

US engages in Asia while Europe hesitates

The US has put Asia at the top of its foreign policy priorities. This is the clear message after Hillary Clinton's four country swing through Asia and President Obama's decision to receive Japan's embattled premier, Tara Aso, as his first overseas guest in the White House. Richard Holbrooke, the new special envoy for 'AfPak,' has also been quick off the mark, making his first visit to Afghanistan, Pakistan and India.



Rediscovering the Pacific backyard

Clinton's selection of countries is a further indication of US priorities and interests. In Japan and South Korea, she reaffirmed US support for two of America's staunchest allies, both worried at North Korea's nuclear ambitions. In China, she underlined America's desire to maintain good relations with a country vital for the resolution of so many global issues and also for the US economy. She pushed Beijing to use its influence on Pyongyang to restart the Six Party talks. Perhaps most symbolic was her visit to Indonesia, the largest Muslim country in the world and where Obama had spent part of his childhood. Here she reiterated the President's desire to reach out to the Muslim world.

Obama's downgrading of the 'war on terror' and emphasis on multilateralism has been welcomed throughout Asia. There is much goodwill and fascination with Obama across the region. The US is still regarded by all Asian states as the

dominant security actor. India and Pakistan continue to vie for American support. In contrast to the EU, concerned at India's nuclear programme, Washington has accepted India's new status and negotiated a deal to supply Delhi with nuclear technology.

If America is seeking to make a new start in Asia and defend its strategic interests, where does the EU stand? In 2001, the EU had high hopes of increasing its influence and profile in Asia. An ambitious Commission policy paper called for the EU to 'strengthen its political and economic presence in Asia commensurate with its global weight following enlargement.' But the 2005 'big bang' enlargement did not help increase the EU's influence in Asia as most of the new member states had little experience of or interest in Asia. Consequently the EU did not seize its chance to make a mark in Asia and is now running behind the US.

There is some good news for the EU. Polls show that awareness of the EU in Asia has increased in the past six years but this is largely due to the euro and the economic strength of the Union. There has been some interest in the EU model of integration, notably in SE Asia, where ASEAN has taken a few hesitant steps towards closer cooperation. In China, India, Japan and other parts of Asia the EU is recognised as an important player in regulatory behaviour and setting standards. For example, the Chinese car industry has adopted EU emission standards. But internal divisions on issues such as Iraq, the arms ban on China and the Lisbon treaty have not helped the EU's image as a coherent actor. Asians still find it difficult to understand 'who speaks for Europe?' This will be even more complicated after the UK and Germany have nominated their own special envoys to Afghanistan and Pakistan. Why not an EU envoy?

Asian politicians and diplomats have been frustrated at the EU's internal preoccupations and lack of interest in their region. Although the EU played a crucial role in helping to resolve the conflict in Aceh (Indonesia), its significant role in providing financial and development assistance to

Afghanistan has gone largely unnoticed. European views on 'soft power' have yet to find resonance in Asia where the emphasis remains on hard power.

The Asia-Europe meeting (ASEM) has had a mixed impact partly due to disputes over human rights and in particular the presence of Myanmar. Despite its obvious limitations, ASEM is a useful talking shop and the October summit in Beijing saw both sides agree to cooperate in tackling the global economic crisis. In May, EU and Asian foreign ministers will meet in Hanoi to renew their dialogue on global issues.

Another Asian concern is the amount of attention paid to China. The EU has three strategic partners (Japan, India and China) in Asia but last year more than twenty EU Commissioners visited China compared to one each to India and Japan. This did not go unnoticed in Tokyo and Delhi. There are of course more problems to be resolved in dealing with China, ranging from trade imbalances to Tibet. There is little indication, however, that China would wish to do anything to damage relations with the EU or the US. The cancellation of the EU-China summit last December, in a fit of Chinese pique over Sarkozy's meeting with the Dalai Lama, was followed up by a visit of Chinese Premier Wen Jiabao to Brussels and agreement to reinstate the summit during the Czech Presidency.

How will the current economic crisis affect relations between Asia and the EU and the US? Washington and Brussels are hoping that Tokyo and Beijing will take measures to stimulate domestic demand. At the same time Obama is relying on China to continue buying US Treasury bonds to help finance his massive stimulus package. Beijing and Tokyo will also be seeking reassurances that their exports to the US and Europe will not face any new barriers. It will not be an easy balancing act.

Since 2001, Asia's astonishing growth has had a largely positive impact on the global economy (new markets, cheaper goods helping to reduce inflation, etc) but both the US and EU have experienced growing trade imbalances especially with China. The difficulties encountered in the Doha Round have also led to a proliferation of bilateral trade agreements in Asia which could endanger the authority of the WTO. The EU and South Korea are in the final stages of a trade deal while talks between Brussels and Delhi are just beginning. It remains to be seen how the rising tide of protectionism will affect these negotiations.

The US and EU have many shared interests in Asia. Both wish to see China emerge as a 'responsible stakeholder' in the global order, both wish to see Asian support for an open trading system, both wish to see a resolution of security threats including Afghanistan, Kashmir and North Korea. But there is also a certain amount of rivalry as both compete for trade and investment, and the acceptance of their regulatory standards. As the world moves into uncharted territory as a result of the worst economic crisis for a century, America has made clear that it wishes to give greater priority to Asia, home to two thirds of the world's population, and a third of global GDP. It is high time that Europe follows suit and seeks to engage with Asia, not just China, at a consistent high level.

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