



## ASEM Outlook Insights:

### ASEM: Crystal-gazing beyond 51 members

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#### Abstract

The Asia-Europe Meeting (ASEM) process has almost doubled in the 17 years since its establishment in 1996, expanding from 26 members to 51 at present. Not only has the membership widened, but the scope has broadened as well to include dialogue at a ministerial, working group, parliamentary, and wider civil society level. Much debate has been generated on where to take ASEM and what lies ahead.

These future trajectories are discussed in this paper by examining some of the key literature on the process by some of pre-eminent by renowned ASEM watchers.

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## Introduction

Meeting for the first time in Bangkok, Thailand in 1996, the Asia-Europe Meeting (ASEM) Summit brought together leaders from its 26 members, by the time of the next ASEM summit this number will have doubled to 52 members with the official introduction of the EU's latest member state, Croatia into the fold<sup>1</sup>. In this period, the ASEM process as a whole has grown from a summit of heads-of-state/government to a comprehensive process that has gathered ministers, senior officials, parliamentarians, representatives from business and civil society from a wide range of policy areas.

However, as Yeo Lay Hwee rightly pointed out back in 2003 and this still rings true today, the ASEM process is still “very much a work in progress” (Yeo: 2003: 183)<sup>2</sup>. At a recent gathering of ASEM officials, scholars and experts,<sup>3</sup> the questions of “what should we do next?” and “where are we heading?” were still key points on the agenda (Islam 2013)<sup>4</sup>.



Leaders of Asia and Europe at the 9th ASEM Summit held in November 2012 in Vientiane, Laos.

In the course of ASEM-watching, much analysis has been devoted to the question of whether it has fulfilled its potential, and whether it has matched the expectations of its partners. Various experts on Asia-Europe relations have plotted possible future scenarios of ASEM, most notably Heiner Hänggi (1999)<sup>5</sup>, Yeo Lay Hwee (2003) and Howard Loewen (2010)<sup>6</sup>. As ASEM approaches its second decade, with an expanded membership, scope and further institutionalisation, it is an ideal time to take stock on the development of the ASEM process once more. By considering new developments in Asia, Europe and in the international arena, this article looks to provide an update to these previously imagined scenarios of ASEM's future.

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1 Croatia as the newly admitted 28th member state of EU is expected to officially join ASEM in the next summit in Milan (2014), while Turkey has voiced the possibility of joining ASEM recently. The membership of ASEM will increase from 51 to 52 members, with the possibility of further expansion.

2 Yeo, Lay Hwee. *Asia and Europe: The Development and Different Dimensions of ASEM*. London and New York: Routledge, 2003.

3 ASEM Symposium on Towards Peace and Prosperity in Asia and Europe: The Need of a Dynamic ASEM, 25-26 April 2013, Yangzhou, China.

4 Islam, Shada, “Dynamic ASEM” and the challenge of peace and prosperity”, (2013), ASEM Infoboard. Available online at: <http://www.aseminfoboard.org/featured-category/item/1231-dynamic-asem-and-the-challenge-of-peace-and-prosperity.html> (accessed 26 April 2013).

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5 Hänggi, Heiner, “ASEM and the Construction of the new Triad,” *Journal of the Asia Pacific Economy*, 4, no.1 (1999): 56-80.

6 Loewen, Howard, “ASEM's Enlargement- state-to-state or region-to-region dialogue?”, in *The Asia-Europe Meeting, Engagement, Enlargement and Expectations*, Yeo and Hoffmeister eds. (2010): 21-40.

### *Previously proposed scenarios on ASEM's future*

Heiner Hänggi's 1999 article was the first to lay out possible scenarios of ASEM's future. Contextualising the establishment of the process in the rises of a "Triadic world order" – North America, Western Europe and East Asia comprising the Triad – Hänggi suggested the 'building bloc[k]' and 'stumbling bloc[k]' scenarios as the two ideal-type situations (1999: 70). In the former scenario, world order is constituted by regional blocs that are outward-looking and interact intensively with each other, consequently engendering globalisation. On the contrary, the 'stumbling bloc' scenario describes a world of inward-looking and antagonistic regional blocs, which are preoccupied with balance-of-power politics.

Hänggi took the relative strength of the Triad as a determinant factor and suggested nine scenarios – *Atlantic Community, Pacific Community, or Euro-Asian Community*, the three scenarios in which two regions would combine against the third; and *Atlantic Century, Pacific Century, or Euro-Asian Century*, another three in which one region would lose its macro-regional status; and finally *Pax Americana, Pax Europea or Pax Asiatica*, three scenarios in which one region would assume a dominant unipolar status (*Ibid*: 71). He argued that the relevance of ASEM in international relations would vary in each of these scenarios, depending on developments in regional construction and in the US's regional priorities.

Yeo Lay Hwee's 2003 book on ASEM concluded with three future scenarios of the process. The first saw an ASEM moving towards the *Commonwealth model*, a reference to the inter-governmental organisation of largely former British colonies, to bridge East Asia

and Europe at both the official (involving only governmental actors) and unofficial tracks (involving non-state actors). Yeo's second scenario saw ASEM becoming an *efficient and effective inter-regional forum*; once East Asia becomes an integrated entity with a clear identity, it could interact with a united Europe in a region-to-region format. Her third scenario envisaged an ASEM as a *meta-regime* in which its partners form different sub-regional and bilateral coalitions according to individual interests.

Howard Loewen's 2010 paper proposed three scenarios for ASEM's future after a review of its first three rounds of enlargement. Significantly his article highlighted two assumptions: (1) the European membership of ASEM would remain closed to non-EU countries; and (2) ASEM is currently a region-to-region dialogue. Accordingly, the "best case scenario" would be that the enlarged Asian and European sides of ASEM become a united regional front, and hence interacting in the region-to-region format. The "worst case scenario" would be that old and new Asian members of ASEM fail to integrate as a single region, thus leaving ASEM as a forum for state-to-state diplomacy. In this scenario, Loewen suggested that ASEM might be substituted by the East Asia Summit (EAS). He also proposed a "status quo scenario" – ASEM remains flexible on the degree of regionalism on the Asian and European sides while ASEM enlargement continues with low costs; meanwhile, ASEM would continue to find common positions among all partners on global governance issues.

Most of these scenarios plotted out, may not hold true any longer, given the numerous new developments in Asia and Europe, as well as in the international arena. For instance, the entry of Switzerland and Norway into the European side of ASEM overturns Loewen's assumption that no non-EU member can join the European side of ASEM. As demonstrated

by other observers, ASEM has not really been a region-to-region dialogue in which there is one united Asian front talking to a united European front. Additionally, emerging powers, namely the BRICS countries, are in the ascendancy, while the relative power of Europe and the US declines as a result of the 2008/9 financial crisis. The global stage is not as overwhelmingly dominated by the Triad as Hänggi perceived back in 1999. Of the aforementioned scenarios, Yeo's Commonwealth and mega-regime models still match regional trends in reality. Instead of devising a whole new set of scenarios, we look specifically to updating Yeo's 2003 scenario formulation. Prior to that, the crucial recent developments, which have an impact on the ASEM process will be discussed.

### *New developments*

In the past few years, developments in Asia in terms of security, sovereignty and territorial issues have not only hindered processes of deeper integration, but have harmed interstate relations. Meanwhile in Europe, the Eurozone crisis has bred pockets of anti-EU sentiments throughout the continent, and scepticism on the European project of integration as a whole. That may put into question the EUs ability to maintain solidarity within the European bloc in the context of the bloc-to-bloc dialogue in ASEM.

The phenomenon of rising interstate tensions in East Asia over the past two years easily top the list of concerns in Asia. The bellicose rhetoric from North Korea against its southern neighbour, coupled with its third nuclear test in February 2013, threaten to destabilise not only the Korean peninsula, but also the whole of North-east

Asia. This may have mixed consequences for regional integration in East Asia. The radical course of action taken by the new North Korean leadership has had the unplanned effect of unifying the Chinese, Japanese and South Korean positions on dealing with the pariah state. China has, of later, stepped up its pressure significantly on North Korea to drop its nuclear programme. But China also fears that North Korea's actions would give the US a pretext to increase its presence in the region, not least militarily, alongside its alliance partners Japan and South Korea. On the other hand, an isolated North Korea would be undesirable, even while the rest of the region cruises along with the waves of integration.

That brings us to the Obama administration's high profile strategy of a "return to Asia" which appears to breed the division of Asian countries into pro-US and pro-China camps. This has arguably rattled intra-ASEAN (Association of South-East Asian Nations) relations somewhat, when at a summit in 2012, ASEAN failed to agree on a joint communiqué for the first time in its history. The issue at hand was for ASEAN to come to a common position on the South China Sea maritime disputes, which some ASEAN member states had with Beijing. In a rare show of frustration, the Singaporean foreign minister said that the episode had "dented ASEAN's credibility" (Shanmugam 2012)<sup>7</sup>.

The increasing tension between Japan and China directly jeopardises regionalism in East Asia. The rise of China, which is arguably one cause for worsening Sino-Japanese relations, has re-invoked maritime disputes

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7 Shanmugam, K., "Speech by Minister for Foreign Affairs and Minister for Law K Shanmugam at the ASEAN Day Reception", Ministry of Foreign Affairs, Singapore, 2012. Available online at: [http://www.mfa.gov.sg/content/mfa/overseasmission/guangzhou/press\\_statements\\_speeches/2012/201208/press\\_20120803.html](http://www.mfa.gov.sg/content/mfa/overseasmission/guangzhou/press_statements_speeches/2012/201208/press_20120803.html) (accessed 26 April 2013).

in the South China Sea. The acrimony over small islets and rocks has led to difficulties for ASEAN, as cited above.

One perennial issue in discourses on regional identity is how “Asia” and “Europe” can be defined. This is not just abstract theorising – there are very real policy implications. Some EU countries like France are blocking Turkey’s negotiations to join the EU, because they deem that Turkey is not a “European country”. Despite the vicinity of Asian countries to Australia, Canberra’s decision to engage more deeply with its Asian neighbourhood and identify more closely with it is a relatively recent development.

In this regard, the way countries are grouped by region in ASEM may prove to have far-reaching consequences. At the 2012 summit, Russia, Australia and New Zealand were moved from the haphazardly named “temporary third category” to the Asian group. At the same summit, two non-EU European countries, Norway and Switzerland, acceded to ASEM on the European side. The European Commission has been reluctant to accept non-EU countries to ASEM. By and large, ASEM is moving further away from bona fide region-to-region interaction, as recent developments have indicated. The conversations in ASEM are between individual – and often disparate – countries. Adding two non-EU members to the European side lends weight to feature of bilateral interactions among ASEM partners, while putting the representation of the European Commission and the permanent President of the EU Council in question. It also means that the definitions of “Asia” and “Europe”, are changing.

As can be surmised, Europe has had little to do with the state of geopolitics in East Asia described above, and perhaps fortunately so. Nonetheless links between Asia and Europe

are strong, not least in the economic sphere. The EU has been more a trade partner for countries in Asia than a political partner, especially when compared with the US. Here, it is also instructive to note that the EU is ASEAN’s second largest trading partner after China, and EU trade accounts for around 11% of ASEAN’s total.

The lingering financial crisis and economic recession in the Eurozone, coupled with growing anti-EU sentiments within Europe, are causing doubts to be cast on the European integration project – 29% of respondents in the Eurobarometer survey of Autumn 2012 have a negative image of the EU, continuing a trend that started with the onset of the crisis in 2009. The US’s “return to Asia” strategy, together with the rise of interest in Africa and Latin America, further dilute Asia’s interest in Europe and, as a consequence, in ASEM.

Furthermore, in the summit-laden calendars of foreign ministries, ASEM competes with other similar fora as well as the bilateral meetings between its individual partners for media attention. Each country’s resources for external relations are not unlimited. The proliferation of summits inevitably divides attention and risks summit-fatigue. This ‘alphabet soup’ of acronyms might also have the effect of confusing some policy-makers and stakeholders. In one interview with a foreign policy practitioner dealing with Asian affairs, the respondent said that he had never heard of ASEM, and thought it was a mistaken reference to APEC (Asia-Pacific Economic Cooperation).<sup>8</sup> Hence the general impression gleaned is that such fora do not capture the imagination of influential figures or the public at large and are just talk-shops and photo-ops for politicians. Even where real

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8 From the research project “After Lisbon: The EU as an Exporter of Values and Norms through ASEM”, led by the National Centre for Research on Europe, Christchurch, New Zealand, 2011-12, conducted by the authors among others.

accomplishments are made, not everyone may know it was the outcome of the ASEM process.

### *ASEM's future scenarios*

By and large, looking at ASEM's development thus far and the recent regional and international issues influencing it, we argue that the debate about whether ASEM is a region-to-region or a state-to-state forum is moot. Neither the Asian nor the European side are united fronts respectively in ASEM. ASEM is not strict inter-regionalism. Each respective region cannot even be thoroughly defined, for the purposes of policy-making. The major determinant for the future of ASEM would be the interest invested into the process by its key participants – such as the EU, Germany, France, ASEAN, China, Japan, Singapore, and perhaps India and Russia too.

#### Scenario 1 – Hard-institutionalisation

ASEM partners see Asia-Europe relations as essential. Each region sees the other as their most important political and economic partner. Since ASEM is the highest and broadest level of interaction between Asia and Europe, ASEM partners will continue to find it beneficial to strengthen their cooperation through the ASEM process. Yet they would have to shift ASEM from being an informal, non-binding process to a legally-binding regime, if they are serious about achieving concrete outcomes. Apart from establishing physical institutions such as a secretariat, this scenario involves the regularisation of more ministerial/senior officials' meetings and compulsory implementations of all agreements.

#### Scenario 2 – Status-quo

ASEM partners recognise each other's region as one of the important players on the international stage, but not the most crucial ally. The partners are likely to just leave ASEM in the state in which it currently exists, due to the relatively low institutional costs of running ASEM. It allows partners to keep view and information exchanging as well as trust and understanding building. This is similar to Yeo Lay Hwee's Commonwealth scenario in which partners are free to manage or establish relations in smaller groups (sub-regional or bilateral). In other words, ASEM serves as one "forum shopping"<sup>9</sup> option for its members.

#### Scenario 3 – Gradual diminution

ASEM partners only recognise the significance of certain individual others. ASEM becomes increasingly superfluous. But due to the high political cost associated with abolishing it outright, ASEM partners will keep it. They will be reluctant to send high-level officials to ASEM meetings or contribute to ASEM initiatives. This is already the case for several partners. For instance, in the case of the UK, no British Prime Minister has attended the last six ASEM summits, while their Greek counterpart was absent in five out of the nine ASEM summits. The attendance rate at the summits and ministerial meetings does not seem to be improving. It is not inconceivable that the summit could be quietly cancelled, with only a few ministerial meetings being retained. After all, there is already a plethora of summits and cooperative mechanisms, especially

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<sup>9</sup> A concept proposed by Forman and Segaar (2006: 213) to explain the entry of a country to various international/regional/bilateral cooperation mechanisms as a result of its individual political agenda, i.e. one tries to get something from each forum ("shop") it enters.

bilateral ones, between interested partners. To a certain degree, this corresponds to Yeo's *meta-regime scenario*.

### Conclusion

Despite a general growing of 'summit fatigue' as a result of an overwhelming proliferation of summits, we suggest that ASEM will not be replaced or dissolved, but that it can be reduced in scale. While some ASEM partners seem not to have a clear notion of what they want ASEM to be, it is precisely ASEM's infamous labels as a 'talk-shop' and as a forum lacking in fixed goals and agenda that make it a unique low-cost forum for dialogue between Asia and Europe during uncertain times such as a global recession. ASEM was never designed as an APEC (Asia-Pacific Economic Cooperation), even if some entertained lofty aims for ASEM at the outset. It should not pretend to be like the slightly more glamorous APEC, with its trademark – and occasionally lampooned – photo-op session of leaders donning the national dress of the host country. To bemoan the limited media attention that ASEM receives would also be to miss the point. Rather than to be fixated on the media coverage of ASEM, or the lack of it, ASEM partners should focus on its relevance and building up its credibility. ASEM should learn to feel comfortable in its own skin, rather than to compare itself fruitlessly to other international or interregional fora.

### About the Authors

**Lai Suet Yi (Cher)** finished her doctoral studies at the National Centre for Research on Europe (NCRE), University of Canterbury, in 2012. Her Ph.D thesis focused on the contribution of Asia Europe Meeting (ASEM) to Asia-Europe relations, regionalism and inter-regionalism. Since 2006, Cher has been a researcher on the dual perceptions studies "EU through the eyes of Asia" and "Asia in the eyes of Europe". She has published numerous research papers on the external image of the EU, Asia-Europe relations, China-Europe relations and ASEM. Since completing her Ph.D, Cher has served as Post-doctoral Fellow in the Europe and EU Centre of Monash University, Australia, and is currently a research associate at the School of International Studies, Peking University (China).

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