

The APEC-ization of Europe

APEC's Political Nothingness: Reminder of What Looms for Ever-enlarging EU



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A Difficult Union

"If I want to call Europe, which phone number shall I dial?" This famous joke by former US Secretary of State Henry Kissinger exemplifies the feeling of hopelessness he had for the European Union. For Kissinger, the EU was politically irrelevant. The only reliable partners with which the United States could engage in Europe were the nations, which were historically formed and were the only bodies that truly "represent" their people.

Kissinger was right. One of the best contemporary definitions of Europe, given by French writer Régis Debray, is "maximum of diversity within minimum space." The price to pay for this cultural richness is the lack of internal cohesion of Europe. This basic flaw is most obvious on the front of diplomacy. France, Germany and Britain, the three main countries of the EU, have fought each other for centuries. One should not be surprised if they keep on disagreeing on what a European foreign policy should look like at this hour. History does not change.

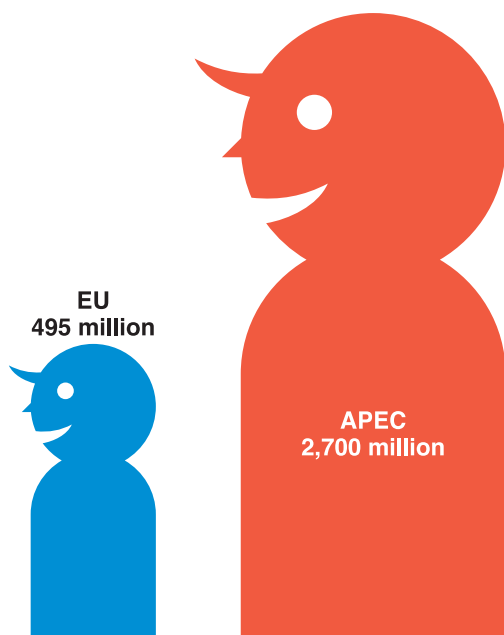
Today, as before, Britain is so dependent on the United States that when it comes to essential decisions, it will very often split with France and Germany. There will be no European solidarity when the position of Washington (i.e. the position of London) is at odds with Paris and Berlin. The most recent example of this basic

misunderstanding is the second Iraq war: for historical reasons, Britain had to follow its American partner no matter what; for historical reasons, too (its Arab policy), France had to resist and refuse embarking on what it saw as an unnecessary crusade. In the end, Europe was profoundly divided on the Iraq war. Some went (Italy, Britain), some did not (France, Germany). Next wars will see the same chasms among Europeans.

But even economically, the European "Union" is not united at all. Yes, there are a customs union and a monetary union. Yes, many companies of the same sector that used to be limited to one country have merged on the European level and have become global players; in defense, pharmaceuticals, retailing and transportation, Europe was the platform that allowed many French and German companies to be able to fight their American competitors in the world markets. Yes, exchange of people among member countries is very rich. But each member state of the EU still has its own market, with its own personality, its own culture and most of the time its own language. A German consumer is not the same as an Italian consumer. "We say that Europe is a single market, but the truth of the matter is, it is made of 27 markets," says Pierre Kosciusko-Morizet, president and founder of Priceminister, France's first online shopping mall.

That said, the existence of the EU itself is a kind of miracle, considering where its member countries come from. No other countries have decided to unite on such a scale. No nations consented to such amputation of some of their most basic, sovereign prerogatives, on top of them the right to run their own monetary policy. One should not forget that the EU was born barely after two world wars so bloody and horrible that they were seen by intellectual circles as the moral bankruptcy of Europe. The joint abandonment of the Deutsche mark and of the French franc 50 years later are amazing gambles on Europe's destiny.

Population of EU & APEC



Source: APEC & the EU (latest available data)

Comparing APEC & EU

This sense of achievement can be even greater if we compare the EU to APEC. The EU at least had a *raison d'être*; it was formed on the basis of the acknowledgement that people from Europe share common values, a common history and a common destiny. There have been several attempts, at various levels, to unite Europe (Rome, Charlemagne...), and the EU is the boldest because it is born out of peace, not war.

APEC on the other side has no historical foundation. Born in Australia, supported by the United States, it is a forum for 21 countries and regions which share the common point of bordering the Pacific. Of course, it is not a meaningless organization. It is always good for heads of state to meet in some form or another. But two of the main terms that form the acronym APEC are very hard to define,

and therefore very shallow. “Asia” is essentially a Western creation that embodies people as diverse as Persians and Japanese. “Asian values” have the same vagueness.

As for the term “Pacific,” it is not a very substantial word either upon which to form a union. The Pacific Ocean is so big that it touches upon countries and territories who have almost no trade relations whatsoever. Geographically, the Pacific is an ocean; but commercially it is a river, which flows to and from the United States. Intra-trade on bordering nations of the Mediterranean Sea and the Atlantic Ocean has always been much more intense than on the Pacific seas.

Trade relations between APEC member countries like Chile and Japan, or Peru and Vietnam, or Russia and Brunei are very slim, while the United States is in general the main trading partner of most member countries. It is probable that trade between APEC members is increasing rapidly. Yet despite the recent US crisis and the globalization of trade, the United States is still the consumer of last resort for most APEC members.

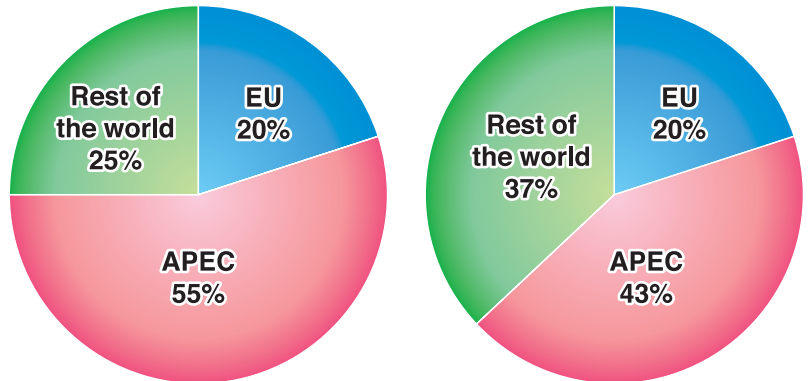
Many people in Japan argue that APEC’s institutional weakness is actually a good thing. For them, APEC is effective precisely because it is not legally binding. But this argument is fallacious: for what is the point of meeting NOT to decide anything? Do we need a regional organization for this purpose?

Hence, seen from a European perspective, APEC has the political relevance of a golf club. Except for the colors of the local shirts the APEC leaders comically wear at each occasion, nothing fundamental is ever discussed there: resource management, sea pollution and regional conflicts are not on the menu. Can we imagine the same level of commitment in Asia as one finds in the EU since its creation? Can we seriously imagine the Federal Reserve, the Bank of Japan, the Bank of South Korea and the People’s Bank of China unite to manage a common currency, as the EU did? In fact, there is already a single currency in APEC: it is the dollar. All APEC currencies (except the yen and the won) are pegged to the greenback.

The Triumph of America

In this cacophony, only one voice can be heard: the American voice. The real *raison d’être* of APEC is to guarantee US hegemony in the whole Asia-Pacific region. It is, if you will, an American golf club. In fact, if Kissinger wants to know what APEC thinks, he knows which number he has to dial: 1-202-456-1414. It is the phone number of the White House. The frontiers of APEC basically match the sphere of influence of the United States. The American army has bases all over the region covered by APEC.

Share of the world’s GDP Share of world trade



Source: APEC & the EU (latest available data)

But if the EU is a model of union, as imperfect as it is, in a way, APEC may figure what the EU is now becoming. Supranational institutions suffer from a paradox: the bigger they are, the weaker they are. When the G-7 became the G-20 a couple of years ago, it lost the little political stance it had. “We could talk about human rights in a G-7 assembly. If we add Russia to the same assembly, we cannot talk about human rights anymore,” a Japanese diplomat summed it up to me once. Charles de Gaulle used to deride the United Nations as “the thing,” a body we could easily have got rid of without much trouble since nations were, for him, the only serious players in the global field.

The same dilution is happening to Europe today. When it was formed by six countries, the EU had an historical logic and coherence to it. It roughly espoused the frontiers of the Imperial Rome. Now that it hosts 27 countries (and counting), the EU has become a “multiple-speed” regional union that has lost the little integrity it had in the past. Some are members of the euro zone, others (Britain, Sweden) are not. Some are in the “Schengen customs union,” others (Britain, Ireland) are not, etc. If Turkey enters the EU, which is under discussion as I write these lines, the EU will go from the Thames to the Bosphorus, which will correspond to the NATO frontiers, i.e. to the wishes of Washington. The United States is constantly in favor of widening the EU. Washington understands that, just as the example of APEC wonderfully shows, the more members you have, the more divided the EU will be, and the more powerful the United States will be. Washington is actually using an old European principle of diplomacy phrased by Machiavelli: “divide et impera,” or “divide to reign.” In today’s language, following this principle, Europe is now being “APEC-ized.” **JS**

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