

The EU's and ASEAN's Responses to "Multilateralism" in a Changing World

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INTRODUCTION

Professor Rüländ in his chapter in this collection spoke of the paradigm shift from principled multilateralism to “diminished multilateralism” as emerging powers began to challenge today’s still Western-centric operating order in the world. Rüländ referred to Ruggie’s definition of multilateralism that is “principled” as it is supposed to be the organizing principle of international life embodying three properties—indivisibility, generalized principles of conduct and diffused reciprocity. Indivisibility refers to the scope, in both geographical and functional senses, over which costs and benefits are spread. Generalised principles of conduct usually come in the form of norms exhorting universal or general modes of conduct for states relating to each other; and diffused reciprocity is based on a long term interactional perspective where the focus is on benefit in the long run over many issues rather than expecting benefit for exchange every time on every issue. All these three properties go hand in hand and should be treated as a coherent ensemble.¹

However, as we enter an era where such liberal theorizing of multilateralism is increasingly challenged by the realities of power politics, it is possible to depict the current format of multilateralism as one of “diminished multilateralism”, or if one would like to put a more positive spin on it, it is “pragmatic multilateralism”. Responding to the inability for consensus to be reached as membership of international institutions grows and power diffuses, but at the same time having to deal with specific challenges, both the European Union (EU) and the Association of Southeast Asian Nations (ASEAN) have jumped

¹ James A. Carporaso, “International Relations Theory and Multilateralism: the Search for Foundations,” *International Organization*, Vol. 46, Issue 3, summer (1992): 601-602.

on the bandwagon of pragmatic multilateralism and engaged in forum shopping to varying degrees. Rüländ in an earlier article remarked that three factors facilitated forum shopping: “First, major crises and external shocks; second, sentiments of frustrated entitlement in connection with exclusive and discriminatory international institutions; and third, extra- and intra-regional power shifts.”²

The power shifts taking place now with the rise of China have resulted not only in an intensification of forum shopping but also a proliferation of new institutions, such as the Asian Infrastructure Investment Bank (AIIB), that will allow China to shape the agenda and engage in institutional balancing and hedging. From “pragmatic multilateralism” we are now perhaps entering an era of “competitive multilateralism” where emerging powers increasingly seek to make the rules and challenge those institutions that are not responsive to their interests. Are the EU and ASEAN up to speed for this competitive game, and where do they stand on the normative dimension as they respond to the challenges brought about by a world in flux—a world in which the US tries to undermine and sink the multilateral or global institutions that it has helped to set up while China creates new ones and seeks to reconceptualize multilateralism in its own terms.

MULTILATERALISM IN THEORY AND “MULTILATERALISM” IN PRACTICE

Multilateralism as an organizing principle offered by John Ruggie is an ideal rules-based, open system that can be accepted in theory by most actors in the international system. The EU and ASEAN and their respective member states no doubt accept the broad ambit of the role of international institutions, and the global principles of sovereign equality, cooperative security, collective problem solving and the rule of law. However, it is the operationalization of these norms and principles that can be contentious and lead to interpretations by emerging powers that there is a certain level of hypocrisy and that the so-called liberal internationalism fashioned by the West (the United States and its allies in Europe) is really liberal imperialism. The institutions that are created by the West are then seen as instruments that the West use to entrench

² Jürgen Rüländ, “The Rise of Diminished Multilateralism: East Asian and European forum shopping in global governance,” *Asia-Europe Journal*, Vol. 9, No. 2-4 (2012): 261.

their structural power, and hence become the locus of power contests. The Western-centric order led by the United States (US) has in place what Oliver Stuenkel called "built in additional influence" and the right to occasionally break the rules if deemed necessary.³

As pointed out by Robert Keohane, the ideal vision of "multilateralism" is often tarnished by a contradiction between the nominal state-egalitarianism of multilateral organisations and the realities of hierarchical principles of power politics.⁴

As emerging powers, in particular China, saw the difficulties in changing the rules within these established institutions they have begun to sponsor a myriad of alternative multilateral institutions and fora, leading to what has been seen as a proliferation of "broadband" institutions as pointed out by Rüländ. With a proliferation of these institutions and fora, multilateralism, particularly as seen in many Asian countries, refers simply to the practice of policy dialogue among three or more states. Robert Keohane also suggested leaving the normative dimension and defining multilateralism simply as "institutionalized collective action by an inclusively determined set of independent states."⁵

This increasingly divergent view of what multilateralism means and its operationalization has led the EU for instance to coin the term "effective multilateralism" to indicate that it is not referring simply to cooperation among three or more partners, but that it comes with a set of principles and norms—a rules-based order that emphasizes shared sovereignty and collective problem solving. In short, the EU tries to adhere to the original theoretical concept by the liberals that multilateralism is based on a set of rules and reciprocity principles that applies to all and is thus the best way forward to "tame" the raw display of power. Multilateralism is seen as being in the DNA of the EU as it sees itself as a rules-based entity based on shared sovereignty and common actions to achieve peace and prosperity.

"Effective multilateralism" as coined in the 2003 EU's European Security Strategy (ESS) was in some way a response to the unilateralism displayed by

³ Oliver Stuenkel, *The Post-Western World* (Cambridge: Polity, 2016), 182.

⁴ Robert O. Keohane, "The Contingent Legitimacy of Multilateralism," GARNET Working Paper No 09/06 (2006), <https://warwick.ac.uk/fac/soc/pais/research/researchcentres/csgr/garnet/workingpapers/0906.pdf>.

⁵ Ibid.

the US in the wake of the post-Cold War world as the remaining superpower, and in particular to the US decision to invade Iraq despite the vote in the UN.

The US's penchant for unilateralism was halted during Barack Obama's presidency because of the reality of America's relative decline. Obama sought (with mixed success) to manage and cushion this relative decline by bolstering international agreements⁶ and championing "multilateralism". However, it also came at a time when revisionist powers, such as Russia under Putin and an increasingly confident and assertive China, began to challenge the existing international framework. Within the last two decades, China has launched the Shanghai Cooperation Organisation (SCO), the New Development Bank (BRICS Bank) and the Asian Infrastructure Investment Bank (AIIB), and "sponsored" the Xiangshan Forum and the Conference on Interaction and Confidence-Building Measures in Asia (CICA). These new multilateral institutions and frameworks were perceived by some in the West as "competitive multilateralism" designed to challenge the Western-centric global order.

One also has to recall that before the Chinese entry into "competitive multilateralism", the EU had since the 1990s embarked on creating several inter-regional and trans-regional fora as the foundation for its external relations. Questions were raised about the impact of such inter- and trans-regional fora on the global order, with critics interpreting it as a form of EU hegemony or soft imperialism. However, the EU response to the critics was that such inter- and trans-regional fora were an additional layer of interactions and building blocks towards global governance and were not incompatible with multilateralism. The concept of multi-level governance was popularized, and bilateralism, regionalism and inter-regionalism were to be understood as being within the broader framework of processes and modes of governance at many levels and scales, each nested within one another.

In the 1990s, ASEAN and its member states were also active in fashioning a number of regional architectures in response to the uncertainties with the end of the Cold War—from the ASEAN Regional Forum (ARF) to the Asia-Europe Meeting (ASEM), and in the wake of the Asian financial crisis, the ASEAN Plus Three (APT) framework and the East Asia Summit (EAS).

In short, both the EU and ASEAN have resorted to what Rüländ called "forum shopping" as a hedging or balancing strategy. While both were cautious not to undermine global institutions, the existence of these new fora

⁶ Robert Malley, "10 Conflicts to Watch in 2018," International Crisis Group Op-ed Global, 2 January 2018, <https://www.crisisgroup.org/global/10-conflicts-watch-2018>.

and institutions does put pressure on the global institutions to rethink their decision-making procedures, rules of membership and representation, and in some cases they result in institutional redundancies.⁷ Besides forum shopping, as power shifts and diffuses, making it harder to achieve global consensus, there is also a palpable shift towards "minilateralism", "coalition of the willing" and variable geometry in order to address some immediate challenges or to make progress on some intractable issues. Faced now with a global China and a parochial America, which is upending the post-war world order fashioned by the US and its Western allies, what further responses can be expected from the EU and ASEAN?

"GLOBAL" CHINA AND "PAROCHIAL" AMERICA

The shift of power and wealth from the West to the East was made visible only with the economic transformation of big Asian countries such as China and India, and began to gain momentum with the arrival of a global China—a China with global interest and the ambitious appetite to connect the world with its Belt and Road Initiative (BRI). America's National Intelligence Council in its latest report predicted that by 2030, Asia will have surpassed North America and Europe combined in terms of global power based upon GDP and population.⁸

In the immediate post-Cold War era, the West in its euphoria and hubris believed that as countries in other parts of the world developed economically and become integrated into the Western-led economic order, they would also converge in terms of values and become more and more like "the West". This self-confidence was ruptured at the onset of the global financial crisis in 2008. While the West tried to recover its mojo, the decade after the crisis was in reality marked by the arrival of China on the global scene—confident and assertive—having caught up with the West in terms of economic and technological developments by integrating itself into the global economy but pursuing a rather different political and developmental model.

The morphing of the sub-prime crisis manufactured in the US into the sovereign debt crisis in the Eurozone economies hit ordinary Americans and Europeans hard. The increasing frustrations over high levels of

⁷ Rüländ, "Rise of Diminished Multilateralism," 268.

⁸ <https://globaltrends2030.files.wordpress.com/2012/11/global-trends-2030-november2012.pdf>.

unemployment, stagnating wages and growing inequality led to increasing rejection of globalization as a positive force. Aggressive nationalism and moves towards protectionism began to rear their heads. It is in this climate that Brexit happened and America elected Donald Trump with his “America First” doctrine and his slogan to make America great again.

Many analysts argue that the forces within American society that seek to disengage from the world and to abandon the US-led international order have deep roots in US history, and are not because of Trump. Trump was a symptom of the unravelling of the permissive consensus achieved in the post-World War II era between American leaders and citizens that “leading the world” was putting America First, and that the US benefited enormously from engaging the world.⁹

The return to a more isolationist or “parochial” America is not entirely unexpected but the timing of it is especially unfortunate as the world faces a global China. As China’s economic power rises, its interests become global and its definition of what constitutes its vital interest grows. Just because China has benefited from the US-dominated international order does not mean it will leave it intact and follow America’s lead. It is beginning to carve out its own institutional space and to exercise institutional entrepreneurship by setting up new institutions such as the Asian Infrastructure Investment Bank (AIIB) in order to shape the global agenda.¹⁰

Depending on the extent of the US’s withdrawal from multilateral institutions, what we are witnessing is perhaps the rise of a parallel order and not necessarily the end of the US-led Western liberal order. How all these will play out will depend not only on the bargains between the great powers but also on the agency of other actors. This is where the responses and actions taken by regional actors such as the EU and ASEAN and their member states matter. Will we return to a period of intense inter-state competition and fragmentation of the global order, or move towards competitive multilateralism and regional rivalries or transit to an era of genuine multipolarity of fuzzy alliances, flexible relations and functional cooperation?

⁹ Francis J. Gavin, “Reimagining the World: Reflections on the Future of World Order,” online magazine *War On The Rocks*, Commentary, 9 January 2018, <https://warontherocks.com/2018/01/reimagining-world-reflections-future-world-order/>.

¹⁰ Stuenkel, *Post-Western World*, 184.

THE EU'S AND ASEAN'S ACTORNESS

In the face of an unpredictable, transactional Trump and his disregard for multilateralism and a rules-based order and an increasingly confident China that is not only adept at "multilateralism a la carte" but also creating new institutions and fora to shape the global agenda, what can the EU and ASEAN do to ensure that any future alternative order would not be one inimical to their interests? Will they act to defend the existing rules and norms, seeing them as offering the best protection against "bullying by big powers", or will they, in recognition of the changed circumstances, seek to work with other actors to construct a world order that combines legitimacy with a balance of power and greater inclusiveness? Will the EU evolve as one of the poles in a multipolar world, and can ASEAN retain its centrality in the Asia-Pacific amidst all the challenges and uncertainties?

The EU has long been chided for lacking a strategic vision and for being too dependent on the US for its security. Hence, the EU's foreign policy is perceived as being too tied to the American policy, and the EU as a whole is perceived as having no integrated or coherent strategy for managing relations with great powers. The question for the EU is that in the face of Trump with his disregard for allies and alliances, whether the time is ripe for the EU to decouple its policy from the US's.¹¹ This is not to advocate the dismantling of the transatlantic alliance, as the EU, if it chooses to and acts in unity, could be used to restrain and limit the damage of the US's actions. As argued by Biscop in this volume, the EU needs to recognize that US and EU priorities and interests do not always coincide and hence the EU needs its own grand strategy to safeguard its own interests. This is especially with regards to dealing with other major powers, in particular China, but also Russia.

Bruno Macaes also argues that Europe still has enormous resources of wealth, knowledge and creativity and has to become more involved with the rest of the world and exercise its power more. It should not be too self-absorbed. In reacting to the pressures from a global China with its ambitions, Europe should respond in a spirit of half cooperation and half competition.¹² In short,

¹¹ Jeremy Sharipo, "Too close for comfort: European geostrategy and the transatlantic alliance," ECFR Commentary, 8 March 2018, http://www.ecfr.eu/article/commentary_too_close_for_comfort_european_geostrategy_in_the_age_of_trump.

¹² Bruno Macaes, "The World is Eurasian," *Berlin Policy Journal*, 2 March 2018, <https://berlinpolicyjournal.com/the-world-is-eurasian/>.

Europeans should work with Beijing when interests coincide but at the same time should not be surprised that China may have different interpretations and vision with regards to a rules-based multilateral order.

Recognising the connection between European prosperity and Asian security, the EU has in recent years stepped up its engagement with Asian countries other than China. In its 2016 Global Strategy¹³ it has also realized the importance of economic diplomacy as a tool of influence as reflected in its free trade agenda with South Korea, Japan, Australia, New Zealand and the ASEAN countries. The EU's free trade agreement (FTA) with Japan is an important move to counter Trump's economic protectionism. The past few years have also seen India gaining strength and the EU must be mindful of the competitive relationship between China and India and the risks and opportunities that this presents.

On the side of ASEAN, China, the big neighbour in its backyard, has always loomed large. However, a confluence of factors—the situation that first Japan and then China accepted the US as the primary strategic power in Asia from the 1970s to the 1990s—eliminated major-power rivalry as a source of tension and conflict in the region. A period of relative peace and stability has allowed several Southeast Asian countries to focus on economic development. China also benefited from the US presence in the Pacific, and by the time it became a member of the World Trade Organisation (WTO) in 2001, the economic exchanges between China and its Southeast Asian neighbours had grown exponentially. China is now the largest trading partner of ASEAN, and is also fast becoming an important source of inbound investments for many of the ASEAN member states.

While ASEAN is economically integrated with China, and wants to continue to benefit economically from China's rise, security and political relations with China have always been much more ambivalent. For historical and geographical reasons, and with unresolved territorial disputes in the South China Sea, ASEAN has relied on the American Pacific presence to counter-balance China's power. At the same time it has also exercised institutional entrepreneurship in creating new regional architectures such as the ARF to engage China multilaterally and to anchor US presence in the region. ASEAN was able to maintain a modicum of centrality in these regional architectures as the major powers' suspicions of each other allowed ASEAN to play that

¹³ https://europa.eu/globalstrategy/sites/globalstrategy/files/regions/files/eugs_review_web_0.pdf.

role. However, when China became confident of its power in its own region and began to flex its muscle, ASEAN risked being sidelined. China under Xi wants to fashion a model of great-power relations with the US and reclaim its primacy in its own region. However, not everyone in ASEAN is happy to live exclusively under China's shadow, and many want to keep the US engaged in the Pacific.

A degree of healthy competition between the US and China, and balancing between the US and China is the preferred choice of most ASEAN states. ASEAN does not want to be forced to choose between China and the US. Unfortunately, an increasingly assertive China and a transactional Trump with his America First doctrine is making it "harder for ASEAN to walk the US-China tight rope."¹⁴ An escalation in geopolitical competition between the US and China would present ASEAN with stark binary choices and further strain ASEAN unity and its centrality.¹⁵ ASEAN therefore also has to look beyond America and China and become more engaged with other actors—from Australia and Japan to India and the EU—and engage in functional cooperation that can build confidence and enhance regional stability.

Both the EU and ASEAN are caught in the same boat of having to manage the repercussions and complications arising from an increasingly complex relationship between an assertive, confident global China and an anxiety-ridden, parochial America. Both are also dealing with internal challenges and struggling to present a united, cohesive strategy to deal with the myriad of challenges. As the old order comes under stress, and a new, alternative order is yet to emerge, the EU and ASEAN must garner the political will, pay enough attention and exercise the requisite leadership to help shape the new order. Yes, the US and China are two paramount actors and how their bilateral relationship evolves will have profound influence on global peace and development. But in the world of today where power is far more diffused, we must not underestimate the agency of the rest of the world. It is a world far less open to hegemonic influence or dominance. It is also a world where the EU and ASEAN can and should work together and also work with other

¹⁴ Geoffrey Garrett, "What's making it harder for Southeast Asia to walk the US-China tightrope," *The Straits Times*, 3 March 2018, <http://www.straitstimes.com/opinion/whats-making-it-harder-for-s-e-asia-to-walk-the-us-china-tightrope>.

¹⁵ Ian Storey, "The Trump Administration's 2017 National Security Strategy and 2018 National Defence Strategy: Implications for Southeast Asia," *ISEAS Perspective*, 21 February 2018, https://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2018_9@50.pdf.

major and middle powers in a pragmatic way to address common challenges and manage any potential differences and conflicts so that they do not spiral out of control.

CONCLUSION

The world is in flux as Trump seeks to undermine the multilateral institutions and framework that the US helped to set up while China seeks to reconceptualize multilateralism in its own terms. In this world, the danger of conflicts and collision is high. It requires all actors and players to be highly vigilant and alert. The way for the EU and ASEAN to respond to this changing world is to be proactive and invest in building strong partnerships but also to fashion flexible networks that can answer to the challenges of our times.

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