

The EU's Role in Asia: Inhibiting Factors and Enabling Triggers

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The EU's role in Asia (I)

- Defining elements of the EU's role in Asia:
 - actors and actorness
 - role of USA
 - institutions
 - policy areas
 - perceptions
- Europe's role is “distant but involved”
- Yet, new political incentives evolve that impact of EU's role in Asia and Asia's response.

The EU's role in Asia (II)

- Inhibiting and triggering factors that impact on EU's role and Asia's response:
 - (1) EU disintegration (...Brexit...)
 - (2) US disengagement: politics à la Trump (America First, protectionism, and a unilateral or bilateral agenda at the expense of multilateral solutions) – EU will have to look increasingly towards Asia and less towards the USA.
 - (3) China's economic rise and assertive outreach towards Europe and Africa.
 - (4) The impact that US and Chinese policies have on EU-Asia relations, what I call the newly evolving politico-economic Eurasian context.

- These developments impact on political cooperation via economic integration between the EU/Europe and Asia.
- The question will be though, whether a bilateral or a multilateral spirit will shape economic integration amongst European and Asian actors (normative-institutional dimension).

The EU's role in Asia (III)

- There are already several regional and inter-regional institutions that play a role, directly or indirectly, in the process of political cooperation and economic integration between the EU and Asia:
 - ASEAN Economic Community (AEC) and ASEAN Community
 - Regional Comprehensive Economic Partnership (RCEP)
 - EU-ASEAN Dialogue / ARF / EU as guest of East Asia Summit
 - Asia-Europe Meeting (ASEM)
 - One Belt, One Road (OBOR) / Belt and Road Initiative (BRI)
 - Shanghai Cooperation Organization (SCO, additional economic focus?)
 - Eurasian Economic Union (EAEU), driven by Russia.

The EU's Role in Asia (IV)

- And there are also many bilateral FTAs, e.g. those promoted by ASEAN or ASEAN countries:
 - ASEAN-China, ASEAN-Japan, ASEAN-South Korea, ASEAN-India, ASEAN-EEU (planned), EEU-Vietnam

- And there are quite a few FTAs between Europe and Asia, e.g.:
 - EU-South-Korea, EU-Singapore, EU-Vietnam, Switzerland-South Korea, Switzerland-China, Iceland-China (No China-Norwegian FTA negotiations because China stopped them unilaterally after Liu Xiaobo was awarded the Nobel Peace Prize).
 - And there are (ongoing) bilateral FTA negotiations: EU-Japan, EU-India, EU-Indonesia, EU-Malaysia, EU-Thailand(!), EU-Philippines(!). In addition we will probably see a re-start of the region-to-region FTA negotiations between the EU and ASEAN.

EU disintegration, US disengagement, and the future of the EU's role in Asia (I)

- So what are the consequences of EU disintegration, and US disengagement from multilateralism and economic regionalism for the EU's role in Asia?
- **With regard to EU disintegration: looming Brexit**
- Brexit-vote causes uncertainty with regard to EU's role in Asia in political, economic and in security terms.
 - Political: EU is important facilitator of regional integration processes in Asia (esp. ASEAN). The EU's normative value as a point of reference could erode.
 - Economic: UK is important economic actor in Asia. Impact of Brexit will also depend on hard or soft exit.
 - Security: UK is not only a nuclear power and permanent member of UNSC but also the only European member of the Five Power Defense Arrangement (FPDA). So instead of a stronger European role in security affairs in Asia, at least in the short term, a weaker role of the EU can be expected.

EU disintegration, US disengagement, and the future of the EU's role in Asia (II)

- **With regard to US disengagement from multilateralism and economic regionalism:**
- President Trump causes uncertainty with regard to future multilateral dimension of the US involvement in Europe and Asia: Risk of a crisis in multilateralism.
- Trump's announcement that USA will disengage from Trans-Pacific Partnership (TPP) raises question, if the USA continues to remain a reliable partner.
- Uncertainty with regard to future US security guaranties in Asia and Europe.
- Risk of deepening security dilemmas, further arms build up, nuclear proliferation in Asia.
- Increase of Chinese influence on regional developments in Asia relative to the US' influence, if US further disengagement from Asia becomes reality.
- Growing influence of China in future Regional Comprehensive Economic Partnership (RCEP) with TPP-12 gone.
- Growing importance of Belt and Road Initiative (BRI) relative to the Asia-Pacific Economic Cooperation (APEC) and a Free Trade Area of the Asia Pacific (FTAAP).

Policy implications for the EU and Asia (I)

- A more isolationist, protectionist and inward-looking USA impacts the EU, Asia, and especially the EU's role in Asia.
- In Europe and Asia strategic uncertainty is on the rise – but there is also the opportunity for European and Asian actors to engage more strategically.
- However the EU will be increasingly absorbed by internal challenges that could even result in further disintegration of the EU (populism: Hungary, Poland (so far not the Netherlands, not France, not Germany) and the migration crisis).
- There is a risk that the EU's resources for engaging with Asia could rather decrease than increase.
- These inhibiting factors increase the risk that the EU's role in Asia could be rather weakened than strengthened.

Policy implications for the EU and Asia (II)

- At the same time, the US disengagement from multilateralism and economic regionalism can act as an enabling trigger for political cooperation between the EU and Asia:
 - A new rationale evolves to work towards an Asia-Europe Free Trade Agreement (AEFTA) (based on ASEM membership).
 - For the EU such a vision would have to be built on a multilateral basis. Regional actors like ASEAN should play a prominent role. A future EU-ASEAN FTA could become a motor for economic integration and political cooperation.
 - The question is though, how China, would react to such a development.
 - A test case could be the further development of the Belt and Road Initiative and the question whether China will agree to what can be called “Belt and Road Initiative Multilateralization” (BRIM). Will BRI take the form of a hub & spoke architecture or of a multilateral institution?

Policy implications for the EU and Asia (III)

- Yet, it is China who currently most proactively shapes the agenda of Asia-Europe relations – not the EU, not ASEAN or any other European or Asian actor.
- It remains yet to be seen whether the EU will continue playing a mostly reactive role in Asia or will live up to the challenges of a changing Eurasian politico-economic context.