

## Solving Global Problems Together

The case for an active Asia–Europe partnership



FRANK-WALTER STEINMEIER is foreign minister of the Federal Republic of Germany.

Frank-Walter Steinmeier | **That Asia was the theme of the German Foreign Ministry’s diplomats’ congress this year underscores its importance to the Federal Republic. German policy toward Asia has long been a central concern to us. Europe and Asia must cooperate not only on economic matters, but also on the environment, energy, and human rights.**

Asia’s rise as a major economic and political player is a vivid example of what globalization is all about—in terms of opportunities, challenges, and consequences. By the end of the decade China’s economy will be larger than Germany’s. By 2040 three of the world’s five largest economies—China, India, and Japan—will be in Asia.

But that is just one side of the Asian picture. The other side is persistent poverty, lack of development, massive environmental degradation, a widespread rural-urban divide, demographic problems, and troubled banking systems near collapse. The picture is further complicated by security risks such as nuclear arms proliferation, fundamentalism, and weak or failing government.

The sweeping changes under way have affected not just the economic parameters. There are new political realities, too, which we cannot afford to ignore. In the international arena Asian countries now act with much greater self-assurance than in the past. Their military budgets are expanding and there is rivalry with other regional players.

It is clear therefore that globalization creates not only tremendous opportunities but also political risks that need to be recognized and addressed. Foreign policy means looking ahead and acting on the future. It means believing in the power of dialogue and cooperation. For of one thing there is no doubt: the key issues facing humanity over the next 100 years—energy, natural resources, climate change, the fight against disease and poverty, terrorism—can be effectively addressed only if we work together. Going it alone will get us nowhere.

That is why Europe needs partners—especially in Asia. Without Asia, any action we take on the world’s big issues will remain piecemeal. What does this imply for German and European policy makers?

### Europe has Good Ideas

German and European policy makers must make clear what Europe has to offer Asia. There is no call here for undue modesty. The “soft power” of Europe’s political and social model is well known. As I was once told by an Asian leader, we Europeans have what many Asian societies aspire to: democratic government, infrastructure, civil rights, world-class companies, high educational and social standards, and a rich cultural heritage. This gives us considerable standing in Asia.

It is crucial to ensure that our European model with its emphasis on a fair deal for everyone remains competitive. Europe’s economies must be able and willing to reform—which includes improving those very conditions that made Europe’s prosperity possible in the first place. In the political sphere this means further strengthening Europe’s ability to act. In the economic sphere it means taking determined steps to further develop the European economic and social model.

It is important that we take seriously the fears voiced by globalization critics in Germany and elsewhere in the face of Asian competition.

Nevertheless, Germany stands to lose more than any other country from protectionism. In the first six months of 2007 alone the value of German exports had nearly passed the €500 billion mark. Free trade has to be a two-way street, however. Factors such as artificially low exchange rates, restrictions on capital flows, and excessively large currency reserves are all liable to create global imbalances. Hence the goal of any strategic partnership between Europe and Asia must be to encourage global economic responsibility based on cooperation and transparency.

Without Asia, whatever action we take on the world’s big issues will remain piecemeal.

### Common Problems, Joint Solutions

Europe and Asia must jointly commit to an agenda underscoring global resources and sustainability. Environmental, climate, and energy issues concern all humanity. China is already one of the world’s top carbon dioxide emitters. Environmental degradation in Asia not only harms the health of its population but in the medium term will also be a major impediment to growth. World energy demand would instantly double—with grave consequences for the fragile stability of many commodity-producing countries.

The only way to effectively address these threats is for all concerned to assume global responsibility. A foreign policy that aspires to shape the future must therefore identify risks at an early stage and work with partners to develop joint problem-solving strategies.

This is an idea that appeals to Asia too, even though it is not easy for countries whose economies are just beginning to take off. Growth is important to us in Europe, and it is even more important to the emerging econo-

mies of Asia. But as European experience shows, it is often worth sacrificing short-term benefit for the sake of longer-term gain.

### Europe Must Seek Cooperation

Europe has plenty to offer. The history of European integration has clear messages, namely that regional cooperation, give and take, the pursuit of shared goals, and even in some areas the transfer of sovereignty are the best way to overcome tensions and promote problem-solving by peaceful means.

This specifically European path, even to the point of communalizing entire policy areas in the European Union, is not one that would be appropriate for Asia. Certain elements, however, might be of relevance to Asia's own regional cooperation. In Asia as elsewhere, after all, trade and commodity flows are increasingly interlinked. ASEAN member countries conduct almost 50 percent of their trade within Asia. Economic relations between major players such as China and Japan are increasingly close—not just because of booming trade but also because of direct investment and regional production networks.

Economic links also pave the way for political rapprochement and closer ties. In this respect ASEAN is a good example. Together with its affiliated bodies such

ASEAN member countries conduct almost 50 percent of their trade within Asia.

as the ASEAN Regional Forum and the East Asia Summit, this regional organization is the main driving force behind the intensification of cooperative relations across Asia—in which security, too, is a factor. In these bodies ASEAN is working with its partners to tackle global issues such as security, energy, and climate change.

That the ASEAN countries are drawing up a charter on enhanced cooperation is encouraging. This would be a first step toward creating a political architecture. This will happen in mid-November in Singapore at the ASEAN Summit, which will mark the 40th anniversary of the organization's founding. The Third East Asia Summit, at which the ASEAN countries will be joined by China, Japan, South Korea, India, Australia, and New Zealand, as well as the ASEAN–EU Commemorative Summit to celebrate 30 years of EU–ASEAN relations, are landmark events especially since they will focus on environment, climate and energy issues.

In many of these fora—the ASEAN Regional Forum, for example, or the South Asian Association for Regional Cooperation—the European Union is already participating or, as with the East Asia Summit, seeking to do so, for we believe the European Union's approach to problem-solving can offer genuine added value. This year the European Union's contacts with ASEAN and its member countries have become much closer. The meeting held at foreign minister level in Nuremberg during Germany's EU Council presidency produced concrete results. With the Nuremberg Declaration, we now have an agreed framework for closer EU–ASEAN partnership. Europe must become a stakeholder in Asian processes if both sides are to gain maximum benefit from their cooperation and effectively help shape the world of the future.

## Greater Political Clout

A fair deal for everyone also requires a just and equitable world order—with international institutions that operate in accordance with universally binding norms and values. There is no way such an order can be created without India and China or without continuing close cooperation with Japan.

Despite the doubters and sceptics, there is no reason for pessimism or retreating into isolation. In Asia, too, people have realized that sharing in global prosperity also means sharing responsibility for global peace and development. We see this in the higher profile the Chinese have taken in defusing the North Korean nuclear crisis and drafting the recent Security Council resolution on Darfur. With Japan's upcoming G-8 presidency and the Beijing Olympic Games next year, Asia will be under a spotlight as never before—and the world will demand it lives up to its responsibilities. In the light of developments such as those in Myanmar, ASEAN must state clearly where it stands.

Meetings held during Germany's EU Council presidency produced a number of concrete results.

This recalibration of global responsibility will have to be a step-by-step process fostering dialogue and stability. Here, too, it would be wrong to take an all-or-nothing approach. Europe has to take Asian views on global governance seriously. By the same token, the new Asian players must take into account the progress achieved in this regard in the latter half of the 20th century. The challenge for 21st century statecraft will be to devise joint solutions to common problems. This was what inspired the dialogue known as the Heiligendamm Process launched at this year's G-8 Summit, which for the first time brought G-8 leaders together with leaders of the world's major emerging economies, including China, India, Brazil, Mexico, and South Africa.

## Framework and Rules

Europe is a community founded on shared values. The values of the Enlightenment and tolerance are its bedrock. These values are important also in the dialogue with Asia. But it is also important that there be dialogue with, not without or against Asia. There is no inevitable contradiction between European values, on the one hand, and what are deemed Asian values, on the other. Where there are conflicts of interest, where opportunities coexist with tensions, readiness and capacity for dialogue is the only way forward. We have mutually enriching Euro-Asian traditions that could serve as a basis for such a dialogue.

It is in this context that Europe's commitment to internal reform, human rights, international law, and responsible governance in Africa and elsewhere should be seen. Global values are a cause Europe intends to promote worldwide. And obviously that means meeting the standards we expect of others.

In this progressive transformation of the international system German and European foreign policy will certainly play an active role. What is needed is not partnership rhetoric but level-headed efforts to find practical and forward-looking solutions to key issues on which regional and international cooperation is urgently and imperatively required.