



As regional integration picks up steam, Asia, Europe must not drift apart

By Shada Islam

When they meet in October, Asian and European leaders must review, analyse and reflect on the dizzying array of regional integration initiatives on Asia's political and economic agenda.

The continuing drive for European integration is proof that building stronger ties between nations is vital for regional and global peace and security. However, as they search for closer intra-regional links, Asia and Europe must also engage more actively with each other – or run the risk of drifting apart.

The eighth ASEM summit in Brussels on October 4-5 provides an ideal opportunity to highlight Asia-Europe relations. Launched in 1996, ASEM is the only forum where Asian and European leaders, foreign ministers and other policymakers meet regularly to discuss common challenges. Despite frequent contacts, however, the Asia-Europe partnership has lost momentum. It is in urgent need of renewal and revival.

Both Asia and Europe stand to gain from an enhanced relationship. Europe cannot meet its aspirations of becoming a powerful global actor without engaging more actively with a rising Asia. Tackling key global challenges of the 21st century requires the active participation of Asia's leading powers. And as Europe enters a period of economic austerity and cutbacks, Asia's dynamic economies offer a huge and lucrative market for European technology, services and goods. Europeans are already the biggest investors in Asia.

Asian nations, meanwhile, need to boost sales in Europe to maintain their impressive growth rates and European development aid is important for Asia's smaller and poorer nations. Asian investments in Europe are increasing and a growing number of young Asians are studying in European universities. The European Union is often cited as an inspiration by Asia's oldest regional organization, ASEAN (the Association of Southeast Asian Nations). The EU's experience and knowledge on the nuts and bolts of regional cooperation in both economic and security issues can be increasingly useful for ASEAN as it steps up its own integration drive.

Finally, in an interdependent and multi-polar world, Asian governments cannot afford to ignore Europe even as they build stronger ties within their neighbourhood and with the United States.

World attention is understandably focused on the impressive flurry of regional integration initiatives and proposals being tabled by Asian leaders. Europe is also on the move, however.

The European Union's new Lisbon Treaty and the appointment of a European "high representative for foreign and security policy" are designed to give Europe a stronger political profile. There is hope that over time, the new rules should help Europe speak with one voice. While many talk of "enlargement fatigue" in Europe, Croatia and Turkey are negotiating entry into the club, while Iceland and the Former Yugoslav Republic of Macedonia wait in the wings and Western Balkans states aspire to join the queue in the non-too-distant future.

However, it is Asia's debate on building a new "regional architecture" that fascinates and intrigues a closely-watching world.

Recent Australian calls for an Asia-Pacific Community and Japanese proposals for an East-Asia Community have yet to be debated seriously. But integration in the region is gaining momentum through enhanced cooperation between governments, businesses and people.

Asia's approach to regional integration is pragmatic, flexible and gradual. While the region is home to a dense web of overlapping regional and sub-regional institutions, these are largely inter-governmental and mainly focused on specific goals. The key challenge facing the region is to build stronger institutions.

ASEAN dominates the landscape – and intends to remain centre-stage. The organization, with its headquarters in Jakarta, is engaged in a fast-track road to further integration among its 10 members. Among recent moves, ASEAN governments have agreed to implement an ambitious Charter which includes plans to achieve an ASEAN Economic Community, with a frontier-free single market, by 2015.

Determined to remain the "pivot" around which the current debate on regional architecture revolves, ASEAN leaders meet regularly with their counterparts from China, Japan and South Korea for an "ASEAN plus Three" (APT) dialogue which focuses on economic, political and security issues.

Separately, ASEAN leaders and their six counterparts (ASEAN plus Six) from China, Japan, South Korea, India, Australia and New Zealand meet for discussions on broad strategic political and economic issues within the East Asia Summit (EAS). Most-watched in Europe, are suggestions by Singapore and Indonesia for opening up the East Asia Summit to the US and Russia or, alternatively, creating an "ASEAN plus Eight" forum which would meet every two to three years to coincide with a meeting of APEC in Asia.

Adding to the integration momentum, the "noodle bowl" of Asian free trade agreements keeps getting larger, with discussions underway on an East Asia-wide FTA and a recent US announcement that it is entering negotiations on a Trans-Pacific Partnership, a free trade deal which includes Brunei, Chile, New Zealand and Singapore. Canada, Malaysia, and Mexico are also set to join.

For Europeans the challenge is clear: as Asians build new regional alliances and partnerships, Europe must make sure it is part of the game and acquires a seat at the top table.

Ensuring that happens is not going to be easy. Despite their strong trading links – EU trade in goods with East Asia is much higher than transatlantic trade flows – Europeans have been unable to transform their economic strength into a stronger political presence in Asia. And unlike the US, Europeans have also failed to focus as sharply as needed on the rapidly changing political and economic landscape in Asia.

Correcting the impression that Europe is too entangled in its domestic crisis to pay attention to Asia will take time and effort. Senior European policymakers, who have frequently either failed to turn up at key meetings with their Asian partners or limited their participation to the minimum, will have to step up their visits to key Asian capitals. Asia-Europe discussions will have to switch from process to substance. And Europe's focus on China, should not lead to the neglect of the rest of Asia.

All is not lost, however. The entry into ASEM of Australia, New Zealand and Russia shows that Europe is aware of the changing reality of Asia's expanding regional network. The new members should also help re-energise Asia-Europe relations. The conclusion of the EU-Indonesia partnership and cooperation agreement, the EU-South Korea free trade agreement and negotiations under way on EU free trade deals with India, Singapore and possibly soon Vietnam are positive steps which should build stronger bonds between Europe and important Asian nations.

The key test, however, will be whether Europeans are invited to join the East Asia Summit. The amendment of ASEAN's Treaty of Amity and Cooperation to allow accession by non-state entities opens the way for EU signature of the agreement and removes a key technical obstacle for European participation in the EAS.

However, Asian and especially ASEAN leaders need to take the political decision on whether or not to ask Europe to join the EAS. Europe's message at the upcoming ASEM summit should be that a strong and strategic Asia-Europe partnership requires efforts by two sides. If Europe is to step up its engagement in Asia, it must be made part of Asia's new regional architecture, including membership of the increasingly influential East Asia Summit.

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Note: **ASEM** was launched in 1996 as an informal forum for discussion between Asian and European countries. The current ASEM partners are: Austria, Belgium, Brunei Darussalam, Bulgaria, Cambodia, China, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, India, Indonesia, Ireland, Italy, Japan, Laos, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Mongolia, Myanmar, Pakistan, Poland, Portugal, Republic of Korea, Romania, Singapore, Slovakia, Slovenia, Spain, Sweden, Thailand, The Netherlands, The

Philippines, United Kingdom, Vietnam, the ASEAN Secretariat and the European Commission.

Shada Islam is a journalist in Brussels with a long experience of EU-Asia relations. This is a part of a series of articles being published by "Particip" an independent, internationally-recognised consultancy, which is under contract to the European Commission, to look at different aspects of the multi-faceted Asia-Europe relationship. Other articles of the series can be found on the ASEM 8 website: <http://www.asem8.be/related-documentation>. This article represents the views of the author.

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