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Papers in this series:


*Australia and ASEM: The First Two Years*, Melissa Conley Tyler and Eric Lerais, May 2013 (2013/1)
ABSTRACT

Australia joined the Asia-Europe Meeting (ASEM) in 2010 to support a range of foreign policy goals, including deepening its engagement with two important regions and having a seat at the table with key European and Asian leaders. Evidence from Australia’s first two years as a member suggests that the experience has been positive. Australia has derived concrete benefits from participation in leaders’ summits, bilateral side meetings and officials-level contact and has used ASEM to promote its G20 agenda. Australia’s major win was moving from the temporary ‘third category’ of membership to joining the Asian group within ASEM; this is symbolic of Australia’s enmeshment in Asia. Judging ASEM’s success by the views of its member states gives a more positive assessment than many commentators would expect, suggesting that ASEM meets the admittedly modest needs of its members. The two major threats to ASEM are greater competition from other leader-level summits and a breakdown of the interregional conversation into ‘Asia versus Europe’ debates. Australia is doing its best to avoid this result by encouraging improvements to the format of discussion to promote freer dialogue.

1 The authors are respectively the National Executive Director and Research Intern at the Australian Institute of International Affairs. The views in the paper are the authors’ alone. Thanks are due to the government officials interviewed anonymously for this research.
Introduction

The Asia-Europe Meeting (ASEM) Summit held in Vientiane on 5-6 November 2012 was only the second that Australia had attended. At Australia’s first appearance, at the ASEM Summit in Brussels in October 2010, newly-elected Australian Prime Minister Julia Gillard was at pains to distinguish herself from her globe-trotting predecessor: “Foreign policy is not my passion. It’s not what I’ve spent my life doing… So yes, if I had a choice, I’d probably be more (comfortable) in a school watching kids learn to read in Australia than here in Brussels at international meetings” (ABC News, 2010). By contrast, Prime Minister Gillard attended the ASEM Summit in Vientiane with a different tone: “I’m looking forward today to attending the opening of the Asia-Europe Meeting. This is a meeting attended by around 50 leaders and senior ministers from Asia and from Europe, as the title would imply. Nine of our top ten trading partners are members of ASEM, as are more than half of the G20 membership and four of the five permanent members of the UN Security Council” (Gillard, 2012b). At least in part this was a response to recent developments in Australian foreign policy: “Australia is going to be hosting the premier global entity in the world, the G20. Australia is becoming a member of the UN Security Council and Australia has a clear national plan for its own outlook for growth, which is the white paper that I delivered for Australia in this Asian Century” (Gillard, 2012b). The impression she gave was of a country trying to make as much use as possible of its “seat at the table” in global forums, including ASEM.

This paper will look at Australia’s experience of ASEM to date. Australia’s experience in ASEM provides an interesting case study of Australia’s wider efforts in global summitry. Australia’s experience is also relevant to others, particularly given that three new members (Bangladesh, Norway and Switzerland) joined ASEM in Vientiane.

After a brief description of ASEM’s aims and structure, the paper will turn to Australia’s aims in joining and its experience of ASEM over its first two years of membership. This case study suggests some reasonable criteria for judging the success of ASEM, as viewed by a member state, and ASEM’s likely future.
ASEM: Aims and Structure

ASEM was launched in 1996 with the broad idea of strengthening the links between the Asian and European regions, particularly to balance the stronger links maintained by both regions with other partners. Europe, for example, was concerned about Asia-Pacific Economic Cooperation (APEC) and afraid of being left behind by the ‘East-Asian economic miracle’. ASEAN countries could see strong transatlantic ties and were looking for a chance to penetrate the closed European fortress (Camroux, 2006). While the economic incentive behind ASEM was essential, the strategic balance between the three engines of the world economy was also at stake. This was reflected in the broad terms of the Chairman’s statement at the inaugural ASEM Summit in March 1996 in Bangkok: “The meeting recognised the need to strive for a common goal of maintaining and enhancing peace and stability, as well as creating conditions conducive for economic and social development” (Silpa-Archa, 1996).

ASEM is organised around the leaders’ summits, which are held every two years, alternating between European and Asian locations. It is essentially a flexible and non-institutionalised structure, with no founding treaty or charter. Radhia Oudjani, a French Ministry of Foreign Affairs official, has defined ASEM as “an interregional association with no formal binding powers, which provides a framework for political, economic and cultural cooperation and exchange over the cross-cutting issues between these two regions” (Oudjani, 2006). The informality of ASEM has been reaffirmed by member states (Government of Belgium, 2010). The aim is to preserve the flexibility and networking aspect of ASEM, given the need for leaders from Asia and Europe to meet and get acquainted.

ASEM is underpinned by three pillars: political dialogue; economic cooperation; and social, cultural and educational issues. The political pillar of ASEM is traditionally considered a key element of ASEM process, with three levels of meetings: leaders’ summits, foreign ministers’ meetings one year ahead of each summit and meetings of senior officials.

The economic cooperation pillar is supported by the Asia-Europe Business Forum, which also meets ahead of leaders’ summits and makes recommendations. Workshop groups have been established on issues such as trade, investment and intellectual property. Member states
released a joint declaration on Global Economic Governance for the ASEM Summit in Brussels in 2010.

The social, cultural and educational pillar is supported through the Asia-Europe Foundation (ASEF), the only institution of ASEM. ASEF has implemented more than 500 projects in the last 14 years. The first Ministers of Culture meetings held in Beijing in 2003 and Paris in 2005 gave real impetus to this pillar, which plays an important part in trans-regional dialogue by involving civil society. Since 1996, the non-government organisation-initiated Asia-Europe People’s Forum (AEPF) has held a biennial ‘People’s Forum’ to promote solidarity and dialogue across the two regions. This was recently highlighted during the AEPF alternative Vientiane Summit in October 2012 where, for the first time, the host government invited Lao civil society organisations to join the forum.

In terms of membership, ASEM was built on the foundation of ASEAN-EU dialogue. It initially included the original seven ASEAN member states plus China, Japan and South Korea on the Asian side and 15 European Union (EU) member states on the European side. Successive major enlargements followed and countries of both regions joined ASEM. In 2004 at the Hanoi Summit, ASEM was enlarged by ten new EU member states and three new ASEAN countries (Cambodia, Laos and Myanmar). In 2008 at the Beijing Summit, ASEM grew by two new EU member states and three new Asian members (India, Mongolia and Pakistan) plus the ASEAN Secretariat. In 2010 at the Brussels Summit, Russia, New Zealand and Australia joined in a temporary “Third Category”. In 2012 at the Vientiane Summit, two non-EU member states joined on the European side (Norway and Switzerland) and Bangladesh on the Asian side (Thammavong, 2012).

The enlargement process has made ASEM membership more diffuse. On the Asian side, countries such as Mongolia are not part of any other regional organisation in Asia. On the European side, non-EU member states like Norway and Switzerland are now ASEM member states. This continuing enlargement reflects ASEM’s commitment to openness and inclusiveness. This inclusiveness sits alongside a principle of equality between member states, with each being considered an essential constituting part of the Asia-Europe relationship. Running a 51-member organisation raises challenges and ASEM has consequently tried to
adapt its working methods. With the most recent enlargement, Australia’s experience since it became a member in 2010 becomes particularly relevant.

**Australia’s Experience in ASEM**

In the lead-up to the ASEM Summit in Brussels in 2010, one of the authors was invited to a preparatory meeting of civil society organisations hosted by the Belgian Government. The question was raised, usually very politely but with a questioning tone nonetheless, of why Australia wished to join ASEM. The simple answer would be, as Philomena Murray pithily puts it, that Australia is a “joiner” and has a long-term strategy of seeking a “seat at the table” of global summits. A more complex answer would cover how Australia engages with Asia as a country of European heritage in the Asian region.

Australia has been enmeshed with Asia at multiple levels for many years. For instance Australia was ASEAN’s first dialogue partner in 1974 and has extensive relations with Asian countries in politics, security and trade. Australia has multiple free trade agreements within Asia, including one with ASEAN that came into effect in January 2010. In 2009, East Asia counted for more than 50% of Australia’s total trade in goods and services and in 2010 China became Australia’s largest partner for both exports and imports. Prime Minister Julia Gillard outlined the importance of Australia engaging with a rising Asia in the recently released White Paper Australia in the Asian Century:

> The transformation of the Asian region into the economic powerhouse of the world is not only unstoppable, it is gathering pace. In this century, the region in which we live will become home to most of the world’s middle class. Our region will be the world’s largest producer of goods and services and the largest consumer of them.

History teaches us that as economic weight shifts, so does strategic weight. Thriving in the Asian century therefore requires our nation to have a clear plan to seize the economic opportunities that will flow and manage the strategic challenges that will arise (Gillard, 2012a).

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1 Philomena Murray, conversation with author, Melissa Conley Tyler
Australia’s focus on Asia explains why after joining as a temporary member of the third category of ASEM countries, Australia wanted to be incorporated into the Asian group. Australian diplomacy succeeded in this task at the Copenhagen ASEM Senior Officials’ Meeting in March 2012, when this category was abolished and Australia, New Zealand and Russia joined the Asian side. Until then, Australia was not able to participate in the Asian group coordinating process.

Beyond the symbolism of being part of the Asian group, Australia derives a number of concrete benefits from its involvement in ASEM. When joining ASEM in 2009, Australia’s Minister for Foreign Affairs, Stephen Smith, emphasised how it met Australia’s interests to be a member: “It will advance Australia’s national interests. It will strengthen Australia’s ties with two regions of great importance to Australia’s prosperity and security. It will allow Australia to make a contribution to efforts to promote dialogue and cooperation between Europe and Asia” (Smith, 2009).

Being involved in a forum such as ASEM is part of Australia’s foreign policy strategy as a middle power. Having a seat at this table gives the opportunity to meet at leaders’ level with key European and Asian leaders. This gives Australia a platform to build stronger links with two very important regions. As Smith continued: “It is a very strong commitment to deepen and broaden our engagement both in Asia and in Europe, reflecting the modern basis of our relationship and engagement in Europe, just as it does our strongest possible commitment to our friends and colleagues in Asia” (Smith, 2009).

As well as the summit itself, ASEM provides the opportunity for bilateral side meetings with leaders attending. It is a particularly useful platform to promote bilateral relations with European countries, including those with which Australia shares no other memberships.

From Australia’s point of view, ASEM also provides an opportunity to promote its G20 agenda and enable G20 outreach to non-G20 countries, to which Australia has committed in order to allow input and improve the credibility of the G20.
ASEM also brings specific added-value, particularly through the social, cultural and educational pillar, that is not already achieved in other forums. Australia joined ASEF as a tangible body that promotes cultural and social cooperation and strongly supports its work, including through financial backing. At the 7th Interfaith Dialogue on Migrations held in Manila in October 2011, Australia was able to draw on its own experience as a multicultural, multi-faith society and provided a speaker for the dialogue. Australia also sees value in informal dialogue on human rights issues and was involved in the 12th ASEM Informal Seminar on Human Rights held in June 2012 in Seoul. There is the potential for progress in cooperation in a range of areas, for example in harmonisation of educational qualifications in Europe and Asia.

Beyond these tangible benefits, academic Philomena Murray sees a more ambitious role for Australia in ASEM:

While strategically it makes sense for Australia to be aligned with the Asian participants in ASEM, we might also, quietly, act as a mediator between Asian and European interlocutors, given our membership of the Western European and Others Group of the UN, our past record of cooperation with Europeans in a number of multilateral forums over many years, and the recent Australia–EU Partnership Framework agreement. Australia can effectuate compromises and key decisions as a mediator (Murray, 2010a).

Judging ASEM’s Success

Articles assessing ASEM’s success are something of a cottage industry. Reflecting on ASEM’s popularity as a research field, David Camroux remarked in 2006: “If, and it is a very big if [...] if a regime or institution is measured by the amount of academic attention it receives — in terms of peer reviewed academic journal articles and the number of PhD candidates wishing to work on the subject — then ASEM is up there with the United Nations as a serious element in global governance” (Camroux, 2006).
External observers’ views on ASEM are indeed far from unanimous. Academics tend to split in two camps. Some scholars such as Paul Lim and Michael Reiterer praise ASEM’s flexibility, which enables many different joint ventures and initiatives (Lim, 1999). They also argue that its wide membership makes ASEM the largest institutional framework regarding Europe-Asia relations. It allows heads of states to meet and set common grounds before global-multilateral meetings, for instance at the World Trade Organization, the United Nations General Assembly or G20.

On the other hand, more critical scholars such as Christopher Dent or Yeo Lay Hwee emphasise the under-institutionalisation of ASEM and the absence of a secretariat, which makes agenda-setting much more difficult. Its wide membership can be seen as a weakness for ASEM given the lack of integration between Asian countries. Finally, they criticise the lack of binding decisions over members: “ASEM is on the way to turning into a ‘pleasant’ platform for inter-organisational exchange, but nothing more” (Eckhardt, 2005). Similarly, Yeo Lay Hwee outlines the absence of concrete results and the abundance of political rhetoric after the conclusion of each summit (Yeo, 2000). Those scholars are looking for a new impulse toward more institutionalisation.

A different approach is to look at how ASEM is judged by member states. This gives a more positive view than the pessimists might suggest. When looking at how ASEM is viewed by its members, it is noticeable that enthusiasm is renewed after each summit. This was confirmed at Vientiane Summit and demonstrates seeming solid support for ASEM by member states.

The View from Vientiane

Norwegian Prime Minister Jens Stoltenberg explained that joining ASEM had been a priority for Norway, given the shared interests between his country and Asia at the economic, environmental and energetic level (Stoltenberg, 2012). He raised for instance the facts that the Norwegian sovereign wealth fund had invested about USD80 billion in Asian equities and fixed income holdings and that Asia had a growing interest in Norway’s policies on the High North that includes the Arctic. Finally, he acknowledged that the summit was a great opportunity to exchange ideas and build new partnerships.
The host country president, Mr Choummaly Sayasone, emphasised the importance of enhancing cooperation, integration and mutual support between Asia and Europe for attaining sustainable development and ensuring that people of the two regions could live in peace and prosperity (Sayasone, 2012). He also observed that over the past 16 years, ASEM had become an important forum for discussions on strategic issues.

Given the current economic climate, it is not surprising that much of the interregional dialogue focused on economic issues. For his first trip to Asia since his election, French President François Hollande reassured Asian partners on the ability of the Eurozone to recover from the consequences of the Global Financial Crisis. He spoke about a shared responsibility on the future growth of Europe, asking for Asian countries with a surplus balance of trade to consider adjusting the value of their currency. He also encouraged rising countries to support internal demand. He finally underlined the role of ASEM in the new global governance (Hollande, 2012).

Looking at Australia’s response, Prime Minister Julia Gillard welcomed the Vientiane Summit outcome, judging that “good things” had come out of the meeting (Gillard, 2012d). She agreed with President Hollande’s comments on building domestic demand in Asia (Gillard, 2012c) but also she shared Asian concerns on Europe’s recession and high unemployment rates, even though she acknowledged the efforts of the European Central Bank. She emphasised the interdependency between Europe and Asia and promoted Australia’s G20 agenda:

The Asia-Europe Meeting brings together two regions of the world which are mutually interdependent but are facing very different economic circumstances. Europe is facing challenges of restarting growth. It is seeking to come out of recession and to harness growth to create jobs. Asia is facing different challenges. This is the growing region of the world.[…] For Europe that means individual nations need to deal with the difficult problem of finding a fiscally sustainable path forward, whilst promoting growth and jobs, and Europe needs to build on its current endeavours to address the crisis in the Eurozone to find long term sustainability for the Eurozone[…] Here in Asia, nations need to be managing growth, and
particularly managing a switch towards domestic consumption and servicing the needs for infrastructure in their nations […] Different challenges, different regional strategies but ultimately mutual interdependency, which is why it is important that this meeting endorse the work of the G20 to guide the globe to sustainable long-term growth which supports jobs, and to resist protectionism (Gillard, 2012d).

Like other member states, Prime Minister Julia Gillard used the opportunity of the meeting to hold bilateral discussions and promote Australia’s foreign policy agenda. She met with the President of France, the President of the European Council, the Cambodian Prime Minister, the Prime Minister of Pakistan, the Foreign Secretary of the UK and the President of Myanmar in the first formal bilateral leaders’ meeting since 1984.

Australia also made use of meetings at other levels to promote its agenda and build relations. For example, at the 10th ASEM Finance Ministers’ Meeting in Bangkok in October 2011, Australia sent Assistant Treasurer The Hon David Bradbury MP, whose work paved the way for Prime Minister Julia Gillard’s focus on economic matters at Vientiane Summit. The meetings of senior officials gave the Department of Foreign Affairs and Trade the opportunity to work closely with Asian counterparts that deal with Europe. This was great value for officials.

As a new member, Australia has made clear that there are areas in which ASEM can be improved. It has encouraged improvements in the way the meeting is conducted, for example in changing the format of discussions to reduce prepared statements in order to promote freer dialogue to improve exchange and interactions between members. As a new player, Australia is likely to try to bring new ideas and inject enthusiasm where it can.

**The Future of ASEM**

In the light of Australia’s experience of ASEM, it seems that ASEM currently meets the admittedly modest needs of member states. ASEM does not – and is not expected to – make major changes to international relations. But it is seen as useful by its members.
While there has been perennial discussion of the question of whether ASEM should acquire permanent institutions this has not eventuated. There has been a push to move beyond the ‘talk-shop form’ of ASEM and studies have shown that many policy-makers (Yamamoto and Yeo, 2006) would be in favour of a permanent secretariat. However, ASEM was set up as a dialogue organisation and such a deep change is unlikely to get political support. Japanese Prime Minister Yoshihiko Noda reaffirmed the current structure at the Vientiane Summit, where he cautioned against making ASEM an excessively institutional entity (MOFA, 2012).

There are two major threats to ASEM. The first is the greater competition with other leader level summits. The crowded schedule in 2012 gives a sense of the demands on leaders’ time: there was the 24th APEC annual meeting in Russia in September, the 9th ASEM Summit in Laos and then the 7th East Asia Summit in Cambodia, also in November. In 2014, the year of the next ASEM Summit, the G20 Summit will be held in Australia in November during this same period. This is a threat to an organisation based so much around a leaders’ summit.

The second danger to ASEM comes from the very differences between the regions that ASEM was established to bridge. There are significant differences between Asian and European regionalism. The European Union’s normative foundations lie in democracy, human rights and individual liberty. Europe’s ‘intrusive regionalism’ (Acharya and Johnston, 2007) is based on embedded norms and a reduction of national sovereignty through the creation of organisations able to override national governments. On the other hand, Asia’s normative foundations lie in nationalism, statist power and ‘Asian values’. Those values find their transcription in what has been described as the ‘ASEAN way’ which implies principles of non-interference and respect for sovereignty, peaceful resolution of conflicts, a practice of consensus and avoidance of confrontation (Murray, 2010b). It has led to a regional architecture rather than an integrated regionalism. Apart from the forerunner ASEAN, several regional organisations have emerged to lead Asian regionalism: APEC, the ASEAN Regional Forum, ASEAN Plus Three, East Asia Summit and Shanghai Cooperation Organisation all form part of an overlapping regional architecture.
While there is the potential for the European and Asian concepts of regionalism to enrich each other (Murray, 2010b), there is also the danger that the inter-regional conversation will become one of competing blocs. This could dissolve into an Asia versus Europe debate where, for example, Europe criticises Asia on political issues and Asia criticises Europe on economic ones. For now, Australia has managed to remain diplomatic and works well with both camps. Australia presents itself as very much in Asia but also has strong historical and cultural links to Europe and tries to work well with both sides.

It is to be hoped that ASEM’s openness, flexibility and evolutionary nature will keep the dialogue positive. ASEM members are able to discuss almost anything of mutual interest, either within plenary meetings or in the margins of ASEM (Roe, 2012), which allows new topics to come quickly onto the agendas.

ASEM can thus be considered, as it was once put in conversation by Yeo Lay Hwee, the “Swiss army knife” of international organisations: even if its lack of binding power and institutionalisation prevent ASEM from bringing radical changes to Asia-Europe relations, its adaptability allows it to gather major stakeholders around the most important issues involving the two regions. So long as this continues to be valuable to its member states, ASEM will continue to attract support.
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Second Technical Implementation Report and Financial Statement

For the period 1 May 2011 - 30 April 2012

Report to the European Commission Foreign Policy Instrument Service