

Rising Asia and Old Europe need to work together

By Giles Merritt and Shada Islam

Tempting as it may be, it would be wrong to write off Europe as yesterday's power. Europe still matters even though this is not the message some EU policymakers have been sending out to a watching world.

The impression that Europe is too busy dealing with internal challenges to play a strong global role is especially strong in Asia. True, China gets a great deal of EU attention. And the EU's outreach on trade remains strong. But there is more to Asia than China - and trade and investment agreements must not be made a substitute for a more pro-active EU foreign policy.

The EU must engage more strongly with South Asian and Southeast Asian countries on foreign policy and security questions, not just trade. This means top-level EU participation in Asian security fora such as the ASEAN Regional Forum (ARF). It means showing up and seriously participating in ministerial meetings with Asian countries such as the EU-ASEAN gathering of foreign ministers in Brunei in April. It also requires regular and consistent high-level conversations on global and regional challenges with India and other South Asian nations.

Apart from trips to China, EU foreign policy chief Catherine Ashton has been a rare visitor to the rest of Asia. Her decision to stay away from the ARF last year, for a second year running, was a serious faux pas. Not surprisingly, Asians have put Europe's request to join the East Asia Summit – the region's prime security club – on hold and insist that Europeans must first prove they are ready for a serious conversation with Asia on security.

European policymakers are selling Europe short. Asia cannot take Europe seriously unless it does a better job of communicating with the region – and gains better understanding of what makes increasingly self-confident Asians tick.

Dealing with a changing and rising Asia will require that the EU engages in new courtships and new alliances with governments, businesses and civil society leaders in the region.

The name of the game has to be partnership between Rising Asia and Old Europe. But by failing to engage seriously and consistently with Asia, Europeans are propagating a myth of European weakness and irrelevance.

The reality of Europe – the eurozone crisis notwithstanding – is different. Given its experience in turning enemies into friends, voluntarily pooling sovereignty and achieving economic and political integration, the EU has a wealth of experience to share with Asia on future frameworks for global governance. More so, it scarcely needs saying, than the United States.

Asians pressing ahead with their own efforts at regional integration and cross-border cooperation still look at the EU for inspiration. Interestingly, this is still the case although Europe's practice of lecturing ASEAN on the subject has irked many Asians.

The EU's predominance in world trade is undiminished. EU-Asia trade is booming and is crucial both for Europe's economic recovery and ensuring that Asian growth remains on track. The EU-Korea free trade agreement is the first in a series of trade-expanding deals that Europe is negotiating with Asian partners, including India, Malaysia, Singapore and Vietnam.

Europe is the biggest source of foreign investments in Asia. Today, the eurozone crisis has made Europe's frontier-free single market even more of a magnet for Asian investors. A recent survey underlined that 45 % of businesses in Asia are either currently doing or looking to make strategic acquisitions in Europe in the next 12 months, compared with just 14 % cent in the Middle East and 7 % in North America.

Although Asian exporters and businesses may complain about Brussels' heavy-handed ways, the EU has fostered the development of high-quality rules and standards which help shape global norms in areas such as food and consumer products, cars, chemicals, aircraft emissions. European companies

are leading innovators in clean and green technologies that Asia needs to meet the challenge of low-carbon growth and urbanisation and realise their plans for increased connectivity among nations.

It is the coming overhaul of the many aspects of the EU rulebook – from financial services to climate issues – that will maintain the EU's clout and influence.

Neither Europe nor Asia can work alone to tackle threats to global stability that range from resource competition, nuclear proliferation, overpopulation to climate change.

Europe isn't indifferent and certainly not irrelevant to Asia's rise. As the US speaks of the Asia Pacific Century and seems to reinforce its presence in Asia, Europe must develop its own blueprint for improved engagement with the region.

Giles Merritt

Secretary General of *Friends of Europe* and Editor-in-Chief of *Europe's World*

Shada Islam

Head of Policy at *Friends of Europe*

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Bibliothèque Solvay – Parc Léopold – 137 rue Belliard – B 1040 Brussels

T : 0032 2 737 91 52 – F :0032 2 738 75 97

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