



BRILL

EJEAS 12 (2013) 1-24

European Journal
of
East Asian Studies
brill.com/ejea

The European Union Model's Influence in Asia after the Global Financial Crisis

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Abstract

The European Union (EU) has exerted a powerful influence over the international system. Often overlooked is that this influence has not always operated in the manner the architects and admirers of the EU might have hoped. Instead, the diffusion of European norms and the policy transfer of the EU model of regional integration is mediated by triangular processes in Asia of (1) selective rule-taking, (2) translation and adaption, and (3) modifying external models with alternative indigenous visions and norms.

Keywords

■ please provide keywords

Introduction

For decades the European Union has represented the benchmark against which all other inter-governmental regional projects were measured. The EU has been a remarkably successful experiment in transforming the basis of inter-state relations. Had this project remained confined to part of Western Europe it would still have represented an unprecedented transformation of transitional governance in a region formerly steeped in conflict and a potential role model for the rest of the world. The key question we want to consider here is whether the EU was a model that could be emulated by other regions. More to the point, was the

^{*}The authors would like to thank the GR:EEN Consortium, the European Commission's Framework Programme No. 7, 'Global Re-Ordering: Evolution through European Networks' project that provided support for the development of this paper.

model and normative project attractive to other regions and powers with very different histories and modes of governance?

To address this question we consider the EU's relations with, and impact on, East Asia, a region developing a growing number of regional institutions of its own and experiencing a remarkable process of economic development. The change in the relative economic fortunes of the EU and East Asia forms an important backdrop to the possible attractiveness of the EU model. However, our analysis will focus on the period before the current crisis when there was an expectation—in Europe at least—that other parts of the world had much to learn from the European exemplar.¹ However, the degree and type of policy transfer from, and institutional emulation of, Europe that has actually taken place within East Asia has been limited. In part, this is a consequence of East Asia's distinctive political, economic and strategic history. In part, however, this constriction of emulation can be ascribed to the ineffectiveness of the transfer mechanisms as well as the disjuncture between the proposed model and empirical realities in Asia. Accordingly, we extend the conceptual parameters of the policy transfer literature by connecting to the notions of policy translation and norm localisation.

Importantly, the concept of 'region' is polysemous: it means different things to different groups and communities whereby region-building takes dramatically different forms around the world.² We argue that for many contemporary policy-makers and thinkers in Asia the European experience is not an attractive, feasible or appropriate model. The EU's capacity to influence outcomes in Asia has—in the postcolonial period—been limited and is likely to decline further in the aftermath of the recent crisis which has had a relatively limited impact on East Asia.³ First, we provide a snapshot of the historical and political factors that have limited European influence in East Asia. The second section considers the contemporary influence of the European regional model as an outward diffusion of norms, practices and institutions. For policy transfer and ideational influence to eventuate, specific institutional mechanisms need to be developed and have to operate in a receptive environment; we suggest neither of these conditions have generally been present in East Asia. We conclude by considering what effect the recent European crisis may have in inter-regional relations.

¹) Antje Jetschke and Philomena Murray, 'Diffusing regional integration: the EU and South-east Asia', *West European Politics*, Vol. 35 (2012), pp. 174–191.

²) Luk Van Langenhove, *Building Regions: The Regionalization of the World Order* (Surrey: Ashgate, 2011), p. 1.

³) Shaun Breslin, 'East Asia and the global/transatlantic/Western crisis', *Contemporary Politics*, Vol. 17 (2011), pp. 109–117.

Asian Paths of (In)Dependence

Although the EU generally did not try to promote itself as a model that should be adopted around the world, it did assume that it represented an effective model of governance that other countries might want to emulate.⁴ Many European opinion leaders have been surprised, both by their own problems and by the fact that its model of governance has not been more influential. Yet the history of relations between Asia and Europe suggests they ought not to have been: colonial relations were often soaked in blood and driven by powerful commercial and strategic interests that have left a complex social, political and institutional legacy in their wake. The impact of imperialism on China and elsewhere in the region, signals the importance of ‘path dependency’ when thinking about the way the East Asian region has evolved institutionally.

The Historical Legacy

History matters. While this is true of Europe, East Asia has tended to be on the receiving end of the historical forces that have made the modern world.⁵ Being an historical rule-taker is neither as agreeable nor as advantageous as being a rule-maker. European imperialism profoundly changed the entire East Asian region. The institutional architecture, economic practices and social relations of contemporary East Asia were frequently ‘made in Europe’, even if they are distinguished by contingent features that reflect earlier patterns of organisation. Whatever the merits of the nation-state as the default political option or a broadly market-based system as the basis for global economic activity, they were often realised in brutal and undignified circumstances. The ‘century of humiliation’ China endured at the hands of the Europeans still rankles and profoundly influences the attitudes of elite policy-makers and ordinary Chinese alike.⁶

There is a clear sense among contemporary political elites in China that they are finally re-establishing themselves where China has been for most of recorded human history: as the dominant force in regional, if not global, affairs.⁷ Most

⁴ European Commission, *Communication from the Commission—European Community Support for Regional Economic Integration Effort among Developing Countries*, COM (95) 219 final, (Brussels: EC, 1995), p. 8.

⁵ David Abernathy, *Global Dominance: European Overseas Empires, 1415–1980* (New Haven, CT: Yale University Press, 2000).

⁶ Alison Kaufman, ‘The “century of humiliation”, then and now: Chinese perceptions of the international order’, *Pacific Focus*, Vol. 25 (2010), pp. 1–33.

⁷ Deng Yong, *China’s Struggle for Status: The Realignment of International Relations* (Cambridge: Cambridge University Press, 2008).

Southeast Asia states remain concerned with protecting domestic sovereignty, and are consequently preternaturally sensitive about possible infringements on domestic autonomy.⁸ Southeast Asian states are still comparatively recent products of decolonisation; they were born in a fraught geopolitical environment and have had to create nation-states, identities and functioning economies in an international system dominated by extant European powers and, more recently, the US.

What we now think of as ‘East Asia’ was then, as now, the epicentre of epochal struggles to define a new world order. Although the US’s hegemonic presence in Europe provided a catalyst for European integration, in Asia it had precisely the opposite effect. The ‘hub and spoke’ strategic architecture that the US created in Asia effectively foreclosed any possibility of region-wide integration and/or cooperation until the 1990s.⁹ Europe and Asia have had very different, institutionally embedded experiences and these have inevitably influenced the attitudes of policy-makers and the course of subsequent regional integration on both continents.

Two important comparative points are worth emphasising. First, at the national level, particularly in Southeast Asia, there is less state capacity with which to develop and/or implement policy—a consequence of colonialism cultivating weak indigenous political structures.¹⁰ The resultant prevalence of authoritarian regimes in postcolonial Southeast Asia was notable. In Northeast Asia, by contrast, the highly successful process of industrialisation in Japan, Korea and Taiwan was led by powerful state bureaucracies. Second, Japan also bequeathed a powerful set of institutions and state practices to Korea and Taiwan during its own colonial period. Japan’s own response to European colonial expansion reminds us that different responses are possible to similar challenges: Japan actively sought and adopted European technology and organisational principles.

The key point of this historical snapshot is that East Asia is a complex place, replete with states of very different capabilities and ordering principles, but one that shares some important historical legacies. These help to explain its very different course of regional institutional development.

⁸ Lee Jones, *ASEAN, Sovereignty, and Intervention in Southeast Asia* (Basingstoke: Palgrave, 2012).

⁹ M. Beeson, ‘Rethinking regionalism: Europe and East Asia in comparative historical perspective’, *Journal of European Public Policy*, Vol. 12, No. 6 (2005), pp. 969–985.

¹⁰ Shamsul Haque, ‘Theory and practice of public administration in Southeast Asia: traditions, directions, and impacts’, *International Journal of Public Administration*, Vol. 30 (2007), pp. 1297–326.

Regionalism Asian Style

Nowadays a cliché, the EU is *sui generis* and not necessarily the inevitable endpoint of regional processes elsewhere. Nevertheless, regional development in Asia *is* very different in both its organising principles and its ultimate goals. The first regional organisation of significance—the Association of Southeast Asian Nations (ASEAN)—was established to shore up the sovereignty, stabilise intra-regional relations and generally enhance the standing of the region’s newly independent, vulnerable-looking and insecure states.¹¹ ASEAN was intentionally designed *not* to replicate the EU model of sovereignty pooling. Moreover, unlike the European Commission, ASEAN’s secretariat has been small, relatively powerless and unable to infringe on the jealously guarded sovereignty of its members.¹²

Nevertheless, ASEAN itself has played a surprisingly prominent part in the wider East Asian region’s institutional development. The much-discussed ASEAN Way is the central focus of analysis in this context. Its admirers suggest that not only are there distinctive regional practices based on voluntarism and consensus, but international norms are also adapted and redefined by regional actors. Amitav Acharya argues that local actors:

do not remain passive targets and learners as transnational agents, acting out of a universal moral script to produce and direct norm diffusion in world politics. Local agents also promote norm diffusion by actively borrowing and modifying transnational norms in accordance with their preconstructed normative beliefs and practices.¹³

Interpretation and adaptation is required for international ‘best practice’ or overseas models to be effectively transplanted and take root. The other question, which is especially pertinent to the EU, is whether external ideational influences will inevitably be transformed or watered down by contingent social and institutional realities.

Modelling Europe

The paradox of Asian regional institutionalisation is that, despite its comparative feebleness, there is a plethora of institutions vying for attention. Consequently,

¹¹ Shaun Narine, *Explaining ASEAN: Regionalism in Southeast Asia* (Boulder: Lynne Rienner, 2002).

¹² Jürgen Haacke, *ASEAN’s Diplomatic and Security Culture: Origins, Developments and Prospects* (London: Routledge Curzon, 2003).

¹³ Amitav Acharya, ‘How ideas spread: whose norms matter? Norm localization and institutional change in Asian regionalism’, *International Organization*, Vol. 58 (2004), p. 269.

the EU's officially designated mechanism for engagement with Asia—the Asia–Europe Meeting (ASEM)—has found it hard to attract attention at the best of times. The Meeting risks losing traction as Europe becomes preoccupied with its own problems and European patterns of regionalism lose their attractiveness and authority.

An influential school of thought contends that the EU has simply to exist to exert a normative power that ‘changes the norms, standards and prescriptions of world politics away from the bounded expectations of state-centricity’.¹⁴ Even before the recent crisis such views looked premature. As we have suggested, much of Asia is still enthusiastically reinforcing state sovereignty in a region where effective state capacity has often been in short supply and Westphalian modes of governance are still very much in fashion.

More mundane impediments to European influence existed well before the current crisis. Part of the EU's problem in becoming an influential interlocutor with Asia is because ‘when it comes to Asia, there is no self-evident “it” to relate to’.¹⁵ The same criticism can be made of the EU: not only has its capacity to develop a coherent, institutionalised foreign policy position been notoriously deficient, but its overall diplomatic culture and policy-making is a ‘fluid, dynamic, contested and often contradictory process of negotiation, interpretation and practice’.¹⁶ The EU needs both a capacity to act effectively and something to act upon.

When it comes to developing a regional identity or expression of regionally based collective purpose, both the EU and Asia have similar weaknesses. In East Asia's case, coherence and the capacity for collective action (or emulation) has been further undermined by an absence of the sort of formal legalism that historically gave the EU a greater degree of internal consistency.¹⁷ The other key difference between the two regions, however, is that Asian states have not had great expectations about what such collective endeavours can achieve, and have actively sought to avoid entangling themselves in binding commitments over which they have no national control. Asian states have either resisted

¹⁴ Ian Manners, ‘The normative ethics of the European Union’, *International Affairs*, Vol. 84 (2008), pp. 45–60, p. 45.

¹⁵ Michael Smith and Natee Vichitsorasatra, ‘The European Union's Asia strategies: problems of foreign policy and international relations’, *International Politics*, Vol. 47 (2010), pp. 338–354, p. 341.

¹⁶ Maureen Benson-Rea and Chris Shore, ‘Representing Europe: the emerging “culture” of EU diplomacy’, *Public Administration*, Vol. 90 (2012), p. 485.

¹⁷ Peter Katzenstein, *A World of Regions: Asia and Europe in the American Imperium* (Ithaca: Cornell University Press, 2005).

legally binding agreements of the sort that distinguish the EU, or sought to use them opportunistically where it suits national interests.¹⁸

Such pre-existing factors have the potential to act as barriers to European influence. Not only are there deep-seated, unresolved historical tensions between some of East Asia's most powerful states, but the very internal borders of the region remain disputed and a source of potential conflict. Lingering geopolitical problems and concerns about territorial integrity and political autonomy explain East Asia's preoccupation with sovereignty as something that states seek to reinforce rather than pool. Equally importantly, despite a recent surge of interest in regional institutional development,¹⁹ East Asia still has a relatively limited transnational political infrastructure with which to replicate European-style governance practices.

East Asia, therefore, serves as a challenging test of the efficacy of the diffusion of the EU model. We also suggest there has been an erroneous tendency of much of the European scholarly discussion to consider the success or effectiveness of Asian regional integration in terms of hard institutional transfer and an organisational mirroring of the *de jure* legalistic processes characteristic of the EU model. This has led to a short-sightedness of other policy transfer dynamics: on the one hand, soft transfers of European norms and ideas that were subject to selective and negotiated uptake in transformative processes of translation. On the other hand, instead of an unmediated and mechanical bilateral exchange from A to B—Europe to Asia—policy transfer involves learning from many exemplars to take away a multiplicity of lessons. Finally, policy transfer can also entail negative lesson-drawing, a dynamic that needs greater consideration in the various pathways of Asian regional integration.

Transferring Regionalism?

Policy transfer concepts have long been associated with the Europeanisation literature.²⁰ Policy transfer is applied knowledge of policies, administrative procedures, institutions or ideas transported from one political jurisdiction to help devise policies, administrative procedures or institutions in another domain.²¹ In this section we move from the macro-level and historical context to address

¹⁸) Miles Kahler, 'Legalization as a strategy: the Asia-Pacific case', *International Organization*, Vol. 54 (2000), pp. 549–571.

¹⁹) Christopher Dent, *East Asian Regionalism* (London: Routledge, 2008).

²⁰) David Benson and Andrew Jordan, 'What have we learnt from policy transfer research?' *Political Studies Review*, Vol. 9 (2011), pp. 366–378.

²¹) Diane Stone, 'Transfer and translation of policy', *Policy Studies*, Vol. 33 (2012), pp. 1–17.

mechanisms and processes, at the meso-level, of European norm advocacy of its regional model with Asia. In short, we shift analytical gears. In doing so, we stretch the policy transfer framework to take better account of translation and selective reception of norms.²² We do not posit uni-directional Europe-transfer-to-Asia that has characterised some of the European literature.²³ Nor do we limit our critique to suggesting that the processes of transfer of the EU model are simply imperfect, uneven or partial transfer. Instead, we relocate agency and determination to the importing context of East Asia and argue there have been triangular processes of (1) selective rule-taking, (2) translation and adaption, and (3) deviation or disdaining models from elsewhere by asserting alternative visions and models.

The European Union has often been described as a ‘laboratory for policy transfer’ given gradual convergence among member states. EU processes of regionalisation propel patterns of increasing similarity in economic, social and political organisation between countries. The mimetic institutional isomorphism of organisations is explained as resulting from entrenched path dependencies and the taken-for-granted aspects of political life where actors follow rules, shared interpretations, schema and meanings. Member and candidate states converge around harmonising policies: structural funds, cohesion funds and the *acquis communautaire*. The European Commission is a top-down influence for compliance through directives and regulations as well as joint progress on policy through the benchmarking, best methods and monitoring practices of the Open Method of Coordination. This is more a process of EU-isation (rather than the broader social and cultural process of Europeanisation) that occurs internally within the EU as a combination of coercive measures and voluntary harmonisation.

‘Europeanisation’ is a transfer from Europe to other jurisdictions either of policy, institutional arrangements, rules, beliefs or norms.²⁴ ‘EU-isation’ is a more specific political process, a set of regulative rules, ordinarily considered as something within Europe rather than as an objective of European foreign policy. EU-isation explains domestic adaptation to European integration via the EU: that is, ‘the domestic impact of the EU, and/or the domestic impact on the EU,

²² Noemi Lendvai and Paul Stubbs, ‘Policies as translation: situating transnational social policies’, in S. Hodgson and Z. Irving (eds), *Policy Reconsidered: Meanings, Politics and Practices* (Bristol: Policy Press, 2007).

²³ Tanja Börzel and Thomas Risse, *The Diffusion of (Inter-)Regionalism. The EU as a Model of Regional Integration*, KFG Working Papers (Berlin: Freie Universität Berlin, 2009); Jetschke and Murray, ‘Diffusing regional integration’.

²⁴ Trine Flockhart, ‘Europeanization or EU-ization? The transfer of European norms across time and space’, *Journal of Common Market Studies*, Vol. 48 (2010), pp. 787–810.

increasingly differentiated as “uploading” and “downloading” whereby ‘Member States and prospective Member States adopt EU rules and implement EU policy-making.’²⁵ Nevertheless, the EU ‘exporting forms of political organisation’ has been identified as one element of EU-isation. The modelling of the African Union upon the EU can be considered an example of EU-isation, otherwise called ‘self-replication.’²⁶ Mercosur was modelled on European integration, although its structure of internal governance is different from and more fragile than the EU.²⁷

Our approach is to address both Europeanisation and EU-isation as linked but distinguishable. As noted, both processes can be considered a normative ‘export’ from the European Union through bodies such as ASEM (and its institution the Asia Europe Foundation) or the European Neighbourhood Policy (ENP) as well as more generally through European foreign policy, including national foreign policy of EU member states.

The selective voluntary convergence of a number of states outside the EU but inside the Neighbourhood suggests that geographic proximity and/or asymmetric market interdependence is one factor in explanations of convergence.²⁸ The desire and incentives for EU membership form another compelling factor for convergence. However, these centrifugal forces cannot be so easily extrapolated to East Asia, or elsewhere where countries are neither eligible for EU membership nor desirous of it. Indeed, it has become increasingly apparent that for the EU to exert an influence—even over its more immediate neighbours and prospective members—there needs to be a domestic constituency pushing in the same general direction.²⁹ This is a potentially fatal handicap: not only can it not be assumed that progressive political forces exist to support transnational goals, but Asian states are better equipped to withstand EU reformist pressures than

²⁵ Flockhart, ‘Europeanization or EU-ization?’, p. 789.

²⁶ Toni Hastrup, ‘EU as mentor? Promoting regionalism as external relations practice in EU–Africa relations’, *Journal of European Integration*, Vol. 35 (2013), DOI: 10.1080/07036337.2012.744754.

²⁷ Jean Grugel, ‘Democratization and ideational diffusion: Europe, Mercosur and social citizenship’, *Journal of Common Market Studies*, Vol. 45 (2007), pp. 43–68.

²⁸ For example, on Central Asian emulation of Bologna process principles, see Peter Jones, ‘Regulatory regionalism and education: the European Union in Central Asia’, *Societies and Education*, Vol. 8 (2010), pp. 59–85. On Ukrainian harmonisation to EU standards in the transportation policy field, see Tom Casier, ‘To adopt or not to adopt: explaining selective rule transfer under the European Neighbourhood Policy’, *Journal of European Integration*, Vol. 33 (2011), p. 42.

²⁹ Mario Telò, ‘European Union, regionalism, new multilateralism: three scenarios’, in M. Telò (ed.), *European Union and New Regionalism* (Farnham: Ashgate, 2007), pp. 297–326.

other parts of the world such as Africa.³⁰ As has been the case in Mercosur, EU policy towards Asia appears to be premised on a ‘positive identity relationship with governing elites’ whereby the normative features of region construction are presumed to be accepted and understood by Asian leaders.³¹ We suggest that those specific lessons that may have been taken of European institutional processes are for instrumental reasons, and not as a case of normative convergence.

Taking an analytical vantage from Europe, the relevant question then becomes: what are the strategies and instruments at the disposal of the EU in the absence of membership incentives and accession conditionalities?³² EU self-replication as a model has at least three dimensions:

First, the EU promotes its model of regionalism to other regions. It proposes regional economic and market integration and the establishment of supranational organizations as pathways to peace and welfare in other parts of the world ... Second ... the EU is often known to propagate a ‘neoliberal’ economic model, which reflects the EU’s internal commitment to market-building and economic liberalization ... [or] for a multilaterally managed ‘regulatory framework for liberal markets’. Third, the EU promotes constitutional norms such as human rights, the rule of law and democracy in its external relations.³³

Only the first modality is uniquely European and points towards EU-isation. While the propagation of neo-liberal economic models, or constitutional norms, may well be transmitted with a distinctly European flavour, such norm-brokerage is also undertaken by other international actors.

This process of export can be driven by the EU or by member countries. Direct enticement can take the form of incentives for foreign governments to follow EU procedures via aid, market access or institutional ties. Although the EU is a very significant trade partner for much of East Asia, the EU is becoming relatively less significant because of the growth of intra-Asian trade, increasingly centred on China.³⁴ The EU’s own growing economic problems mean that the

³⁰ Mary Farrell, ‘EU policy towards other regions: policy learning in the external promotion of regional integration’, *Journal of European Public Policy*, Vol. 16 (2009), pp. 1165–1184, p. 1179.

³¹ Grugel, ‘Democratization’, p. 44.

³² Frank Schimmelfennig, ‘Europeanization beyond Europe’, *Living Reviews in European Governance*, Vol. 4 (2009), pp. 1–28; available at: <http://www.livingreviews.org/lreg-2009-3> (accessed 31 March 2013).

³³ Schimmelfennig, ‘Europeanization’, p. 10.

³⁴ Anne Polet-Fort and Yeo Lay Hwee, *EU–Asia Trade Relations: Getting Through the Crisis* (Brussels: FRIDE, 2012); available at: <http://www.fride.org/publication/974/eu-asia-trade-relations-getting-through-the-crisis> (accessed 31 March 2013).

possibility of using economic leverage or the success of the European model as a template for others is also likely to diminish.

Indirect socialisation strategies, both official and non-state, supposedly teach the ideas and norms underlying EU policies to outsiders in order to persuade them that these policies are appropriate and effective.³⁵ That foreign governments and policy elites learn these ideas and norms, and subsequently adopt similar policies, is seen as a compelling and logical evolution towards convergence. Noted earlier, another consideration is that the mere ‘presence’ of the EU has had an indirect and unanticipated influence on third countries that adjust their policies or procedures, as not to do so could entail costs. Firms wanting to operate in the EU market often need to adopt EU rules and product standards owing to asymmetrical interdependence. Such Euro-centric explanations fail to account for the high degree of variation and selective rule adoption in the European Neighbourhood³⁶ and beyond.

Official promotion of the EU as a model of regional integration emanates from the Commission, the Parliament and various other EU-funded initiatives. Mechanisms range from public exhortations of Romano Prodi in 2000 that the EU model is an ‘export item’³⁷ to inter-regional partnership agreements like the Joint Africa–EU Strategy.³⁸ The Asia–Europe Meeting is the dialogue vehicle for managing Europe–Asia relations and issues of common concern.³⁹ Schemes such as Erasmus Mundus are more indirect and long term but provide material incentives via generous scholarships in Europe for those the EU hopes will be future political and economic leaders around the world and will become favourably disposed to the European project.⁴⁰

Non-state diffusion vehicles are too numerous to recount but include Europe’s World, an independent news agency.⁴¹ Now independent of its parent, the *Asia–Europe Journal* was launched in 2003 by ASEF. Various think-tanks, university institutes and research centres have provided both constructive and critical commentary on the European model.⁴² One European Policy Centre study

³⁵) Schimmelfennig, ‘Europeanization’, p. 8.

³⁶) Casier, ‘To adopt or not’, pp. 37–53.

³⁷) Notre Europe, available at: <http://www.notre-europe.eu/en/axes/europe-and-world-governance/projects/projet/the-european-union-as-a-reference-point-for-other-regions-of-the-world/> (accessed 31 March 2013).

³⁸) Hastrup, ‘EU as mentor?’, p. 2011.

³⁹) Alfredo C. Robles, *The Asia–Europe Meeting: The Theory and Practice of Interregionalism* (London: Routledge, 2008).

⁴⁰) Jones, ‘Regulatory regionalism’.

⁴¹) Europe’s World: <http://www.europesworld.org> (accessed 31 March 2013).

⁴²) See, *inter alia*, the studies emanating from bodies such as Notre Europe in Paris, FRIDE in

concludes that ‘EU-style integration cannot serve as a role model for Asia and Asian integration’,⁴³ whereas its Director of Research has often stated that the EU regional model is ‘the only game in town.’⁴⁴ KFG: Transformative Power Europe at the Freie Universität Berlin is the most apt example of university-based research into the EU ‘as a model for effective and legitimate governance to be emulated by other countries and regions.’⁴⁵ This vibrant debate on ‘Europeanisation beyond Europe’⁴⁶ is conducted by individual scholars from independent institutions but is also intellectually incentivised by the Commission’s Framework programmes for research and networks of excellence. For instance, both euGRASP and GR:EEN, research projects under Framework Programme 7 of the European Commission, address the role of the EU as a global and regional actor,⁴⁷ with some specific studies of the EU as a model. To reiterate, these programmes encompass differing and sometimes sceptical perspectives on the status of the EU as the most sophisticated role model of regional integration. Moreover, these cultural and intellectual dimensions of Europeanisation are easier to transmit but also more intangible and diffuse in their impact.

The analytical vantage point of this section started with a European set of lenses, an implicit Euro-centrism putting Europe as the geopolitical and economic centre. That is, that policy initiative and innovation on region-building has emanated from the EU moving outwards to surrounding states and other regions. Moreover, Europeanisation has been a strong and compelling force for convergence promoting at least a rhetorical interest of political, economic and intellectual elites in the model (or elements of it) in other parts of the world. For instance, there is some ‘organisational mirroring’ of the EU in constructing the African Union.⁴⁸ Such an orientation presents a one-way projection, from core

Madrid or the European Council on Foreign Relations, as well as the agendas of Commission-supported research networks like the Mercury project (<http://www.mercury-fp7.net/>, accessed 31 March 2013).

⁴³ Alexi Berkofsky, *Comparing EU and Asian Integration Processes—The EU a Role Model for Asia?* (Brussels: European Policy Centre, 2005), p. 17.

⁴⁴ Comments at two EU-funded workshops, 13 February 2012 and 2 August 2012.

⁴⁵ KFG Transformative Power Europe Research Area 3: Comparative Regionalism and Europe’s External Relations; available at: http://www.polsoz.fu-berlin.de/en/v/transformeuropa/forschung/forschungsbereich_3/index.html (accessed 22 March 2013).

⁴⁶ See, for example, ‘From Europeanisation to diffusion’, thematic issue of *West European Politics* (December 2011).

⁴⁷ GR:EEN is Global Re-ordering: Evolution through European Networks; see: <http://www2.warwick.ac.uk/fac/soc/csgr/green/>; and euGRASP is Changing Multilateralism: The EU as a Global–Regional Actor in Security and Peace; see: <http://www2.warwick.ac.uk/fac/soc/csgr/green/> (accessed 31 March 2013).

⁴⁸ Haastrup, ‘EU as mentor?’

to periphery, of the European model to recipient states within evolving regions. The next section adopts a different vantage point, and more of an East Asian perspective, to suggest that successful norm-brokerage and importation also requires norms and practices to be actively adopted.

Lost in Translation? European Diffusion and Asian Divergences

The ‘power of global models’—whether it be liberalism or democracy—can be persuasive.⁴⁹ However, such processes are not inevitable. Some state architectures can be more porous to diffusion than others.⁵⁰ This may result from numerous contextual factors that create a dynamic for divergence. Thus, many examples of best practice may exist and may be advocated inside and outside a social system, but ignored owing to resourcing issues and time constraints in policy development and political sensitivities as well as disinclination to look for global models. East Asia’s overall resistance to the sort of economic reforms that have been advocated by the international financial institutions is a striking example: even when they were most vulnerable to institutional coercion during the Asian financial crisis, in reality Asian states engaged in ‘mock compliance’.⁵¹

The weak institutional framework of, *inter alia*, ASEM and vague policy objectives around (non-state) brokering of Europeanisation limits the potential impact of European ideas, norms and policies in Asia. Norm brokerage by European politicians and EU civil servants also takes shape in quite different policy discourses alongside the advocacy undertaken by NGOs, think-tanks and university centres. These multiple and different story lines of Europeanisation also offer an explanation for *lite* convergence around broad policy objectives and principles but considerable scope for interpretation and policy deviations with regard to the instruments adopted, type of legislation or institutional modes of policy control and delivery. Moreover, the various modalities of diffusion create further potential for deviation and varying degrees of transfer.

First, transfer can occur at the broad level of transferring policy ideals or goals. Here the focus is on achieving a common outcome. The route by which polities seek such objectives can differ dramatically. It is already captured in internal EU arrangements via the principle of subsidiarity. For Asian states, as we discussed

⁴⁹) Frank Dobbin, Beth Simmons and Geoffrey Garrett, ‘The global diffusion of public policies: social construction, coercion, competition, or learning’, *Annual Review of Sociology*, Vol. 33 (2007), pp. 449–472, p. 450.

⁵⁰) Stone. ‘Transfer and translation’, p. 2.

⁵¹) Andrew Walter, *Governing Finance: East Asia’s Adoption of International Standards* (Ithaca: Cornell University Press, 2008).

in the earlier section on ‘Regionalism Asian Style’, the pursuit of regional integration deviates in method, pace and institutionalisation to create a distinct ‘soft regionalism’. ASEAN was intentionally designed *not* to replicate the EU model of sovereignty pooling but nevertheless represents a form of regional integration.

Second, there can be a transfer of institutions. It involves the creation of similar structures such as the adoption of similar constitutional apparatus or the transfer of education or pensions systems or the hard institutional transfers of the EU regional model. Institutional transfer is evident in the tendency of the EU to design its policies for, and conclude agreements with, regional groupings of countries rather than with individual states.⁵² In this context, the emergence of ASEM is a result of the need of Asian states to engage cooperatively with a powerful region in their collective international relations. ASEM is a ‘dialogue mechanism’. The official discourse of the Meeting is *not* one of policy transfer from Europe to Asia. Instead, the language is one of equal partnership and cooperation where the *exchange* of ideas can flow as much from Asia to Europe. Nevertheless, in its self-depiction as a ‘policy-making laboratory’, ASEM says it ‘facilitates some transfer of technology to Asian countries who have shown interest in the European regional integration developments.’⁵³ Even so, there is no EU-style dense institutional infrastructure in East Asia which might provide mechanisms for policy transfer.⁵⁴

ASEM’s development can be construed as symptomatic of a general EU bias towards multilateralism on the one hand, and as a potential institutional mechanism for the EU to externalise its internal policy processes. However, the EU has not realised the potential of what is arguably its most important inter-regional mechanism. As Julie Gilson points out, ‘the EU has never really been interested in East Asia, despite the rhetoric, and has failed to put either its money or its diplomatic heavyweights where its pronouncements lie.’⁵⁵ In other words, the failure of institutional transfer in this case lies at least as much with the sender as the recipient.

Third, regulatory, administrative or judicial tools can be transferred. Not only the EU, bodies like the OECD and the multilateral banks have in more concerted fashion launched different instruments for cross-national learning, such

⁵²) Farrell, ‘EU policy towards other regions’.

⁵³) ASEM Achievements; see: <http://www.aseminfoboard.org/component/k2/item/10.html?Itemid=245nu-achievements.html> (accessed 31 March 2013).

⁵⁴) M. Beeson, ‘Globalization, governance, and the political-economy of public policy reform in East Asia’, *Governance—an International Journal of Policy and Administration*, Vol. 14, No. 4 (2001), pp. 481–502.

⁵⁵) Julie Gilson, ‘The Asia–Europe Meeting’, in Mark Beeson and Richard Stubbs (eds), *The Routledge Handbook of Asian Regionalism* (London: Routledge, 2012), p. 396.

as benchmarking, peer review, checklists and facilitated coordination. The EU attempts to use ASEM ‘as a lobby for the modification of the legislation of Asian participants.’⁵⁶ Illustrative is an ASEM Conference on the Harmonization of Biofuels Standards and Application to Vehicle Technologies in 2011. The event was a forum for ‘sharing of ideas and best practices among industry members, experts and government to provide a benchmark wherein individual ASEM member countries can push their own respective biofuel programmes.’⁵⁷ A great deal of selective transfer and pragmatic adaptation of international or European standards takes place. The case of biofuels, more generally, is also illustrative because the EU approach is not the only model to heed but competes with an international multi-stakeholder industry–NGO certification regime around palm oil.⁵⁸ Best practice does not only come from Europe.

The fourth dimension is the transfer of ideas and ideologies as inputs to policy development. A broad category, such transfers are difficult to map but are intuitively known. The reform precepts of the (post) Washington Consensus and new public management ideas were actively disseminated around the world and also shared features of ideational potency and, more to the point, recognisable methods of operationalisation in the form of privatisation, structural adjustment policies and internal markets. EU democracy promotion, by contrast, has often been described as high on rhetoric and low on policy. Even where the EU thought there might be a possibility of cultivating Asian allies in support of its overarching goals, it was unable to do so: ‘there was still very much a “Europe versus Asia” rather than “democracies versus non-democracies” divide.’⁵⁹ For example, European discord over Myanmar’s human rights record nearly derailed the 1998 and 2004 ASEM summits.⁶⁰ Within ASEM, discussion of human rights is not part of the formal agenda. Instead, owing to Asian political sensitivities on human rights issues there is informal, civil society ‘non-confrontational debate’ promoted by the French and Swedish sponsors in an attempt at ‘bottom-up socialisation.’⁶¹

⁵⁶ Robles, *The Asia–Europe Meeting*, p. 93.

⁵⁷ ASEM Conference on the Harmonization of Biofuels Standards; see: <http://www.aseminfoboard.org/component/rsevents/event/245-asem-conference-on-the-harmonization-of-biofuels-standards-and-application-to-vehicle-technologies.html> (accessed 31 March 2013).

⁵⁸ Helen Nesadurai, ‘External responses to European “leadership” on climate change and bio-fuels,’ paper in progress.

⁵⁹ Richard Youngs, *The European Union and the Promotion of Democracy: Europe’s Mediterranean and Asian Policies* (Oxford: Oxford University Press, 2002), p. 131.

⁶⁰ Robles, *The Asia–Europe Meeting*, p. 2.

⁶¹ Informal ASEM Seminar on Human Rights; see: <http://www.asef.org/index.php/projects/programmes/533-informal-asem-seminar-on-human-rights> (accessed 31 March 2013).

Perhaps the most telling indicator of the EU's lack of influence has been its inability to influence the behaviour of China. Even before the recent crisis, the EU's admonitions about the importance of 'good governance' were studiously ignored.⁶² More fundamentally, 'Europe's posturing as a liberal normative power has resulted in a strategic disconnect with China, which largely adheres to state-centric policies.'⁶³ With such very different political rationalities in operation at the bilateral level, the prospects for effective regional interaction were always modest.

The discourse of 'Asian values' that came to prominence in the early 1990s can be thought of as ideational diffusion from Asia within Asia but also to the rest of the world. While the Asian financial crisis of 1997 undermined the potency of this (quite diverse) set of ideas,⁶⁴ a renaissance is well underway.⁶⁵ China's remarkable economic ascension is increasingly seen as an alternative to a discredited Western model, as we discuss further below.⁶⁶

Fifth, the transfer of personnel is apparent with short-term staff exchange and longer-term movements of foreign students. Transfers of ideas and practices also occur via international task-forces and commissions; fact-finding missions and eminent persons groups. In this regard, both ASEM and ASEF are vehicles for sustained people-to-people exchanges and high-level official exchange to reinforce and legitimate certain forms of policy or normative standards as best practice. It is paralleled by inter-regional think-tank and knowledge networking via the Council for Asia Europe Cooperation (CAEC), among others. Such inter-regional network activity remains a soft and inconclusive mode of transfer given the vast array of other international and regional networks, dialogues and meetings in which Asian elites participate. With a regional preference for a 'habit of dialogue', informal diplomacy and consensus-building, it is an activity on which a higher value is placed in Asia than in Europe. 'The consensus values that define Asian regionalism are solidarist and communalist ones rather than legalist and institutionalist ones' that typify the EU.⁶⁷

⁶² K. Chan, 'Images, visibility and the prospects of soft power of the EU in Asia: the case of China', *Asia-Europe Journal*, Vol. 8, No. 2 (2012), pp. 133–147, p. 143.

⁶³ Jonathan Holslag, 'The strategic dissonance between Europe and China', *The Chinese Journal of International Politics*, Vol. 3 (2010), pp. 325–345, p. 325.

⁶⁴ Ralph Pettman, 'Asian perspectives on the European experience of regionalism', *International Politics*, Vol. 47 (2010), pp. 299–305.

⁶⁵ Kishore Mahbubani, 'The lessons for smug Europe to learn from Asia', *Europe's World* (summer 2011); available at: <http://www.mahbubani.net/articles.html> (accessed 31 March 2013).

⁶⁶ Stefan Halper, *The Beijing Consensus: How China's Authoritarian Model Will Dominate the Twenty-first Century* (New York: Basic Books, 2010).

⁶⁷ Pettman, 'Asian perspectives', p. 301.

These five quite different modalities testify to the likelihood of diverse outcomes from policy transfer. ASEM, ASEF and their non-state counterpart CAEC represent only a few poorly resourced vehicles of diffusion. Nevertheless, for Asian recipients of European norms, venues like ASEM represent an even playing field of peer-to-peer networks which allow them to engage Europe selectively and reduce the potential for indirect coercive transfers endemic to asymmetric regional relationships elsewhere in the world. Instead, Asian translators became the critical mediators of transfer processes.

From EU Models to Asian Ways

What does this tour of inter-regional dialogues and institutions tell us about policy transfer? First, we have contested the notion that transfer is a sequential process that starts with (European) innovation and ends with (Asian) adoption. Second, we have suggested that ideas and policies are transformed during the processes of transfer. Indeed, it is precisely this process of mediation and norm localisation that has given East Asia generally and Southeast Asia in particular its distinctive, non-European style patterns of regional cooperation and institutionalisation. Third, we suggest below that multiple sources of lessons, combined with endogenous policy learning, also alter norm brokerage and policy transfer aspirations into a multi-faceted translation dynamic.

The idea of policy translation has gained traction to account for divergence and hybridisation, adaption and mutation. It reflects a ‘move away from thinking of knowledge transfer as a form of technology transfer or dissemination, rejecting if only by implication its mechanistic assumptions and its model of linear messaging from A to B.’⁶⁸ In transmission processes between Europe and Asia, and vice versa, ideas about regional models are disassembled and reconstituted. Translation is a series of interpretations and disruptions that ‘occur in the spaces between the “creation”, the “transmission” and the “interpretation” or “reception” of policy meanings.’⁶⁹

Translation stresses the complexity of context and the need for interpretation or experimentalism in the *assemblage* of policy. This approach undermines assumptions of undiluted dichotomous diffusion or unmediated import of transferred ideas. In other words, policy learning is not synonymous with policy adoption. Instead, policy lessons can help crystallise what ideas and policy paths decision-makers do not wish to follow. Many policies are not transferable because

⁶⁸) Richard Freeman, ‘What is translation?’ *Evidence & Policy: A Journal of Research, Debate and Practice*, Vol. 5 (2009), pp. 429–447, p. 429.

⁶⁹) Lendvai and Stubbs, ‘Policies as translation’, p. 175.

they have grown out of the socio-legal, educational and political systems of their host state and are neither ideologically nor culturally proximate. The path of Asian regionalism very much substantiates the limits of treating the European model as a hermetically sealed export.

Without a doubt, the EU is the most institutionally sophisticated and developed model of regional integration. But it is not the only model. For example, the Integration Partnership Forum provides an opportunity for ASEAN countries to share the insights and lessons learnt from nearly 30 years of the Australia–New Zealand Closer Economic Relations (CER)/Single Economic Market (SEM) journey, and to consider possible implications for their own process of economic integration.⁷⁰ Other regions also provide a source of inspiration and potential emulation of specific practices or policies: Mercosur, the Southern African Development Community (SADC) and the South Asia Association for Regional Cooperation (SAARC), among many others. Instead of a closed channel of bilateral diffusion between the established EU exemplar and other nascent regions, there are competing visions and lessons to be learnt from other regions at different stages and trajectories of development. Rather than simple selection of one model, synthesis also occurs. This ‘transversal policy transfer’ is occurring concurrently at bilateral, inter-regional and multilateral levels.⁷¹

Even if there are cases of straightforward transmission of policy from one jurisdiction to another, the transfer does not create a cryogenically preserved policy for evermore. At some point, the policy transfer process ends and endogenous forces of mutation take over. Local ownership becomes more pronounced and the indigenisation of policy results. Logics of appropriateness entail gradual adjustment and modifications that lead to different outcomes than may have originally been envisaged. Existing policy processes and socio-cultural conditions alter imported ideas. What once may have been a European idea becomes an Asian practice. The ASEAN Regional Forum (ARF) superficially resembles the North Atlantic Treaty Organisation in that it is ostensibly dedicated to promoting regional stability, but its *modus operandi* is predicated on the ASEAN

⁷⁰ CER-ASEAN Integration Partnership Forum; see: <http://www.mfat.govt.nz/Trade-and-Economic-Relations/2-Trade-Relationships-and-Agreements/Asean/1-Integration-Partnership-Forum/0-IPF-index.php> (accessed 31 March 2013).

⁷¹ ‘Transversal policy cooperation’ is borrowed from euGRASP Final Integrative Report, *The EU as a Global–Regional Actor in Security and Peace* (Bruges: EU, 2012), p. 21: ‘Hence, despite the many official declarations about the EU’s preference for interregional relations, a closer empirical review reveals a complex pattern of intersecting, complementing and at times competing models of external relations—resulting in a mixture of bilateral, multilateral and interregional policies.’

Way and it eschews binding agreements in favour of face-saving consensus. In short, Asians ‘turned their back on the European experience.’⁷² That the ARF is largely incapable of addressing Asia’s more challenging strategic environment is not the point: the ARF’s impotence is partly what makes it acceptable to its Asian members, a reality to which its non-Asian participants must accommodate themselves.⁷³

Learning to build regions can also be endogenous. It is feasible to innovate intra-regionally via policy and research networks working on region specific problems. To take but one example, the ASEAN Institutes of International and Strategic Studies have networked regionally for three-plus decades, as strong advocates for region-building, and are regarded by many observers as the early norm brokers or champions for the ARF.⁷⁴ More generally, the density of regional institutions has grown appreciably as the number of meetings, committees, working groups and so forth has increased under the consultative and informal ‘ASEAN Way’ decision-making style—that is, ‘soft regionalism.’⁷⁵

It is undeniable that processes of inter-regional engagement and learning have taken place. ASEAN has drawn upon the EU’s Committee of Permanent Representatives to design its own Committee of Permanent Representatives.⁷⁶ However, much else regarding both the institutional features, powers, norms, capacity and practices of ASEAN remains distinctly different from the EU. Convergence around European-style regional integration as a universal ideal cannot be regarded as isomorphic or inevitable, in the structural sense, nor necessarily desirable. Indeed, Asian political leaders have considered the EU, but more so as a ‘reference case’ rather than as their destiny.⁷⁷

This stance towards norm diffusion and transfer of policy moves the analytical focus from the idea—the EU—as the main source of explanation, one inevitably propelling change, to an explanatory position where the *acceptance* of the idea is more politically relevant than the idea itself. Policy innovations elsewhere

⁷²) Pettman, ‘Asian perspectives’, p. 300.

⁷³) Ralf Emmers and See Seng Tan, ‘The ASEAN Regional Forum and preventive diplomacy: built to fail?’, *Asian Security*, Vol. 7 (2011), pp. 44–60.

⁷⁴) Anthony Milner, ‘Reconciling Asean + 3 and East Asia Summit’, in Stephen Leong (ed.), *Peace in the Pacific: Confronting the Issues* (Kuala Lumpur: ISIS Malaysia, 2007).

⁷⁵) Z. Zhao, ‘Soft versus structured regionalism: organizational forms of cooperation in Asia-Pacific’, *Journal of East Asian Affairs*, Vol. 12 (1998), pp. 96–134.

⁷⁶) Jetschke and Murray, ‘Diffusing regional integration’, pp. 174–191.

⁷⁷) Richard Higgott and Martina Timmermans, ‘Institutionalizing East Asia: learning lessons from Europe on regionalism, regionalization, identity and leadership’, in Martina Timmerman and Jitsuo Tsuchiyama (eds), *Institutionalizing Northeast Asia: Regional Steps towards Global Governance* (Tokyo: United Nations Press, 2008), pp. 43–62.

are not sufficient condition for another jurisdiction to adopt the same policy. As we have argued, factors *internal* to a system can be a more powerful determinant of what is adopted than external influences. For European norm brokers to be effective, there must also be a politically receptive audience of Asian norm takers who consider the EU legitimate and worthy of emulation. Even if intermediaries such as scholars, policy thinkers and opinion leaders mutate policy ideas from elsewhere in a process of policy translation, the local context and dynamics within the importing jurisdiction is crucial in deciding which, if any, ideas are adopted. In East Asia it was not so much a case of the EU model being constrained or failing to be transferred. Rather, the EU model lacked resonance, relevance and—perhaps most crucially—indigenous champions. The contemporary problems of Europe since 2007 have done much to undo the idea of the European Union as a successful project of economic and political development. Instead, in many elite quarters of East Asia there are ‘lessons for smug Europe to learn from Asia.’⁷⁸

The rise of China and the economic vitality of many other Asian economies boosts the nascent counter-discourse of the ‘Beijing consensus’ that portrays China, or the East Asian mode of economic development, as the model *du jour*.⁷⁹ That Asia’s economic crisis actually had an integrative rather than a disintegrative effect on regionalism in East Asia is also another unfortunate point of comparison with the beleaguered EU.⁸⁰

While Europeans seek to ‘westernize’ Asians, offering the European Union as a blueprint for how they should construct an international community in their part of the world, Asians now offer their own models as to how to ‘easternize’ European regionalist practices and how they should present themselves to the world.⁸¹

To date, scholarly discussion of Europeanisation and EU-isation as a form of policy transfer or diffusion beyond Europe has generally been about the outward projection of ideas, rules, policies and approaches without a full assessment of either policy reception or, more importantly today, the reverse flow of ideas and models out of Asia to the rest of the world. As discussed in the concluding section, receptivity and translation of models of regional integration is conditioned by timing and local context as well as geopolitical considerations. In this regard,

⁷⁸) Mahbubani, ‘The lessons for smug Europe’.

⁷⁹) M. Jacques, *When China Rules the World: The Rise of the Middle Kingdom and the End of the Western World* (London: Allen Lane, 2009).

⁸⁰) M. Beeson, ‘Crisis dynamics and regionalism: East Asia in comparative perspective’, *The Pacific Review*, Vol. 24, No. 3 (2011), pp. 357–374.

⁸¹) Pettman, ‘Asian perspectives’, p. 299.

our analysis marries the structural preferences of historical institutionalism with the agency-driven explanations of policy transfer to argue that models (institutions) are not inherently persuasive but must be pushed (via socialisation and/or incentivisation or conditionality) in conducive circumstances.

Who's Influencing Whom? Post-crisis Inter- and Intra-regional Politics

In the wake of the recent economic crisis which has affected the EU so badly, its reputation as a model to avoid rather than emulate is likely to be entrenched in Asia. European failures have generated widespread criticism, a lack of receptivity, through to outright rejection of the model. Some are drawing attention to what they claim is 'the wisdom of ASEAN in moving towards open architecture regional reforms, instead of the European-style rigidly legal multilateral fora.'⁸² Nevertheless, Europe's troubles are likely to continue to influence the course of regional development in Asia, but not in ways Europeans might have hoped. The possible consequences are by turns technical, ideational and geopolitical.

Paradoxically, the greatest catalyst for greater regional cooperation in East Asia was the financial crisis of the late 1990s and the most celebrated example of regional development has been in the area of monetary cooperation.⁸³ The so-called Chiang-Mai Initiative (CMI) was the high point of post-crisis regional cooperation and a number of important innovations were proposed, especially in the development of currency swap mechanisms and overall monetary cooperation.⁸⁴ However, when faced with its first major test in the form of the 2008–2009 'global' financial crisis, 'the CMI failed abysmally'.⁸⁵

In reality, the global financial crisis was—in its initial phase—anything but. Before Europe's sovereign debt problems threatened to ratchet up the scale of the economic crisis to genuinely global proportions, it was largely a northern, even a transatlantic, affair.⁸⁶ One of the principal reasons Asia remained largely unaffected was because of the apparent durability of China's unprecedented historical rise. Despite growing concerns about China's economic stability, it has rapidly

⁸² K. Mahbubani, 'The new Asian great game', *Financial Times* (23 November 2011).

⁸³ Duck-koo Chung and Barry Eichengreen, 'Exchange rate arrangements for emerging East Asia', in D.-k. Chung and B. Eichengreen (eds), *Toward an East Asian Exchange Rate Regime* (Washington: Brookings Institution, 2007), pp. 1–21.

⁸⁴ William Grimes, *Currency and Contest in East Asia: The Great Power Politics of Financial Regionalism* (Ithaca: Cornell University Press, 2009).

⁸⁵ Ralf Emmers and John Ravenhill, 'The Asian and global financial crises: consequences for East Asian regionalism', *Contemporary Politics*, Vol. 17 (2011), pp. 133–149, p. 141.

⁸⁶ Breslin, 'East Asia and the global/transatlantic/Western crisis'.

become the most important economic partner for most of its neighbours and a pivotal source of regional economic growth and development. Whether the Asian region can remain decoupled from North America's or Europe's troubles looks less certain as the latter continue to intensify. What *is* certain is that few in Asia are looking to the political systems of either the US or the EU for inspiration when it comes to responding to the crisis. On the contrary, democratic politics in both Europe and America has become increasingly synonymous with partisanship, incompetence and, in Europe's case, the resurgence of nationalist interests.

This not only undermines the EU's ability to play the role of normative exemplar and developmental paradigm, but it also opens the door to alternatives: it has become fashionable to talk of the 'Beijing consensus' and China's 'soft power'.⁸⁷ Even so, there are good reasons for thinking that the 'China model' is—like the EU—*sui generis* and not transferable.⁸⁸ Nevertheless, China's rise is important for reasons that merit spelling out.

First, its response to the initial crisis in 2008 when it rapidly unleashed a massive stimulus package through the state-controlled financial sector stood in marked contrast to the experience of the Europeans and Americans, whose efforts were largely confined to bailing out their own poorly regulated banks. Second, China's efforts not only saved its neighbours from succumbing to extra-regional problems, but they provided a strikingly effective alternative to the sort of neo-liberal prescriptions that had never been enthusiastically embraced in the region.⁸⁹ Third, China's trade surpluses and currency manipulation have led it to accumulate the world's largest foreign currency reserves and it is consequently a central part of the international political economy. The US is already increasingly dependent on continuing inflows of Chinese money to underwrite its budgetary position. The result is a shift in the international balance of economic power. As Hillary Clinton inadvertently admitted when asked whether she would 'stand up to China', she replied, 'How do you deal toughly with your banker?'⁹⁰

If the US cannot tell China what to do, what chance has the EU? China is influential not because its model necessarily attracts admirers, but because its sheer economic weight translates into real power. Wen Jiabao's suggestion that the EU might want to grant China 'market economy' status and thus minimise

⁸⁷) Joshua Ramo, *The Beijing Consensus* (London: The Foreign Policy Centre, 2004).

⁸⁸) Suisheng Zhao, 'The China model: can it replace the Western model of modernization?' *Journal of Contemporary China*, Vol. 19 (2010), pp. 419–436.

⁸⁹) Walter, *Governing Finance*.

⁹⁰) Ewen MacAskill, 'WikiLeaks: Hillary Clinton's question: how can we stand up to Beijing?', *Guardian* (4 December 2010).

trade restrictions on Chinese firms if the EU wants its help is a revealing indication of which way the winds of international influence and power are currently blowing.⁹¹ The unpleasant reality for policy-makers in Brussels and Washington is that it is they who may have to do the adjusting and ‘getting their houses in order’, as Premier Wen bluntly put it. The adjustment process will be made even more difficult because of the way power is exercised in some of the rising powers.

The rise of ‘state capitalism’ is not unique to China but a more widespread development that presents a major challenge to the established Western-inspired order of free markets and democratic politics. For state capitalists,

the ultimate motive is not economic (maximising growth) but *political* (maximising the state’s power and the leadership’s chances of survival). This is a form of capitalism but one in which the state acts as the dominant economic player and uses markets primarily for political gain.⁹² [Emphasis in original.]

Not all of Asia subscribes to the state capitalism model, but the rather utopian notion that the EU’s good example might catalyse an inevitable convergence on Western political and economic practices is becoming increasingly implausible.

Despite the EU’s current travails, its track record remains substantial and profoundly impressive—if for no other reason than its very existence has been instrumental in transforming Europe’s security environment and giving real credibility to claims about the pacifying impact of economic integration.⁹³ And yet its style of regional integration had relatively little impact on Asia. The principal reason is that both the internal sources of difference or divergence alongside the forces of resistance to external influence in Asia remain strong. East Asian regionalism looks and functions differently partly because it developed in a distinctive East Asian context with all of the contingent historical realities that implies, and partly because the forces that shaped initial cooperation in East Asia and Europe were different and less consequential: Cold War geopolitics in Europe had a much larger impact than in Asia. Many policy-makers in East Asia have no desire for the sort of powerful, potentially intrusive threats to domestic sovereignty that are seen to distinguish Europe. Whatever many Europeans may have thought about the inherent superiority of the EU, there has been little appetite to replicate it in Asia.

⁹¹ Jamil Anderlini and Lifan Zhang, ‘Wen sets preconditions to help Europe’. *Financial Times* (14 September 2011).

⁹² Ian Bremmer, *The End of the Free Market: Who Wins the War Between States and Corporations?* (New York: Penguin, 2010), p. 5.

⁹³ Erik Gartzke, ‘The capitalist peace’, *American Journal of Political Science*, Vol. 51, No. 1 (2007), pp. 166–191.

Is the EU model likely to become more or less influential in Asia and elsewhere in the future? Although it gives us no pleasure to say so, we suspect that the EU's influence is likely to diminish in Asia, and elsewhere for that matter. Of course, if the EU can overcome some of the formidable economic, political and legitimacy problems that currently confront it,⁹⁴ this will undoubtedly enhance its standing. But any potential influence will be filtered through contingent local circumstances and conditions. If the Asian economies continue to prosper while Europe languishes, it is unlikely to prove an attractive role model. If Asia suffers a severe downturn, the preconditions for European-style cooperation may simply not exist. Either way, we should not expect that Europe's influence will necessarily increase—whatever its normative attractions may be.

⁹⁴) David Marsh, *Europe's Deadlock: How the Euro Crisis Could Be Solved—and Why It Won't Happen* (New Haven, CT: Yale University Press, 2013).