

Europe-East Asia Relations:
Building an Asia Pacific Connection

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While Europe has long been an important economic power in the Asia Pacific, its political profile until recently has been rather weak. In recent months, however, Europe has taken important steps to strengthen its political involvement in the region, notably on the Korean Peninsula. This more active stance reflects progress in efforts to make European foreign policies more coherent and effective through a strengthening of the European Union's "Common Foreign and Security Policy," including the appointment of a high representative for foreign relations. Europe's increasing influence in the Asia Pacific can also be felt economically, as Europe's negotiations with Beijing over China's WTO membership have made clear. Still, in keeping with its peculiar characteristics as a "composite" international actor and its rather modest self-defined role in the Asia Pacific, Europe's political influence in the region remains that of an important subsidiary player, rather than of a great power. On the whole, Europe's modest but gradually growing involvement has been constructive and welcome.

Europe as a Player in East Asia

Economically, Europe has long been an important player in East Asia. In fact, its trade ties with the region and the involvement of European transnational corporations have roughly been on a par with that of the United States, with two important exceptions: the U.S. market still absorbs a significantly larger share of the region's exports than the EU and the U.S. dollar still remains the prime currency for the region. Political and security relations, however, have long lagged behind the very substantial economic presence of Europe in East Asia. Traditionally, they have mostly been confined to a few remnants from past colonial times. More recently, however, that too has been changing.

During the last few years, Europe has step by step enlarged its political role in the region, and in the last few months, Europe's political role in East Asia has made further significant strides. This can be expected to continue. Occasional irritations in Washington and elsewhere notwithstanding, European forays into the Asia Pacific by and large are welcomed by Asia Pacific countries, and they are compatible with efforts to strengthen regional stability and security, as Europe has strong commercial and some important broad security interests, but few, if any, specific objectives that would be controversial in the region. Neither does it have the inclination nor the power resources to play more than

a secondary role. Europe will remain an outside player looking into the Asia Pacific, trying to build its Pacific connections. It will do so in very specific ways, as a civilian power, in line with its own, peculiar characteristics and make-up as an actor.

“Strange Beast”: Europe as an International Actor

Europe, of course, is a fuzzy concept even in geographic, let alone political, terms. Conceptually, European relations with the Asia Pacific need to be analyzed at three different levels.

First, there are the traditional bilateral relations between individual European and East Asian states. These are sometimes still colored by the era of European colonialism in Asia, such as for France and the U.K. in Indochina, the Netherlands in Indonesia, and Portugal in East Timor. At this level, the most important European national actors in East Asia are France (which still has overseas territories and a small permanent military presence in the South Pacific), the U.K., and Germany.

Second, there is the relationship between the European Union and East Asia. But the EU itself (which of course comprises most, but not all West European countries, and is about to enlarge its membership into Central Europe and the Mediterranean) is a highly complex polity with three major pillars. Pillar one is represented by the European Communities. It consists of integrated policies and institutions, represented abroad by the European executive, the Commission in Brussels, on issues such as trade or agriculture, or, in matters relating to the euro, by the European Central Bank in Frankfurt. This first pillar includes formal cooperation agreements and institutionalized diplomatic relations with individual countries, such as Japan, South Korea, and China, but also the group-to-group relationship with ASEAN, which was established in 1980 and traditionally has focused on issues of economic and development cooperation. The EU's second pillar is the Common Foreign and Security Policy. It is characterized by intergovernmental policy cooperation and coordination, rather than by policy integration. This pillar has recently been undergoing heavy reconstruction work – the EU now has a high representative for its Common Foreign and Security Policy and is about to set up a Common European Security and Defense Policy, complete with a military organization and its own rapid reaction forces, drawn from member countries' military establishments. The third pillar of the EU concerns intergovernmental cooperation with regard to matters of police and justice.

A third dimension of European Union external relations is made up of multilateral relations between European countries and the EU and East Asia outside the narrow EU-Asia context. Under this heading, we find relations between Europe and regional organizations in the Asia Pacific, such as the ASEAN Regional Forum (ARF) or the Korean Peninsula Energy Development Organization (KEDO). (Conversely, Japan, South Korea, and Thailand also have observer status in the Organization for Security and Cooperation in Europe (OSCE).) Since 1996, the EU and 10 East Asian countries cooperate in the Asia-Europe Meeting (ASEM) – a process that was launched in 1996 with a summit meeting and has since been broadened and loosely institutionalized. The

ASEM summits now take place on a biennial basis, most recently in November 2000 in Seoul; in between, there are a host of ministerial meetings and other activities.

In 2001, Europe's political involvement in the Asia Pacific has come of age. The most dramatic sign was Europe's involvement on the Korean Peninsula, but the EU also participated in the efforts to build a viable independent East Timor and pushed forward with the project of Euro-Asian multilateralism.

The EU and the Korean Peninsula

Europe's involvement in the peace process on the Korean Peninsula received a powerful fillip from the third ASEM summit meeting in Seoul in November 2000. This meeting was dominated by the aftermath of the North-South summit and by the Nobel Peace Prize that ROK President Kim Dae-jung had just received. In Seoul, the Europeans presented themselves at their best, but also at their worst: their strong showing underlined their commitment to closer political relations with East Asia, but they also fell out of step with each other over recognition of the DPRK. The UK and Germany forged ahead, while France held back, publicly complaining about the lack of European policy coordination. This created an impression of internal disarray within the Union and led to a rather disorderly shift toward formal diplomatic relations with Pyongyang by those countries that had not yet already established such relations. In moving toward formal diplomatic relations with Pyongyang, European countries were at least able to extract some (paper?) concessions by the DPRK regarding the treatment of journalists, non-governmental organizations (NGOs) active in North Korea, and the initiation of a human rights dialogue. The European Commission had begun a political dialogue at the senior official level with Pyongyang in 1998 and formalized diplomatic relations in late May 2001.

The most dramatic sign of Europe's active involvement in the Korean Peninsula came with the visit of the EU troika on May 2-3, 2001 to Pyongyang and Seoul, at a time when the official inter-Korean dialogue had come to a halt and the new administration in Washington was still reviewing its policy toward North Korea. In this situation, the visit by the troika was widely seen as an attempt to inject momentum into both the inter-Korean détente process and America's policy review. The effort failed to produce immediate results, clearly demonstrating the limits of European influence on the Peninsula, but may still have been useful in providing an indirect communications link between the two Koreas at a critical moment. It also may have helped Washington to make up its mind.

Another, more modest sign of Europe's growing involvement in the Korean Peninsula came when the European Parliament approved a modest increase in the European contribution to KEDO. This contribution had been set at a total of \$75 million for the period 1996-2000; it was now increased to about \$87.5 million for the coming five years.

Europe also continues to be heavily involved in food aid and other humanitarian assistance to North Korea, mostly through the European Commission, but also through bilateral and NGO assistance. Over the five years to 2000, the EU contributed about \$200 million. This assistance was explicitly justified not only on humanitarian grounds, but also as a contribution to help stabilize the situation on the Peninsula.

Overall, European political involvement on the Peninsula has advanced significantly over the last months. The net effect of this is probably quite positive: Europe's role has been supportive of the major regional players, rather than geared toward an independent influence, and it has on balance contributed to regional stability.

An interesting footnote to Europe's increasing political and even security profile in East Asia was provided by two European bids for a huge South Korean arms contract worth an estimated \$4 billion: both the European consortium producing the Eurofighter and the French aircraft manufacturer Dassault submitted bids to supply the South Korean airforce with its next generation of fighter aircraft. So did the Russian aircraft industry – and, of course, Boeing. The bid should also be seen in the broader context of European efforts to secure a share of the arms markets in East Asia. According to the most recent data, European countries provided about a quarter of total East Asian arms imports.

The EU and East Timor

East Timor was once a Portuguese colony; the way in which the country first was largely neglected and then in 1975 abandoned by its former colonial masters, only to fall under the control of Indonesia, left a sense of guilt in Lisbon. Portugal therefore insisted on raising the issue of East Timor's status with Indonesia and within the UN whenever the opportunity arose, thereby complicating, to the annoyance of other EU members, the broader relationship between the EU and ASEAN. Portugal had some reason to feel vindicated by events in 2000 and 2001, and has led the European involvement in East Timor. Together with several other European countries, it contributed troops and civilian personnel to the United Nations Transitional Administration in East Timor (UNTAET) and the East Timor Transitional Administration (ETTA). Europe's substantial economic and humanitarian assistance for East Timor was largely channelled through the European Commission (the total so far has been about \$100 million). The decision by East Timor to settle on Portuguese as the official language, and the reactions to it, threw light on a barely disguised struggle by Portugal (primarily against Australia) to hang on to some of its influence in this new state.

The EU and ASEAN

The UN intervention in East Timor and its release from Indonesian control removed one major obstacle to relations between the European Union and ASEAN. One other political issue that continued to cloud the relationship, however, was the repression of the democratic opposition in Myanmar. This complicated the two principal engines of EU-ASEAN cooperation, the Joint Cooperation Committee, which normally meets every 18 months, and the meeting of foreign ministers, which for the first time since Myanmar's

accession to ASEAN 1997 met in December 2000 in Vientiane, Laos. The core of this relationship is economic: both sides are interested in deepening commercial exchanges, and ASEAN would also like to see stronger European development and technological assistance. The impact of the Asian crisis in 1998 and the slow and uncertain progress toward recovery in Southeast Asia have hampered the development of EU-ASEAN ties, and they have increasingly become overshadowed by the broader ASEM framework of cooperation between Europe and East Asia.

The ASEM Process

The ASEM process – which brings together the 15 EU member countries with China, Japan, South Korea, and the seven ASEAN member countries of 1996 – continued to unfold as a proliferating process of dialogues and exchanges, yet remained devoid of much real political substance. Although ASEM (unlike the Asia Pacific Economic Cooperation [APEC] forum) explicitly addresses political and security issues, its two substantive pillars are economic relations and cultural exchanges. Still, it has been possible within ASEM to have exchanges on a range of political and security issues, including sensitive ones such as human rights. So far, there have been few specific and concrete results, however, and the opportunities are probably quite limited as the ASEM framework offers little specific value-added for cooperation: most political issues identified in the ASEM context will involve others and therefore are better addressed in other fora.

The scope for practical cooperation in ASEM is somewhat greater in the other two pillars, especially in the field of economics: there, the relationship between Europe and East Asia still offers large untapped potential. Yet even in this context, cooperation has largely been confined to measures facilitating bilateral exchanges of goods and services and European investment in East Asia. For broader economic policy coordination and cooperation beyond bilateral issues, ASEM simply does not offer the right framework. It is nevertheless interesting to note that the most recent meeting of the ASEM finance ministers discussed regional monetary cooperation, international exchange rate regimes, and the need to strengthen the international financial system – issues where there are at least possibilities for developing positions that are shared within ASEM but not by the United States, the principal (and hegemonic) power in international finance.

The EU and China

Although the closest bilateral relationship between the EU (and its member countries) and East Asia is that with Japan, relations with China recently have tended to overshadow the former. This reflects economic stagnation and political paralysis in Japan, but also the continuing rapid growth of the PRC and its increasingly prominent role in regional and in world politics. The European Union concluded a trade and cooperation agreement with China in 1985, and both member states and the European Commission have tried hard to enhance economic and political relations with China.

At the EU level, the principal expression of this has been a document that spells out a comprehensive European strategy toward China. In May 2001, the EU adopted a new strategy document designed to push the implementation of this comprehensive strategy and develop a more effective approach toward China. The principal aims of this approach are to integrate China more fully in the international community and the world economy and to support China's transition toward an open society. The principal instruments are trade policy, political and human rights dialogue, and cooperation in other areas, such as development and environmental protection. In theory, the common strategy should be implemented by the Commission as well as by member countries; in practice, bilateral relations between EU member countries and China often still work at cross-purposes with the common approach and with each other. This probably reflects above all commercial rivalries. Still, China policy coordination between member countries' foreign ministries within the common framework on balance has made progress, putting some more flesh on the bones of the Common Foreign and Security Policy toward East Asia.

In recent months, Europe-China relations have been dominated by negotiations about China's accession to the WTO. By the time of the fourth EU-China summit meeting in September in Brussels, in which Chinese Premier Zhu Rongji led a large Chinese delegation, the negotiations had long been successfully concluded: Chinese and European Commission negotiators put their finishing touches to the deal in May. In the agreements, the European side secured important concessions from China, notably on telecommunications, insurance, motor vehicles, and tariffs. Zhu used the opportunity of this summit to include bilateral state visits to two of the smaller EU member states – Belgium and Ireland. Earlier important state visits in the year included those of then-Italian Prime Minister Giuliano Amati to Beijing in January, German Defense Minister Rudolf Scharping in February, and Austrian President Thomas Klestil in May. Chinese Foreign Minister Tang Jiaxuan and Vice Premier Qian Qichen visited Paris in April as part of an effort to enhance cultural relations. An agreement was signed on the opening of cultural institutes in the two countries.

Politically, human rights issues continue to dominate the relationship. The EU and individual member countries have been conducting dialogues with the PRC on human rights and rule of law issues. Europe has been reluctant, however, to confront China on such issues, preferring a low-key and cooperative approach. Thus, in June 2001 the EU managed to agree on a common position at the Geneva UN Human Rights Commission meeting regarding a motion to censure China for its human rights abuses, but the EU once more declined to co-sponsor this motion with the United States. As in previous years, the motion was turned down by a majority of countries supportive of China's objections. EU member countries also were unwilling to incur Beijing's disapproval by supplying the submarines that Washington had promised Taiwan as part of its arms supply package in April 2001. The EU also continued to keep away from the most sensitive political and security issues in East Asia, namely relations between the PRC and Taiwan and Chinese territorial claims in the South China Sea.

Policy Outlook

The European Union will, for the time being, continue its slow but steady march toward a more coherent and cohesive world role. This will be the role of an economic and a civilian power, though the EU's capacity for collective military action is also set to expand. The resulting capabilities, however, will not impinge on East Asia: they will be absorbed, probably easily, by problems nearer home, such as the Balkans and the Mediterranean. East Asia can expect a Europe that will continue to develop its economic and political presence in ways that would, on balance, usefully, if modestly, contribute to regional stability and security. Over the medium term, Europe's interest in East Asia could turn out to be fleeting: crises in the neighborhood could draw Europe's attention away from Asia, and the process of EU enlargement, expected to significantly broaden its membership from 2003 onward, could well set back the EU's search for a new capacity to act in world politics.

Chronology of Europe-East Asia Relations January-September 2001

Jan. 13-14, 2001: Asia-Europe Meeting (ASEM) finance ministers meet in Kobe, Japan.

Feb. 19-20, 2001: German Minister of Defense Rudolf Scharping visits China, announces intention to initiate "comprehensive strategic and security dialogue" with China.

Mar. 1, 2001: Germany opens diplomatic relations with DPRK.

Mar. 23-24, 2001: Stockholm European Council agrees to enhance the role of the EU in support of peace, security, and freedom in the Korean Peninsula.

April 2001: European governments reject participation in the U.S. arms deal with Taiwan.

Apr. 1, 2001: Framework Agreement for Trade and Cooperation between the European Union and the Republic of Korea enters into force.

Apr. 19, 2001: France and China announce establishment of cultural centers in their respective capitals.

Apr. 25-27, 2001: ASEM Senior Officials Meeting in Stockholm.

May 2-4, 2001: EU “troika,” consisting of Swedish Prime Minister and President of the European Council Goran Persson, the EU’s Foreign Policy Representative Javier Solana, and the EC Commissioner for External Relations Chris Patten, visits Pyongyang and Seoul, hold discussions with North Korean leader Kim Jong-il and South Korean President Kim Dae-jung.

May 5, 2001: EC Commission adopts Strategy toward China (EU Strategy toward China: Implementation of the 1998 Communications and Future Steps for More Effective EU Policy).

May 14, 2001: European Union formally establishes diplomatic relations with DPRK.

May 16, 2001: Austrian President Thomas Klestil meets with President Jiang Zemin in Beijing.

May 23-24, 2001: ASEM foreign ministers meet in Beijing.

June 20-21, 2001: In Brussels, EU and PRC reach final agreement on China’s membership in WTO.

June 20, 2001: European Parliament decides on increase of European contribution to KEDO to \$87.5 million for five-year period 2001-2006.

June 22, 2001: Germany and PRC sign agreement on a dialogue on the rule of law.

July 3-5, 2001: Seventh Meeting of ASEM Senior Officials on Trade and Investment (SOMTI) issues in Brussels.

July 25-27, 2001: EU troika participates in the ASEAN Regional Forum (ARF) meeting in Hanoi.

Sept. 4, 2001: The European Commission adopts its new Asia strategy, “Europe and Asia: A Strategy for Enhanced Participation.”

Sept. 4, 2001: Chinese Premier Zhu Rongji visits Ireland.

Sept. 5, 2001: Fourth EU-China Summit in Brussels; the Chinese delegation of about 135 members is led by Premier Zhu.

Sept. 6, 2001: Premier Zhu visits Belgium.