

In Pursuit of Peace, Prosperity and Power – What ASEAN and EU can learn from each other?

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Abstract

The EU and ASEAN are often compared and seen as relatively successful regional organisations in their respective regions. Yet of late, both regional organisations are under intense scrutiny as they confront challenges posed by the financial crisis and rising geopolitical tensions. Their inability to respond effectively to these challenges has brought about a chorus of criticisms. Noting the current tensions face by both the EU and ASEAN in their respective regions, one could not help but wonder how and if they would be able to deal with the increasing complex security landscape because of a weakened US, and the rise of the rest. This article will compare and contrast the approaches taken by the EU and ASEAN thus far in trying to build peace and prosperity, and how they manage the demands of power politics to distill some lessons on what they can learn from each other in order to navigate an increasingly paradoxical world of economic interdependence but political fragmentation.

Introduction

The beginning of 2014 saw a flurry of articles in the media comparing the rising tensions in East Asia to the situation in Europe in 1914. The Prime Minister of Japan himself likened the tensions between Japan and China to the relationship between Germany as a rising power challenging Britain a century ago. This received an immediate rebuke by China who preferred to frame its relations with Japan in the context of World War II in which China is the victim and Japan the aggressor.

In marking the 100 years since World War One erupted on the European continent, several scholars have called for cooler heads in East Asia and reflect on the lessons from 1914. A series of events beginning in 2011 – the so-called US “pivot” to Asia, the increasing assertiveness of the Chinese in its territorial claims in the South China Sea and East Asia Sea, leading to tensions with Philippines, Vietnam and Japan, and the return of

Shinzo Abe, a right wing politician, as the Prime Minister of Japan – led to increased shrillness in the rhetoric in the region. Tensions ratcheted up a notch when the Chinese unilaterally declared an air defence identification zone (ADIZ) over a large part of the East China Sea including the disputed islands (Diaoyu / Senkaku). The US immediately challenged Chinese authority by flying a B52 bomber into the zone unannounced.

The cascading events and increasing tensions in East Asia led former Prime Minister of Australia to warn that the East Asian region “resembles a 21st century maritime redux of the Balkans a century ago – a tinderbox on water”. Pundits began to cast their eyes on the Asia-Pacific as the next theatre of conflicts between the major powers. Who would have thought that just two months into 2014, attention has now returned to Europe – the continent that has sparked two world wars.

Russian annexation of Crimea has been labeled as Europe's biggest crisis in the 21st century. While most Western politicians and scholars were quick to put the blame for what happened in Crimea on Putin's *revanchism*, the fact that the European Union was caught off-guard by the situation has also led to criticisms of a Union that got carried away by its own high-minded rhetoric and inability to face up to hard power and the rough and tumble geopolitics practiced by Putin. Some analysts such as Roderic Lyne of Chatham House said that there is a gaping hole in European Security architecture – that there is no forum in which to negotiate quiet solutions to simmering issues before they boil over while others such as Asle Toje felt that the European diplomatic landscape is over-institutionalised.

In responding to the heightened tensions in the Asia-Pacific in recent years, the Association of Southeast Asian Nations (ASEAN) have also been criticized for being ineffectual and failing to bring about a grand bargain between the major powers in the region. The lack of formal institutions for crisis management and inability to speak with one voice has often been singled out as one of the key weakness of ASEAN. Yet, despite these criticisms, ASEAN has a grasp of the geopolitics of the region, and actively sought to manage the tensions with lots of talk and plenty of meetings.

Noting the current tensions faced by both the EU and ASEAN in their respective regions, one could not help but wonder how and if they would be able to deal with the increasing complex security landscape because of a weakened US, and the rise of the rest. The next section of this paper will compare and contrast the approaches taken by the EU and ASEAN thus far in trying to build peace and prosperity, and how they manage the

demands of power politics to distill some lessons on what they can learn from each other in order to navigate an increasingly paradoxical world of economic interdependence but political fragmentation.

Peace, Prosperity and Power

The EU as a peace project is a narrative that was rooted in the historical context of the 20th century's wars and has been widely accepted by the founding members of the European integration project. The *raison d'être* of the European Coal and Steel Community (ECSC) was to reduce the risk of war among European states by encouraging economic interdependence and having common oversight over coal and steel, the two industries underpinning military power in the 20th century.

The success of the EU in delivering peace and reconciliation has also been widely acknowledged, and as laid out in Schuman's declaration, war is now unthinkable between member states of the EU. Yet, while the EU has delivered on internal reconciliation and peace amongst its members, the broader peace and stability of the entire European continent, particularly during the Cold War period was underpinned by NATO and the American security umbrella.

Seen in this light, the primary purpose of the EU in its "incarnation as the European Economic Community was to help foster economic prosperity in Europe"¹. And the EU has succeeded in large measures to bring about higher economic growth and better standard of living by first bringing down trade barriers, and then creating a sin-

¹ Asle Toje. *The European Union as a Small Power: After the Post-Cold War* (UK:Palgrave MacMillan, 2010)

gle market for goods, services, capital and people. Yet, again, economic integration while by far the most successful tenet of the EU also has its ups and down, and the single market is still a work in progress.

It is in the area of power and “high politics” that there is some ambivalence and perhaps divergence amongst member states with regards to the role of the EU. The ambition to act as a political entity, a Union with a common foreign and security policy, was expressed more explicitly with the signing of the Maastricht Treaty. While member states such as France and the UK are comfortable talking about power and probably see the EU as an additional tool or instrument for them to bolster or project their power, there are some member states that are not as comfortable in openly displaying any power ambitions and dealing with hard power. Hence, the EU has toyed with various concepts of power identifying itself first as civilian power and then normative power.

However, in the area of foreign policy and diplomacy, the record of normative power Europe has been much checkered. The EU has been able to export its norms of democracy and respect for human rights to those countries that want to become members of the EU, but have not delivered on intended outcomes in many of its near abroad – from the Southern Mediterranean to its eastern neighbourhood.

Now let’s turn to the record of ASEAN in dealing with the issues related to the three Ps -peace, prosperity and power.

ASEAN’s founding document the Bangkok Declaration listed accelerating economic growth, social progress and cultural development in the spirit of equality and partnership in order to strengthen the

foundation for a prosperous and peaceful community as one of its key objectives and aims. Another key aim is to promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence of the principles of the UN Charter.

Clearly, peace and prosperity was very much in the minds of the founding members of ASEAN. Yet, it was in dealing with power politics and the realities of the security situation in its region that ASEAN has recognized as the most important task for its members. Only when they get the politics right can there be a stable environment for growth and development.

Mindful of its own weaknesses and cognizant of the power politics in the region, ASEAN has emphasized a set of norms – non-interference, sovereign equality, respect for diversity and centrality of peace – in its relations with one another and with external powers. For three decades, ASEAN cooperation was pursued through a series of political meetings based on consultation and consensus and not by way of formal institutions. Instead of relying on treaties and binding agreements, cooperation was based on political declarations and agreements.

Through careful navigation of the geopolitics in the region, and engaging in balance of power politics, ASEAN made a not so insignificant contribution to the stability of the region. Hugh White argued that ASEAN was also lucky that after Richard Nixon met Mao Zedong in 1972, a new strategic and political order was established in which US primacy was not seriously contested in the region by any Asian power. This provided the foundation for a remarkable era of peace and

stability which in turn allowed the member states to focus their attention on economic development.

The failure of the import substitution strategies pursued by some of the bigger ASEAN member states in the earlier years led to a more outward orientated export-driven economic model. The member states compete in attracting FDI and in their exports to the developed world. Hence, unlike the EU, the focus was not on regional economic integration for prosperity. Instead it was being plugged into the global economy, and “open for business” that ASEAN countries maintained decent economic growth. There was no customs union and intra-ASEAN trade was low at around 20% compared to the EU's over 60%.

It was only in the 1990s with the increasing pace of globalization and competition that ASEAN began to take regional economic integration a bit more seriously. As regionalism picks up pace in other regions and market-driven regionalization becomes an increasing reality in Southeast Asia, ASEAN has to respond with some semblance of collaboration and coordination in the economic arena to remain attractive to foreign investors in the light of competition from China and other emerging markets.

Such was the ambiguous role of ASEAN in contributing to peace and prosperity in the region. Due to the lack of trust between the major powers in the region, ASEAN was also astute enough to carve a role for itself in the geopolitics of the broader Asia-Pacific region with a series of dialogue partnerships with all major powers in the region and with the launch of the ASEAN Regional Forum (ARF), and then the East Asia Summit and ASEAN Defence Ministers Meeting with its major partners, the so-called ADMM Plus. ASEAN tried to maintain a central role to shape

the agenda in the various emerging architectures. However, its ability to do more is dependent on its own internal cohesion.

Institutions and Interest

In comparing the EU and ASEAN, it is clear that in terms of integration, particularly economic integration, the EU has gone the furthest. This integration is supported by a dense network of hard and soft institutions with “ever closer union” as its overarching goal. This network of institutions binds the member states in an indissoluble economic interdependence that makes war between them unthinkable. The interests of the member states are carefully weighted, calibrated and balanced in the network of institutions.

In contrast, integration was never the original *raison d'être* of ASEAN. ASEAN was an instrument for member states to manage the mistrust and tensions amongst them and navigate the geopolitics of its immediate environment. ASEAN's cooperation was more about achieving balance of power in an anarchical system. Traditional diplomacy was initially the tool of choice to manage the power politics but at the same time, ASEAN also slowly went beyond traditional diplomacy to put in place other soft institutions to build confidence and reduce transaction costs.

The EU believed that institutions can be built to temper power politics. Pooling sovereignty and supranational institutions was the EU response to ever closer union in the economic sphere. For much of its first three decades, the EU was “internally driven”. The ambition to act fully as a Union when dealing with the rest of the world only came at the end of the Cold War with the launch of a Common Foreign and Security Policy (CFSP).

In contrast, ASEAN has always been “externally focused”. In its first three decades, ASEAN acted together a few times to deal with the changing security environment – Nixon’s Guam doctrine, the triumph of the communist Vietnamese north over the capitalist south, and Vietnam’s invasion of Cambodia. It was only at the end of the Cold War with an increasingly competitive external economic environment that ASEAN took the first real step towards economic cooperation by agreeing to the creation of an ASEAN Free Trade Area. This was later upgraded to an ASEAN Economic Community after the Asian financial crisis revealing further vulnerabilities and the need for ASEAN to coordinate more in the economic arena if it is to remain attractive to foreign investors in the light of other emerging economic behemoths like China and India.

As the EU enlarged and deepened its economic integration, it has become a significant economic power in the global arena. Translating this to political influence however has not been easy for the EU – hence the often heard remark that the EU is an economic giant but political pygmy.

Why is this so? According to Toje, the EU is underpinned by a complex and dynamic bargain among the member states and the common institutions and bolstered by a strong sense of common values. It has become wary of realpolitik and its successful enlargement to include several former Warsaw Pact Central and Eastern European countries had lulled the EU into believing that normative power Europe can effect change through example and promoting norms of human rights and democracy. It began to believe in its own rhetoric for a norms or value-based foreign policy failing to fully admit that power and interests lie at the heart of foreign policy.

For ASEAN it was also only in the last decade that moving towards more institutionalization to build an ASEAN Community became a paramount objective. However, interests and realpolitik continue to thwart efforts in community-building and economic integration. Political declarations and agreements have been made and signed, but translating them into binding institutions have not been of utmost priorities for several member states. ASEAN remained an inter-governmental organization firmly grounded on the primacy of national interests – only when national interests and regional interests converged, concrete steps can be taken.

The comparison of EU and ASEAN and their institutional structures brings us to an often overlooked fact. As Moeller and Ewing-Chow noted “formalities cannot bend realities. Realities govern formalities follow. Formalities in the form of institutional structure cannot bring along agreements that do not follow from member states’ interests”². With the Lisbon Treaty, the EU tries to tweak its institutions to make the EU a more coherent and cohesive actor on world stage. Yet the truth is that the member states have chosen to retain the inter-governmental nature of decision making for its CFSP/CSDP. And when there is a clash between national interests of the 28 member states and European interests, the latter often loses out. At the same time, although decision-making by consensus limits policy outputs, CFSP has also brought about a cumulative body of common foreign and security policies characterised by common actions and joint actions, and a sea-change in the practice and ambience of foreign policy making. Bureaucratic politics rather than diploma-

² Michael Ewing Chow and Joergen Orstroem Moeller. A Theory of ASEAN Integration (unpublished paper, 2012)

cy has begun to shape and set the EU foreign policy and security agenda for better or for worse.

ASEAN's record in managing realpolitik may have seemed to be slightly better than the EU, but in recent years, it has also begun to show strains as the security landscape and geopolitics of the region become far more complex than during the Cold war era. The rise of China to become the 2nd largest economy in 2011 came at a time of declining US power and prestige following the wars in Afghanistan and Iraq and the global financial crisis. We do not know how Sino-US relations would develop and whether increasing strategic rivalry between them would lead to fragmentation of ASEAN, but for ASEAN to remain to play any role, member states would have to think not only of national interests but regional interests and garner the political will to craft new institutions that can help converge national and regional interests.

Lessons Learnt

Regional cooperation is fundamentally related to the pursuit of three main goals – peace, prosperity and power. The varying degrees of intensity connected to these three goals differ across regions and across time often informed by history, tradition and geography.

The nature of European integration has changed over time – from being seen essentially as a peace project bringing about the reconciliation of France and Germany (the European Coal and Steel Community), to an instrument for economic prosperity (European Economic Community) and now an entity that is designed not only to manage economic interdependence and the challenges of globalisation but a regional actor trying to shape

the external conditions through a web of governance structures (the European Union).

Similarly, ASEAN has changed over time – from being essentially a mechanism by member states to keep communism and external interference in domestic politics at bay (the first decade), to collective diplomacy to deal with regional stability and external threats to member states (mid 1970s to end of 1980s) to a more proactive engagement to manage political and security dialogue and the pursuit of closer economic cooperation in response to globalisation and greater interdependence (from end of the Cold War).

Comparing and contrasting how the EU and ASEAN approach issues of peace, prosperity and power, and defined interest and conceived institutions in their regional cooperative or integrative efforts leads us to the following lessons:

Always start with the why and what before we consider the how

Why pursue regional integration and what are the objectives and goals? Only when there is at least some consideration and consensus on this that we can begin to decide on how to go about achieving the objectives – the type of institutions and processes that can help us towards our goals.

Schuman and Monnet in drawing up the plan for a coal and steel community wanted nation states to break away from the old power politics and a complete transformation of the relations amongst countries in Europe. Hence the Treaty of Paris provided for a supranational institution, the High Authority to “take decisions in the name of shared European interests”, and also a Court to “oversee compliance with the Treaty”. Order and a firm

footing were underpinned by the Treaty, and the Community was made a legal entity represented inwardly and outwardly by the High Authority.

In contrast, ASEAN only had a political declaration (the Bangkok declaration) of a few pages mentioning broadly the desire for regional cooperation in order “to ensure stability and security from external interference in any form of manifestation in order to preserve their national identities ...”³. There were no Secretariat, no High Authority but only an annual meeting of foreign ministers. The member states of ASEAN many of which young nations emerging from colonialism and in the process of building a national identity out of the disparate communities within borders drawn by the colonial masters could not but proclaimed the norm of sovereign equality and non-interference as paramount. The ASEAN way is about consultation and consensus.

Institutions matter but even more so, leadership and political will

While the High Authority (later to become the Commission) is an important institution, Franco-German leadership was seen as the driving force behind European integration. The first crisis of the EU happened when Charles de Gaulle unhappy with the proposal by the Commission to introduce more qualified majority voting decided to boycott all the meetings. The so-called empty chair crisis meant that many decisions could not be taken, and the Community was “paralysed” until a political solution was found and the Commission backed down on its proposal.

ASEAN rely on traditional old-style diplomacy to address issues they face along the way and did not create any binding institutions in its initial

years. The Treaty of Amity and Cooperation (TAC) in 1976 was still more of a political declaration rather than legal text, and the ASEAN Secretariat established in the same year functioned merely as a post box and logistical agency for managing meetings and events. Yet despite the lack of binding institutions, ASEAN made modest progress whenever political will is garnered in the face of common threats.

Whether it is the EU with its complex web of legally binding institutions or institutions-lite ASEAN, ultimately leadership and political will are what really matters and the key engine behind any progress in regional cooperation or integration.

Be mindful of power and interests

Values, principles and law should matter and guide foreign and international relations, but ultimately, power politics can never be ignored where sovereignty and national interests continued to reign. Some people in the EU thought power politics can be replaced by technical wrangling over policies guided by legal norms and institutions. Yet the truth is that the dynamism of a union comes from a complex mix arising from “each nation’s pursuit of self-interest, order through membership, law and a balance of power”.⁴

In the case of ASEAN, too much power politics remain at play. Although there are also norms and principles to govern this power play, there is a lack of the legal dimension that can force members to sit down and discuss until interests are reconciled, and compromises made. Yet it is also

³ The Bangkok Declaration (www.asean.org)

⁴ Luuk van Middelaar *The Passage to Europe: How a Continent became a Union* (US: Yale University Press, 2013)

because ASEAN is painfully aware of the reality of power and interests in the geopolitics of the region that has allowed it to play the role of interlocutor, and offered a platform where all major powers meet. Yet, this role is not assured especially as the security and political landscape become more complex. Only an ASEAN that can reconcile its own internal contradicting interests and a more economically integrated ASEAN could have the power to retain a central role in the broader region.

Conclusion

The crisis in Ukraine / Crimea and the rising tensions in the South and East China Seas have thrown the spotlight on the EU and ASEAN. Are they equipped with the political acumen to deal with uncertainties and ambiguities and able to comprehend the links between the past, present and future? As van Middelaar argued in his book “The Passage to Europe”, “politics can transform raw reality into new facts.... Historical reality is fundamentally unpredictable. Unintended consequences of human acts, unexpected chain of reaction, hasty decisions – such things make the future infinitely uncertain. No plan or treaty can predict the full creativity of history, let alone lay down adequate answers in advance....”⁵ How the EU and ASEAN manage the geopolitical realities in their backyard will depend on political will and acumen, and when a crisis hit, it is better to be agile and flexible and rely on a general sense of direction rather than on hard and fast rules.

⁵ Luuk van Middelaar *The Passage to Europe: How a Continent became a Union* (US: Yale University Press, 2013)



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