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## Regionalism in East Asia: A Bumpy Road to Asian Integration

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*The shifting global power centre from the West to the East, China's rise, and the United States' "pivot" to the Asia-Pacific region have all accelerated the integration processes in East Asia. The Association of Southeast Asian Nations (ASEAN) is trying to enhance its internal cooperation and extend it to other, non-ASEAN countries. Simultaneously, in Northeast Asia, despite territorial and historical disputes, China, Japan and South Korea are deepening trilateral cooperation. But integration processes in Asia differ from the EU model. Asian states that prioritise the preservation of sovereignty and focus on national interests are reluctant to engage in political integration, concentrating instead on loose economic cooperation. Nevertheless, recent initiatives to deepen economic integration in East Asia are in the EU's interest, offering an opportunity for greater region-to-region cooperation.*

### Introduction

The shifting "global power centre" from the West to the East, stable economic conditions in Asia despite the crisis, the rise of China and the United States' "pivot" towards the Asia-Pacific region have all accelerated integration in East Asia.<sup>1</sup> Today there are at least two important integration processes in this region. Association of Southeast Asian Nations (ASEAN)-led regionalism<sup>2</sup> remains most visible in Southeast Asia, as the organisation is the only multi-dimensional regional forum of cooperation,<sup>3</sup> whilst further institutionalisation of China-Japan-Korea trade relations should be recognised as the main driver of integration in Northeast Asia. Recent initiatives, e.g. the idea of an ASEAN Community by 2015, negotiations on ASEAN+6<sup>4</sup> and China-Japan-Korea Free Trade Agreements (FTA), as well as further institutionalisation of trilateral cooperation, represent new efforts in Asian regionalism.

Accelerated economic cooperation in East Asia may have an important impact on the global economic order. The ASEAN+6 free trade agreement, if concluded, would create a market of more than 3 billion

<sup>1</sup> In this paper, the term East Asia refers to the broader region comprising Southeast Asia and Northeast Asia. In Southeast Asia, main attention is focused on ASEAN's initiatives, while in Northeast Asia it is on trilateral cooperation between China, Japan and South Korea. Asia-Pacific cooperation with the central role of APEC as a venue for U.S.-led TPP negotiations and cooperation between East and Central Asia in the framework of Shanghai Cooperation Organization, are not included in this paper.

<sup>2</sup> Terms: integration, regionalism and multilateralism are used in the paper interchangeably. The author defines these terms as coordinating policies between two or more countries through arrangements, institutions and *ad hoc* cooperation to establish rules in order to achieve mutual goals.

<sup>3</sup> Association of South East Asia Nations consists of 10 states: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam.

<sup>4</sup> ASEAN + China, India, Japan, South Korea, Australia and New Zealand.

people, with a GDP of about \$17 trillion, which would account for 40% of world trade.<sup>5</sup> In the case of China-Japan-South Korea cooperation, a trilateral FTA would create a market of more than 1.5 billion people with a GDP of \$14 trillion, which would account for 35% of global trade.<sup>6</sup>

Asian integration processes differ from the European model. Asian regionalism was and still is driven from outside, focused on loose economic cooperation and informal, consensus-based, non-binding and time-consuming talks, high reluctance to engage in political integration and multilateral security cooperation. National interest, state sovereignty, and equality between the states involved are given priority, in an approach called the ASEAN-way.

The political and economic differences between ASEAN members, which result in the lack of a united voice about integration and security cooperation, various ASEAN-extended initiatives, and tussles between China, South Korea and Japan on historical and territorial issues, make real integration in East Asia problematic. The ASEAN Way, which still plays central role in East Asia regionalism, is a significant impediment to the creation of united organisations with a strong position on the “great chessboard.” The distrust between Beijing, Tokyo and Seoul, which recently undermined the longstanding, unwritten rule of “cold politics, hot economy,” proves that the road to an integrated Asian community is long and bumpy.

Even though deeper integration, beyond purely economic cooperation, remains uncertain, the integration processes observed in East Asia may result in the creation of a single market area. This should encourage the European Union, which has the best integration “know-how” in this field, to support East Asian regionalism. Through better region-to-region cooperation, Brussels could enhance promotion of its “European pivot towards Asia” stance<sup>7</sup> and its visibility in the region.

## **Southeast Asia Regionalism: ASEAN’s Role**

### *First steps*

The first and most important comprehensive regional organisation in East Asia is ASEAN, established in 1967 by Thailand, Malaysia, Singapore, Indonesia and the Philippines. The main goals of the organisation have always been to preserve peace in the region, and to promote economic, social and cultural cooperation.<sup>8</sup>

Bearing in mind the history of ASEAN states and their non-democratic political systems, the founding members were reluctant to cede any authority to the regional organisation. This was the main reason why the organisation was established on the principle called the ASEAN Way, which prioritises the preservation of sovereignty and non-interference in internal affairs, making decisions through consensus, mutual respect for the independence, equality, territorial integrity, and national identity of all nations.<sup>9</sup> The ASEAN Way also encompasses harmony, an important cultural notion in Asia.

Above-mentioned principles and lack of conditions for joining the Association (other than geographical location in Southeast Asia) allowed ASEAN’s enlargement in the 1980s and 1990s.<sup>10</sup> Early in the 1990s, ASEAN announced its Free Trade Agreement (AFTA), Investment Area and Agreement on Services.<sup>11</sup> These steps were aimed at improving the Association’s competitiveness and strengthening its leverage in the region, but also at evening out disparities between “old” developed and “new” less developed members, the latter including Cambodia, Myanmar, Laos and Vietnam (CMLV).

The reasons for closer economic cooperation lay outside the Association. The main drivers were integration in Europe and the North American Free Trade Agreement (NAFTA). For ASEAN, an important

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<sup>5</sup> M. Hiebert, L. Hanlon, “ASEAN and Partner Launch Regional Comprehensive Economic Partnership,” *Critical Question, CSIS*, 7 December 2013, [www.csis.org](http://www.csis.org).

<sup>6</sup> M. Wei, “Negotiations on China-Japan-South Korea Free Trade Agreement and China’s Response” (Zhong-Ri-Han zimaoku tanpan yu Zhongguo de yingdui), *Dangdai Shijie*, no.1, 2013; Song Shengxia, “China, Japan and S. Korea begin FTA talks,” *Global Times*, 27 March 2013.

<sup>7</sup> N. Casarini, “The European ‘pivot,’” *Alert Issue*, European Union Institute for Security Studies, March 2013.

<sup>8</sup> *The ASEAN Declaration (Bangkok Declaration)*, [www.asean.org](http://www.asean.org).

<sup>9</sup> *Treaty of Amity and Cooperation in Southeast Asia*, [www.asean.org](http://www.asean.org).

<sup>10</sup> New ASEAN members are: Brunei (1984), Vietnam (1995), Laos (1997), Myanmar (1997) and Cambodia (1999).

<sup>11</sup> M.S. Austria, “Moving Towards an ASEAN Economic Community,” *East Asia*, 29, 2012, pp. 144–146.

element of the “wild geese flying pattern” (a model of division of labour which refers to transferring production along with technologies and management from developed to less-developed countries with low-cost labour<sup>12</sup>), the U.S. was the major outlet market. NAFTA and the European single market endeavours were perceived as factors which could strengthen potential protectionist activities, weakening ASEAN economies and the Association’s position in the region. These emerging regional trade agreements and cooperation showed that lack of integration in East Asia might be an obstacle to further Asian economic development.

### *Acceleration after the Asian Crisis*

The Asian crisis (1997-1998) showed the weaknesses of ASEAN, its dependence on short-term capital flow and the interdependence of South and Northeast Asia. In Asia, the crisis was interpreted as a Western attack on the region. The U.S. increased its interest rates, causing a devaluation of Asian currencies, while the International Monetary Fund (the source of Asian bailouts) imposed a policy of fiscal tightening, accelerating the downward trend of economy in East Asian economies. This perception was the main factor behind moves towards deeper regional integration. In effect, the crisis weakened Asia-U.S. relations and improved China’s image, as Beijing did not depreciate the yuan. The PRC took this opportunity to demonstrate its position as the strongest in the region. Under these circumstances, the Association enhanced cooperation with strong Asian economies (e.g. China) on the one hand, but on the other tried to strike a balance between states to avoid being overwhelmed by these economies.

The necessity of closer cooperation with Asian economies, as Southeast Asia is an export-oriented and FDI-dependent region, lay behind the decision in 1997 to establish ASEAN, China, South Korea and Japan cooperation, known as ASEAN+3, which set up the Chiang-Mai initiative (2000), a mechanism for bilateral currency exchanges. At the same time, China launched a policy of engagement in ASEAN by offering a free trade agreement—an element of Beijing’s diplomatic efforts to build its position in East Asia.

After entering FTA negotiations with Beijing, ASEAN was concerned about being economically overwhelmed by China. This perception prompted the organisation to seek a counterbalance. In 2005, the ASEAN+6 format was established as a platform for cooperation between the Association, China, Japan, South Korea, India, Australia and New Zealand. ASEAN also began bilateral free trade negotiations with the aforementioned six countries. This multi-lateral cooperation, which goes beyond the Association’s framework, is a good example of the ASEAN Way in practice—striving for equilibrium, diversification, flexibility and check-and-balance as a means to avoid one regional leader from emerging.

### *Towards an ASEAN Community?*

Theories of the decline of the United States, China’s growth, and ASEAN ineffectiveness<sup>13</sup> prompted the organisation to begin discussions about improving its effectiveness with the goal of becoming a fully-fledged, integrated regional entity. The idea of an ASEAN Community was announced for the first time in 2003.

Despite lack of clear definition, it seems that this idea refers to real, EU-like integration. The Community would be established on security and economic and socio-cultural pillars<sup>14</sup> and its main goal would be to make the Association a cohesive organization.<sup>15</sup> The reason behind the initiative was pressure to be competitive in the region, given China’s rise (e.g. the PRC’s attractiveness for investors), and growing economic integration in other parts of the world, without ASEAN’s participation.<sup>16</sup> The Community roadmap, adopted in 2009, underlines that the initiative should be established by 2015 (the previous deadline was 2020). Although it is disputable whether the deadline will be met, setting a deadline at all could be perceived as putting pressure on member states to work together and go beyond the ASEAN Way.

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<sup>12</sup> See more: K. Akamatsu, “A Historical Pattern of Economic Growth in Developing Countries,” *Journal of Developing Economies*, March–August, 1962, p. 11.

<sup>13</sup> For example, the situation in Myanmar gave rise to discussion of putting pressure on Nayphidaw, as Myanmar harms ASEAN’s image.

<sup>14</sup> *Declaration of ASEAN Concord II (Bali Concord II)*, [www.asean.org](http://www.asean.org).

<sup>15</sup> *ASEAN Charter*, p. 2, [www.asean.org](http://www.asean.org).

<sup>16</sup> M.S. Austria, *op. cit.*, pp. 142–144.

ASEAN also initiated a discussion which concentrated on transforming the consensus-led Association into bidding-commitments organisation. Another intention was to dilute the ASEAN Way, perceived as an obstacle to effective decision making<sup>17</sup> But divisions within the Association, mainly objections from the less developed members, resulted in adoption of the Charter with the ASEAN Way as a cornerstone.<sup>18</sup> The Charter underlines ASEAN centrality, and appeals for greater unity, but there is still no mechanism for applying “sanctions” for not abiding by the rules. As the document states, where there is lack of consensus, a decision should be made by an ASEAN summit through... consensus.<sup>19</sup>

### *ASEAN Outreach Initiatives*

In May 2013, ASEAN began negotiations with its six partners - China, India, Japan, South Korea, Australia and New Zealand - on a Regional Comprehensive Economic Partnership (RCEP). First of all, such a regional partnership is a solution to the different views of China and Japan, of economic cooperation with the Association. Beijing advocated a free trade agreement only with the Association, Japan and Korea, while Tokyo, which is interested in counterbalancing China’s influence in the region, suggested expanding cooperation to include India, Australia and New Zealand. Eventually, ASEAN found a rationale for the RCEP—an agreement with countries which already have bilateral free trade agreements with the Association.<sup>20</sup>

RCEP might also be seen as a balancing approach regarding the Trans-Pacific Partnership agreement (TPP),<sup>21</sup> a component of the U.S. pivot towards the Asia-Pacific region. Bearing in mind that the TPP is promoted as a new form of economic integration, which includes conditions (e.g. labour standards) difficult to reach by developing countries, a regional partnership is less demanding and more attractive for ASEAN. Despite the fact that RCEP currently embraces six non-ASEAN countries, the negotiations are open to other states.

The agreement is also a response to the economic threats to the Association. The rise of FTAs in Asia could be seen as a barrier preventing ASEAN export-driven economies from gaining better access to other Asian markets, and could limit investment in the Association. On the other hand, the RCEP might be perceived as a step towards addressing the “Asian noodle bowl” problem, a complicated network of bilateral and multi-lateral FTAs with different rules, which make doing business costly and time-consuming. The RCEP is also an attempt to accelerate the Association’s internal FTA processes (especially in less-developed member states), a condition for the establishment of an ASEAN Economic Community.<sup>22</sup>

But negotiations do not mean that there is a single united voice in ASEAN about the importance of this agreement and the TPP’s threat to East Asia integration. It is worth mentioning that four ASEAN members: Brunei, Singapore, Vietnam and Malaysia, as well as Japan, Australia and New Zealand, states which cooperate in the framework of ASEAN+6, have entered TPP negotiations. These examples vindicate the premise of manoeuvring between a *de facto* China-led RCEP and the U.S.-led TPP, to secure its own national interests, find a balance between two super powers, and take advantage of the maxim that “where two fight the third one wins.” But still, ASEAN’s approach is responsive to external pressure, and there is no single stance in the Association, its independent posture, or proposals that it be a third united and independent player in East Asia.

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<sup>17</sup> D. Webber, “The Regional Integration that Didn’t Happen: Cooperation Without Integration in Early Twenty-First Century East Asia,” *The Pacific Review*, Vol. 23, No. 3, July 2010, pp. 321, 327.

<sup>18</sup> The ASEAN Charter openly states that “as a basic principle, decision-making in ASEAN shall be based on consultation and consensus,” *ASEAN Charter*, p. 22.

<sup>19</sup>ASEAN *Charter*, p. 22–25; Chyungly Lee, “The ASEAN-Way and Multilateralism in the Asia-Pacific Region,” *Asia-Pacific Forum*, No. 55, March 2013, p. 10–11.

<sup>20</sup> Currently, ASEAN has bilateral FTAs with China (2010), Japan (2008), South Korea (2006), India (2010), Australia and New Zealand (2010).

<sup>21</sup> The Trans-Pacific Partnership (TPP) is the U.S.-led high standards trade agreement currently between: Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, the U.S. and Vietnam. Japan has already announced its intention to enter the negotiations.

<sup>22</sup> C. Findlay, “The Living Noodle Bowl: ASEAN Trade Agreements,” *East Asia Forum*, 29 March 2013; to date, 77% of AFTA work has been done.

## Northeast Asia Regionalism: China-Japan-Korea Trilateral Cooperation

The picture of integration tendencies in East Asia would not be complete without including those processes which are taking place separately in the northern part of the region (Northeast Asia). It is one of the fastest developing regions in the world, with the second and third world biggest economies—China and Japan. Recently closer cooperation between China, Japan and South Korea has been observed, despite unsolved historical issues and maritime disputes. Until the Asian crisis there were no integration processes in Northeast Asia. However, the crisis prompted three important regional economies to explore closer cooperation with each other. It is worth mentioning that this cooperation was launched in the ASEAN framework, at the ASEAN+3 forum in 1997. To some extent, Southeast Asia integration was a stimulator of Northeast Asian closer cooperation, an important signal of ASEAN centrality in the region.<sup>23</sup> China, Japan and South Korea's decisions to cooperate with each other were a pragmatic approach and skilful use of the ASEAN Way. At that time, historical problems, maritime disputes and political rivalry between the countries made "independent" trilateral cooperation rather difficult. Additionally, there was no strong outside factor which could help these countries to overcome distrust and prompt them to work together as an independent regional body. Launching talks at the ASEAN forum, which consists of countries which, separately, are not very influential, was a "safe" choice for Beijing, Seoul and Tokyo.

The global financial crisis accelerated closer cooperation in the context of the changing global order and rising interdependence between three states. In 2008, they decided to meet annually at "independent" trilateral summits. In 2011, a secretariat was established.<sup>24</sup> Despite the institutionalisation of cooperation, there were still many disputes between members. Nevertheless, the U.S. pivot towards the Asia-Pacific region, and TPP negotiations in particular, became important accelerators for closer China-Japan-Korea relation<sup>25</sup> In 2012, a long-discussed trilateral investment agreement was signed and a decision to begin China-Japan-Korea free trade negotiations was announced. The FTA talks were launched in March 2013.

Despite the fact that China is the main initiator of a trilateral FTA, and that Japan and Korea displayed early reluctance to enter negotiations, it seems that Beijing, Tokyo and Seoul are all currently interested in this agreement. The PRC, which has FTAs mainly with less-developed states, is now interested in closer cooperation with strong Asian economies, especially in a worst-case economic situation in the Western markets, growing protectionist tendencies, and the rising number of FTAs initiated by the EU and the U.S. Moreover, China, which is currently excluded from the fast-expanding TPP negotiations, must seek other options to secure its economic interests and position in the region. Korea and Japan are keen on a trilateral FTA to gain greater access to the Chinese market, especially as both countries are "high-tech" economies and have comparative advantages over China. This interdependence could prove to be an effective bind for deeper trilateral cooperation.

## Strengths and Weaknesses of East Asian Regionalism

The success of East Asia regionalism lies in maintaining peace in the region despite differences between states. The ASEAN Way was also an important factor which enabled the Association to overcome the isolation of less developed states, and, to some extent, even economic disparities. Moreover, the democratisation process in the region, despite many imperfections, should be seen as an important achievement of ASEAN-led regionalism.

Long economic prosperity in the region, including regional division of labour, should also be seen as a strength of East Asia regionalism. The Association's inclinations to informal negotiations allow misunderstandings to be avoided and help consensus to be reached. Efforts towards improving ASEAN effectiveness and ameliorate the negative impact of the ASEAN Way should be recognised as moves in the right direction, despite its incremental pace and limited success.

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<sup>23</sup>K. Cheng-Chwee, "ASEAN's Evolving Role in Northeast Asian Regionalism: From a Catalyst to a Parallel Partner," in: B. Singh (ed.), *Is Northeast Asian Regionalism the Centre of East Asian Regionalism?*, RSIS, July 2012, p. 16–18.

<sup>24</sup> A. Yeo, "China, Japan, South Korea Trilateral Cooperation: Implications for Northeast Asian Politics and Order," *EAI Issue Briefing*, 6 November 2012.

<sup>25</sup> T. Terada, "Rise of Northeast Asian Economic Regionalism," in: B. Singh (ed.), op. cit., p. 4–5.

The ability to secure the Association's central position in East Asia, and to respond to a changing international environment should be acknowledged as an ASEAN success. Closer cooperation with China, Japan and South Korea during the crisis, and extended cooperation with India, Australia and New Zealand, were pragmatic reactions to the new circumstances, to secure the organisation's interests and keep the balance in the region. The ASEAN Way is also used skillfully at the trilateral China-Japan-Korea forum, taking into account tensions between individual players. Efforts to keep a balance in the forum and overcome distrust to enable cooperation epitomise the ASEAN Way.

Apart from the strengths, East Asian regionalism poses challenges. Its weakness is the lack of apparent leadership or a hard core inside ASEAN, similar to the roles played by Germany or France in the EU. Indonesia is not strong or wealthy enough, and Singapore is not big enough, to take a leadership. Another problem is ASEAN invisibility, especially outside Asia. Its Secretariat in Jakarta and Secretary General are not well known outside the region.<sup>26</sup>

The ASEAN Way and Asian focus on informal talks resulted in various ASEAN-led and extended forums, which are often talking-shops without enough strength to make and implement its decisions. This leads to ineffective forums, which are replaced by other institutions. Such proliferation of forums shows the Association's reluctance to embrace institutionalisation. Venues for exchanging opinions might be seen as ersatz institutionalisation, as they give the impression of institution-building without endowing the authority to make decisions.

Weak institutionalisation and fear of ceding part of sovereignty make East Asian regionalism shallow, incremental and concentrated on economic cooperation, mainly based on FTAs. Both political integration and security cooperation are very far from materializing in East Asia. Hard security is still limited to bilateral cooperation between ASEAN members and the U.S. or China.

Another barrier is created by the internal discrepancies in ASEAN. Among these are disparities in levels of development, especially among founding states and CMLV, dependency on the developed countries (e.g. credits and FDI), and differences in political systems. What is more, the Association has still not resolved its internal conflicts, such as ethnic problems, or effectively tackled criminal activities such as drug trafficking.<sup>27</sup> This issue is also connected with the lack of a human rights protection mechanism. The recent ASEAN step—adoption of its Human Rights Declaration with the provision that the document should take into account regional and national contexts,<sup>28</sup> epitomises the ASEAN Way, the conduct of internal discrepancies and reluctance to enter into binding commitments.

It remains to be seen whether the recent integration initiatives in South and Northeast Asia will improve cohesion inside the Association and between China, Japan and Korea. Undoubtedly, rivalry between the United States and the PRC in the region offer an opportunity for ASEAN to strengthen its "independence" and mark its role as a third player to be reckoned with. It seems that the success in RCEP negotiations may be a signal of a growing ASEAN role and its centrality in the region. Regarding trilateral cooperation, regular and institutionalised dialogue between states, with a goal of reaching agreement on FTAs, are a chance for defusing tensions and building mutual trust.

## Implications and Recommendations for the EU

Although the philosophies of integration are different in Europe and Asia,<sup>29</sup> it seems that the EU, which is already present and more active in the region (as, for example, an important exporter, investor, and provider of technologies, soft security, and development assistance),<sup>30</sup> should take the opportunity offered by accelerating Asian regionalism to strengthen its involvement in this part of the world.

Bearing in mind the failures of EU-ASEAN free trade negotiations in 2009, because of the slow pace of talks and the EU's request that Myanmar be expelled from the negotiation table because of human rights

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<sup>26</sup> J. Kurlantzick, "ASEAN's Future and Asian Integration," Council on Foreign Relations, November 2012, p. 14.

<sup>27</sup> R. Moorthy, G. Benny, "Is an 'ASEAN Community' Achievable? A Public Perception Analysis in Indonesia, Malaysia, and Singapore on the Perceived Obstacles to Regional Community," *Asian Survey*, Vol. 52, No. 6, pp. 1053–1063.

<sup>28</sup> *ASEAN Human Rights Declaration (AHRD)*, 19 November 2012, [www.asean.org](http://www.asean.org); C. Dalpino, S. College, "Multilateralism in the Asia Pacific," *Comparative Connections*, CSIS, May 2013, p. 3.

<sup>29</sup> A. Berkofsky, "EU and Asian Integration Processes Compared," European Policy Center, 2005.

<sup>30</sup> N. Casarini, *op. cit.*

abuses,<sup>31</sup> recent efforts to establish a single market inside ASEAN through finalising its free trade agreement, launching a huge single market with six Asian powers and democratic transformation in Myanmar create a chance for the EU to increase region-to-region cooperation. After suspending FTA negotiations with ASEAN, Brussels shifted its interest from regional to bilateral level.<sup>32</sup> The EU has already finalised FTA negotiations with Singapore, and is currently negotiating with Thailand, Malaysia and Vietnam. Nevertheless, the ultimate goal for the EU is a free trade agreement with the Association as a block. The recent integration initiative might accelerate the resumption of EU-ASEAN FTA talks.<sup>33</sup> Free trade with the Association, or even with ASEAN+6, might also be a mechanism to avoid a European noodle bowl—a complicated structure of FTAs with different Asian countries and different conditions, which make economic cooperation with the region very difficult.

But the EU should treat East Asia regionalism and the recent acceleration of integration with caution, and resist an over-optimistic approach. East Asia integration is still driven by the ASEAN Way, and the differences between the countries involved mean that Asian states are often juggling two or even three balls at once, enter RCEP and TPP negotiations simultaneously, and maintaining talks on bilateral free trade agreements. Under these circumstances, when the success of RCEP or a China-Japan-Korea FTA are still uncertain, the EU should on the one hand maintain its bilateral approach, and on the other support East Asia integration and, depending on its progress, assess the possibility of restarting inter-regional FTAs negotiation with ASEAN.

The U.S.-China rivalry in the region creates a chance for the EU to play a more visible role as an external player or a third power. As one important obstacle to East Asian integration is development differences between states, the EU should not only increase its development assistance for the region, but also promote its mechanism of evening out disparities, for example the EU's Cohesion Fund. It is worth considering closer cooperation with wealthy ASEAN members (e.g. Singapore)<sup>34</sup> to work out tools and mechanisms to transfer funds for less-developed countries.

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<sup>31</sup> P. Lim, "ASEAN's Relations with the EU: Obstacles and Opportunities," *EU External Affairs Review*, July 2012.

<sup>32</sup> Ibidem; M. Adamrah, "ASEAN-EU FTA Talks Frozen," *The Jakarta Post*, 7 May 2009.

<sup>33</sup> *Joint Media Statement of the Twelfth AEM-EU Trade Commissioner Consultations*, 8 March 2013, [www.trade.ec.europa.eu](http://www.trade.ec.europa.eu).

<sup>34</sup> J. Kurlantzick, *op. cit.*, p. 19.