN) and upon the ongoing search for an East Asian ‘identity’, most recently articulated through the East Asian Summit process. These multiple and overlapping layers of regional governance may be best captured by Aggarwal’s (1998) concepts of nesting and parallel linkages, which illustrate how different institutional arrangements can interplay with one another. Nesting situates one institutional format within the broader frame of another, with the result that, for example, ASEM is founded on the principles of both the United Nations (UN) and the WTO. However, although this approach demonstrates how a broad body of regulatory practices can come to underpin the ‘new’ encounter by East Asia and Europe, and potentially avoids the problem of confronting differentiated regional practices, it also highlights the possibility that Western norms of governance may be embedded through the reinforcement of the principles of the pre-existing ‘global’ structures. For Aggarwal, parallel linkages may occur when separate but related bodies are established. Thus, ASEM may be seen to function in relation to the Asia-Pacific Economic Cooperation (APEC) and the APT. They are parallel processes functioning
along a similar trajectory in terms of their structures and the underpinning principles upon which they function. In the case of East Asia (and ASEM), the so-called ‘ASEAN way’ (non-legalistic, informal, dialogue-based) informs the practice of all of these institutional arrangements. Importantly, Aggarwal does note that existing institutions can strongly influence bargaining power when it comes to establishing new frameworks and in the case of ASEM there have been concerns that the EU retains discursive dominance over the shaping of the agenda, even if the general approach is consistent with ASEAN norms (ibid.: 1).

Third, in the wake of the 1997 crisis, in particular, some East Asian leaders (such as former Malaysian Prime Minister Mahathir bin Mohammad Jawi) called for East Asia to define and establish its own unique model of development (and even regional currency) to sit in opposition to European economic management. Constantly reiterated resistance to greater institutionalization within ASEM (such as the establishment of a secretariat) reflected concerns that any institutional developments would put East Asia on the path to European-style integration, with the ceding of sovereignty that such a future could entail. This view of a unique East Asia is also based on memories of donor–recipient-style group-to-group interaction during the 1960s and 1970s (re-ignited by the 1997 crisis), and on lingering concerns that the transmission of norms from West to East brings with it the heavy imprint of colonial legacies. The realities of the nesting of governance structures and of the institutional and normative influence of the EU suggest that such a unique trajectory has yet to be discovered.

In summary, since the 1990s East Asian states—particularly when faced with the reality of the EU within ASEM and other fora—have recognized the need to garner greater economic leverage vis-à-vis global trading demands and in the face of the rise of China as part of their own region. If it did not instigate it, the ASEM process nevertheless strengthened the growing concept of East Asia as an ‘equal partner’ to Europe (Aggarwal and Fogarty 2004b), and subsequently the first APT represented a formal recognition of a tangible East Asian identity (Hook et al. 2005: 154). Beyond their inter-regional confines, the EU and East Asia have also begun to develop joint strategies in global institutions, such as the WTO and UN, on particular issues of mutual importance. This rich and varied criss-crossing of institutional interests has served as a tool for managing the EU’s external relations and as a platform for the development of new and particular forms of regionalism within East Asia. The final section examines the extent to which non-state actors have shaped, and may be shaped by, these processes. The region of East Asia remains uncontentious for the EU, and as a result there have been frequent complaints from Asian counterparts that the EU does not value the ASEM process fully. In particular, in the wake of the 1997 Asian financial crisis and the subsequent clamour over the apparent rise of China, the EU has shown relatively little interest in dealing with East Asia as a region. This apparent lack of interest is especially evident in the relatively poor attendance of European leaders at ASEM summits. Nevertheless, the many levels of meetings in the name of ASEM, including the summits themselves, do give European leaders, ministers and senior officials the opportunity to engage with partners both formally and informally over a range of issues. In this way, ASEM offers additional institutional structures for engagement. What is more, ASEM still offers a useful forum for addressing transnational issues, such as environmental degradation and international crime, and provides a smaller set of structures in which to discuss issues arising in global fora, such as the WTO. The EU’s commitment to East Asia, and by extension to ASEM, may be viewed as general but not pressing. It is also worth mentioning that the bureaucratic structures of ASEM, despite its informal nature, depend to a large extent upon the organizational capacities of the EU. In this way the EU exerts an influence upon the ways in which agendas are constructed and delivered, and it offers a model (or, for some within Asia, an anti-model) for regional integration.
Uncivil societies?

One of the important dimensions of growing institutional linkages between Europe and Asia, and expanding intra-Asian regionalism, has been the rise of non-state actors in calling for regional governance structures to enact social changes. The ASEM structure has welcomed the inclusion of business interests through the creation of the Asia-Europe Business Forum (AEBF). Through their meetings, business leaders are able to make recommendations directly to government officials, regarding issues of global trade and co-operation over inter-regional investment.

The role of non-governmental organizations (NGOs) with regard to ASEM has been somewhat different from that of businesses, since this sector has never been welcomed into the official track of inter-regional dialogue. In response to the planned exclusion of NGO interests by ASEM leaders in 1996, a Europe-Asia Forum in Venice in January 1996 between ‘civil societies’ resulted in the establishment of the first Joint Asia-Europe NGO Conference alongside the first ASEM summit. Since then, ASEM summits have provided a frame of reference for the development of peripheral Asia-Europe People’s Forums (AEPF), representing a coalition of multiple interests. Such lobbying has led to a number of policy successes, especially in Finland in 2006. That year’s Forum demonstrated how the NGO group could penetrate the official channels: the dialogue with the Prime Minister was covered by the international media; the foreign minister participated in the plenary session of the AEPF; and there were opportunities for AEPF representatives to lobby a number of national governments. ASEM 6 also heralded another success, by focusing on an issue-specific agenda that reflected a commonality of interests among NGOs: namely, labour issues.

The AEPF, then, forms a type of parallel summitry. Parallel summitry has evolved since the 1972 Stockholm Conference on Environment and Development and subsequent engagements, setting up a framework in which NGOs have increasingly come to be regarded as partners at multiple levels of engagement. Through parallel summits non-governmental organizations have achieved closer co-ordination with one another, become more experienced at lobbying and advocacy and gained access to many stages of conference deliberation. At the same time, where institutional frameworks are lacking, it is difficult for NGOs to define a point of organization, as institutions have become new ‘entry points into policy-making circles’ (Grugel 2006: 231).

Thus, NGO activists have succeeded in some cases at gaining a place at the table and shaping some agenda items, as well as disseminating information about particular issues to a wider audience. Studies of regionalism and other forms of transnational governance structures have already begun to define the ways in which such widening coalitions may develop into ‘transnational civil society activism’ (ibid.: 210; see also Acharya 2003: 377–78; Rumford 2003; Scholte 2000: 143). However, other activists are more critical and maintain that structures such as ASEM simply reinforce existing norms and behaviour. Thus, as one NGO participant observes, to date:

ASEM has been used principally as a forum for discussing economic and political issues and for strengthening adherence to WTO and International Monetary Fund (IMF) policies, and it has largely failed to examine the social consequences of the measures proposed.


Moreover, even when new agenda items (such as labour issues) are successfully raised, non-state groups such as the AEPF lack mechanisms to call for sanction or redress when pledges are not translated into actions. What is more, it is no coincidence that this relative success was achieved
under the auspices of Finnish hosts, as much of the organization rests on groups within the host country of the ASEM summit and the degree of official access afforded to the parallel summit. Thus, while non-state groups have evidently obtained greater access to policy-makers, as a result of the opportunities afforded by the structures and profile of ASEM and of the general changing role of civil society in international governance structures, the impact of their activities remains dependent on a range of factors beyond their control.

Conclusion: Modelling regionalism and managing global governance

This chapter has illustrated the ways in which the EU and East Asia now come together— principally, but not solely, in the form of ASEM—to exchange views on a range of topics including economic crises, sustainable development, political relations, social-welfare concerns and security issues. The history of Europe-Asia relations means that contemporary channels for interaction are still relatively new and faltering. At the same time, however, the end of the Cold War and the imperatives of globalization have forced Europe, in particular, to look more seriously at developments in East Asia in the past couple of decades. Trade relations between the two regions have intensified, not least in the face of new crises; political dialogue continues to be important; the imperatives of an environment post-the 11 September 2001 terrorist attacks on the USA mean that new forms of security discussion are possible; and significant inroads have been made to include dialogue on issues of social welfare. The ASEM process embodies many of these dialogues, which are echoed in the more recently developed East Asian institutions of the APT and East Asia Summit.

By the same token, this chapter has sought to demonstrate that contemporary relations between Europe and the EU should not simply be characterized as a consequence of these globalizing trends. Rather, particular forms of institutional behaviour in East Asia (founded largely on responses to Western colonialism) are shaping an ongoing and particular set of relations into new forms of governing structures. Thus, the APT, East Asia Summit and ASEM itself are structured on the premises of the ASEAN Way, and many leaders within East Asia continue to reject the possibility of a European-style future for their region. Similarly, non-state actors in East Asia seeking to mitigate the societal effects of global capitalism may also lobby for local protection. Alongside these regional practices, external influences continue to encroach: from international nesting and the acceptance of Western norms of praxis, even to the professionalization of the NGO class often along clearly Western lines. In many of these areas, the EU enjoys a discursive and institutional influence that is penetrating its inter-regional linkages. As a result, this process of inter-regionalism is likely to produce new forms of governance to incorporate indigenous preferences alongside externally derived practices for managing relations between states and their citizens at national and regional levels.

Notes

1 Notably, the leaders of Bulgaria, India, Mongolia, Pakistan, Romania and the ASEAN Secretariat were in attendance for the first time.
2 See also Hettne’s chapter in this volume.