

ASEM in its Tenth Year

Looking Back, Looking Forward

*An evaluation of ASEM in its first decade
and an exploration of its future possibilities*

European Background Study

March 2006

University of Helsinki Network for European Studies



UNIVERSITY OF HELSINKI

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Preface

The Asia-Europe Meeting (ASEM) celebrates its tenth anniversary in 2006. The Meeting's founding father, Singapore's former Prime Minister Goh Chok Tong, suggested in September 1994 to bridge the gap in interactions between Asia and Europe by establishing an institutional framework for the two regions to systematically engage each other. His idea came at the right time for Europe, since awareness had grown that "the rise of Asia is dramatically changing the world balance of economic power", as the EU's New Asia Strategy phrased it. The first Asia-Europe Meeting, held in Bangkok in March 1996, was heralded as a major success. Characterized by an optimistic spirit of co-operation the meeting was perceived as a first step towards filling in the "missing link" in the triadic economic international structure. The sixth ASEM Summit to be held in Helsinki in September 2006 will mark a decade of a multidimensional dialogue which has broadened far beyond the initial focus on economy and trade, and which has given rise to hundreds of wide-ranging collaborative initiatives between the two regions.

Anniversaries provide excellent opportunities for a reflection on the past, present and future. Many participants directly involved in the ASEM process as well as outside observers deem the time ripe for an evaluation of the first decade of this still young interregional dialogue forum, and for a careful consideration of the process's future possibilities. Has ASEM lived up to the initial expectations of the partnership? Are its working methods still as valid as ten years ago? Has it played a relevant role as a major international cooperation structure? Does ASEM at present reflect the full global strategic potential of Asia-Europe relations in general?

In order to assess ASEM's achievements and ascertain the way forward, Japan and Finland submitted a proposal, endorsed by the 7th ASEM Foreign Ministers Meeting (Kyoto, May 2005), to jointly produce an objective think-tank report. The present study is the European background analysis that formed the basis for the drafting of that joint report and common conclusions. It looks back on the Meeting's history, philosophy, activities, position within the EU, and working methods in order to formulate recommendations for the future from a European perspective. Research for the study and analysis of the data took place between June 2005 and February 2006. Research material was gathered from EU-related sources, in

addition to publications by leading European experts. Interviews were conducted with EU officials, independent think tanks and key parties, and consultation of all the EU Members States took place through a written questionnaire. In addition an international conference, bringing together leading academics in the field of international relations and government officials involved in the ASEM process, was organized in September 2005 in Helsinki.

The Finnish research team was led by Dr Teija Tiilikainen, Director of the University of Helsinki Network for European Studies and Dr Timo Kivimäki, Senior Researcher at the Nordic Institute of Asian Studies. The researchers were Dr Bart Gaens and M.Soc.Sc. Silja Keva from the University of Helsinki.

The research group would like to express its sincere gratitude to all the EU and government officials, and to all the academic experts who provided guidance and insightful remarks through interviews and questionnaires. Special thanks are due to all the speakers, commentators and participants of the “Ten Years of ASEM” conference.

The research team is responsible for all opinions expressed in this study, and also for any of its shortcomings and mistakes.

Helsinki, March 2006.

Introduction

The Asia-Europe Meeting (ASEM) began in March 1996 with an inaugural summit of leaders from ASEAN, China, Japan and Korea, and from the EU member states and the European Commission. ASEM's official goal was to achieve a new comprehensive "Asia-Europe Partnership for Greater Growth" and to strengthen multidimensional cooperation. For Europe the underlying logic was rooted in the grown awareness of Asia's global economic weight and the inadequate involvement of the EU in Asia, particularly when compared with the US and its connection to the Asia-Pacific through APEC. The birth of ASEM in 1996 marked the turning of a new page in Asia-Europe relations, and was accompanied by great expectations.

The ASEM dialogue forum, the instrument for this new start, was inaugurated as a new and innovative player in the field of interregional relations, displaying a distinct character. This individuality reveals itself first of all in membership, which is marked by a certain degree of asymmetry and exclusion. The original ASEM documents reveal an ambiguous relationship towards the agents of dialogue. The name Asia-Europe Meeting suggests that it aims to function as a forum for interregional cooperation between Asia and Europe. This interpretation is apparent in key documents such as the Asia-Europe Cooperation Framework (AECF). The reality is, of course, much more complex¹. "Europe", represented by the member states of the EU and the European Commission (a separate and equal partner in its own right), embodies a coherent regional agency on account of the EU's institutional character. "Asia" on the other hand is represented by the ASEAN partners in addition to China, Japan and South-Korea, a grouping of countries which as ASEAN+3 forms the focal point for the emerging construction of an East Asian regional identity as a counterpart to Europe in ASEM. Nevertheless, the fact remains that the Asian agency is limited by the absence of an all-Asian organization that could be considered as a prerequisite for participation as a coherent and politically integrated bloc in ASEM.

Furthermore with regard to membership, exclusion and the construction of difference are at least as important as inclusion and official membership. ASEM is in the first place a dialogue forum without the US, and the initial European motives to create ASEM included the intention to counterbalance the strong economic presence in Asia of the only remaining

¹ Yeo 2003; Stokhof, van der Velde and Yeo 2004.

superpower, in particular after the birth of APEC in 1989. But the process of exclusion is also at work internally, as is obvious from the all-embracing term “Asia-Europe Meeting”. First of all, the European Union (EU) claims exclusive representation of “Europe”, and membership of the EU should automatically comprise participation in the ASEM partnership. “Asia” on the other hand is limited to the ASEAN+3. ASEM’s originators chose the denomination Asia-Europe Meeting, despite the limitations of participation to the EU and East Asian countries, exactly for its elasticity and possibility for future inclusion of countries such as India (South Asia), Australia and New Zealand (Australasia) and Russia (depending on the observer’s point of view, Central Asia or Europe).²

Also ASEM’s format, key features, and legal/political character are novel. ASEM aimed to be an informal, non-binding dialogue forum based on equality and consensus. To define ASEM in terms of the traditional concepts of international politics or law is therefore not an easy task. First, ASEM is a political framework for diverse activities and bodies rather than a unitary actor or structure. ASEM has aptly been defined as a holistic mechanism for interregional diplomacy.³ Second, ASEM is a process rather than a stable system of activities. The Commission’s definition recognizes this as ASEM is characterized as a process of dialogue and cooperation. A third crucial characteristic of ASEM is its informality. ASEM is not a rule-based system with regard to basic structures as well as to day-to-day activities. ASEM and its core forms of activity were launched by means of an agreement, in the form of a chairman’s statement, concluded at the inaugural Bangkok summit in 1996. This has been the format in which also later decisions on the development of ASEM have been taken. The ASEM2 Summit adopted an Asia-Europe Cooperation Framework (AECF) which provides the general guidelines for ASEM activities, but even the AECF is a political document without legal effects.

ASEM’s predilection for non-institutionalization has been confirmed in the updated form of the AECF. ASEM’s activities are led by the Summits arranged every second year. Ministerial meetings –mainly in the compositions of Foreign Ministers Meetings (FMM), Economic Ministers Meetings (EMM) and Finance Ministers Meetings (FinMM) – are set to take place

² Within the EU, in particular the absence of South Asia with its population of approximately 1.2 billion, was questioned. Cf. Written Question no E-0086/96 by Philippe Monfils (ELDR) to the Council (30 January 1996). Date of issue: 16 July 1996. The Council reacted by stating that the question of future membership will be dealt with by the “Asia-Europe Union” at the time, and that the EU intends to strengthen relations with India.

³ Dent 2003a: 223.

regularly. According to the AECF Heads of State or Government may decide to hold occasional conferences bringing together other ministers. The Senior Officials Meeting (SOM) is responsible for overall coordination while both the EU and Asia have their own systems of coordination. For the EU this function is adopted by the Council presidency together with the Commission, and for Asia the function rotates among groups of two member states, one of which is representing the ASEAN countries and the other the three Northeast Asian partners. Inside the ASEM framework a number of institutionalized structures have been established which, however, do not take the form of intergovernmental bodies. ASEF, the organization tasked to organize and implement ASEM projects, takes the form of a non-profit foundation, but is funded by ASEM partners who are also represented in its board of governors. As an informal structure, ASEM meetings do not adopt legally binding acts or decisions. Two-year work programmes which are drawn up by foreign ministers form the political basis for ASEM activities. ASEM partners can make proposals for new initiatives which can be adopted to the work programme if they are supported by all partners and comply with the guidelines set by the AECF. Initiatives form ASEM's key instruments and they are of a purely political character.

In addition ASEM's distinct character is visible within the broader international framework as a part of the structures of global governance. The concept of global governance refers to the new, more cooperative international order which replaced the balance of power system of the Cold War. When perceived from this perspective, ASEM's birth can be linked with the emergence of new regional organizations since the mid-1980s, which gave rise to new mediating structures, interconnecting different organizations at diverse levels. ASEM is an example of such a mediating structure which is not only connecting the two regions with each other, but also providing a link between both regions and the organising principles and goals of the wider global system.⁴ ASEM represents a mixture between pure bilateralism and multilateralism.

Evaluations of inter- and transregional fora often apply the five functions of interregional relationships as defined by Jürgen Rüländ.⁵ These functions are useful as a theoretical starting point for a re-assessment of ASEM. The first of the constitutive functions emanates from the world power structures rather than from the new cooperative order based on common rules

⁴ Se e.g. Dent 2005.

⁵ Rüländ 2001a.

and principles that was at the heart of ASEM's conception. ASEM's role as a balancer in the triadic post-Cold War balance of power has been treated as one of the major *raison d'être* of the forum.⁶ Seen from a European point of view, ASEM was meant to balance the strengthening of the US dominance through Pacific Asia. The problem with balancing structures tends to be – as has been pointed out by Rüländ – the lack of a long-term perspective. They have been created as responses to a given power configuration which makes them vulnerable.

Agenda-setting and rationalizing functions are two tasks ensuing from the mediating role of interregional structures *vis-à-vis* the system of global governance. Interregional structures are expected to facilitate the functioning of global institutions by coordinating positions in an interregional context or steering the agenda-setting of these institutions. A still more principal function offered to interregional structures refers to the legitimizing and advancing of the principles and goals of global institutions, in other words foundations of global order. Existing analyses do not give ASEM a high record in any of these functions.⁷ It has been argued that ASEM has neither been able to take the rationalizing role pertaining to key processes dealt with by the UN nor by organizations in the field of economy and trade such as the WTO or OECD. However, different opinions exist about the reasons for ASEM's weak performance. There is a more optimistic perspective linking the weaknesses with the inaugural stage of ASEM and seeing a gradual improvement taking place.⁸ In the more pessimistic perspective ASEM's weaknesses are firmly linked with its weakly institutionalized character and lack of binding instruments. According to this view, a gradual institutionalization and increase in the rule-bound character of ASEM is inevitable.⁹ The present study will continue the debate on ASEM's weak performance regarding rationalizing and agenda-setting capacities, in particular related to its origins and possible means to solve the problem.

The third function of ASEM as a starting point for this study deals with its identity-building character. The identity-building role of interregional structures has been seen as another part of their mediating function. Interregional dialogues tend to reinforce regional identities of the

⁶ See Rüländ 2001a: 62.

⁷ See Dent 2005 or Rüländ 2001a or 2005.

⁸ Christopher Dent (2005) and Sebastian Bersick (2002) represent this view.

⁹ Jürgen Rüländ represents this view (e.g. Rüländ 2005 or 2002).

two parties as the whole constellation is based upon the idea of regional actorness.¹⁰ While a common understanding seems to exist that ASEM has promoted the construction of a common identity among the Asian partners, its role *vis-à-vis* the EU members remains more ambiguous.¹¹ One of the questions asked in this study – focusing on ASEM from the European perspective – thus is to what extent ASEM has nourished a common identity and interests among the EU members in their relations with Asia. This question is addressed by analyzing EU members’ political commitment to and priorities with ASEM as well as the way the EU in institutional terms functions in the context of ASEM.

The final function of ASEM which will implicitly be addressed by this study is related to institution-building. Institution-building has above all implied the establishment of a permanent dialogue with a regular set of meetings. Overall however, ASEM’s level of institutionalization is low and in the first place embodied in ASEF. ASEM has also stimulated a process of policy-coordination among its Asian partners. The same can be applied to identity-building, where the EU’s model – offered through ASEM – has nourished the construction of common Asian values and interests.

These functions of interregional relations formed the backdrop for devising the structure of this study on ASEM’s role within the international context. Chapter One will first take a closer look at ASEM’s background and history. It will sketch the relations between the EU and Asia during the Cold War era, and situate some of the main motivations for ASEM’s creation within Europe’s new recognition of Asia and the formulation of an encompassing Asia strategy. The chapter will conclude by providing a brief overview of ten years of ASEM summitry. Chapters Two through Four will examine to what extent ASEM has been able to perform its “balancing” function, and in how far it has succeeded in strengthening the “third leg of the triangle”. This general evaluation is conducted through a more specific look at the performance of ASEM’s three main foci of cooperation (corresponding to Chapters Two, Three and Four respectively), namely political dialogue, economy and trade, and cooperation in other areas. Chapter Five will then explore the “agenda-setting” function of ASEM within the European Union, and look at the atypical position it takes within the EU’s external relations. Finally, Chapter Six will examine ASEM’s “institution-building” function and look into formats, institutional questions and working methods.

¹⁰ See Gilson 2002b: 20-25.

¹¹ See Gilson 2002a.

CHAPTER I

History and Background

1. Before ASEM: Features of the EU-Asia relationship during the Cold War era

1.1 General overview

After the end of the Second World War and the end of Asian colonization the relations with Asia played a minor role to European countries. As the colonial powers had withdrawn, the former colonies were fiercely pursuing their independence. Asia was not perceived as an attractive market area, but merely as a recipient of development aid.¹² Europe's own focus was in post-war rebuilding and regional integration. In international relations the EC member states focused on relations with the US. While individual Member States had historical, long-standing relations with Asia, the EC lacked a common Asia strategy until the early 1990s. In general, Asia was not of primary interest to the EC economically or politically.¹³

However, the intensification of European integration contributed to a slow, low-key process of widening and deepening of bilateral relations with Asia. This was reflected in the gradual establishment of European Commission delegations to Asia (Japan 1974, Thailand 1978, China 1988, Indonesia 1988, Philippines 1990, Hong Kong 1993) and in the bilateral and regional Trade and Cooperation agreements the EC signed with China in 1978, with ASEAN in 1980 and with Japan in 1991. These relations were often institutionalized on an ad hoc basis.¹⁴ The EC's overall relations to Asia consisted of bilateral trade, trade-promotion, business support, cooperation projects in official development aid, technical aid, economic cooperation and only occasionally of foreign policy issues.¹⁵ In the 1970s the relationship with certain developing countries of Asia¹⁶ turned more comprehensive and became integrated into the Lomé Convention.¹⁷

¹² Pelkmans 1997: 5.

¹³ Smith 1998: 289-91.

¹⁴ Richards and Kirkpatrick 1999: 689.

¹⁵ Dent 1998: 505-506.

¹⁶ Especially countries close to France and UK. The Lomé approach was limited as large countries such as China were excluded from the programme and dealt with bilaterally.

¹⁷ Smith 1998: 291.

From the mid-1970s onwards the EC was faced with an increasing economic challenge from Japan. This finally resulted in a significant bilateral trade deficit (in 1985 amounting to 10 billion ECU). Japan was soon joined in the competition by Korea and Taiwan. The emerging economic growth in Asia changed the nature of relations in the field of official development aid from humanitarian and development assistance to economic co-operation assistance. This was also reflected in the EC-ASEAN relationship as more and more countries grew out of the EC Generalized System of Preferences (GSP) which provided less developed countries with trade privileges.¹⁸

By the early 1980s a two-fold, more general concern in the Asia-Pacific could be discerned in the EC. The first concern was economic, and was caused by challenges emerging from Japan and the NIEs (Korea, Taiwan, Hong Kong, Singapore). The second related to the need for wide-ranging development aid caused by the end of the Vietnam War and the subsequent regional conflicts in the less developed areas of the region. At the end of the 1980s the EC-Asia relationship consisted of bilateral economic competition with Japan and the NIEs, development aid relations and the EC-ASEAN interregional relationship. In general the relations were diverse and fluctuating and there was a constant need to amend the bilateral agreements.

The EC-Asian relations were predominantly seen as economic linkages as the geo-political distance between the areas did not make Asia a priority on the EC's political agenda. There was little need to develop more permanent political relations, as they were more or less already handled through bilateral channels (often reflecting the previous colonial relations) or through broader channels such as the United Nations. Also the limitations of the EC itself, the Cold War system and the diversity of the Asian region were factors behind the slow development of the relations. In general Asia was perceived as a growing economic threat and the EC policies were designed to protect the European markets and competitiveness.¹⁹

1.2 Relations with individual countries

Although EC/EU-Japan relations have been characterized by trade conflicts, the linkage between the two has been the strongest of all bilateral relations between the EC/EU and East

¹⁸ *Ibid.*: 292-293, 298-299.

¹⁹ *Ibid.*: 291-295, 298-299.

Asia. Japan was by far the EC/EU's most important trading partner in the period 1980-1994, accounting for 2.1% of exports and 4.2% of all imports in 1994.²⁰ Yet rather than investing interests in Europe, Japan was facing the US as its most significant other concerning both trade and security.²¹ In the political arena the groundbreaking "Joint Declaration on Relations between the European Community and its Member States and Japan" of 1991 delineated general principles and objectives of dialogue and cooperation, and laid out a framework for dialogue and consultations with annual ministerial-level meetings and biannual consultations.

The Korean attitude towards the EC/EU before 1996 is regarded as more forthcoming than Japan's, and South-Korea (ROK) has been more active in seeking a stronger relationship with the EC/EU. Nonetheless, it was mainly Japan the EC/EU remained focussed upon. Relations between the EC and ROK only really took off in 1989, with the establishment of a Commission delegation in Seoul. The linkage between the EC and ROK remained centred on trade issues until 1992 when a first official agreement on cooperation in science and technology was reached. This was followed by a series of negotiations on a Framework Agreement on Trade and Cooperation in 1995, which also included intensification of the political dialogue in order to contribute to the Inter-Korean reconciliation process.²² The Framework including the Political Declaration was signed in 1996, but only adopted by the EU Council in 2000.

When China's economic success became obvious in the 1980s, a first trade and cooperation agreement with the EC was concluded in 1985.²³ Trade and economy were certainly at the crux of EC-China relations. After the Tiananmen incidents the EC imposed economic sanctions, but pressured by industrial and business interests, first France and then Germany loosened sanctions.²⁴ By 1994 China was the EU's second most important trading partner with 1.7% of EU imports and 1% of exports.²⁵ A long-term policy paper on China, however, only appeared in 1995, and was prompted by the establishment of the EU's New Asia Strategy during the previous year. Yet, in practice several political issues such as the Taiwan

²⁰ Hilpert 1998: 58.

²¹ Nuttall 1998: 174.

²² European Commission External Relations 2006: The EU's Relations with South-Korea.

²³ "Agreement on Trade and Economic Cooperation between the European Economic Community and the People's Republic of China – 1985". European Commission External Relations 2006: The EU's Relations with China.

²⁴ Maull 1997.

²⁵ *Ibid.*: 174-5.

question, defence and security-related matters, the return to China of Hong Kong and Macau, and last but not least human rights elements led to a wide diversity of European policies on China.²⁶

1.3 Interregional relations

SAARC (South Asian Association for Regional Cooperation) was created in 1985 and comprises Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka. Relations between the EU and SAARC, described on the EU website as “an organization with strong ambitions, but restricted powers”²⁷, have been limited to ministerial meetings between 1994 and 1998. While the EU affirms continued interest in strengthening links, formal SAARC-EU relations have been put on ice since 1998, as progress is being marred by the sensitive nature of a dialogue on political issues such as the animosity between India and Pakistan and the nuclear dimension of their relationship, and civil and ethnic strife in Nepal and Sri Lanka.

By far more important than SAARC in the context of the EU’s interregional relations is ASEAN. Indonesia, Malaysia, the Philippines, Singapore and Thailand formed the Association of Southeast Asian Nations (ASEAN) in 1967. Brunei, Vietnam, Cambodia, Laos and Burma joined at a later stage, resulting in a regional cooperation structure of ten members by 1999. Informal relations between the EC and ASEAN date back to 1972, but a first formalization of relations occurred in 1977, followed by the inaugural ASEAN-EC Ministerial Meeting (AEMM) held in 1978. The signing of the first formal ASEAN-EC Cooperation Agreement took place in 1980, during the second AEMM. Even though an ASEAN-EC Business Council was set up in 1983, ASEAN ranked low on the hierarchy of EC-priorities until the late 1980s. The link with the EC can be characterized as a donor-recipient relationship, as ASEAN requested more development aid, better market access into the EC, and more technology transfers.²⁸ Nevertheless, both exports to and imports from ASEAN countries roughly tripled between 1985 and 1991. The ASEAN market accounted for approximately 33% of EC/EU exports to Asia throughout the period 1975-1996.²⁹ By 1992 EC trade with Asia outgrew its trade with North America, which prompted a proactive Asian Strategy and led to the establishment of an “active partnerships of equals”. One

²⁶ Yahuda 1998: 186-187.

²⁷ European Commission External Relations 2006: The EU’s Relations with ASEAN.

²⁸ Yeo 2003: 21.

²⁹ Pattugalan 1999: 45.

outcome of this philosophy was the intensification of relations with ASEAN. Europe's renewed focus on Asia after 1992 increased enthusiasm for cooperation with ASEAN, and led to the establishment of a partnership between equals as the guiding framework for cooperation.³⁰ The EC-ASEAN relationship, marked by dependence of the latter on the former and grounded in ex-colonial roots, transformed into an interregional relation based on equality and interdependence. The economic dynamism of the early 1990s furthermore reflected in the 1992 plan to create an ASEAN Free Trade Area (AFTA) within fifteen years, and also translated into the initiative for the establishment of the ASEAN Regional Forum (ARF) in 1994. As a multilateral security forum the ARF brings together major powers such as the USA, China, Japan, Russia, India, the EU as well as ASEAN.³¹ The participation of the EU, represented by the troika in the ARF clearly shows the desire on the European side to strengthen its political and security ties with the region,³² although the ARF does not possess the means to serve as an efficient instrument for formal dispute settlement.³³ It is beyond doubt that on the broader political and diplomatic level ASEAN has been successful in promoting itself as the bridge to wider relations between Europe and Asia, as well as the gateway to the wider Asia-Pacific region, and a facilitator in the wider Asia-Europe dialogue.³⁴

2. The change: The EU's new recognition of Asia, the New Asia Strategy (1994), and the birth of ASEM

The dramatic changes in the international system taking place in the late 1980s and early 1990s formed a turning point for EU-Asia relations. The end of the Cold War and the collapse of the Soviet Union, the deepening of European integration in the framework of the EU and the "miraculous" economic growth of certain Asian countries were the key reasons behind Europe's new recognition of Asia. In the post-Cold War era the world order became increasingly more complex as the economic power and other forms of "soft power" gained importance. Consequently military force was losing its dominance as a source of political

³⁰ Kettunen 2004.

³¹ The ARF can be seen as a transregional dialogue since – as far as its participant structure is concerned – it does not coincide with key institution-formation in the corresponding regions.

³² Pattugalan 1999: 44.

³³ European Parliament - Committee on Foreign Affairs, Security and Defense Policy 1999.

³⁴ Yeo 2003: 23.

power³⁵. The emergence of new regional powers (China and India) and groupings (ASEAN) paved the way towards a more multipolar international system.³⁶ The end of the Cold War unsettled the stable security setting that had existed for decades in the Western Pacific. The US security system with East Asia came under pressure and at the same time the relations between the Asian countries themselves surfaced. The emergence of Pacific Asia as one of the three centres of the world economy and politics brought also fragility to the international order, as regional stability in the area had been uncertain. When the world spending on armaments was decreasing, the arms race in East and Southeast Asia, coinciding with the growth of China, intensified.³⁷

2.1 “Towards a New Asia Strategy”

The main reason the EC had lacked a common Asia strategy for so long was that the international situation in terms of economy or politics did not seem to require one.³⁸ The EC’s own historical integration required an inward-looking and even protectionist attitude at times. Also the post-Cold War political and economic realignments in Central and Eastern Europe compelled the EC to concentrate more and more on its own surroundings. When the EC did take an outward-looking stance, its priorities did not lie in Asia. As a rule the EC’s interests were mainly situated in the transatlantic relations, in EFTA and to some extent in the Mediterranean. The pre-1992 division of labour between the EC and its Member States – in particular in the field of external relations – also complicated strategic policy formation.³⁹ However, in the early 1990s a new understanding in Europe grew that if it did not now take an active role in Asia, it would lose out to Japan and the US. Also a fear existed that the deepening transpacific ties would leave the EC – which was just turning itself to the politically more solid EU – as an outsider in world economics. This led the EU to map out its own Asia strategy in 1994.⁴⁰

The New Asia Strategy⁴¹ was based on the conception that the rise of Asia was dramatically changing the balance of economic power in the world and, consequently, the EU’s role. The

³⁵ Yeo 2003: 9.

³⁶ Maull & Tanaka 1997: 31–32.

³⁷ Pelkmans 1997: 19.

³⁸ *Ibid.*: 13-14.

³⁹ *Ibid.*

⁴⁰ Smith 1998: 300-301.

⁴¹ European Commission 1994.

Commission underlined that the economic growth of Asia and the new political importance it brought with it should be seen as opportunities for Europe and not as threats. If the EU wished to maintain its leading role in world economy and politics, it would be crucial to grasp these opportunities, assign a higher priority to Asia, and raise the EU's profile in the area.

The Commission recommended the EU to develop a political dialogue with those Asian countries which were ready and able to make a significant contribution to the maintenance of peace and stability both regionally and globally. Asia should be engaged more and more in the management of international affairs in a partnership of equals. The Commission also encouraged the EU to seek a positive contribution to regional security dialogues by following closely developments in the area.

The strategy highlighted the need for proactive strategies in order to achieve fuller and more targeted economic cooperation to promote EU trade and investment. The new economic cooperation with Asian countries was to focus (though not exclusively) on the newly emerging Asian markets, and the EU needed to take an active interest in integrating those Asian countries that were in the middle of structural economic reform (China, Vietnam and India) into the open, market-based trading system. Finally, despite remarkable economic growth, it was foreseen that Asia in the year 2000 would still have the largest concentration of poor people, necessitating coordinated poverty alleviation efforts by the EU and its Member States.

The New Asia Strategy noted that Europe could not take the acceptance of European values and manners for granted in Asia. Although both EU and Asia recognize the universal human rights, the manner in which these are adopted and defended was crucial. The EU's strategy was to be based on an appreciation of cultural, economic, social and political characteristics of each country or region.

The importance of the New Asia Strategy was in its positive approach to Asia. It was not just a revision of an old strategy - since there was none - but a statement that recognized the significance of the region and the EU's urgent need to intensify its presence there. It was,

quoting Pelkmans,⁴² a confirmation of “Europe’s rediscovery of Asia”. The strategy reflected Europe’s realization of the need to revise the neglected relationship that, left untouched, would seriously harm Europe’s role in the world. Although the main driving force of the strategy was in economy, the importance of regional security and political balance of power was recognized. After the colonial period the EU had neither the intention nor the interest to engage in deeper security involvement in the area. However the Union has a stake in the maintenance of peace and security in the area. The EU also encouraged Asia to adopt a stronger role in the world politics by stepping up its involvement beyond the region.⁴³ The new strategy emphasized the new relations as relations between equals in contrast to the old donor-recipient relationship the EU had entertained with many Asian countries.

2.2 The role of leading EU Member States

During the 1980s especially the economic rise of Japan and the resulting trade surplus with the EC had led several European countries to launch initiatives to promote trade with and investment in Japan. Certainly the UK was one of the most active of the EU member states to raise awareness of business opportunities in Japan. British governmental campaigns to promote business in Japan between 1988 and 1994, for example, were followed by French and Dutch initiatives. The European Commission’s “Gateway to Japan” campaign of 1994 was an attempt to build synergies between these national efforts and Community-level approaches.⁴⁴ But also the other Asian HPAEs (High-Performing Asian Economies: Hong Kong, Korea, Singapore, Taiwan, China, Indonesia, Malaysia, Thailand) caught the attention, especially after the 1993 World Bank Report on the “East Asian Miracle”⁴⁵ singled out East Asia as the locus of remarkable economic growth, quoting private domestic investment and rapidly growing human capital as the main explanatory factors behind the “miraculous” growth.

Identifying the Member States which were directly or indirectly most involved in the development of a strategy for Asia, especially Germany and France stand out as trailblazers.⁴⁶

⁴² Pelkmans 1997.

⁴³ *Ibid.*: 18.

⁴⁴ Bridges 1999: 29.

⁴⁵ International Bank for Reconstruction and Development 1993.

⁴⁶ Italy can also be mentioned as a member State supportive of intensified Europe-Asia cooperation through their engagement in and co-sponsoring of the “Forum of Venice on Culture, Values and Technology” in January

Germany was influential as its own national strategy paper on Asia (“Asienkonzept”) of 1993 functioned as a blueprint for the creation of an overarching Asia-vision for the EU, whereas France contributed much to the transformation of this Asia-philosophy into a tangible institutionalized summit meeting between Asia and Europe.

Already in 1993 Germany issued its “Asienkonzept”. The collapse of the Soviet Union had, in the first place, brought the hitherto geopolitically distant Asia closer to home, and the end of the cold war forced a new strategy *vis-à-vis* the new “neighbour”.⁴⁷ The growth potential of the Asian markets and the foresight of an “Asian Century”⁴⁸ was a second, perhaps more important factor. In the words of Chancellor Kohl, Germany aimed at “the intensification of economic relations with the largest growth region in the world”.⁴⁹ German attention was focussed primarily on Japan, with whom it already entertained close relations, but also on China, especially because after the political crisis of 1989 Deng Xiao Ping had put the country back on a more liberal course since the early 1990s, and normal bilateral relations resumed. This gave further impetus to the German government to formulate an encompassing Asia strategy. The visit by Chancellor Kohl in early 1993 to five Asian states was both a symbol and the actual starting point for the creation of the Asia strategy, which already appeared in autumn of the same year. The “Asienkonzept der Bundesregierung” emphasized the political and economic importance of the region for Germany’s future as follows:

*The Asian-Pacific region will have excellent prospect in the 21st century. Politicians and the business community must take account of this. An active policy towards Asia and the Pacific is in our current political and economic interest. It will also help secure Germany’s future. It is an indispensable element of a global policy geared towards ensuring peace.*⁵⁰

The pursuit of economic interest was central in Germany’s “Asienkonzept”, as is obvious from the concrete follow-up measures that were taken to heighten the German economic presence in Asia. These included the creation of an Asia-Pacific Committee of German Business and Industry (APA, “Asien-Pazifik-Ausschusses”) in 1993 in order to coordinate and promote the concrete private German enterprises in Asia, and the organization of regular Asia-Pacific conferences aiming to improve coordination among the relevant ministries and

1996. Cf. Bersick 2002c. The Conference aimed at re-considering cultural differences between Asia and Europe and stressed the need for increased cultural exchanges in order to ensure the success of economic relations.

⁴⁷ BPB Bundeszentrale für politische Bildung 2002.

⁴⁸ Bersick 2001.

⁴⁹ *Ibid.* Our translation.

⁵⁰ Deutsche Bundesregierung 1993. For the original German version see Deutscher Bundestag 1993.

institutions. Further emphasis was placed on German-Asian cooperation in the fields of science and technology, environment, telecommunications, development, education, science and culture, media and socio-political dialogue.⁵¹

The German Asia-concept also had ramifications for the larger EU framework, and was intended to function as a signal to the outside for the higher priority that should be given to the Asia-Pacific region. Germany advocated the use of existing channels and institutions through which this increased cooperation in diverse fields between EC and Asia should be achieved. Concretely, the German policy document called for the development of an equal partnership between the EC and the countries and regions of Asia and the Pacific through ASEAN (“the EC’s longest-standing cooperation partner”), and emphasized the need to increase the EC’s influence on APEC as the main “coordinating body for one of the world’s most important economic regions”. The conclusions of the Asia-Pacific Conference of Ambassadors of 24 January 1994 clearly show that Germany emphasized the need for a joint European policy in order to achieve success in the region, pointing out the need for EU efforts to complement bilateral cooperation.⁵² The promotion of internal European coordination with regard to Asia and the strengthening of relations between the EU and Asia were regarded as focal points for the German EU Presidency of the second half of 1994.

In effect the German “Asienkonzept” served as a model for the EU’s own Asia-policy document “Towards a New Asia Strategy”, and both its conception and endorsement took place during the German Presidency. The emphasis in both documents was clearly on strengthening the EU’s economic presence in Asia, and also the means to achieve a more active policy towards Asia was similar, namely the fundamental role played by the existing bilateral and regional co-operation agreements, in particular ASEAN and APEC.

However, when Goh Chok Tong, the Prime Minister of Singapore who is generally considered the spiritual father of ASEM, in October 1994 raised the specific suggestion of strengthening Asia-Europe relations through an international forum, he did so in Paris, not Bonn. Turning to Edouard Balladur rather than Helmut Kohl, ironically during the German

⁵¹ *Ibid.*

⁵² “From the German point of view a strong European component is indispensable for an active policy towards Asia. We will only be successful in Asia if we present them increasingly with joint European positions. As Europeans we will only be successful in economic terms if we show more consideration for one another.” (Asia-Pacific Conference of Ambassadors 1994).

EU-presidency, can explain partly the German chancellor's hostility⁵³ to the idea, despite its obvious concurrence with both German and EU Asia-strategies. As reasons why Goh chose France to raise support for the idea, and, despite a much stronger presence in the region, not Germany or the UK for that matter, Yeo Lay Hwee points out the following motives⁵⁴:

- The French had expressed their concerns most clearly about EU's position in relation to the US, especially after the EU's petition for observer status in APEC was rejected.
- France was seen as having a strategic long-term orientation, and could therefore be more easily convinced to engage in a dialogue with Asia
- Singapore hoped to benefit directly by attracting more French business.

It was therefore France that lobbied for European support for a Euro-Asia Summit, and, according to the French Ministry of Foreign Affairs, "convinced Europeans and Asians to form a new political partnership between Europe and Asia."⁵⁵ France claims credit not only for lobbying in Europe for the necessity of a Euro-Asian Forum, but also more generally for placing its stamp on European Asia-policy through a continued emphasis on problem-solving through dialogue (also on sensitive subjects) behind closed doors rather than confrontations and sanctions.⁵⁶ Yet from the point of view of general Asia-policy Germany shares that credit, especially as its Foreign Ministry, led by Hans-Dietrich Genscher, functioned as the driving force in the intensification of the cooperation between the EU and ASEAN, without which the ASEM Summit would have never seen the light. ASEAN rallied the Northeast Asian countries behind the ASEM concept, while at the same time ensuring their own centrality in the process.⁵⁷

2.3 Motivations for the creation of ASEM from the European perspective

2.3.1 The economic rise of Asia

In line with the 1994 New Asia Strategy, Europe felt, "as a matter of urgency" the need to increase its economic presence in the dynamic Asian market in order to maintain a leading role in the world economy. During the Cold War most Asian countries remained insignificant to the world in economic sense. Japan was the first one to succeed in becoming a major

⁵³ Camroux and Lechervy 1996: 443.

⁵⁴ Yeo 2003: 19.

⁵⁵ République Française – Ministère des Affaires Étrangères 2005.

⁵⁶ Dorient 2002: 176.

⁵⁷ Camroux and Lechervy 1996: 443-444.

economic power with its state-led export orientation in the 1970s. Its success was soon followed and partly also copied by the Newly Industrialized Economies (Korea, Taiwan, Hong Kong and Singapore) and later the “new tigers” (Malaysia, Thailand, Indonesia, China and the Philippines) in the 1980s. Asia’s economic growth was intensified by the opening of China’s economy, liberalization of India and gradual increase of intraregional trade and investments in East Asia. In the 1980s Asia had become the most dynamic region in the world.⁵⁸

Although Asia was not a priority area for EC trade policies, it had become an increasingly attractive market for European trade and investment, joint ventures and networks. In 1991 trade between Western Europe and Pacific Asia surpassed for the first time transatlantic trade.⁵⁹ Significantly Japan was no longer the only dynamo in Asia but ASEAN and China generated most of the growth in EU-Asian trade throughout the 1990s.⁶⁰ After the normalization of the EU-China relations in the early 1990s, bilateral trade continued to increase, making China by 1994 the EU’s second most important trading partner.⁶¹ In the early 1990s China revealed interest in integration into the world economy by expressing the desire to return to GATT and implementing a series of reforms. It became clear for the EU that including China in the multilateral trading system would be essential for factors related to markets access, intellectual property rights and reduction of distortions.⁶² The EU presented itself as a strong promoter of China’s integration to the world trading system, as can be seen in the support for China’s WTO accession in the late 1990s.⁶³

In Asia European business profited from the high economic growth rates and greater demand for consumer goods. However, there was still a continual perception that the EU’s actual interaction with Asia was weak when compared to its competitors⁶⁴. The EU-Asia economic relationship was complicated by structural differences in economic organization and the dominating role of American investors and businesses. Most importantly, the intra-Asian

⁵⁸ Smith 1998: 58-60; Yeo 2003: 10.

⁵⁹ Hilpert 1998: 57.

⁶⁰ Pelkmans 1997: 8.

⁶¹ Maull 1997: 174-5.

⁶² Pelkmans 1997: 16.

⁶³ Dent 1999a: 144.

⁶⁴ European companies lacked a recognizability, and were often regarded as less dynamic and innovative than US or Japanese companies.

trade gained ground compared to interregional trade, surpassing it already in 1995 and leading to a smaller EU share.

2.3.2 The establishment of APEC

The Asian economic boom, and the awareness that “the USA was way ahead of Europe in exploring and exploiting the possibilities opened by this development” certainly ranked highest on the list of EU priorities.⁶⁵ Also the formation of the Asia-Pacific Economic Cooperation (APEC) and the perceived need for Europe to keep a check on this cooperation framework (as the North American Free Trade Agreement or NAFTA had shown that regional trade arrangements could cause the EU to loose out)⁶⁶ is an important related motivation for the creation of ASEM from a European perspective.

In order to avoid the unfavourable setting of three closed regions, the need to strengthen the interregional links became evident. For decades the transatlantic relations had been regarded as the main interregional link. In 1989 the transpacific relations were brought to a new level with the formation of APEC. The EC was slow to react to the need of global recognition of the Asian economic and political weight as the US did within APEC. APEC was first largely ignored by the EC and because of its loose, non-institutionalized nature it was seen to be neither of strategic nor long-term significance. It finally caught the EU’s attention in 1993 when the Clinton Administration adopted a more active attitude towards APEC. The EU sensed that the US could use APEC as a tool during trade negotiations. In addition there was also a fear of APEC becoming a preferential trading bloc that would shut the EU out from its markets. The rejection of the EU’s application for observer status increased the pressure for the EU to create its own links with Asia.⁶⁷

In order to achieve that goal, it was in the first place ASEAN that was the key focus of the EU’s attention. In European eyes ASEAN has been seen as a gateway to Asia, and has been the primal focus of EU’s attention in the first place because, as the only “homogenous multilateral negotiating partner for the EU in the Asian region”⁶⁸, it presented possibilities for

⁶⁵ European Parliament - Committee on Foreign Affairs, Security and Defense Policy 1999.

⁶⁶ *Ibid.*

⁶⁷ Yeo 2003: 14; Pelkmans 1997: 23-25, see also Dent 2003a: 227-229.

⁶⁸ European Economic and Social Committee (EESC) 1996.

group-to-group cooperation.⁶⁹ The EU has advocated a stronger Southeast Asian region, as it would ensure stable and profitable relations with the EU, but moreover create a balance in the Asia-Pacific through the containment of excessive dominance by China and Japan. But also in order to counterbalance APEC, an intergovernmental forum that formed a powerful source of attraction for ASEAN countries, the EU was compelled to help enhance the regionalization process, first, by providing know-how and aiding ASEAN to set up a free trade zone and an open market, and second, by supporting the setup of a more structured institutional framework.⁷⁰ However, attempts to revise the 1980 Cooperation Agreement failed in the first place because of the EU's increased emphasis on the human rights agenda. Though the Karlsruhe meeting in 1994 partly cleared the air, the new dynamic was insufficient to lead to a new agreement, and eventually resulted in the European realization that a declaration and an action plan was the highest achievable goal.⁷¹ ASEM offered a convenient way out and supplied the means to redefine Asia-Europe relations.

2.3.3 The “tripolarism” rhetoric

A third explanation for the change in the EU's attitude towards Asia can be found in the post-Cold War development of the international system. After the Cold War the ideological competition between communism and capitalism changed to competition between different capitalist forms (three economic superpowers, the US, the EU, and Japan which was quickly joined by the emerging markets of Asia). The recognition of economic competitiveness as a source of political power produced the idea that progress and prosperity of the world would be driven by three power engines (North America, Western Europe and East Asia).⁷² The shift towards a tripolar world was furthered by economic globalization and regionalization. The fast developing communication and transportation technology and the liberalization of world economy had resulted in global competition that compelled corporations and states to integrate regionally.⁷³ The WTO data on increasing regional trade agreements reflects well this development.⁷⁴ The increasing regionalization of the world economy (EU, NAFTA,

⁶⁹ *Ibid.*

⁷⁰ European Economic and Social Committee (EESC) 1996

⁷¹ Forster 1999: 752.

⁷² Yeo 2003: 8,10; Dent 2003a: 227.

⁷³ Yeo 2003: 12.

⁷⁴ Dent 2003a: 223-235.

planning of EAEG), led to fears of the world's division into three large economic blocs sealed off from each other.⁷⁵

At the same time there was a growing concern in Europe and Asia of US commitment to multilateralism in its trade policy. The US had become less willing to provide unconditional support for the liberal international economic order because of the shift in national interests and the new post-Cold War environment.⁷⁶ There was also a prevailing concern in Asia of the EU turning into a closed fortress inaccessible to outside business and investors, strengthened by the integration and enlargement plans of the early 1990s and the EU positions in the Uruguay Round.⁷⁷

The already strong transatlantic relationship was further cemented with a New Transatlantic Agenda in 1994. Now both sets of interregional relations were strong and in the transpacific case increasingly dynamic.⁷⁸ The Eurasian link however remained weak and closer Euro-Asian cooperation therefore aimed in the first place at strengthening this so-called “weak leg” or “missing link” of the triangle of international power structure, formed by the EU, North America and East Asia.⁷⁹ ASEM was therefore seen as a tool for the development of Euro-Asian cooperation without the US.⁸⁰

2.3.4 European integration

In the late 1980s and early 1990s the European Community undertook several actions for deepening integration. The completion of an integrated internal market was inaugurated with the Single European Act in 1986 and continued with the Economic and Monetary Union (EMU) and common currency that were included into the 1992 Treaty on the European Union (Maastricht Treaty). The Maastricht Treaty also introduced the Common Foreign and

⁷⁵ Dent 2003a: 224; Yeo 2003: 9.

⁷⁶ Yeo 2003: 9.

⁷⁷ Park 2004: 341-345.

⁷⁸ Dent 2003a: 227.

⁷⁹ Although strong interregional links between the EU and Asia were missing there was active cooperation on the multilateral level. The EU had adopted a multilateral approach to Asia already in the early 1990s, as it began to cooperate systematically with Asian countries or groups in different multilateral fora. The EU and Asia had a similar attitude towards the UN reform and the EU supported a stronger Asian voice in the UN Security Council and Asian participation in UN peacekeeping operations. Since 1994 the EU adopted a routine to use bilateral and multilateral institutional contacts with Asian countries to promote new agenda or negotiations in the WTO. See Pelkmans 1997.

⁸⁰ Nuttall 1997: 77-79.

Security policy (CFSP), a significant change in the level of ambitiousness of foreign policy cooperation. The new vision echoed also the realities of the new world order where separating economy and politics was no longer possible⁸¹.

During the Cold War the EC had adopted the role of civilian power which operated in Asia mainly in the economic field. The individual Member States had their own political and security links to Asia but there were none at the community level. With the end of the Cold War the desire and possibility of constructing new political and economical strategies towards the Asia-Pacific surfaced.⁸² In order to be recognized as a global actor the EU had to be actively engaged in other regions. The new emphasis on economic power coinciding with the economic growth of Asia ensured that it was only a matter of time before the EU's attention would be drawn to the East.⁸³

There were also internal economic reasons that steered the EU to turn its attention to Asia. The EU had concentrated on its internal integration and markets of slow growth and innovation. The EU lacked clear strategies for Asia and the individual Member States were competing with each other in the Asian markets.⁸⁴ Despite the economic revitalization attempts in the early 1990s, unemployment remained high and investments in Central and Eastern Europe were problematic. Major European actors such as Germany and France acknowledged that they needed to shift their focus outside Europe. The internal economic challenges and the remarkable economic growth of Asia compelled the EU to review Asia as an opportunity and not as a threat. Hitherto Asian countries had often been regarded as competitors causing high unemployment in Europe or as producers of cheap products. A new understanding had grown that Asian investments should be attracted to Europe as a remedy to unemployment and a tool in the reconstruction of Eastern Europe. Asia was recognized not only as an important trading partner but also as an emerging investor to the EU.⁸⁵

⁸¹ Yeo 2003: 11.

⁸² Smith 1998: 300-301.

⁸³ Yeo 2003: 12; Smith 1998: 300-301; Pelkmans 1997: 19.

⁸⁴ Pelkmans 1997: 19-20.

⁸⁵ Yeo 2003: 15-16.

2.3.5 Fostering regional identity

Finally, contact with Asia was also seen as an instrument which could contribute to the definition of a nascent European identity through the formalization of relations with third countries. “Europe” therefore would be defined rigidly as the Member States of the EU.⁸⁶ It goes without saying that the regions referred to as “Asia” and “Europe” are fluid ideas and cultural constructions rather than geographical entities with fixed geographical borders and homogeneous collective identities. Even the European Union, which at present has achieved a globally unprecedented political and economic integration, looks back on a history of internal divisions and shifting dynamics, and is part of a larger, and not easily demarcated “Europe”. Similar to a state, Europe can be seen as an “imagined community”, a cultural frame of reference, or the “normative basis for collective identity”⁸⁷. As collective identities are constructed in the mirror of the “Other”, it can be said that Asia and Europe provide one another with a mirror in order to define and strengthen the “Us” versus the “Them” in order to reinforce the idea of the respective regions as integral communities.

European reflections on Asia’s homogeneity or heterogeneity, and its geographical boundaries have been in constant flux. Prevailing European views on Asia especially in the 1990s were marked by the tendency to regard the region as a cultural entity, juxtaposing it with a “European civilization”. These views are of course an easy target for criticism along the lines of Edward Said’s Orientalism critique, and can easily seem to underscore Huntington’s clash of civilizations thesis. The “Opinion of the Economic and Social Committee on Relations between the European Union and ASEAN”, which appeared in ASEM’s inaugural year for example, offers a good example. Before describing the different ASEAN member states separately, the document also included a reference to the EU’s broader Asian strategy, pointing out that “Asia is not a region like others – neither in political nor in cultural terms – and that precisely for this reason a shared inspiration of civilization and cultural osmosis is lacking between Europe and Asia.” The document continued by alluding to Huntington’s scenario, stating that “Asia provides one of the most probable scenarios for a clash of cultures.” In order to make political dialogue and economic cooperation succeed it is thus vital to increase knowledge of “European civilization” in Asia, both in terms of image as well as regarding to intellectual and artistic works. According to

⁸⁶ Nuttall 1997: 79-81.

⁸⁷ Delanty 1995: 2.

critics, this holistic notion of the region in the European mind has often prevented “Europe” from understanding the specific characteristics of the three major Asian sub-regions and its individual countries and areas.⁸⁸ Yet, also this geographical sub-division of “Asia”, has shown wide discrepancy. The New Asia Strategy made a distinction between East Asia, Southeast Asia and South Asia, whereas the earlier-mentioned “Opinion of the Economic and Social Committee” distinguished Eastern Asia (including ASEAN), Southern Asia (the Indian subcontinent) and Central Asia. The 2001 Commission Strategic Framework, then, also included Australasia, targeting “the countries stretching from Afghanistan in the west to Japan in the east, and from China in the north to New-Zealand in the south, plus all points in between”, even though it acknowledged “the sheer diversity of Asia, and the scale of the economic, political and cultural differences between and within the different constituent parts of the region as a whole”.⁸⁹

Enhanced relations with Asia, through cooperation within the soon to be established ASEM framework, then, could contribute to a stronger European identity, but could also strengthen Asian identity-building. In this context, the EU considers itself as an “external federator” and the European institutional framework as a model, shaping regionalism through interregional contacts and contributing to local identity-building in a heterogeneous group of Asian countries.⁹⁰

2.4 The formulation of the official EU policy: constitutive decisions on ASEM

Following the Commission’s drafting of an Asian strategy for EU Member States in July 1994, a summit meeting of foreign ministers of the EU and ASEAN was held in Karlsruhe in September 1994 under co-chairmanship of Germany and Singapore.⁹¹ This meeting heralded an improvement of EU-ASEAN relations, but more importantly, the so-called “Spirit of Karlsruhe” is often quoted as forming the basis, model and impetus for the development of the ASEM process parallel to the EU-ASEAN dialogue. The Ministers agreed that ASEAN should remain the cornerstone for the EU’s interaction with Asia. Furthermore especially the highlighting of EU’s interest in establishing a dialogue with APEC, and the support for the proposed East Asia Economic Caucus (EAEC) as a tool for enhancing regional cooperation

⁸⁸ Stokhof 1996.

⁸⁹ Criticism voiced for example by Lim 2002: 3 and Camroux 2001: 3.

⁹⁰ Rüländ 2002b: 8.

⁹¹ ASEAN 1994.

in Asia are eye-catching. Also the ratification of the New Asia Strategy by the EU Council on 28 September 1994 showed that the Union adhered to existing dialogue fora such as the ASEAN Post Ministerial Conference and the ASEAN Regional Forum.⁹²

After Goh Chok Tong's idea for a Euro-Asian summit was brought to the fore in Paris in October 1994, and again raised in a more official form at the World Economic Forum in Davos in January 1995, the European Council responded positively to the initiative in its Meeting of 6 March 1995:

*In response to the idea of a Euro-Asian summit floated by the Prime Minister of Singapore, the Council stated that it was favourably inclined to the holding of such a summit in the first half of 1996 at the latest.*⁹³

On 29 May of that same year the Council agreed to make preparations for a "EuropeAsia" meeting at the highest level in Thailand. It emphasized that "this meeting between Heads of State or of Government should be informal and should offer an opportunity to broach the main economic and political topics of interest to both parties and that it should be a matter for each of the parties to choose its participants"⁹⁴, thereby shaping the informal character and loose agenda of ASEM. As part of its resolution on the New Asia Strategy, the European Parliament welcomed the council's decision to hold the Summit in Thailand in 1996, but stressed that the initiative in cooperation with ASEAN should not be geared solely to the Asian countries which exhibit the greatest economic growth.⁹⁵

The Cannes European Council endorsed the plan for a Euro-Asia Meeting on 26-27 June 1995, and formally adopted the document which would serve as the basis for preparing the Summit in December of the same year at its meeting in Madrid. The Presidency Conclusions of the Madrid Council describe the Europe-Asia Meeting as "one of the most important initiatives undertaken by the European Union and its member states and ten of the most dynamic countries in Asia" and "an exercise aimed at establishing a new partnership between Europe and Asia that will contribute to the global development of societies in both regions"⁹⁶. In the eyes of the Union, ASEM should function as an open, transparent and evolutionary

⁹² European Commission 1994.

⁹³ European Council 1995a.

⁹⁴ European Council 1995b.

⁹⁵ European Parliament 1995.

⁹⁶ European Council 1995c.

process of informal nature, yet one that would yield concrete and substantial results. The inaugural Bangkok meeting was set out to become the firm foundation for the intensification of dialogue and relations between the two regions. The suggested agenda included the following issues:

- Ø Promotion of political dialogue between Europe and Asia, including on values, UN reform, regional integration, security and non-proliferation.
- Ø Reinforcement of economic cooperation; facilitation of trade, investment, transfer of technology and participation of private sectors; reinforcing the open trading system guided by the principles of the WTO and the concept of open regionalism
- Ø Promoting cooperation in various fields, such as development cooperation, environment, cultural and business exchanges, intensified technology cross flows, and the fight against drugs.

This position of the European Council was followed by a declaration by the European Commission, which confirmed that the Asia-Europe meeting (ASEM) in Bangkok was to become “an important milestone in deepening relations between the two regions.”⁹⁷ The Euro-Asia Summit was to broaden the existing bilateral relations with individual countries and with ASEAN into a wider relationship with the Asian region as a whole. From the outset the Summit was not intended to lead directly to new agreements, treaties or contracts, but was to function as a groundbreaker, setting the scene for follow-up. Fostering personal as well as professional relationships between the leaders, it would create a dialogue in the political, economic, cultural, educational, scientific and other spheres. The ASEM summit aimed to “relaunch a European presence in the region” complementing the EU-ASEAN cooperation framework by serving mainly “to consolidate dialogue and extend its scope to such fields as the environment, social problems and vocational training.”⁹⁸

3. A brief overview of ten years of ASEM summitry

The inaugural ASEM summit in Bangkok was hailed as a success, as it was the first time that the European and Asian leaders gathered as equals. The first summit was marked by a strong optimism and even euphoria about the Asian economic growth. The summit resulted in a long list of initiatives included in the Chairman’s Statement, including the creation of the Asia-

⁹⁷ European Commission 1996.

⁹⁸ European Economic and Social Committee (EESC) 1996.

Europe Foundation (established in 1997 in Singapore) in order to facilitate networking of civil societies of both regions, the Asia-Europe university programme to promote cultural and intellectual exchanges, and the AEETC in Thailand to promote environmental cooperation. The summit was seen by many as a symbol of Asia's new status in the world order and as an opportunity for Europe and Asia to put their colonial relationship of the past behind.

The second ASEM summit, held in London (April 1998) was overshadowed by the Asian financial crisis. While Europe expressed concerns and commitments to remedy the situation in Asia, ultimately their contribution remained less than effective, which can partly be blamed on ASEM's "soft institutionalization" approach. Dialogue during the summit centred on economic and financial issues, reflecting continuity with ASEM1. It was feared that the ASEM process would lose its momentum due to the lesser appeal of Asia in terms of trade and investment. Yet the meeting confirmed the ASEM progress and laid out a work plan for the next two years. The leaders issued a separate ASEM2 financial statement and established an ASEM Trust Fund to help the Asian countries in their financial reforms. ASEM2 furthermore confirmed the Asia-Europe Cooperation Framework (AECF).

The Third ASEM summit (Seoul, October 2000) was again dominated by a non-European agenda, namely the political situation on the Korean peninsula and the Nobel Peace Prize award to President Kim Dae-Jung ("The Seoul declaration for peace on Korean peninsula" was one of the official outcomes of the summit). The Seoul Meeting was groundbreaking because the focus was not only on the economic pillar, although observers disagree on whether to attribute this to a decreased European interest in Asia after the financial crisis, or to the forum reaching maturity and finally accomplishing its intended equal weight placed on the three pillars. In the political pillar leaders also engaged in dialogue on politically sensitive issues such as human rights, security, and the possible establishment of diplomatic relations with North-Korea, whereas the cultural/social dimension included a successful People's Forum. The Meeting further endorsed and adopted the Asia-Europe Cooperation Framework (AECF 2000), a document setting out the vision for the ASEM process in the 21st century which remains the key framework for ASEM to date. Other major decisions were the extension of the ASEM Trust Fund and the ASEM DUO scholarship programme.

Talks at the ASEM 4 Copenhagen summit (September 2002) focussed on the war against terrorism, the Iraq war, and North Korea. The new security agenda after 9/11 and the fight

against terrorism dominated the political dialogue, with an ad hoc informal consultative mechanism enabling ASEM coordinators and senior officials to confer on significant international events, and a conference on “non-traditional security “ issues leading to the Lanzarote declaration (2002) as most important outcomes. Also the engagement of North Korea in bilateral or multilateral relations was discussed further, resulting in a “Political Declaration for Peace on the Korean Peninsula”. The economic pillar centred on means to reinforce the economic relations between the two regions. The ASEM process was confirmed as an effective tool for furthering the WTO Doha Development Agenda, and a Task Force was set up to consider closer cooperation in trade, investment and finance. The cultural pillar centred on the dialogue on cultures and civilizations, with a retreat session for ASEM leaders held for the first time. In addition, the issue of ASEM’s long-term financial sustainability was raised. The Copenhagen summit has been referred to as a “matured” summit that to certain extent succeeded in creating interactive discussions between the leaders.

The ASEM5 summit of Hanoi (October 2004) was organized under the banner of “Further Revitalising and Substantiating the Asia-Europe Partnership”. In retrospect the Hanoi meeting is considered a transition summit, largely overshadowed by the enlargement issue in general and the joining of Burma/Myanmar in particular. After the European Union cancelled two finance and economy ministerial meetings in July and September 2004, it was considered a major accomplishment that the Hanoi summit took place at all. Yet, the meeting’s adoption of the Task Force Report for Closer Economic Partnership (CEP) between Asia and Europe is highly significant. The economic pillar discussion focused on energy and environmental issues. Under the political pillar the leaders’ discussion focused on terrorism and strengthening of multilateralism. Also new security threats, epidemics and contagious diseases were discussed. Iraq and the Middle East were discussed in the context of regional crises. ASEM was described as a forum where European and Asian leaders could discuss and influence global issues. Also the need for common positions was addressed in the discussions. In the field of cultural and social issues the leaders adopted the ASEM Declaration on Dialogue among Cultures and Civilizations.

CHAPTER II

Political Dialogue

For years the political dialogue between Asia and Europe was limited and often dominated by economic interests. Political possibilities in Asia were considered narrow and complicated and economy often served as the lowest common nominator for cooperation. This pattern was visible at all levels of EU-Asia dialogue. Some European countries had national interests and strategies in Asia, but the EU as a whole lacked a common approach. In the mid-1990s, when both Europe and Asia became increasingly interested in each other, economy still functioned as the driving force of the relations. As the economic weight of many Asian countries increased, it became clear that their political weight would grow accordingly. Thus the EU intensified its political dialogue with key countries of Asia through regular bilateral and interregional summits, regional meetings and multilateral cooperation in international institutions such as the United Nations.

Today the EU's key partners in East and Southeast Asia are China, Japan, South Korea and ASEAN. Political dialogue with the countries of the region has evolved remarkably: summit dialogues are held with China, Japan and Korea and ministerial dialogue with the ASEAN. The current Asia strategy (2001) highlights cooperation in politics and security, trade and investment, poverty reduction, promotion of human rights, democracy, good governance and rule of law. In addition the EU aims at building partnerships and alliances with Asian countries on global issues. In the case of ASEAN the relationship has suffered from the disagreements over Burma/Myanmar and the partners have not been able to update the Co-operation Agreement of 1980. Nevertheless, ASEAN was re-identified in 2001 as a key economic and political partner of the EU and as a locomotive for overall relations between Asia and Europe.⁹⁹ In the ASEAN Regional Forum the transition from confidence building measures to preventive diplomacy and later to conflict resolution is taking place in a slow, step-by-step manner and the partners still concentrate on the first phase.¹⁰⁰ China has become a "strategic partner" for the EU, as highlighted in the Commission policy paper "A Maturing Partnership: Shared Interests and Challenges in EU-China Relations" in 2003. The

⁹⁹ The EU's relations with ASEAN (European Commission External Relations 2006); cf. also European Commission 2001.

¹⁰⁰ The EU's relations with ASEAN, Asean Regional Forum (European Commission External Relations 2006).

cooperation is concentrated on three major areas: economic and social reform, sustainable development and good governance.¹⁰¹ The relations with Japan were consolidated in 1995 with a EU Japan Strategy and again reinforced in 2001 with the Action Plan for Reinforced Cooperation. The EU and Japan are both major economic powers striving to develop a matching international political influence. Both advocate multilateralism and represent “soft power” in security terms.¹⁰² With South Korea the 2001 EU-South Korea Framework Agreement and its attached Political Declaration upgraded the relationship. One of the main areas of dialogue and cooperation has been the continuing state of Cold War tension on the Korean Peninsula, but political and economic issues have become increasingly important.¹⁰³

The development of the ASEM process has followed a similar pattern: political dialogue has gradually become a more significant dimension of the partnership and the range of topics has widened. Many Asian partners were initially reluctant to include political issues in the dialogue and have been disinclined to take up sensitive issues such as human rights, good governance and the rule of law at the summits. However due to strong European emphasis, political dialogue was included in the ASEM framework from the beginning.¹⁰⁴ The topics have ranged from international affairs and security issues to human rights and environmental issues. During the ten years of ASEM cooperation the international environment has changed dramatically, making the political dialogue increasingly essential. However, at times disagreements over issues related to the political dialogue have even threatened to halt the cooperation altogether.

Prior to the first ASEM summit the Madrid European Council in 1995 set the following areas as key priorities for the EU in the political dialogue¹⁰⁵:

- Establishing a broad political dialogue to advance and consolidate political stability, international security and mutual understanding.
- Undertaking dialogue on values and codes that govern societies, emphasising mutual commitment to the promotion and respect for human rights and fundamental freedoms

¹⁰¹ European Commission 2003b; European Commission External Relations 2006 (The EU’s Relations with China).

¹⁰² Cameron 2004: 12.

¹⁰³ The EU’s Relations with the Republic of Korea (European Commission External Relations 2006).

¹⁰⁴ E.g., Rüländ 2000: 189; Pelkmans 1997: 30.

¹⁰⁵ Madrid European Council 15-16.12.1995.

and encouraging an open and wide-ranging dialogue between cultures and civilizations.

- Exchange of views related to the reform and funding of the UN and in the fields of peacekeeping and preventive diplomacy
- Exchange of information on the political aspects of regional integration in order to foster common interests and intra-regional stability.
- Enhancing cooperation in security matters, particularly in areas such as CBM, conflict-resolution mechanisms and new security architectures
- Cooperation in non-proliferation issues, particularly for the follow-up of the NPT extension decisions and other related non-proliferation issues (chemical and biological weapons, export controls on conventional weapons, the UN conventional arms register and controls of anti-personnel mines)

The following issues were initially covered outside the political dialogue:

- Cooperation in combating drugs and illegal activities (drug trafficking, money laundering, international crime, illegal immigration networks).
- Development cooperation to improve the living conditions of the most disadvantaged groups and poverty alleviation
- Cooperation in addressing global environmental issues (global warming, protection of water resources, deforestation and desertification, bio-diversity)

Although ASEM dialogue is commonly understood and described as an open and informal forum for dialogue where no issue should be excluded a priori, its political pillar has been contested with some restrictions and limitations. As laid out in the Asia-Europe Cooperation Framework 2000, the political discussion develops “on the basis of mutual respect and equality, promotion of fundamental rights and, in accordance with the rules of international law and obligations, non-intervention, whether direct or indirect, in each other’s internal affairs”. The framework also states that although no issue should be excluded beforehand, wisdom and judiciousness should be exercised when selecting the topics for discussion.¹⁰⁶ Depending on the issue these formulations have restrained the dialogue in different ways. Dialogue on human rights and democratization has been more complicated by these clauses than for example dialogue on security issues, in which the partners have been able to find

¹⁰⁶ Asia-Europe Cooperation Framework 2000, par. 12.

more common ground. This chapter will provide an overview of the main issues of ASEM dialogue in the political pillar, by describing the nature and level of cooperation in the main areas of the dialogue.

1. Human rights in the EU – Asia dialogue

Since the end of the Cold War the EU has used political conditionality in its relations with other countries. Trading preferences, cooperation, association agreements, aid, diplomatic recognition and the EU membership have been made conditional to the respect for human rights and democratic principles.¹⁰⁷ Different sanctions (diplomatic and economic sanctions, arms embargos) have been imposed on countries violating human rights.¹⁰⁸ The EU raised human rights issues in two EU-ASEAN meetings in 1991. The ASEAN foreign ministers responded in 1992, that human rights concerns should not be used as conditions in economic and development cooperation and that the human rights, while universal in character, are governed by the national culture, history and socio-economic conditions of each country.¹⁰⁹ In the 1990s Asia-Europe relations were challenged by two major issues (East Timor and Burma/Myanmar) which both were closely connected to human rights. The crisis in East Timor surfaced in the EU-ASEAN cooperation in 1986 when Portugal joined the European Community.¹¹⁰ In order to intensify the international pressure on Indonesia, Portugal kept the issue on the table in EU-ASEAN dialogue, whereas Indonesia, refusing to discuss its internal affairs, threatened to boycott the meetings.¹¹¹

¹⁰⁷ Based on the political agenda of the Maastricht Treaty (1992), and the objectives of the CFSP. After 1995 all negotiated bilateral agreements have included the human rights clause. European Commission External Relations 2005a.

¹⁰⁸ Against Burma/Myanmar the EU has posed an arms embargo and economic sanctions, however during the East Timor crisis arms sales were never stopped to Indonesia. In the case of China, its involvement in world affairs has been considered more important than exclusion. Human rights issues have been discussed in the EU-China Human Rights Dialogue since 1996. Lim 1999a: 23-30.

¹⁰⁹ ASEAN 1992. Joint Communique of the Twenty-fifth ASEAN Ministerial Meeting, Manila 21-2 July 1992.

¹¹⁰ East Timor was a colony of Portugal until 1975. Following a civil war, resourced by Indonesia and Portugal, Indonesia occupied East Timor in 1976 and annexed it to Indonesia 1976. A strong underground movement persisted in East Timor resulting in severe violence in the area. The downfall of Indonesia's leader Suharto and the Asian economic crisis helped the change of Indonesian policy on East Timor. The UN mission to East Timor facilitated a referendum, which resulted in calls for independence. Timor Leste became independent in 2002.

¹¹¹ Also prior to ASEM1 there was a risk that Indonesia would have withdrawn from the summit if East Timor would be raised on the agenda by Portugal. The situation was solved in bilateral negotiations with the help of the Thai government. Since then East Timor and its rehabilitation process has been discussed briefly at the early ASEM Summits (e.g., ASEM3). Loewen 2005: 64-65, 70.

Burma/Myanmar became a member of ASEAN in 1997. Because of the country's human rights and democracy issues¹¹², the EU opposed its membership and stated that it could not negotiate Burma/Myanmar's accession to the EU-ASEAN Cooperation Agreement because it would have contradicted the 1996 Common Position of the Council.¹¹³ ASEAN countries considered the human rights situation in Burma/Myanmar an internal issue of the country and opposed the EU's critical stance¹¹⁴. The situation resulted in a deadlock and continuous postponement of EU-ASEAN ministerial meetings in 1997 - 2000. The meetings were finally reassumed in 2000 when the Foreign Ministers convened in Laos showing an emerging willingness to compromise.¹¹⁵ However Burma/Myanmar's position in the EU-ASEAN summits is still not fully solved. The EU's pressure was reflected in the ASEAN decision in July 26, 2005 to postpone Burma's forthcoming presidency of the association.¹¹⁶

1.1 Human rights in the ASEM process

The EU has continuously promoted the respect for human rights, democracy and the rule of law as priorities for the ASEM political dialogue. The 1995 Madrid European Council acknowledged that a new partnership between Europe and Asia did not "require identical values, ideas and social codes", but stressed the need for dialogue for greater understanding of difference in values and customs that govern societies. It was also stressed that the ASEM participants should emphasize their common commitment to the promotion and respect for human rights and fundamental freedoms on the basis of the Charter of the United Nations, the Universal Declaration of Human Rights, and the Vienna Declaration and Programme of Action. In addition it was noted that human rights, the rule of law and good governance play a key role in furthering harmonious social development and the ASEM participants should reflect on the close links between the political and economic aspects involved in building a

¹¹² Twenty years of military dictatorship resulted in series of protests by the pro-democracy movement in the late 1980s. In 1990 the democratic opposition's election victory was disregarded by the power-holding elite and the opposition, including their key figure Aung San Suu Kyi, were placed under intense pressure.

¹¹³ Europe Information 30.07.1997; EU Council General Affairs and External Relations was reconfirmed on 28.4.1997, the Common Position adopted on 28.10.1996. The Common Position confirmed the arms embargo and suspension of non-humanitarian aid and added sanctions, such as the ban on visas for SLORC members and senior members of the military, and the suspension of high-level bilateral governmental meetings.

¹¹⁴ One of the reasons for ASEAN to engage Burma/Myanmar into ASEAN and ASEM, was to weaken its links to China. Close cooperation would also allow Southeast Asian nations to access the rich natural resources of Burma/Myanmar. Hay 1996: 258, 262.

¹¹⁵ No European foreign ministers participated in the meeting, whereas all ten ASEAN foreign ministers were present (meeting coincided with EU summit in Nice). Loewen 2005: 68; The EU was not unified on the Burma/Myanmar issue. The Netherlands and the UK objected Burma/Myanmar's participation, whereas for example Germany saw the relationship as too valuable to be held hostage by one country. Lim 1999: 26-27.

¹¹⁶ Europe Information 26.7.2005.

secure, stable and democratic society.¹¹⁷ The European Parliament has also requested the ASEM countries to make clear commitments to human rights, democracy, good governance and rule of law in the Chairman's Statements.¹¹⁸

At ASEM1 the relation between the ASEM dialogue and human rights could not be addressed directly. Following the Asian requests the partners refrained from addressing controversial issues such as human rights and democracy in order to create a harmonious dialogue.¹¹⁹ Therefore human rights were replaced with a reference to fundamental rights and linked with the principle of non-intervention:

*"The dialogue among the participating countries should be conducted on the basis of mutual respect, equality, promotion of fundamental rights and, in accordance with the rules of international law and obligations, non-intervention, whether direct or indirect, in each other's internal affairs."*¹²⁰

The partners did, however, reaffirm their strong commitment to the Universal Declaration of Human Rights and the 1993 Vienna Declaration on Human Rights.¹²¹

In order to handle sensitive issues the first summit introduced the informal track-two level dialogue (for example, the Council for Asia-Europe Cooperation, the Asia-Europe Vision Group¹²² and the Asia-Europe Foundation), which brings together representatives of civil society, academia and government to discuss e.g. democracy and human rights questions. The Asia-Europe Foundation has so far organized six ASEM Informal Seminars on Human Rights.¹²³ Although successful in building a constructive dialogue, also the informal level has been challenged by the concept of non-interference in national affairs raised by the Asian participants.¹²⁴ In addition the seminars have been criticized for lacking a sufficient connection to the official level of the ASEM process.¹²⁵ Still, the participants have managed to examine the respect for human rights in different fields, such as migration and economy.

¹¹⁷ Madrid European Council 15-16.12.1995; European Commission 2001a; see also European Commission 1994.

¹¹⁸ European Parliament - Committee on Foreign Affairs, Security and Defence Policy 1999.

¹¹⁹ Loewen 2005: 69.

¹²⁰ ASEM1 Chairman's Statement 1996.

¹²¹ ASEM1 Chairman's Statement 1996.

¹²² The Council for Asia-European Cooperation (started in 1996) is not an official ASEM process as it includes institutions from non-ASEM countries. The Asia-Europe Vision Group was commissioned by ASEM2 to provide a long-term vision for ASEM.

¹²³ Lund 1997, Beijing 1999, Paris 2000, Denpasar 2001, Lund 2003 and Suzhon 2004.

¹²⁴ Loewen 2005: 71.

¹²⁵ Bersick 1999.

The seminars have been based on background studies and the results of the studies and the conference have been published afterwards.

The standstill in EU-ASEAN relations in the late 1990s affected also the early ASEM process; there was no significant debate on human rights issues at that time in the official ASEM level.¹²⁶ At FMM2 in Berlin (1999) human rights issues were again placed on the agenda, causing a debate between China and the host over human rights issues and the principle of non-interference.¹²⁷ ASEM3 (2000) marked a turning point. There was an emerging understanding among the partners that the human rights issue needed to be taken seriously if ASEM cooperation was to be continued in other fields.¹²⁸ Human rights were now included in the Chairman's Statement and in the new Asia-Europe Cooperation Framework (AECF) endorsed at the summit.

“Leaders committed themselves to promote and protect all human rights, including the right to development, and fundamental freedoms, bearing in mind their universal, indivisible and interdependent character as expressed at the World Conference on Human Rights in Vienna.”

(ASEM3 Chairman's Statement, paragraph 8)

“ASEM Leaders envisage Asia and Europe as an area of peace and shared development with common interests and aspirations such as upholding the purposes and principles of the UN Charter, respect for democracy, the rule of law, equality, justice and human rights, concern for the environment and other global issues, eradication of poverty, protection of cultural heritage and the promotion of intellectual endeavours, economic and social development, knowledge and educational resources, science and technology, commerce, investment and enterprise.”

(The Asia-Europe Cooperation Framework (AECF) 2000, paragraph 5)

Some Asian countries, especially China, Malaysia and Singapore, were concerned that this formulation would allow a continuous critique from European countries towards Asian human rights records. The situation was balanced in the twelfth paragraph of the AECF, which reaffirmed that direct or indirect interference in the states' internal affairs was not acceptable.¹²⁹

¹²⁶ For example, at ASEM2 in London Europeans would have wanted to raise the issue, but faced opposition from the Asian partners. One of the reasons for the opposition was the EU's decision not to invite Burma/Myanmar to the summit. Europe Information 1.4.1998.

¹²⁷ Europe Information 31.3.1999.

¹²⁸ Loewen 2005: 73; Lim 2000b: 4-5.

¹²⁹ Loewen 2005: 74.

The ASEM framework has sometimes been cited as a way out of the Burma/Myanmar deadlock of the EU-ASEAN relations.¹³⁰ Nevertheless the ASEM process has also been challenged by the crisis. Concerned by Burma/Myanmar's accession to ASEAN in 1997, the EU Council General Affairs and External Relations announced in June 1997 that Burma/Myanmar's accession to ASEAN did not automatically mean membership in ASEM.¹³¹ This was again confirmed by the EU at the ASEAN Post Ministerial meeting in Kuala Lumpur the same year, where it was announced that because of its alarming human rights record Burma/Myanmar could not participate in the ASEM2 summit in London 1998. Malaysian Prime Minister Mahathir Mohamad retaliated by warning that ASEAN could boycott the following ASEM summit.¹³² A compromise was found when the ASEAN partners agreed, that the ASEAN membership did not automatically imply partnership in ASEM.¹³³ The issue surfaced again in 2002 as FMM4 agreed to take up ASEM enlargement at ASEM5 in Hanoi.¹³⁴ The debate culminated in the question of Burma/Myanmar's participation. The ASEAN countries indicated that the accession of the new EU Member States was conditional to the accession of Burma/Myanmar, Laos and Cambodia.¹³⁵ Two ministerial meetings were cancelled in 2004 (economic and finance ministers) because the EU stated that it must be presented by all its 25 Member States at international meetings, and as there was no agreement on enlargement, the European side could not participate in any ASEM meetings before the Hanoi Summit.¹³⁶ Also the European Parliament's Development Committee stated that it strongly objected Burma/Myanmar's participation in the summit. A compromise solution was found following a mission to Asia by the European Commissioner Hans van den Broek: Burma/Myanmar was allowed to participate in the meeting with a lower level representation.¹³⁷ ASEM5 welcomed Burma/Myanmar and twelve other countries as new members in 2004.¹³⁸

¹³⁰ See for example Gilson 2004a: 187.

¹³¹ Europe Information 2.7.1997.

¹³² Europe Information 8.10.1997.

¹³³ Loewen 2005: 71-72; The Asian partners were not unified on the issue: For example, Malaysia supported the inclusion of Burma/Myanmar and Laos, but Indonesia opposed the idea of automatic inclusion. Yeo 2003a: 169.

¹³⁴ FMM4 Chairman's Statement 2002. The Asian candidates were Laos, Cambodia, Burma/Myanmar and the ten new EU Member States formed the group of European candidates.

¹³⁵ Europe Information 6.4.2004.

¹³⁶ The Netherlands for example had proposed that all the new candidates (including the EU Member States) could join ASEM as observers. Europe Information 15.6.2004.

¹³⁷ Europe Information 3.9.2004; Council for General Affairs and External Relations, 2604 12068/04 (Presse 251).

¹³⁸ Kingdom of Cambodia, the Republic of Cyprus, the Czech Republic, the Republic of Estonia, the Republic of Hungary, the Lao People's Democratic Republic, the Republic of Latvia, the Republic of Lithuania, the Republic of Malta, the Union of Myanmar, the Republic of Poland, the Slovak Republic and the Republic of Slovenia.

The Chairman's Statement of ASEM5 included a separate statement on Burma/Myanmar in which the ASEM partners encouraged the country to continue its national reconciliation and democratization process.¹³⁹ This is the first time an ASEM state's internal political situation has been raised in an ASEM Chairman's Statement¹⁴⁰. As the EU Council had announced before the summit, immediately after the summit it reissued the Council Common Position on Burma/Myanmar and further tightened its measures against the country, because Burma/Myanmar had failed to fulfil the three requirements of the Gymnich Meeting in Tullamore (2004) before ASEM5.¹⁴¹ Recently the EU Commission has tried to seek dialogue with Burma/Myanmar's ruling military as a change to EU's long-term isolation policy.¹⁴² The EU troika met with the Burma/Myanmar's foreign minister U Nyan Win during the FMM7 in Kyoto 2005 calling on the military regime to start a dialogue with the National League for Democracy, release political prisoners and engage in sincere cooperation with the UN.¹⁴³ An independent report assigned by the Commission in 2005 urged the EU to change its Burma/Myanmar policy to a more open approach, which would boost economy and improve governance in the country. The report suggested that the traditional approach of isolation and sanctions has proved ineffective.¹⁴⁴ The latest developments in the Burma/Myanmar issue are not too promising. The ASEM Economic Ministers meeting, taking place in Rotterdam in September 2005 was boycotted by the ASEAN ministers because of the European visa-ban, which forbid Myanmar's Economic Affairs Minister's participation.¹⁴⁵

The issue of Burma/Myanmar ASEM has pitted two principles against each other and created a conflict of interests within ASEM between ASEAN and the EU. On the one hand, the European principle-motivated embargo of Burma/Myanmar makes it difficult for Europe to cooperate with the Myanmar government even though Burma/Myanmar has already become a member of ASEM. The problem becomes most visible when ASEM events are organized in Europe. The European political realities make it impossible for European leaders to participate in anything that recognizes, plays up or helps sustain the Myanmar political

¹³⁹ See ASEM5 Chairman's Statement, 4.7.

¹⁴⁰ Burma/Myanmar gave another briefing of the recent developments in the country at FMM7 in Kyoto.

¹⁴¹ 2604th Council meeting, General Affairs and External Relations 12068/04 (Presse 251); Council Common Position 2004/730/CFSP of 25 October 2004; the Gymnich Meeting in Tullamore was an informal meeting of EU foreign ministers, 16-17.4.2004.

¹⁴² Europe Information 30.1.2001, 14.3.2005.

¹⁴³ Europe Information 10.5.2005.

¹⁴⁴ Europe Information 30.3.2005.

¹⁴⁵ Europe Information 16.9.2005.

regime. At the same time, the Asian ASEM partners (particularly the members of ASEAN) cannot compromise on the principle of equality and the developing principle of non-interference in domestic affairs. Nevertheless Erik Friberg points out that despite the disagreements over the methods against Burma/Myanmar, the partners have more or less agreed that in principle democracy should be promoted in the country and its constitutional process should become inclusive and transparent.¹⁴⁶ The ASEM partners have discussed the situation of Burma/Myanmar at meetings such as the FMM5 in Bali 2003, where they called for the immediate release of Aung San Suu Kyi and other NLD members, freedom for political activities and for a national reconciliation and democracy process.¹⁴⁷

Some recent developments might offer possible ways out of the Burma/Myanmar dilemma. Firstly, ASEAN, in particular through its parliaments, is developing new initiatives to encourage the development of democracy and human rights in Burma.¹⁴⁸ These could provide possibilities for Europe to adjust its own sanction measures with the initiatives of ASEAN, thus making a joint effort more efficient and at the same time limiting the negative effects of its human rights and democratization policy on the state-to-state and region-to-region relations. Secondly, the EU has supported dialogue measures that involve entities it cannot recognize.¹⁴⁹ Dialogue that does not play up the Myanmar government nor eases the pressure for democratization, but instead facilitates humanitarian assistance, human rights dialogue, and silent diplomacy for the support of democratization, could serve everybody's interests.

¹⁴⁶ Friberg 2004: 1.

¹⁴⁷ FMM5 Chairman's Statement 2003.

¹⁴⁸ Earlier, ASEAN countries were, together with Europeans, very strongly involved in the successful embargo policies against the racist apartheid regime of South Africa. ASEAN Inter-Parliamentary Myanmar Caucus (AIPMC) calls for inter alia participation of all sections of society in the democratic process, for convention of the legitimately elected Parliament of Myanmar, restoration of legal and political authority to the elected Parliament, holding a meaningful, representative and legitimate National Convention including participation of the military junta, the National League for Democracy and the ethnic nationalities, as well as all MPs elected at the 1990 General Elections, aimed to achieve the following objectives by July 2006: a new constitution for a democratic Myanmar, free and fair general elections for a new Parliament. The AIPMC also supported the denial of ASEAN 2006 Chair to Myanmar and demands ASEAN countries to suspend Myanmar from ASEAN unless there is meaningful and substantive progress in democratization and national reconciliation in Burma in the next 12 months (ASEAN Inter-parliamentary Myanmar Caucus 2006).

¹⁴⁹ For example, the peace process in Aceh involved the Gerakan Aceh Merdeka, GAM, a guerrilla organization with many documented human rights violations and a claim for the representation of Aceh people. None of the EU countries has recognized this entity as a representative of the Acehnese, nor do any of the European countries applaud its human rights practices. Yet, for the peace in Aceh, this organization needed to be involved both in the peace negotiations, as well as in the post-war peace building that has been assisted and monitored by the EU.

As a consequence of the fact that neither the Asian position on non-interference nor the European position on the embargo of Burma/Myanmar, are absolute, there seems to be alternative opportunities to deal with the question of the Myanmar government. On the one hand, the Common Position of 26 April 2004¹⁵⁰ states that exceptions to the visa-ban can be made to accommodate Myanmar's representation in meetings where a political dialogue is conducted that directly promotes democracy, human rights and the rule of law in Burma/Myanmar. On the other hand, Asian ASEM partners have already made concessions to raise Burma/Myanmar's internal affairs at ASEM meetings, for example in ASEM5 and FMM7. The question of Burma/Myanmar's participation in various ASEM forums and activities, could be seen, not only as a bargaining process between ASEAN (or the Asian members of ASEM) and the EU, but also as silent diplomacy between ASEAN or the Asian ASEM partners (including pro-democratic elements of the Myanmar government) and the EU together on the one side, and the Myanmar government on the other. It could be fruitful for the EU and ASEAN or the Asian ASEM partners to see what kind of common concerns these two organizations have in relation to the democracy and human rights problems of the Myanmar government, and define measures that the Myanmar government could do to solve the difficulties related to its participation in the summits and other activities. Collaboration among the partners could help to identify the range of issues where, and on what level Myanmar officials could be included in ASEM activities, within the confines of the EU Common Position. The purpose could be to define the issue areas for ASEM dialogue that does not play up the Myanmar government and does not ease the pressure for democratization, but instead facilitates humanitarian assistance, human rights dialogue, and silent diplomacy for the support of democratization.

The ASEM process seems to have developed into a dialogue which can, although slowly, raise even controversial themes on the agenda. When the high-level meetings were called to halt in 2004, technical cooperation with initiatives continued. Nevertheless, the official level human rights dialogue has remained superficial as the more extensive dialogue is taking place in the informal level. The official dialogue has concentrated more on different formulations and the principle of non-intervention than on questions of substance and to some extent it has served to confirm and sharpen the different positions of members. Dialogue on democracy, rule of law and other human rights cases have been shadowed by the Burma/Myanmar

¹⁵⁰ Council common position 2004/423/CFSP of 26 April 2004.

question¹⁵¹. The Asia-Europe Vision Group recommended in its 1999 report that the ASEM partners should affirm the principles of good governance, but the initiative has not been taken up by the leaders. Compared to the EU's human rights dialogue in other fora (mostly in the UN), its ambition level in the ASEM dialogue has been called low by some observers. This may reflect the relatively limited priority given to ASEM in general and the dominating role of the economic cooperation.

Although human rights and democracy in general can be discussed in ASEM, country-specific discussions among partners remain difficult. Therefore human rights dialogues, as with China, have been conducted bilaterally, Burma/Myanmar being the exception. Nevertheless multilateral dialogue on human rights is indispensable for legitimising the principles of human rights, democracy and rule of law, whereas bilateral dialogue can sometimes facilitate more concrete actions. Multilateral discussions will also prevent human rights issues from being isolated from the main political dialogue.

1.2 International Criminal Court - Asia-Europe positions

The International Criminal Court (ICC) was established in 1998 by the UN Rome Conference. There seven states voted against the Statute of the ICC, including China and the US.¹⁵² The ICC began its jurisdiction in 2002 as the first permanent court prosecuting individuals accused of the most serious violations of international humanitarian and human rights law.¹⁵³ Currently the Rome Statute has been signed by 139 states and ratified by 100 states.

In the ASEM framework the International Criminal Court has been raised very briefly: The FMM6 in Kildare included ICC in its ASEM Declaration on Multilateralism and called for further dialogue on the issue. At ASEM 5 the leaders agreed to continue dialogue regarding the ICC.¹⁵⁴

¹⁵¹ FMM2 in Berlin 1999 reportedly discussed human rights issues in Kosovo and Tibet (opposed by China). Europe Information 31.3.1999.

¹⁵² The United States signed but did not ratify the treaty during the Clinton administration and withdrew its support soon after George W. Bush came into power. The U.S. has since stated that it does not intend to ratify the treaty and it is not legally bound by it. In general the main controversies regarding the ICC centred on the source and nature of the courts jurisdiction including the legal supervision of the court and its verdicts and the fear of its verdicts becoming tools for political motives.

¹⁵³ Coalition for the International Criminal Court 2005a.

¹⁵⁴ ASEM5 Chairman's Statement 2004; FMM6 Chairman's Statement 2004.

All the European ASEM partners have ratified the statute. The EU adopted in 2001 a Common Position on the ICC, stating that the EU supports the effective functioning of the Court and advances its global support by encouraging widest possible participation in the Statute.¹⁵⁵ Of the Asian ASEM partners only South Korea and Cambodia have signed and ratified the treaty. Japan is currently harmonising its own legislation with the treaty.¹⁵⁶ China supports the establishment of the court, but will not sign the treaty in its current form. China has voiced the criticism that the power given to the Pre-Trial Chamber to check the Prosecutor's initiative is not sufficient and that the adoption of the Statute should have taken place by consensus, not by a vote.¹⁵⁷ For the Southeast Asian nations the reasons for not joining the treaty lie in the issues of complementarity, the protection of national sovereignty and the definition of the crime of aggression.¹⁵⁸ The EU Council encouraged in 2004 the countries of Southeast Asia to accede to the Rome Statute as soon as possible following the recommendations of the Commission Communication "A New Partnership for Southeast Asia" in 2003.¹⁵⁹

Since most of the Asian ASEM partners have not ratified the statute, there is a need for ICC dialogue within ASEM. Human Rights Watch remarked in 2002 that ASEM should build support for the ICC.¹⁶⁰ Despite its Common Position, the EU has rather rarely identified the ICC as a potential ASEM topic, possibly because of its own internal disagreements over the issue. Nevertheless, dialogue on the ICC could encourage ASEM countries to ratify the treaty and through a common ASEM position on the issue, the partners could place more pressure on other countries, the US in particular, to join it.

¹⁵⁵ Council Common Position (2001/443/CFSP).

¹⁵⁶ The EU has send two delegations with ICC to Japan in 2002 and 2004 to discuss Japan accession to the treaty. Coalition for the Criminal Court 2005b.

¹⁵⁷ Coalition for the Criminal Court 2005c.

¹⁵⁸ Coalition for the Criminal Court 2005d.

¹⁵⁹ EU Council Conclusion 26.1.2004.

¹⁶⁰ Europe Information 20.9.2002.

2. The emerging role of security issues

Since the beginning of the 1990s, the EU has strived to widen its security agenda with Asia.¹⁶¹ The New Asia Strategy (1994) already reflected a new approach to security issues by calling political dialogue on arms control and non-proliferation of weapons of mass destruction (WMD) and by showing an interest to engage Asian countries in the maintaining of international peace and security. The Madrid European Council in 1995 identified the newly created ASEAN Regional Forum (ARF) as the most suitable framework for EU-Asia security dialogue whereas ASEM was more seen as a forum for exchange of information in areas such as non-proliferation, conflict resolution mechanisms and new European and Asian security architectures.¹⁶²

At the first two ASEM summits the leaders agreed to enhance existing Asia-Europe security dialogues, particularly in the ARF, EU-ASEAN dialogue and the ASEAN Post Ministerial Conference. They acknowledged that global problems such as terrorism, drug trafficking and environmental degradation required global responses and the increasing regional integration called for regional approaches to security issues.¹⁶³ The Asia-Europe Vision Group identified in 1999 ASEM as an important tool of political and security dialogue and encouraged the participation of non-governmental organizations in the political security dialogue and cooperation between different security organizations such as OSCE and ARF. The Vision Group also called for joint Asian-European peacekeeping training.¹⁶⁴ The emerging security dimension was consolidated with the Asia-Europe Cooperation Framework in 2000, which confirmed that Europe and Asia should strengthen their efforts in global and regional context towards arms control, disarmament, and non-proliferation. In addition cooperation in global environmental issues, sustainable development, migratory flows and transnational crime were emphasized as “global issues of common concern”.¹⁶⁵

¹⁶¹ The EU conducts bilateral dialogues with Japan, South Korea and North Korea and participates in the ARF (since 1994) and the KEDO (since 1997). In general the focus of the EU-Asia security dialogue has been on Asian issues: the Korean Peninsula, China-Taiwan question, Diaoyu/Senkaku islands, Spratly Islands, East Timor, Burma/Myanmar, Indonesia, Pakistan-India etc, or on international issues such as CTBT and NTP. Malaysian and Pakistani troops have served in Bosnia and Japan has funded reconstruction of the Balkans. In addition Japan, South Korea and Thailand participate as observers in the OSCE. Dosch 2003: 496.

¹⁶² Madrid European Council 1.5.-16.12.1995.

¹⁶³ ASEM1 Chairman's Statement 1996, FMM1 Chairman's Statement 1997.

¹⁶⁴ Asia-Europe Vision Group 1999: 29-30.

¹⁶⁵ Asia-Europe Cooperation Framework 2000, par. 14.

Following this development security issues and regional conflicts were broadly discussed in ASEM3 in Seoul 2000 ranging from the question of Korean Peninsula, East Timor, Southeast Europe and Kosovo to the situation in the Middle East.¹⁶⁶ Security and anti-crime cooperation were even identified as areas of ASEM added-value in the Commission policy document *Vademecum*, which was debated at FMM4.¹⁶⁷ The foreign ministers decision at FMM3 to hold meetings with ASEM partners over the UN General Assembly agenda has also be seen as an expression of growing mutual interest towards Asia-Europe dialogue on international politics and security issues.¹⁶⁸

The ASEM security agenda is contested with asymmetries. Firstly, the three regions, the EU, US and Asia may be roughly equal in economic terms, but in military terms the US is the only superpower. Secondly, in the EU wars between Member States have become practically impossible, but in Asia the security situation is still somewhat unstable. The EU Member States are involved in different security arrangements. The ASEAN has just recently decided to establish an ASEAN Security Community¹⁶⁹ and regional security cooperation within the ARF is developing slowly. Many Asian countries have also bilateral security arrangements with the US. International fight against terrorism has further deepened the imbalance, as certain Southeast Asian nations have become potential areas for global conflicts.¹⁷⁰ In the field of traditional security most issues are already handled in multilateral security frameworks such as the ARF, NATO, OSCE or UN, leaving little more than a supporting role for ASEM. Therefore ASEM has mainly concentrated on the general international security situation and on some regional conflicts such as the Korean Peninsula, which could have global repercussions. These debates have resulted in consultations and political declarations, for example the Seoul Declaration for Peace on the Korean Peninsula 2000.

2.1 Regional conflicts

Regarding regional conflicts, the ASEM dialogue has mainly focused on Asian cases (North Korea, Cambodia, East Timor). The leaders have, however, also discussed the situation in the

¹⁶⁶ ASEM3 Chairman's Statement 2000.

¹⁶⁷ European Commission 2001c.

¹⁶⁸ Reiterer 2002a: 127-128.

¹⁶⁹ Declaration of ASEAN Concord II.9th ASEAN Summit in Bali 2003.

¹⁷⁰ Hänggi 2004: 95-97.

Western Balkans, Bosnia-Herzegovina and Kosovo.¹⁷¹ In addition the roles of different regional security arrangements (ARF, OSCE) have been debated. ASEM partners have also raised the issue of regional crises in other parts of the world, for instance Afghanistan, Iraq, Middle East Peace Process and South Asia. FMM4 issued a declaration on India and Pakistan and on the Middle East Peace Process and FMM6 emphasized the Road Map as the only viable solution to the Middle East crisis. The ASEM partners have also stressed their readiness to contribute to the humanitarian situation in the Palestine territories.¹⁷² The main message of the political debate on regional conflicts is the leaders' support for deeper multilateral cooperation and the central role of the UN.

The threat of a possible nuclear crisis on the Korean Peninsula has been a key topic of security debate in the Asia-Europe cooperation.¹⁷³ North Korea became the centre of discussion at ASEM3, which was held shortly after the historical meeting of the leaders of North and South Korea (June 2000) and the granting of the Nobel Prize to President Kim Dae-jung. In the Seoul Declaration for Peace on the Korean Peninsula the leaders confirmed their support of and commitment to the peaceful success of the inter-Korean rapprochement. The text did not, however, demand North Korea to abandon its weapons of mass destruction, as reportedly it would have threatened the support from China.¹⁷⁴ Germany and the United Kingdom announced at the summit their plans to establish diplomatic ties with North Korea, despite of the opposition from France, which appealed to the country's alarming human rights record and nuclear development. From the point of view of the European Commission the German-British initiative was seen as a reflection of the difficulties of common foreign policy coordination in the EU.¹⁷⁵ After ASEM3 in Seoul, the European Council (Stockholm 2001) agreed to enhance the role of the EU in support of peace, security, and freedom in the Korean Peninsula.¹⁷⁶ The EU Commission established diplomatic relations with the DPRK in

¹⁷¹ See for example ASEM2 Chairman's Statement 1998.

¹⁷² FMM6 Chairman's Statement 2004; FMM4 Chairman's Statement 2002: Declaration of the India-Pakistan Situation 2002, Declaration on the Middle East Peace Process 2002.

¹⁷³ The EU has listed the situation in Korean Peninsula as one of the key threats in regional conflicts in its Security Strategy in 2003. European Security Strategy 2003.

¹⁷⁴ Europe Information 20.10.2000.

¹⁷⁵ Europe Information 20.10.2000.

¹⁷⁶ Presidency Conclusions, Stockholm European Council 23 And 24 March 2001; The EU is also among the largest and most consistent donors of assistance to alleviate the humanitarian consequences of the economic crisis in DPRK, and to try to address its root causes. Most EU food aid, particularly since 1998, has been provided bilaterally and to some extent the UN's World Food Programme. The EU has also provided support for agricultural rehabilitation and non-food humanitarian assistance that has been implemented mostly through European Non-Governmental Organizations (NGOs). European Commission External Relations 2006 (The EU's Relations with South Korea, Political Relations).

2001. The EU also cooperates in the Korean Peninsula Energy Development Organization (KEDO¹⁷⁷). Its financial support for the organization has reached a total of €15 million since 1996.¹⁷⁸ The ASEM partners have expressed their support of the KEDO activities.¹⁷⁹

The Seoul declaration was reissued at the following summit in Copenhagen (2002), where the leaders reiterated their support and called on the US to reassure dialogue with Pyongyang. The declaration stressed the importance of bringing North Korea “into the international community through constructive dialogue”.¹⁸⁰ At ASEM5 in Hanoi the leaders again reconfirmed their strong support of the denuclearization of the Korean Peninsula and the six-party talks. The foreign ministers at FMM7 in Kyoto expressed their “deep concern” over North Korea’s claimed nuclear weapons development and strongly urged the DPRK to return to the negotiating table of the Six-Party Talks.¹⁸¹ The two political declarations on peace on Korean Peninsula can be seen as expressions of broad international support to South Korea and Kim Dae Jung’s sunshine policy and as a Euro-Asian response to the more hard-line US policy on North Korea. In contrast to the US Administration decision to declare North Korea as part of the “axis of evil” in 2002, European and Asian leaders reaffirmed their commitment to the engagement policy at the ASEM4 summit in Copenhagen 2002.¹⁸² As the European Union is not included in the Six-Party Talks, the ASEM dialogue also provides it a channel to contribute to the process.

2.2 The war on terrorism

A review of the recent ASEM meetings show, that non-traditional security threats, such as terrorism and proliferation of weapons of mass destruction, have become more central in the ASEM dialogue, particularly after the terrorist attacks of September 11th 2001. Politically, all ASEM partners agreed on the need to fight against international terrorism. The leaders stressed that ASEM’s strength in combating terrorism was in its ability to provide

¹⁷⁷ KEDO was established in 1994 by the US and North Korea in order to avoid a nuclear non-proliferation crisis. KEDO provides financing, building and supply of material for reactor project and interim energy supplies. Korean Peninsula Energy Development Organization (KEDO) 2005.

¹⁷⁸ European Commission External Relations 2006 (The EU’s Relations with Democratic People’s Republic of Korea (DPRK)).

¹⁷⁹ Seoul Declaration for Peace on the Korean Peninsula 2000, Political Declaration for Peace on the Korean Peninsula 2002.

¹⁸⁰ Political Declaration for Peace on the Korean Peninsula 2002.

¹⁸¹ ASEM5 Chairman’s Statement 2004, FMM7 Chairman’s Statement 2005.

¹⁸² The term “axis of evil” was used by United States President George W. Bush in his State of the Union Address (29.1.2002) to describe “regimes that sponsor terror”. Iraq, Iran, and North Korea were named.

supplementing efforts within the conventional fight against terrorism by combating the possible social root causes of terrorism with long-term activities. The leading role of the UN and the principles of the UN Charter were strongly emphasized.¹⁸³ At ASEM4 in Copenhagen the partners convened under the overarching theme “unity in diversity” and issued the Declaration on Co-Operation against International Terrorism and the Cooperation Programme on Fighting International Terrorism. As short-term activities the Cooperation Programme introduced an ASEM Seminar on Anti-Terrorism¹⁸⁴ and the formation of an ad hoc informal consultative mechanism, enabling ASEM coordinators and senior officials to consult each other on major international events. This idea derived from the realization that immediately after the attacks of 9/11, the ASEM leaders had had limited mechanisms to exchange political ideas and practical information with each other¹⁸⁵. As medium-term activities the work programme initiated enhanced customs communication networks and dialogue on cultures and civilizations. Finally, long-term activities included people-to-people exchanges and utilization of previous ASEM initiatives (such as the ASEM Anti-Money Laundering Initiative). Under the Copenhagen Cooperation Programme the ASEM partners have affirmed their will to fully implement UN Security Council Resolution 1373 (2001) and cooperate with the UN Counter Terrorism Committee. In addition the ASEM partners have planned to further increase cooperation on customs, air and maritime security, money laundering.¹⁸⁶ At FMM4 in Madrid the ministers had already agreed to establish links between EUROPOL, ASEANAPOL and the law enforcement agencies of China, Japan and Korea and to enhance information exchange between anti-terrorism coordination units.¹⁸⁷ In addition, at ASEM4 the partners launched a Dialogue between Cultures and Civilizations, which is an informal dialogue on common values developed to deepen understanding and to overcome stereotypes and prejudice among the partners.

The first ASEM Anti-terrorism Seminar in Beijing 2003 studied ways to increase cooperation among agencies in charge of counter-terrorism. The following seminar in Berlin 2004 considered an ASEM terrorism threat alert system (24/7), which is currently being studied at

¹⁸³ ASEM4 Chairman’s Statement 2002.

¹⁸⁴ Three seminars have been organized so far: Beijing 2003, Berlin 2004 and Semarang, Indonesia 2005.

¹⁸⁵ Europe Information 20.9.2002.

¹⁸⁶ ASEM Declaration on Co-Operation against International Terrorism 2002; ASEM Cooperation Programme on Fighting International Terrorism 2002.

¹⁸⁷ FMM4 Chairman’s Statement 2002; EU and ASEAN have agreed to cooperate on this issue within ASEAN as well, for example at the EU-ASEAN Ministerial Meeting in Brussels 2003. Europe Information 29.1.2003.

national level.¹⁸⁸ The most recent seminar in December 2005 in Semarang Indonesia emphasized among others the implementation of all twelve international counter-terrorism conventions and protocols and the International Convention for the Suppression of Acts of Nuclear Terrorism (April 2005). The partners listed ten areas where all ASEM partners should take concrete and coordinated measures: these included among others completing and updating the directory of existing institutions and fora for intra- and interregional and international cooperation (initiated by Germany), further studying the possible establishment of ASEM-wide networking of Financial Intelligence Units (by Indonesia) and encouraging linkages of regional counter-terrorism centres in Asia and Europe (by Malaysia).¹⁸⁹

The war on Afghanistan was mainly discussed only after the war operations had ended.¹⁹⁰ The ASEM leaders have supported the reconstruction and stabilization of Afghanistan and expressed their concern of the continuing threats in the area (terrorist activities, drug production and trafficking).¹⁹¹ The US-led war in Iraq, launched without the mandating decision of the UN Security Council, raised mixed feelings around the world and positions in both Europe and Asia were divided. At ASEM4 the partners agreed on the importance of a multilateral approach and the UN mandate, but could not reach a common position of the level of pressure to be put on the Iraqi President Saddam Hussein.¹⁹² The final Chairman's Statement of the summit only warned about the dangers of proliferation of weapons of mass destruction to terrorist groups. However, at the informal retreat session the leaders reportedly did reach a common position on the unilateralist US approach in the Iraq/UN issues. While acknowledging that it is difficult to assess the impact of this agreement to the subsequent decision of the UN Security Council in 2002, Christopher M. Dent describes this as a demonstration of ASEM's potential to proactively link with multilateral actors such as the UN.¹⁹³ Hänggi argues that the Iraqi issue actually reflected the limitations of ASEM as a balancing power to the US, because of its heterogeneity and inability to form common positions.¹⁹⁴ Jürgen Rüland has pointed out that the US Iraq policy affected not only the UN,

¹⁸⁸ ASEM Conference on Anti-Terrorism, Chair's Summary, Berlin, 18-20.10.2004, ASEM Conference on Anti-Terrorism, Chair's Summary, Indonesia, 2005.

¹⁸⁹ ASEM Conference on Anti-Terrorism, Chair's Summary, Indonesia, 2005

¹⁹⁰ The war on Afghanistan divided opinions within ASEM as two large Muslim countries Indonesia and Malaysia and also Vietnam and China opposed the war. Only a few European partners participated militarily in the operations.

¹⁹¹ ASEM5 Chairman's Statement 2004, FMM7 Chairman's Statement 2005.

¹⁹² Virtual Information Centre 2002: 16; Hänggi 2004: 111.

¹⁹³ Dent 2005: 30.

¹⁹⁴ Hänggi 2004: 111.

but other international instruments such as NATO, APEC and ASEM as well, by deepening divisions, highlighting differences and thereby complicating cooperation.¹⁹⁵

After the end of the war operations, the deteriorating security situation in Iraq has been frequently discussed in the ASEM ministerial meetings and summits. The leaders have emphasized a more direct and central role for the UN in the transition process and stressed the need for international cooperation to support the reconstruction and rehabilitation of Iraq.

2.3 Non-proliferation and weapons of mass destruction (WMD)

The EU has emphasized the importance of ASEM dialogue on non-proliferation of WMD and encouraged universal compliance with relevant international treaties (Nuclear Non-Proliferation Treaty NPT, the Comprehensive Test Ban Treaty CTBT, the Chemical Weapons Convention and the Biological Weapons Convention) since the European Council in Madrid 1995.¹⁹⁶

ASEM1 stressed the need to strengthen global initiatives and Asia-Europe cooperation on arms control, disarmament and non-proliferation of WMD. The leaders supported the early conclusion of the CTBT and the Chemical Weapons Convention. In the following meetings the leaders have reconfirmed their determination to deepen ASEM cooperation in the field. FMM5 in Bali 2003 issued a separate declaration on Prevention of Weapons of Mass Destruction and their Means of Delivery which underlined the core role of the UN in the maintenance of peace and security and strengthening of international cooperation and stressed the importance of relevant international instruments, in particular the NPT, the CTBT, the Biological Weapons Convention and Chemicals Weapons Convention and the International Atomic Energy Agency (IAEA) agreements and protocols.¹⁹⁷ Although no concrete ASEM activities have been taken, the partners have sent a message of a common position to the international community and in particular to countries which have not ratified these treaties. However these ASEM declarations have not yet succeeded in pressuring all ASEM partners to ratify the agreements. China, Indonesia and Vietnam still remain outside

¹⁹⁵ Rüländ 2005: 6.

¹⁹⁶ Madrid European Council 15-16.1995; European Commission 2000.

¹⁹⁷ FMM5 Chairman's Statement 2003: Declaration on Prevention of Weapons of Mass Destruction and their Means of Delivery.

the CTBT and their ratification is needed for the enforcement of the treaty.¹⁹⁸ The partners have also urged North Korea to return to the NTP, to give up any nuclear weapons programmes and to resume cooperation with the IAEA.¹⁹⁹ In addition the partners have discussed illicit trafficking and accumulation of small arms and light weapons (SALW), supported the UN Conference on the Illicit Trade in Small Arms and Light Weapons in 2001 and agreed to work together towards the adoption of international instrument for the timely and reliable identification and tracing of them.²⁰⁰

2.4 Global threats of common concern

Since the AECF2000 and ASEM3, issues such as transnational crime, migration, exploitation of women and children, trafficking in persons and drugs, and health issues have been discussed in the political pillar as “global threats of common concern”.²⁰¹ Many of these issues were formerly handled in the third pillar under dialogue on “other areas” (ASEM1) or under global issues (separate from political dialogue, ASEM2). At ASEM5 the term “non-traditional threats to international peace and security” was used to cover money laundering, arms trafficking, trafficking in human beings, the production of and trafficking in illicit drugs, and computer crimes.²⁰² The ASEM process has been perceived as an informal arena, where the partners can share regional experiences especially in “soft security issues” such as peacekeeping, conflict prevention and reconciliation process and humanitarian assistance, as well as in new security issues such as transnational crime and terrorism. This corresponds to the tendency in the EU as a non-military power to regard soft security and conflict prevention as its strong points in security cooperation.²⁰³

Dialogue on the problems of transnational crime and money laundering resulted in an Anti-Money Laundering Initiative in 2000. The three-year programme providing training and technical assistance to Asian ASEM partners was started in 2002.²⁰⁴ This was followed by the Anti-money Laundering Workshop and the ASEM Symposium in Combating Underground

¹⁹⁸ Other Asian ASEM partners outside CTBT are Brunei, Malaysia, Burma/Myanmar, Thailand. Burma/Myanmar has neither entered the Chemical Weapons and Biological and Toxic Weapons Conventions.

¹⁹⁹ Europe Information 25.7.2003.

²⁰⁰ ASEM3 Chairman’s Statement 2000, FMM7 Chairman’s Statement 2005.

²⁰¹ Term used in ASEM3 Chairman’s Statement 2000.

²⁰² ASEM5 Chairman’s Statement 2004.

²⁰³ European Parliament - Committee on Foreign Affairs, Security and Defense Policy 1999: 14.

²⁰⁴ The priority countries of the first stage were Indonesia, the Philippines, China, Vietnam, Thailand and Malaysia. United Nations Office on Drugs and Crime 2002.

Banking in 2003. China organized in 2001 a seminar on Cracking Down the Transnational Crimes by ASEM Law Enforcement Agencies. The first ASEM Prosecutors-General Conference convened in Shenzhen, China (2005) to enhance cooperation in combating transnational organized crime and to develop personnel training, exchange of information and technological cooperation.²⁰⁵ China and the UK proposed the Anti-Corruption Initiative at ASEM3 to explore and develop mechanisms to fight and eliminate corruption in ASEM countries.²⁰⁶

Combating trafficking of women and children was raised already at FMM2 (1999) and was listed as one of the ASEM responsibilities in the AECF2000. The Initiative to Combat Trafficking of Women and Children was endorsed at the ASEM3 in Seoul and Sweden, Thailand and the Philippines prepared a progress report for 2002. Sweden and Thailand, in cooperation with UNIFEM, organized the “Seminar Promoting Gender Equality to Combat Trafficking in Women and Children” (Bangkok 2002), which was followed by the “Seminar on Enhancing Support and Cooperation for Strengthening Social Policies to Assist Trafficked Women and Children” (Bangkok 2003). The project is no longer in activity.²⁰⁷

The Child Welfare initiative was endorsed at ASEM2, it was aimed to act against the commercial sexual exploitation of children. A related Child Welfare website was established in 2000 in order to strengthen links between governments and non-governmental organizations (the website is no longer functional). Follow-up meetings of police and law enforcement officials were held in Seoul 2000 and Guangzhou 2001. The latter concentrated on law enforcement and women’s and children’s protection and rights. Another expert meeting was held in 2003 in Manila, where strengthening of the judicial protection of children was debated.²⁰⁸

Migratory flows and especially illegal migration and related criminal activities, have posed serious challenges to both Asian and European countries. At ASEM3 the leaders expressed their commitment to address the challenges of uncontrolled migratory flows and agreed to organize a Ministerial Meeting on Migratory Flows in Lanzarote 2002. The ministerial meeting called for common efforts to fight against illegal migration and human trafficking,

²⁰⁵ Initiated by China, co-sponsored by Indonesia, UK, Netherlands.

²⁰⁶ ASEM Matrix May 2002.

²⁰⁷ European Commission 2002b: Justice and Home Affairs Cluster; Regeringskansliet 2006.

²⁰⁸ European Commission 2002b: Justice and Home Affairs Cluster.

cooperation in the area of return and admission, public awareness campaigns on the adverse effects of illegal migration etc.²⁰⁹ After the Lanzarote Summit Directors General responsible for the management of migratory flows have convened annually to implement concrete measures related to sharing of strategic information, false documents and ASEM Migration Contact Points. The most recent meeting discussed biometric technology for document security, border control and cooperation to facilitate legal migration. The partners also considered the establishment of ASEM immigration website, possibly in connection with the ASEM Virtual Secretariat.²¹⁰ According to some observers the cooperation has not yet managed to develop to an operational phase, largely because the issues are often considered political and even sensitive, particularly among the Asian partners.

Health issues such as community health care improvement and fight against HIV/AIDS and infectious and parasitic diseases have also been debated in the first pillar. In this context the UK and Malaysia prepared a joint proposal “Initiative on HIV and Aids” for ASEM3 stressing that fight against HIV should become a national priority in ASEM countries. At ASEM5 the leaders expressed that the global HIV/Aids epidemic constitutes a global emergency. They endorsed the initiative “ASEM Cooperation on HIV/Aids control” proposed by Vietnam, Sweden, Netherlands and the Philippines. As a first step the partners organized a conference in Vietnam “Learning from Each Other and Moving Forward: Asia and Europe Together in the Fight against HIV/Aids”, which highlighted the importance of effective national strategies, cooperation and coordination between Europe and Asian on HIV programmes and the exchange of best practices and experiences.²¹¹

Pandemics and infectious disease have been discussed in the ASEM summits since ASEM3 in Seoul, where the leaders took note of a French proposal to establish a Project for a Euro-Asian Network for the Monitoring and Control of Communicable Diseases.²¹² FMM5 in Bali encouraged the ASEM partners to cooperate in controlling and containing the SARS virus.

²⁰⁹ ASEM Ministerial Conference on Cooperation for the Management of Migratory Flows between Europe and Asia: Declaration, 2002.

²¹⁰ Copenhagen 2002, Beijing 2003, The Hague 2004, Bali 2005, next meeting will be organized in Finland 2006. Other related activities include a seminar on ASEM Return and Readmission Policy in 2004. European Commission 2002; Chair Statement of the 4th ASEM Directors General Meeting on Management of Migratory Flows between Europe and Asia, 2005 Bali.

²¹¹ ASEM5 Chairman’s Statement 2004. “Learning From Each Other And Moving Forward: Asia And Europe Together In The Fight Against HIV/Aids” ASEM Workshop on HIV/AIDS - Main Findings and Next Steps, Vietnam 2005.

²¹² European Commission 2002b: Justice and Home Affairs Cluster, ASEM Initiatives.

China organized in 2003 a Seminar on the Management of Public Health Emergency. The ASEM partners' resolve to combat infectious diseases (inc. HIV/Aids, SARS, avian influenza) was reaffirmed at FMM6 in Kildare, where ASEM Senior Officials and Coordinators were tasked to define concrete initiatives in the context of international epidemics.²¹³ At ASEM5 Vietnam proposed to organize an ASEM Seminar on Health Quarantine Cooperation to Prevent and Control Communicable Diseases.²¹⁴

Illicit drug trade and preventive customs cooperation were discussed at ASEM1. The issue was addressed again at ASEM2, where cooperation against synthetic drugs and diversion of precursor chemicals was raised. The Customs Enforcement Group was assigned to take forward certain aspects of this work. It has since adopted a series of actions and recommendations for cooperation.²¹⁵

Regarding the catastrophic tsunami on December 26th of 2004 in the Indian Ocean, FMM7 welcomed the support from Asia and Europe for the tsunami-affected countries and appreciated the initiative to establish regional early warning systems in accordance with national priorities and under the coordination of relevant UN agencies. The issue was discussed in more detail at the Tianjin Finance Ministers Meeting in June 2005, where the ministers issued the Tianjin Initiative, which included a proposal of an ASEM contingency dialogue mechanism for emergent economic and financial events as a tool for consultation, coordination and anticipation in such crisis situations.²¹⁶

2.5 Security issues never discussed in the ASEM dialogue

There are certain security issues that have never been officially brought up in the ASEM context. These include the question of Taiwan (opposed by China), the possible establishment of the US theatre missile defence system (TMD) in East Asia and the crisis of Aceh and Mindanao as noted by Heiner Hänggi. Several other security issues, mainly of traditional politico-military nature, have been raised but not included in the ASEM security agenda over the years. These include the situation on the South China Sea (opposed by China), Southeast

²¹³ FMM6 Kildare Chairman's Statement 2004.

²¹⁴ ASEM5 Chairman's Statement 2004, Annex 3.

²¹⁵ ASEM2 Chairman's Statement 1998; European Commission 2002b: ASEM Initiatives; Meeting Report of the 8th ASEM Customs Enforcement Working Group Meeting, May 2005 Brussels.

²¹⁶ FinMM6: Tianjin Declaration 2005.

Asian Nuclear Weapon Free Zone (proposed by ASEAN at ASEM1, but the EU was not ready to endorse it yet and thus it was only noted by the Summit), exchange of experiences in conflict prevention, peacekeeping and arms trade control (proposed by the European Commission prior to ASEM3). In addition initiatives to cooperate in peacekeeping training and enhance transparency in security and defence, proposed by the Asia-Europe Vision Group, have not been endorsed. Discussions on the concept of human security (by Thailand and the European Commission) and commitment to good governance (by the Asia-Europe Vision Group and the European Commission) have also been initiated but not endorsed.²¹⁷ Controversial security issues have been excluded from the agenda if they have gone against the interest of the leading ASEM partners such as China or outside powers such as the US.²¹⁸

2.6 Assessment of the security dialogue

In the field of more traditional security issues, such as regional conflicts, the ASEM partners have highlighted the importance of multilateral cooperation and the central role of the United Nations. Only in the case of the Korean conflict the partners have engaged in more substantive dialogue and have managed to convey a message of a unified concern over the crisis. They have also sent a critical message to the US, challenging its North Korea policy. The security dialogue also reflects ASEM's limitations, particularly the lack of dialogue on some regional conflicts in Asia, which could threaten the peace and stability of the region, but which have been considered sensitive or as internal affairs of partner states and therefore remained outside the ASEM agenda.

Cooperation in the field of non-traditional security issues has been considered less controversial among the ASEM partners as dialogue on traditional security issues. Firstly it offers more possibilities for cooperation and secondly it is not burdened with the problems of the old colonial relations and Europe is not considered to be lecturing to Asia in this area²¹⁹. Security dialogue with ASEM countries gives the EU a possibility to acquire a global role in international relations and a chance to build global partnerships and alliances with Asian countries.²²⁰ The issues handled in ASEM support the EU's Security Strategy "A secure

²¹⁷ Hänggi 2004: 111-112.

²¹⁸ Lim 2000b: 16.

²¹⁹ Reiterer 2002a: 129.

²²⁰ "Global partnerships and alliances with Asian partners" particularly in UN related issues and reforms, WTO, environment, international crime, terrorism and HIV/Aids. European Commission 2001b: 18-19.

Europe in a better world” (2003), in which global challenges such as terrorism, proliferation of WMD, regional conflicts, state failure, organized crime are listed as contemporary key threats. In the era of globalization distant threats are just as serious as the ones near by, and threat and conflict prevention are increasingly essential.

In their efforts to contribute to the fight against terrorism the ASEM partners submitted a declaration and a common work programme. Although the partners failed to send any strong signal of a common position objecting the unilateralist approach of the US in the case of Iraq, they emphasized the importance of multilateral cooperation with a common Euro-Asian voice. The partners have started to identify niches for ASEM cooperation in fighting the root causes of terrorism, nevertheless more tangible cooperation is still being developed. Relevant coordination with the dialogue on cultures and civilizations will be essential in order to take a broad approach.

In the field of global threats the ASEM partners have, to some extent, managed to go beyond summit dialogue to initiatives and cooperation. Nevertheless the cooperation is just emerging, and often takes the form of further dialogue in different seminars and meetings. Dialogue on pandemic and infectious disease and drug related problems, which all pose serious threats for both Asia and Europe, have received less attention. For the EU, dialogue on drug issues with Asia would be highly important, as many of the Asian countries are struggling with drug related problems, which have serious repercussions on Europe. In the light of the recent threats such as SARS and the avian flu, cooperation to tackle pandemics and infectious diseases is urgent.

Many of the initiatives and activities have lacked follow-up and continuity. The partners seem to have provided very little public information on the development of the projects and many projects have been forgotten after endorsement. On the whole, the dialogue on “global issues of common concern” has lacked a clear, common vision and a long-term action plan. The extensive number of issues and their occasionally politically sensitive nature has most likely further complicated the development of a common strategy.

ASEM dialogue on different security issues reflects the general trend of the widening of the security concept. The evolution, accelerated after the end of the Cold War, has broadened the scope of security issues from traditional military issues to political, economic, social and

environmental dimensions. As pointed out by Jürgen Rüländ, ASEM's focus on non-traditional security issues reflects the convergence of security challenges and interests both in Asia and Europe. ASEM could become a meaningful contributor to global multilateral negotiations by innovative agenda-setting, as issues related to, for example, human security could have a bigger impact on Asia and Europe than the traditional questions.²²¹ Heiner Hänggi notes that by concentrating on exchange of views and experiences and by adopting common positions, ASEM can offer its own nuances and accents to international issues or to US positions also in security issues. In addition the recent trend of securitization of issues can increase the role of security dialogue in the ASEM process and the weight of ASEM vis-à-vis the United States.²²²

All in all, the dialogue on security can be a core field for ASEM. Particularly in the field of new security issues and global threats ASEM partners should create a clear common vision, which would concentrate on issues where ASEM can bring most results. A focused agenda on issues where ASEM possesses a comparative advantage, can help the partners to locate areas for meaningful cooperation. Better concentration and coordination will consequently facilitate concrete cooperation. The partners should further highlight the possible cross-pillar advantages.

3. Multilateralism and the reform of the United Nations

United Nations and multilateralism were driven to a deep crisis at the turn of the century: the UN's urgent need for reform was highlighted by its long-term financial problems and the US-led war on Iraq in 2003.

ASEM partners have from the beginning of the cooperation declared their commitment to multilateralism in the field of global trade and politics. This desire to support the multilateral system has been reflected in the political ASEM dialogue, as the leaders have consistently reiterated their support to the UN and its activities. The EU has underlined that Europe and Asia can strengthen the multilateral framework through the ASEM process.²²³

²²¹ Rüländ 2005: 8.

²²² Hänggi 2004: 101-113.

²²³ European Commission 1997b.

The partners have identified that there is a need for closer cooperation among them within the United Nations. The foreign ministers proposed at FMM3 that ASEM partners should meet before every UN General Assembly. The informal meetings of ASEM partners' ambassadors to the UN started in 2001 but lasted only briefly. The ad hoc informal consultations initiated at the 2004 Copenhagen Summit can be seen as a continuation to this. At FMM5 in Bali the foreign ministers agreed again to start meetings between the ASEM countries' permanent representatives to the UN in New York.²²⁴

The reform of the UN has been a regular topic at the ASEM summits. It was already included in the original EU agenda for ASEM1.²²⁵ The ASEM leaders have agreed to cooperate in promoting the effective reform and democratization of the UN system (Security Council, General Assembly, ECOSOC and financial reform). At ASEM1 the partners agreed to hold dialogue on UN reform issues in New York. However these senior official level meetings failed to reach common positions, except on the necessity of the reform.²²⁶ Therefore ASEM dialogue on UN reform has remained at a relatively general level. The ASEM partners include two strong, but controversial candidates to the Security Council: Japan and Germany. The varying views in Asia and Europe complicate formulating of a common position in this issue.

At ASEM4 the leaders, in the aftermath of the 9/11, emphasized the importance of multilateral cooperation. FMM6 in Kildare 2004 issued the ASEM Declaration on Multilateralism, in which the ASEM partners reaffirmed their commitment to multilateralism and to a fair and just rules-based international order with a strong UN in its heart. Reacting to the unilateralist US approach, the foreign ministers stressed that the UN Security Council should have the primary responsibility of the maintenance of international peace and security. This was further emphasized at ASEM5 and FMM7, where the leaders reiterated that global challenges and threats should be addressed through a multilateral approach.²²⁷

One of the key functions fitted for ASEM is that of a complimentary arena for multilateral negotiations. In this regard the pre-UN-meetings and the political ASEM declarations (e.g.

²²⁴ FMM3 Chairman's Statement, FMM5 Chairman's Statement, ASEM4 Chairman's Statement.

²²⁵ Madrid European Council 15-16.12.2005.

²²⁶ Yeo 1999a: 20-21.

²²⁷ ASEM4 Chairman's Statement 2002, FMM6 Chairman's Statement 2004, ASEM5 Chairman's Statement 2004, FMM7 Chairman's Statement 2005.

the Declaration on the Peace on Korean Peninsula) have pointed to the direction that ASEM partners are at least to some extent willing to coordinate their interests *vis-à-vis* other international fora, as pointed out by Sebastian Bersick.²²⁸ Heiner Hänggi comments that the growing uneasiness of some European and Asian partners towards the unilateralist US security policy has motivated the partners to stress their own commitment to build the international order, to maintain the global strategic balance and to discuss the general international security situation in the post-9/11 world. The ASEM framework can thus be used to check and balance the unilateralist aspirations of the US and to keep it engaged to multilateral frameworks.²²⁹ Jürgen Rüländ remarks, however, that using multilateralism merely as a balancing strategy against the US will hardly promote any deepening of ASEM dialogue in the long-term. Nevertheless by repeatedly calling for multilateralism, ASEM will at least keep the issue on the international agenda.²³⁰ Gerald Segal noted that Europe and Asia should, through mutual cooperation, keep US honestly committed to internationalism and multilateralism and hold back voices of isolationism in the US.²³¹ The Council for Asia-Europe Cooperation remarked in its 1997 report “The Rationale and Agenda for Asia-Europe Cooperation” that the partners should aim for coalition-building against US unilateralism and other deviations from multilateralist policies *inter alia* by supporting internationalist forces within the US, but they should avoid trying to balance the US power through an Asia-Europe coalition. The multilateral system of common principles, rules and norms is vital to both Asia and Europe.²³²

Rüländ notes that great powers such as China may only rely on multilateralism as long as other balancing strategies remain ineffective or too costly.²³³ So far the ASEM process has succeeded in engaging China in multilateral cooperation, with its neighbours and with the EU. China has taken up the ASEM challenge actively, as can be seen from the number of meetings and initiatives proposed or conducted by it, and this approach should be further encouraged.

According to Rüländ ASEM’s value is in its ability to become an Asian-European clearing-house for global multilateral meetings, where the partners could agree on agendas, objectives

²²⁸ Bersick 2003a: 63.

²²⁹ Hänggi 2004: 110, 113.

²³⁰ Rüländ 2005: 8.

²³¹ Yeo 2003: 161.

²³² CAEC 1997, 10.

²³³ Rüländ 2005: 8.

and solutions. This would not only strengthen Asian and European interests in the different international fora, but could also help to streamline complicated or locked processes. However, Rüländ remarks that so far ASEM partners have not really expressed a strong will to achieve common positions in a systematic way. A more coordinated approach would enhance the effectiveness of global fora in general by smoothing the diversity of views and interests.²³⁴ Christopher M. Dent points out that so far ASEM has merely paid deference to multilateral institutions rather than contributed anything new or significant. Its inability to become a real “multilateral utility” reflects the ASEM leaders’ hesitancy to explore and develop the possibilities of the framework. Dent draws particular attention to the EU, which should revive its ASEM policy and strategy.²³⁵ For example the Declaration on Multilateralism (FMM6 2004) largely repeated what ASEM partners were already doing in other diplomatic levels.²³⁶ Although the Declaration presented a picture of a concerned, unified group of European and Asian leaders, who want to address a current problem, it hardly contributed anything new to the issue at hand. According to Julie Gilson, ASEM’s value lies in its potential to serve as a “minilateral” forum, which allows smaller groups to cooperate for multilateral institutions. In the long-term these partnerships could become a semi-permanent mechanism, which would help to sustain effective multilateralism in the international order.²³⁷

In conclusion ASEM has not managed to develop from its deference-paying function into a meaningful utility vis-à-vis multilateral institutions. So far it has remained at a declaratory level, with little actual effectiveness. In addition acting against US unilateralism as such is not a sustainable *raison d’être* for ASEM’s multilateral approach. ASEM’s facilitating and agenda-setting role could be enhanced through careful selection of issues and enhanced common coordination among the partners.

²³⁴ Rüländ 2005: 8.

²³⁵ Dent 2005: 7, 32.

²³⁶ Dent 2005.

²³⁷ Gilson 2005.

4. Environmental issues

4.1 Overview

Environmental questions have become an emerging key issue in the ASEM political dialogue. Two Environment Ministers Meetings have been organized thus far in Beijing 2002 and in Lecce 2003. The EU has emphasized its willingness to include environmental questions in the dialogue since the beginning of the process. Already the New Asia Strategy (1994) called for stronger environmental cooperation with Asia and in 2000 the European Commission identified environmental questions, in particular energy, sustainable development and protection and preservation of the environment, as priorities for dialogue and cooperation within ASEM.²³⁸

At ASEM1 the leaders acknowledged the importance of addressing environmental issues such as global warming, protection of water resources, deforestation, desertification and transfer of environmentally sound technology.²³⁹ The Asia-Europe Environmental Technology Centre in Thailand (1999) was established to facilitate cooperation and communication between Asian and European environmental institutes, to provide policy guidance and to promote environmentally sound technologies in public services. The Centre was closed in 2002 due to lack of direction and funding.²⁴⁰

ASEM dialogue on environmental issues has mostly focused on global issues of common concern, which are officially handled in other international fora. The leaders have reiterated their commitment to and support of the key international instruments such as the RIO Agreements of Agenda 21 and the Kyoto Protocol of the United Nations Framework Convention on Climate Change. The ASEM partners have also reaffirmed their political will to implement the commitments of the World Summit on Sustainable Development and welcomed its new international targets. The European Commission noted in 2002 that in line

²³⁸ European Commission 2000: 8-9.

²³⁹ The leaders also reaffirmed their commitment to the 1992 Rio Declaration on Environment and Development; ASEM1 Chairman's Statement (1996).

²⁴⁰ IIAS: ASEM Research Platform, Asia-Europe Environmental Technology Center. In 1999 the Asia-Europe Vision Group recommended the ASEM partners to set up an ASEM Environment Centre, but the plan was never endorsed. Asia-Europe Vision Group 1999: par. 57.

with the ASEM policy priority is placed on existing cooperation instruments and mechanisms, whereas new ones should only be set up if they present real value-added.²⁴¹

At their first meeting (Beijing 2002) the ASEM Environment Ministers debated the early ratification and entry into force of the Kyoto Protocol, the Cartagena Protocol on Biosafety and the Persistent Organic Pollutants Convention and the strengthening of domestic efforts on climate change. In addition they discussed the follow-up of World Summit on Sustainable Development (WSSD) and international governance of environment and sustainable development.²⁴² The Ministers acknowledged that environmental protection must be an integral part of economic development policies, and that focusing on prevention activities will be more efficient and cost-effective than later undertaking remedial actions. Fields of common concern and future cooperation included poverty eradication, energy and environment, water, desertification, forest degradation, release of chemicals, urban environment, bio-safety, coastal and marine protection, cleaner production technologies, ecological conservation, climate change, and environmental policies and legislation, and promoting sustainable livelihood.²⁴³

At their second meeting (Lecce 2003) the Environment Ministers stressed the central role of energy in sustainable development, called for more sustainable and efficient energy use and highlighted the importance of the UNFCCC and the Kyoto Protocol. Following the earlier ASEM initiatives of pre-UN and WTO-meetings, it was proposed that ASEM countries should hold consultations before major international environmental conferences.²⁴⁴ At the latest UN Climate Change Conference in Montreal (December 2005), many partners gathered for an ASEM consultation.

The Kyoto Protocol to the United Nations Framework Convention on Climate Change has been a key topic in the ASEM environmental dialogue. From the ASEM partners all but Brunei Darussalam and Singapore have ratified the protocol. The leaders have repeatedly called for the early entry into force of the protocol and after February 2005 they have

²⁴¹ ASEM4 Chairman's statement 2002. In 2002 the European Commission identified the World Summit on Sustainable Development (Johannesburg 2002) and the Kyoto Protocol as two key international processes that ASEM should follow closely. European Commission 2002: 8.

²⁴² ASEM Environmental Ministers Meeting Chairman's Statement, Beijing 2002.

²⁴³ European Commission 2002: 8.

²⁴⁴ Chairman's Statement of the ASEM Environmental Ministers Meeting, Beijing January 2002.

emphasized its rapid implementation.²⁴⁵ At ASEM4 climate change was identified as one of the most serious environmental challenges of the planet and the Kyoto Protocol as the only existing global instrument to achieve the ultimate objectives of the UN framework.²⁴⁶ At the following FMM7 the parties of the Kyoto Protocol were urged to fulfil their commitments and other countries were encouraged to sign the treaty as soon as possible. Also the need for early consultations on actions after 2012 and negotiations concerning any future frameworks were stressed. Millennium Development Goals and the Johannesburg Plan of Implementation were identified as topics for further cooperation.

The ASEM partners have tried to engage civil society actors in the environmental discussion – through the AEETC and through various seminars and workshops. With the help of EC funding, Thailand organized the first ASEM Conference on Public Participation in Environmental Policies in 2002, the second one was organized in Hanoi 2004. AEETC also organized a side-event “Asia-Europe Dialogue on Public Participation” during the 2002 ASEM Environment Ministers Meeting in Beijing. A key document in this field is the publication “Towards Good Practices for Public Involvement in Environmental Policies”, prepared by the governments of Thailand and Finland in 2002 and endorsed by the Environment Ministers in Lecce 2003.

The informal “ASEF Asia-Europe Environment Forum”, initiated by the first ASEM Environmental Ministers Meeting, has organized Roundtable discussions on environmental issues (such as climate change, WSSD, renewable energy) by bringing together representatives from the civil society, local governments and international organizations. It aims to be a channel of communication to the ASEM governments and in particular to ASEM Environmental Ministers’ Meetings.²⁴⁷ At FMM7 Japan proposed an ASEM workshop on community-level actions for global environmental agenda, which focuses on the exchange of

²⁴⁵ United Nations Framework Convention on Climate Change 2006: Kyoto Protocol, Status of Ratification 14.2.2006. For example, at the ASEM3 the ASEM partners emphasized the early ratification and early entry into force of the Kyoto Protocol and the success of the 6th Conference of the UN Framework Convention on Climate Change.

²⁴⁶ ASEM5 Chairman’s Statement (2004).

²⁴⁷ ASEF Asia-Europe Environment Forum has organized Roundtables in Bangkok 2003, Jeju 2004, Stockholm 2004 and a High Level Dialogue in Kuala Lumpur 2004 and Jakarta 2005. The events are co-organized by ASEF, Hans Seidel Foundation, Institute for Global Environmental Strategies and with support from the government of Japan and United Nations Environment Programme. Asia-Europe Environment Forum 2005.

information and capacity-building at the local government on environmental issues, including the 3R (Reduce, Reuse, Recycle) initiative and CO2 reduction.²⁴⁸

ASEM cooperation on forestry issues was launched at ASEM3 in Seoul, where the joint initiative of China and Finland on Science and Technology Cooperation on Forestry Conservation and Sustainable Development was endorsed. The first major step was the ASEM symposium on the Forest Conservation and Sustainable Development in Guiyang China 2001, where forest specialist and officials called for strengthened public awareness, capacity building, policy dialogue and transnational transfer of technology. This was followed by the ASEM Workshop on Conservation and Sustainable Use of Forests in Chiangmai Thailand 2002 and the ASEM Symposium on Urban Forestry in Suzhou and Beijing 2004. The latter approved the ASEM Initiative on Urban Forestry.²⁴⁹ ASEF and some Asian and European higher education institutions, specialized in forestry, established in 1999 an Asia-Europe Forestry Exchange Programme (ASEFOREP), which is a collaborative exchange programme between Asian and European higher forestry education institutions.²⁵⁰

In the field of agricultural cooperation the only high-level ASEM conference was held in Beijing 2003, where the participants debated agricultural policies, sustainable agricultural development, farm product quality, food safety and bio-technology. Thailand proposed at ASEM2 the establishment of an Asia-Europe Agricultural Forum, but the plan was later withdrawn.²⁵¹ Water system issues were handled at the ASEM Seminar on Management of Water Resources in Changsha, China 2002, where technical means of the rational utilization of water resources and priority areas for cooperation were debated.²⁵² The Internet-based ASEM Aquaculture Platform facilitates dialogue and networking and disseminates information on aquaculture-related workshops within ASEM.²⁵³

The Ministers of Science and Technology selected in Beijing (1999) a number of priority issues related to sustainable development (water, forestry, sustainable cities) and to the

²⁴⁸ FMM7 Chairman's statement 2005; The Seventh ASEM Foreign Ministers' Meeting and concrete outcomes with Japan's contribution, Ministry of Foreign Affairs Japan 2005.

²⁴⁹ ASEM Forest 2005: Introduction.

²⁵⁰ ASEFOREP 2005.

²⁵¹ European Commission 2002b: ASEM Initiatives.

²⁵² Ministry of Foreign Affairs People's Republic of China 2005: China and ASEM, Activities hosted by China.

²⁵³ First Aquachallenge workshop Beijing 2002, Disease and Health Management Barcelona 2004, Environment and Biodiversity Preservation Qindao, 2005. ASEM Aquaculture Platform 2005.

mandate of the AEETC.²⁵⁴ Vietnam organized an ASEM Workshop on EU-Asia Science and Technological Cooperation on Clean Technology in 2004. FMM7 further elaborated on the necessity of building a sound material-cycle society.²⁵⁵

Concerned by the increasing oil prices and their possible impact on the regions' economic growth, the ASEM leaders called on the oil producers to provide adequate supplies and emphasized the importance of conservation and efficiency in consumer nations at ASEM5.²⁵⁶ As a follow-up Japan organized an ASEM Energy Seminar together with the European Commission in January 2006 in Tokyo. In order to draw attention to the contemporary environmental challenges such as climate systems, high oil prices, energy security, illegal logging and its impacts on environmental degradation as issues of common concern the ASEM foreign ministers discussed the need for human-centred and sustainable development, including the environment and energy security at FMM7 in Kyoto.²⁵⁷

4.2 Assessment

The scope of the environmental dialogue in the ASEM process has been relatively wide ranging from climate change to energy issues. The partners have systematically expressed their support for international environmental instruments such as the Kyoto Protocol, even though some of the Asian partners are not committed to it yet. ASEM has managed to coordinate positions and show that EU, ASEAN, China, South Korea and Japan are serious about climate change. This is an important message to countries, which have not yet acceded to the treaty, in particular the United States. Nevertheless, the ASEM partners have not identified any specific common commitments to further facilitate the cooperation in climate change. Jürgen Rüländ has suggested that ASEM partners could obligate themselves to international instruments by defining specific scheduled goals, such as a timeframe for ASEM partners to fulfil the emission targets of the Kyoto Protocol or a commitment to exceed the requirements of international agreements by creating a WTO Plus or Kyoto Plus for ASEM partners.²⁵⁸

²⁵⁴ European Commission 2005: ASEM Matrix, Environmental Cluster.

²⁵⁵ FMM7 Chairman's Statement 2005.

²⁵⁶ ASEM5 Chairman's Statement 2004.

²⁵⁷ FMM7 Chairman's Statement 2005.

²⁵⁸ Rüländ 2005: 9-10.

Nevertheless, there seems to be a common understanding and will to cooperate on environmental issues. In addition the partners have managed to bring the dialogue and cooperation to lower levels and engage the track-two level in the dialogue through, for example, the ASEF Asia-Europe Environment Forum. In the future environmental dialogue will become an even more important area for ASEM, as it includes a large variety of urgent common challenges. Cross-pillar advantages with economic dialogue should be explored. In the field of corporate responsibility, for example, broader dialogue could prove useful.

5. Concluding remarks

Taking into account the controversial and modest start of the political pillar, the dialogue has successfully grown into a central component of the cooperation. Although the dialogue has adapted to the dramatic changes in the international scene during the past ten years, its relevance and effectiveness to the international agenda can be questioned. Looking at the initial expectations placed on ASEM at the European Council in Madrid and at ASEM1 in Bangkok ten years ago, one can argue that the partners are still working on to achieve those objectives. The goals and guidelines set for the dialogue were very broad, centred on building a sustainable dialogue and common understanding, making it relatively difficult to measure the developments in the pillar. Possible connections between an ASEM statement and an individual state's actions can rarely be depicted.

From the point of view of the EU, political dialogue was intended to contribute to the maintenance of peace and stability and development of mutual understanding in Asia and Europe. This objective still remains valid, even more so in the post - 9/11 international situation. Secondly, political dialogue was seen as a way to identify common ground in different issues and to intensify contacts and political cooperation in international fora. ASEM certainly has opened up possibilities for closer cooperation and coordination in interregional, bilateral and multilateral levels. In the multilateral level the partners have not yet succeeded to go beyond a deference-paying function, but in the bilateral level ASEM has managed to provide possibilities for meetings and interaction, particularly important for smaller states. Thirdly, the European partners wanted ASEM take up dialogue on the values and codes that govern societies in both continents in order to promote rapprochement of European and Asian societies. Considering the difficult heritage of the EU-ASEAN dialogue

and the diverse position of the partners, the ASEM states have managed, sometimes through great difficulty, to go beyond traditional controversies and raise sensitive issues, such as human rights in the dialogue. Nevertheless, the dialogue in the official level remains thin in substance as more fruitful debates take place at lower levels. Coordination with the track-two level remains weak. The inability to systematically utilize the opportunities in track-two diplomacy has complicated addressing sensitive issue. The partners, particularly in Europe, have failed to make full use of the access points to Europe-Asia discussions, offered for example by the Council for Asia-Europe Cooperation (CAEC). Although dialogue on sensitive issues has provided important exchanges of information and clarification of position, in the case of Burma/Myanmar disagreements between partners have also led to sharpening of different positions. Fourthly, ASEM partners' contribution to dialogue on the reform and funding of the United Nations has remained limited. Cooperation in security matters was initially intended to be undertaken in the ASEAN Regional Forum, but ASEM partners have succeeded in locating emerging niches in international security dialogue, particularly in the field of broad security issues, in fighting the root causes of international terrorism and addressing global threats.

The Asia-Europe Cooperation Framework 2000, which identifies the key guidelines of the process, described the political pillar with very broad objectives as a dialogue focused on common interests and as a process of consensus-building, mutual awareness and understanding. Looking at the more detailed priorities laid out for the political dialogue in the document, the partners have managed to address most of the issues, at least to some extent. However, the depth and effectiveness of these approaches can be questioned. Building a sustainable and trusting dialogue was one of the main initial objectives of the ASEM political dialogue and ten years is still a rather short time to create true partnerships. Considering the informal nature of ASEM, one can question whether concrete results should be expected from the political dialogue to the same extent as from the economic cooperation. However, the non-committal nature and the broad agenda of the ASEM dialogue present a danger that the ASEM deliverables, i.e. declarations will remain as such without any meaningful impact. Thus it is crucial for ASEM partners to carefully select the issues of the agenda, to locate niches that provide actual value-added and then jointly coordinate their actions. The lack of clear, focused goals has hindered a much needed streamlining of the dialogue and cooperation. Thus far the informal, open nature of the dialogue has allowed ASEM to be both positively multidimensional and negatively miscellaneous in its approach. The development

of a clearly focused meeting agenda, which would still allow room for open and broad dialogue, would be most beneficial. The future of political dialogue largely depends of the ambition level of the partners to develop ASEM's role in the international field.

CHAPTER III

Economy and Trade

Europe's own weight in the international economy, as the largest single market, the largest source of FDI, and the largest global donor, in addition to its experiences in regional economic and monetary co-operation, makes it an essential partner for Asia.

(“Commission Working Document: Perspectives and Priorities for the ASEM Process into the Next Decade” April 2000)

This chapter gives an overview of achievements in the field of trade, investment and economy in the light of global events, and provides an assessment of the function of ASEM as an economy-oriented framework and a multilateral economic forum. The chapter is divided in four parts: the first part will outline the initial goals, key objectives and general expectations for the economic dimension of this Asian-European dialogue forum. The second part will assess the main concrete outcomes and initiatives that were generated during the first decade under the ASEM umbrella in order to promote economic cooperation, trade, investment and the participation of the private sectors. The third part will explore to what extent ASEM has succeeded in complementing and reinforcing existing bilateral relations and the multilateral trading system. The fourth part will compare the actual relations of trade and economy between Asia and Europe in the 1990s and at present, by examining changes in general trade flows and FDI relations.

1. Aims, objectives and expectations in the field of economy and trade

In order to examine the objectives in the “economy pillar” of the ASEM process, it is worthwhile to take a brief look at the state of economic and trade relations between Europe and Asia in the years before ASEM’s establishment. The “economic miracle”, swift industrialization and impressive growth in East Asia primarily led to the European projection that the region might transform into one of the most prosperous areas in the world by the year 2000. Asian GNP was extrapolated to grow on average by 44% between 1990 and 1995. According to the forecast in 1994 of the New Asia Strategy:

The rise of Asia is dramatically changing the world balance of economic power. By the year 2000, the World Bank estimates that half the growth in the global economy will come from

East and Southeast Asia alone. This growth will ensure that by the year 2000 one billion Asians will have significant consumer spending power and of these, 400 million will have average disposable incomes as high, if not higher, than their European or US counterparts. (...) The Union needs as a matter of urgency to strengthen its economic presence in Asia in order to maintain its leading role in the world economy. (...)

Not only was APEC formed in 1989, fuelling European fears of losing out in Asia, but trade statistics also indicated that between 1970 and the early 1990s, the share of European exports to Asia had dropped markedly. This does not signify, however, that Euro-Asian economic relations were weak or that trade with Asia was sluggish in the beginning of 90s. Trade figures indicate the strong continuous growth of trade with Asia since the 1970s. European exports to Asia rose by an average annual 11.9%, whereas imports from East Asia grew by 9.7 per cent on average per year in the period 1980-1994.²⁵⁹ Between 1980 and 1990 the share of Asian ASEM countries in the total EC trade more than doubled (from 9.7% to 20.4% for imports and from 6.8% to 13.5% for exports)²⁶⁰, and in 1991 trade between Western Europe and Pacific Asia for the first time even surpassed transatlantic trade, attesting to the wide underestimation of the importance of European-Asian economic relations.²⁶¹ At the same time however, the percentage of imports in Asia emanating from the EC/EU had dropped from 25% to 15% between 1970 and 1996. As pointed out in the Economist (02/03/1996), the decline in Euro-Asian trade is therefore only a relative decrease, not an absolute one. In absolute terms trade with Asia continued to show constant and fast growth.²⁶² What did change dramatically was the volume of intra-Asian trade, eventually resulting in the 10% relative decline of Europe's share in Asia's imports.

The same holds true for FDI. While European stocks and flows of FDI grew rapidly during the period 1985-1993 in absolute terms, their relative importance showed a sharp decline. At the end of the eighties and the beginning of the nineties Europe held a weak position both as investor in East Asia and as receiver of Asian FDI. Of all foreign investment by EC Member States in 1992 (ECU 17,7 billion), only 7% (1,28 billion) went to Asia, according to Eurostat, with comparable figures for 1993²⁶³, yet even though the EU's share in FDI flows to Asia was relatively small, European investment in South-East Asia in 1992, for example, increased

²⁵⁹ Hilpert 1998: 58.

²⁶⁰ Dosch 2004: 108, figure 7.1.

²⁶¹ Hilpert 1998: 55-57.

²⁶² The Economist 02/03/1996, p. 51.

²⁶³ European Report 17/02/1996.

by 87% compared to the year before.²⁶⁴ Between 1986 and 1992 the EC invested as much in Asia as the US, and European FDI especially picked up pace in the late 1980s. But again here the volume of European FDI appears small compared to intra-Asian FDI, and in relative terms even showed a steep decline (between 1986 and 1992 only 10% of the region's FDI originated in the EU). Table 1 shows how FDI stocks more than tripled and FDI flows increased more than fivefold in value, but reveal a relative decline of almost 25% and over 11% respectively, which again this can be attributed to the rapid increase of intra-developing Asia investment.

Table 1: FDI by the European Union in developing Asia

Stocks of FDI 1985 & 1993 (in million US\$)

1985		1993		'85-'93	'85-'93
Value	Share of total FDI	Value	Share of total FDI	Growth in Value	Decline in Share
9,058	17.2%	29,846	12.9%	329%	-24.9%

Flows of FDI 1985-1987 & 1990-1993 (in million US\$)

1985-87		1990-93		'85-'93	'85-'93
Value	Share of total FDI	Value	Share of total FDI	Growth in Value	Decline in Share
679	11.8%	3,501	10.5 %	516%	-11.7%

Source: IPAP Annex 2 Overview of Asia-Europe Investment Trends (29/07/1997) (based on UNCTAD statistics)

Table 2: FDI flows from developing Asia into the EC/EU (in millions of US\$)

	Total inflows	Inflows from Developing Asia	Share
1989-1991	71,711	100	0.1%
1992-1994	52,597	864	1.6%

Source: UNCTAD (Unctad Press Release 1997)

²⁶⁴ The Economist 02/03/1996, p. 52.

Increased Asian investment in Europe from regions excepting Japan and South-Korea (which had investment interests in Europe already at an earlier stage), only started picking up in the early nineties. FDI flows from developing Asia into Europe increased more than eightfold when comparing figures for 1989-1991 and 1992-1994 (see table 2). But again the importance of this figure is relative: the EU's share in the total FDI from developing Asia was only about 5%, while only 3% of European FDI went to Asia in 1995.²⁶⁵ In the period 1992-1994 only 1.6% of total EU FDI inflows emanated from developing Asia.

This relatively small share in Asian trade and FDI certainly played an important role in shaping expectations for ASEM as, according to the Opinion of the Economic and Social Committee (ECOSOC), Section for External Relations, Trade and Development Policy of April 1996, the summit could “be a unique opportunity to relaunch a European presence in one of the world's most dynamic areas which has vigorous economic and technological growth.”²⁶⁶ The same EU document also provides a closer insight into other motivations for rapprochement with Asia in general and the general rationale behind ASEM in particular. “The increasing Asian threat to European industry” certainly needs to be taken into account. Furthermore, the strengthened regional and global role of Japan and China and the weight they imposed on ASEAN countries was another development that prompted action on the EU side. Especially the developing ASEAN economies provided the opportunity for the EU “to have a positive influence on the ‘drive for maturity’ of countries which are beginning to take off with a significant, but unexceptional, average growth rate, and to re-establish a preferential relationship with Europe.” A pro-active South East Asian policy and containment of excessive dominance of the Pacific and Indian Ocean by China and Japan could enhance a balance in the region which would ensure stable and profitable relations with the EU. At the same time a *modus vivendi* in EU-Japanese relations, which had been marked by trade wars, could be reached, based on reciprocal concessions and mutually-beneficial agreements.²⁶⁷

Prior to the first Asia-Europe Meeting, the Madrid European Council of 15 and 16 December 1995 outlined the Union position and expectations for the new partnership as follows:

²⁶⁵ UNCTAD Press Release 1997 “Investment from developing Asia on the Rise in Europe” TAD/INF/PR/9700 20/02/97. Cf. also European Report 01/03/1997.

²⁶⁶ European Economic and Social Committee (EESC) 1996: 31.

²⁶⁷ European Report 13/01/1996.

(1) Strengthening economic ties in order to exploit the economic potential of both regions to the full: Senior officials should consider ways which would aim at liberalization and a strengthened multilateral discipline within the WTO, and identify specific measures which could facilitate trade and investment

(2) Reinforcing the open trading system guided by the principles of the WTO and the concept of open regionalism: ASEM participants should condemn unilateralism, prepare for the Singapore WTO Ministerial, and place emphasis on the completion and full implementation of the Uruguay Round.

(3) Facilitating trade and investment between the two regions: the Meeting should provide opportunities to improve bilateral trade relations. To this end, senior officials should identify measures to facilitate trade and consult the business community; and promote investment, for example by preparing the way for negotiations on a multilateral framework of rules for investment.

These expectations for ASEM as an instrument which contributes to trade liberalization and is complementary to the WTO, and which facilitates bilateral trade and investment, found a more concrete expression in the Chairman's Statement of ASEM1 (02 March 1996), which clearly divides ASEM's function in the trade pillar as a process geared towards multilateral, bilateral and private sector relations. The Meeting called for greater two-way trade and investment flows and a common commitment to market economy, open multilateral trading system, non-discriminatory liberalization and (WTO-consistent) open regionalism. Specifically it was decided that:

(1) The ASEM process should complement and reinforce efforts to strengthen the open and rules-based trading system embodied in the WTO.

(2) Facilitation and liberalization measures will be taken to promote greater trade and investment, including simplification and improvement of customs procedures, and standard conformance, and the reduction of trade barriers

(3) An Asia-Europe Business Forum will be established to encourage business and private sectors in order to strengthen cooperation and increase trade and investment.

In short, strengthening European economic presence in Asia necessitated closer economic cooperation through mutual support for a stronger multilateral trade system, increase trade and investment and the private sector's active participation.²⁶⁸ The following section reviews the main initiatives that were launched since the ASEM1 summit in Bangkok on 1 and 2 March 1996 in order to achieve these goals and live up to the expectations. Part 2.2 will scrutinize consecutively (1) measures aimed at promoting trade; (2) initiatives designed to promote Foreign Direct Investment (FDI); (3) attempts to actively involve the private sector; (4) measures taken to alleviate the effects of the Asian economic and financial crisis; and (5)

²⁶⁸ Bulletin EU 1/2-1996 Asia (1/10).

think tank recommendations and action plans in order to streamline economic cooperation. Part 2.3 will consecutively look at the bearing ASEM had on the enhancement of existing bilateral country-to-country and region-to-region relations with special focus on the pivotal EU-ASEAN links, and on multilateral relations, as a tool to reinforce the open trading system guided by the principles of the WTO and based on the concept of open regionalism.

2. General assessment of achievements and initiatives related to economic cooperation, trade, investment and the participation of the private sectors

2.1 Strengthening economic ties through the promotion of trade: The Trade Facilitation Action Plan (TFAP)

In a first important follow-up of ASEM1, an informal Senior Officials' Meeting convened in order to discuss ways to promote economic cooperation, in particular liberalization and facilitation of trade and investments.²⁶⁹ SOMTI1 agreed upon the Trade Facilitation Action Plan (TFAP), to be formally adopted at ASEM2 in 1998. The TFAP can be seen as a direct and concrete outcome of the inaugural ASEM summit which, in order to promote greater trade and investment, “agreed to undertake facilitation and liberalization measures involving the simplification and improvement of customs procedures, and standards conformance. ASEM will also aim for the reduction of trade barriers to avoid trade distortion and create better market access...”²⁷⁰ The result was “a non-binding study into areas like customs procedures, standards and conformity assessment, public procurement, quarantine, intellectual property rights and market access in distribution.” As TFAP aims at reducing NTBs and barriers related to customs, standards and technical regulations, it complements work done in the WTO, as the latter deals with tariff issues. Four “shepherds” (EU Presidency and Commission, Korea and Philippines) prepared a proposal concerning priority issues mechanisms and time frames. EMM2 in October 1999 outlined seven priority areas: customs procedures, standards and conformity assessment, public procurement, quarantine and sanitary and phyto-sanitary controls (SPS), intellectual property rights, mobility of business people, and other trade activities. Seminars on all the diverse areas took place throughout 1998 and 1999, culminating in a “goals and deliverables” report with initiatives to be achieved by ASEM3. SOMTI6 added e-commerce as an eighth priority issue in May 2000.

²⁶⁹ The first Senior Officials Meeting on Trade and Investment (SOMTI) took place in Brussels on 25 July 1996.

²⁷⁰ ASEM1 Chairman's Statement.

The Trade Facilitation Action Plan, though non-binding, is often hailed as a major accomplishment of the ASEM process. SOMTI 6 (2000), for example, evaluated TFAP as quite successful, concentrating on seminars and symposia which supposedly form an adequate response to business sector concerns.²⁷¹ Between 1998 and 2000 ten out of twenty-five meetings at expert and SOM level were devoted to the TFAP.²⁷² However, TFAP is also criticized for failing to have booked substantial results, as it encompasses non-binding directives, and implementation of the guidelines is voluntary and rests solely on “peer-pressure”. In order to realize the goals of TFAP, each partner needs to voluntarily appropriate the necessary means to implement the guidelines. It is therefore maybe not surprising that initial outcomes of initiatives consist mainly of meetings and seminars, and reports and recommendations, even though the goals and objectives in each of the priority areas are concrete and fairly ambitious. In October 2000, for example, a “consolidated and prioritized list of the major generic trade barriers among ASEM partners” was compiled, which in itself certainly forms a major step ahead, yet is useless if not followed up. Other issues, such as the mobility of business people for example, did not manage to stir any interest at all among businessmen, in particular at the AEBF4, and hence did not yield any results. Also the 2002 evaluation shows no signs of progress for this field.²⁷³

Networking and deeper knowledge of mutual regimes are most often quoted as main outcomes. This line of thinking relates to the core of the nature of ASEM. Apart from devising a framework with priorities and concrete goals for trade facilitation, the TFAP is, just like the ASEM parent body, intended to be complementary to work done in other fora. When judged in this context the TFAP must be assessed as more successful. After two meetings on quarantine and SPS procedures, “the experts themselves considered the Seminar as worthwhile and complementary to the work carried out bilaterally among ASEM partners and multilaterally (WTO).”²⁷⁴ ASEM partners furthermore met in the margins of international meetings such as those of the WTO SPS Committee.²⁷⁵ Secondly, TFAP aims to reduce trade barriers, enhance transparency, and promote trade opportunities “through an informal process of dialogue and understanding of partners’ structure, legislation and procedures”. It is deemed

²⁷¹ Reiterer 2002a: 154; O’Brien 2001: 21.

²⁷² Okfen 2001a: 5.

²⁷³ TFAP Evaluation of Achievement of Concrete Goals 2000-2002.

²⁷⁴ Evaluation of the ASEM TFAP 1998-2000, May 2000.

²⁷⁵ *Ibid.*

sufficient that the “objectives have been addressed via the organization of work shops and seminars”²⁷⁶ and that this strengthens dialogue and understanding, which lays the foundation for increased co-operation between Asia and Europe. Seen in this way, simply meeting and discussing relevant issues are certainly useful to even out differences or even reach common positions. TFAP does not serve as a forum for negotiations, but provides “a venue for exchange of views and work on the implementation of commonly agreed deliverables.” And if an initiative is not deemed significant anymore or level of participation remains far below expectations, “ASEM partners should not hesitate in discontinuing activities if there is no interest in keeping a particular priority area”. Public procurement and mobility of business people are two examples of activities to which this “sunset clause” was imposed.

Judged by these standards, one priority area of the trade facilitation plan, namely the simplification, harmonization and transparency of customs procedures between Asia and Europe, mainly through the coordinated activities of Customs Cooperation Working Groups, can be evaluated as fairly successful in achieving its objectives. Ranking under the Finance Ministers Meeting (FinMM), the ASEM Customs Directors-General and Commissioners convened for the first time in Shenzhen in June 1996, and established Working Groups on Procedures (The PWG) and on Enforcement (the EWG), which have been meeting annually since 1997. Progress has been most visible in the PWG. The Procedures Working Group has formulated the deliverables and concrete goals in the area of customs procedures, and was mandated to implement the TFAP deliverables, for example harmonization of tariff nomenclatures and implementation of the WTO Customs Valuation Agreement (a uniform system for calculating the amount of customs duty). The Enforcement Working Group is currently working on two action plans, “Fight against Fraud” and “Security Facilitation and Border Control Methods”. The former Action Plan looks into action to address amphetamine smuggling from Europe into Asia and counterfeit cigarette smuggling from Asia into Europe, whereas the latter plan focuses on supply chain security and international property rights (IPR).

The area of customs cooperation is also a good example of ASEM’s function as complementing and enhancing ongoing work on other levels. The DG and commissioners of customs strive towards the establishment of agreements between the EU on the one hand and

²⁷⁶ EMM4, Chair’s Statement, 18-19 September 2002.

Asian ASEM partners on the other, and at the same time aims for the development of facilitation and harmonization instruments in the WCO. It is clear that ASEM proceedings had a positive influence on concrete outcomes in the bilateral area. China, the EU, Japan, Korea, Malaysia, the Philippines, Singapore and Thailand standardized their tariff nomenclature, which led to harmonization thereof within ASEM. Korea concluded a Customs Mutual Assistance Agreement with the EU, and Japan, China, Malaysia and Singapore have a similar agreement under examination.²⁷⁷ Greater transparency for the business community through publishing of customs regulations and procedures was achieved after ASEM seminars and deliberations. The ASEM PWG website contains links to the various customs procedures for each partner. On the multilateral level, proposals and steps of action for customs to customs cooperation, customs to business cooperation, and capacity building in the “Fight against Fraud” action plan are based on the WCO framework for standards, and the “Security Facilitation and Border Control Methods” project cooperates closely with the WCO’s Regional Intelligence Liaison Offices (RILOs) and the Customs Enforcement Network (CEN) database. The ASEM Customs DG –Commissioner Meeting works towards the implementation of the standards set out in the WCO Framework, such as the Customs Data Model (simplifying data and documentation elements on customs clearance procedures).

Progress in the field of e-commerce is another good example. Finland, together with South Korea, played a prominent role in promoting the e-commerce initiative, which was added to the TFAP agenda in 2000. As “deliverables” in the field of electronic commerce, TFAP aimed at identifying and reducing differences in existing regulations and standards, and examine the establishment of common standards and norms. The first meeting in October 2001, in close cooperation with the AEBF, agreed to concentrate on user confidence, cyber security and intellectual property rights as main priority themes, and to design draft recommendations in these areas. Finland hosted the second TFAP Meeting on e-commerce in 2002, after which a set of recommendations was compiled for policy-makers. In addition pilot projects on paperless trade and an internet portal²⁷⁸ on e-commerce were launched. This was followed by the fourth meeting in London in 2005 centring on eHealth, eLearning, Spam, Paperless Trading and eLogistics. ASEM provides not only a forum for discussion on relevant topics related to e-commerce, but also aims to “identify where concrete action

²⁷⁷ TFAP Evaluation of Achievement of Concrete Goals 2000-2002.

²⁷⁸ ASEM TFAP E-Commerce (2006).

through international cooperation can achieve real results”²⁷⁹. Preparatory work done in the ASEM framework led to the successful adoption of the 2005 Copyright and Security Guide for Companies, for example. Furthermore, the collective decision by all ASEM partners, including China to take action to fight spam nationally and to promote anti-spam efforts in international organizations such as the OECD anti-spam task force is also a major accomplishment of the TFAP.²⁸⁰

Yet at the same time, in order for TFAP to be really successful the players in the field of trade need to show interest and need to be involved closer. The seminars and workshops on SPS procedures for example, were labelled successful in enhancing mutual understanding, but at the same time the wrap-up seminar of July 2002 was marked by low attendance, low response to the questionnaire, and the absence of the business sector.²⁸¹ Also the involvement of the business community is questionable. SOMTI8 (2002) pointed out the salient need for increased two-way interaction between TFAP expert groups and the business community. EMM2 (1999) as well stressed “the importance of achieving substantive progress and of the need for the TFAP agenda to be more forward-looking, focusing on concrete steps towards implementing its objectives.”²⁸²

In conclusion it can be said that TFAP has been successful in identifying and outlining major trade barriers among ASEM partners in all the priority areas and increasing transparency on the relevant issues, and has made moderate progress in achieving actual results in streamlining and harmonising procedures.

2.2 Strengthening economic ties by accomplishing an improved regulatory climate for FDI: The Investment Promotion Action Plan (IPAP)

One major motivational factor for participation in ASEM on the European side was first and foremost the prospect of acquiring a larger share in two-way investment flows between Europe and Asia. In February 1996 the European Report²⁸³ mentioned a study conducted by Andersen Consulting, which extrapolated the growing trade and investment flows between

²⁷⁹ ASEM London: 4th Conference on E-Commerce (2006).

²⁸⁰ European Commission External Relations 2005b. This followed unilateral European actions in the field.

²⁸¹ TFAP Evaluation of Achievement of Concrete Goals 2000-2002.

²⁸² EMM2 Chair Statement, October 1999.

²⁸³ 17/02/1996.

from and to Asia, predicting that Asia, excluding Japan, was set to overtake Western Europe in the following five years as the most popular destination for foreign direct investment, whilst Asian economies will become the world's main source of FDI flows. According to a EU Declaration adopted in the same month, the European Commission believed that the ASEM summit would “give Europe and Asia the chance to discuss improved access to trade and investment in each other’s markets as well as helping them draw closer on key issues that are likely to dominate world trade in the future, notably global investment rules.” This perspective certainly played an important role in the EU’s enthusiasm for ASEM, and the early naissance of an investment-oriented action plan at the interregional level in the ASEM framework, in order to improve the investment climate and to enhance FDI in both directions. The Investment Promotion Action Plan (IPAP) was a direct outcome of the ASEM1 summit, where it was decided that “a meeting of government and private-sector working group would be convened in Thailand to draw up within six months an Asia-Europe Investment Promotion Action Plan to promote greater cross-flows of investment between Asia & Europe. The IPAP was adopted at ASEM2, and included a promotional and a regulatory pillar. Pillar one aims specifically at investment promotion, mainly through business conferences, Business Exchange Programmes, and Virtual Information Exchange (VIE). The VIE, launched at the Berlin ASEM EMM in October 1999 and later renamed AIO (ASEM Invest Online), comprised a website with a collection of links to the websites of national investment bureaus of the respective partner countries. Pillar two is geared towards investment policy and regulation, analysing investment regimes, commissioning reports on Most Effective Measures to Attract Direct Foreign Investment (MEM), and identifying and overcoming obstacles to investment through a yearly reporting mechanism. An IEG (Investment Experts Group) functioned as coordinators of the IPAP and are tasked to contribute to the implementation of IPAP.

To what extent has IPAP managed to make progress on investment rules and policies? Has IPAP become more relevant for the business community? In the early stages EMM2 in 1999 referred to the following aspects as major early achievements: (1) the function of the VIE (AIO) and ASEMConnect websites in promoting transparency of investment climates and facilitating business cooperation respectively; (2) the dialogue on national investment regimes in the IEG and benchmarking investment policies against the MEM list; (3) addressing obstacles to FDI as identified by the private sector. Also the demarcation of Most Effective Measures to Attract Direct Foreign Investment (MEM) and the identification of

obstacles to investment can be seen as a tangible achievement of IPAP. On the other hand, several IPAP initiatives can be regarded as failures. Under pillar one, the ASEM Decision-makers Roundtable was held only once, in 1999, again the active interest among the intended target group, the private sector, *in casu* CEOs and top-level executives of large and medium-sized companies, lacking. The Business-to-business Exchange Programme, aimed at enhancing intercultural understanding among managers, failed as well. As in the case of TFAP, the lack of private sector involvement is the main shortcoming. In 2002 the IEG again called for a strengthening of links and cooperation with AEBF through interactive discussions.²⁸⁴ Furthermore, the ASEM Connect portal site, maintained by Singapore and aiming to facilitate cooperation between Asian and European SMEs was last updated in May 2003, and roughly 40% of its links to business information, directories and consultants in the ASEM partner countries are presently dysfunctional. The original Virtual Information Exchange website, relabelled ASEM Invest Online in 2001, is better updated as part of the EU internet site. In 2002 Singapore suggested to the IEG to entrust the operation of ASEMConnect to the AEBF host partner, the summit host partner, or to merge the AIO, ASEMConnect and AEBF websites.

The IPAP has also not entirely lived up to expectations to generate concrete improvements in investment and trade environments, a key priority for both TFAP and IPAP pointed out in the policy document “Perspective and Priorities for the ASEM Process” (1997). The differences between attitudes of the European and Asian business community towards investment climates is one cause. According to an IPAP survey (1997), European businessmen saw the lack of transparency and fluctuating interpretations of legal regulations, the lack of (intellectual property rights) protection, and legal barriers to entry as major obstacles to investment in Asia. The great majority of their Asian counterparts responded in the first that their business priorities lie not in Europe but elsewhere, and quoted prejudicial treatment as main obstacle. Furthermore, whereas the European industry strongly favoured binding investment codes, the Asian business sector is much more divided on this issue.

But also the lack of a mechanism which could lead to more binding guidelines is absent in ASEM. The IEG, which was intended to support SOMTI activities and implement the IPAP, completed three two-year term mandates, but at the last meeting (IEG7, Paris, 5 June 2003)

²⁸⁴ IEG6, 15-16 July 2002.

the experts addressed the inadequacy of the existing structure and mechanism to support activities and to lead to concrete results.²⁸⁵ The mandate of the IEG framework was not renewed but replaced by Investment Contact Points (ICP), one or two individual(s) from partner states who are in charge of investment issues. The ICP activities are coordinated by ICP shepherds, who report their activities to SOMTI.

In addition to the TFAP, the IPAP is seen as a relevant tool to address obstacles to trade and investment, develop best practices and try to develop benchmarks applicable to Europe and Asia.²⁸⁶ However, activity has all but stalled in recent years. The ASEM Public Private Partnership (PPP) seminar jointly organized by Japan and France was the only seminar that took place between June 2003 and July 2005,²⁸⁷ and the High-level Meeting within the Framework of the EMM (16-17.9.2005) which replaced the Ministerial, hardly made any reference to IPAP at all. More recently only the China-organized ASEM Trade and Investment Exhibition of September 2005 can be mentioned as an example of activity under the IPAP umbrella, even though the main emphasis was on investing in China²⁸⁸. The ASEM IPAP holds useful potential in order to prepare the ground for discussions in the WTO and to enhance mutual understanding of WTO investment related issues, but the dearth of tangible progress beyond the outlining of obstacles to inward investment clearly reduces its significance.

2.3 Actively involving the private sector: The Asia-Europe Business Forum (AEBF)

Already before the start of ASEM awareness in Europe was strong that success or failure in Asia would depend on the active participation of European companies on Asian markets, which in turn would contribute to providing qualified jobs for European workers. In the words of the 1994 New Asia Strategy:

The success of Europe in taking advantage of the business opportunities in Asia depends largely upon decisions taken or not taken by the private sector. The Union's role is to pursue

²⁸⁵ Julie Gilson (2004: 71) refers to the IEG as a “dialogue of the deaf”, since the Asian side tended to send investment promotion representatives with the aim of attracting inward investment, whereas the Europeans insisted on sending regulators in order to address the legal framework and transparency of agreements for investment.

²⁸⁶ Reiterer 2002a: 67.

²⁸⁷ SOMTI10 Chairman's Statement.

²⁸⁸ The exhibition took place at the same time and in the same exhibition hall as the 9th China International Fair for Investment and Trade (CIFIT).

market opening for both goods and services and to overcome obstacles to European trade and investment by encouraging a favourable regulatory environment for business in Asia.

The creation of a business forum within the ASEM framework envisaged to shape a positive climate for EU investment and cooperation, as “business is at the heart of the Asia-Europe relationship, indeed its main driving force”.²⁸⁹ The Asia-Europe Business Forum (AEBF) was launched as a follow-up initiative of ASEM1. First convened in Paris in October 1996, Senior Officials were tasked to consider appropriate modalities for fostering greater cooperation between the business and private sectors of the two regions, and organize a business conference on this topic.²⁹⁰ Its aim is to promote private-sector activities, business-government links, and business partnerships through dialogue and exchange. According to the AECF 2000, one of the key priority areas of ASEM was to establish “an enhanced climate for business-to-business dialogue and cooperation between the two regions, emphasising the central role of the Asia-Europe Business Forum (AEBF) and the importance of continuity therein, facilitating two-way dialogue between government and the business/private sector in order to respond to the concrete issues facing our business community, and paying particular attention to the problems faced by SMEs.”

How should the AEBF be evaluated in achieving its main goal of creating better conditions for trade and investment by enhancing networking and dialogue between entrepreneurs, and by establishing a dialogue between businessmen and government representatives? The two-fold approach of networking and idea-producing can certainly be evaluated as highly successful in the forum’s first years. The initial two meetings pointed out numerous instruments to achieve their goals. These tools included concrete infrastructure projects and rule-based frameworks, such as a Euro-Asian infrastructure, enhancement of information sharing through an electronic resource network, the set-up of SME centres in partner countries, and implementation of mechanisms to facilitate cross-border ventures by SMEs. By 2003 the AEBF included seven working groups on trade, investment and infrastructure, financial services, information and communication technology, life science and healthcare, food, and environment. Until 2004 the Forum has been organized annually on a rotating basis between Asia and Europe, with the last forum in 2004 (AEBF9) in Hanoi gathering 320 representatives from ASEM business communities. The workings and results of the forum

²⁸⁹ Richards and Kirkpatrick 1999: 698.

²⁹⁰ ASEM1 Chairman’s Statement.

can be assessed in a positive light when taking into account that the forum should serve as “an ideal venue for business leaders from Asia and Europe to gather and discuss pressing issues as well as strengthen their networks”,²⁹¹. The electronic resource for SMEs, ASEMConnect, may initially have contributed to this, by its networking of small firms from the EU and East Asia. However, as mentioned before, the site has not been updated in recent years and can therefore not be said function as a means to “connect companies and offer concrete business opportunities through directories and services”.²⁹² The Commission Document “Perspectives and Priorities for the ASEM Process” prioritized strengthening the central function the AEBF could fulfil regarding business events, not only as a forum for networking, but also as a “source for ideas and sounding board for Government efforts to promote trade and investment”. Also when looking at this idea-producing output, the forum can be seen as successful, as all the meetings have produced numerous lists with policy recommendations in all the work fields. Already by 1998 for example, the AEBF meeting issued proposals for the reduction of non-tariff barriers and suggested trade-maximising policy initiatives to the government, and also established dialogue between business leaders from the two regions.²⁹³

Several issues and challenges need to be overcome for the AEBF to live up to the expectations. At present active participation and interest of the business community in the AEBF and the ASEM process is less than satisfactory, and the number of meetings was reduced from annually to biennially in 2004. “Business fatigue” or the lack of readiness to attend conferences, seminars or missions, and the lack of resources to support anything outside the core profit-making activities²⁹⁴ certainly do not adequately explain this decrease in appeal. It is rather the lack of concrete results due to poor implementation and follow-up of AEBF recommendations that is at the root.²⁹⁵ The business community emphasizes the lack of feedback on carrying forward the ideas and initiatives, and sees the interaction with the governmental sector as lagging behind with regard to the implementation of recommendations.²⁹⁶ This can partially be seen as the cause for the diminished interest in AEBF activities on the part of the business sector. Involvement of business communities in

²⁹¹ AEBF8. Chairman’s Statement.

²⁹² Asemconnect 2005.

²⁹³ AEBF3, Chairman’s Statement.

²⁹⁴ Murphy 2001: 36.

²⁹⁵ “Involvement of business communities in ASEM” Input from the AEBF Chair to the SOMTI-meeting in Qingdao. July 18-19, 2005.

²⁹⁶ Pereira 2005: 20.

the ASEM process has not succeeded in accurately reflecting the actual size and importance of the Asia-Europe economic relationship.

Structural weakness and the lack of a permanent coordination structure in charge of guaranteeing an adequate follow-up can be seen as a second explanatory factor of this failure to fully live up to expectations. A steering committee has been at the helm of the AEBF since its inception and is in charge of preparation of meetings and follow-up.²⁹⁷ AEBF-related information is disseminated through local Contact Points in all ASEM partner countries. In addition the AEBF9 in 2004 also set up a core group in order to reinforce the Forum as a Business Advisory Council to ASEM. Notwithstanding this fairly well-developed structure, coordination is deemed insufficient. At present the adequacy of collective leadership and alternating coordination is under scrutiny. The possibility of creating a permanent Secretariat was brought up at AEBF9, and the question of ensuring permanency will continue to be addressed at upcoming meetings.

A third explanation can be found in the lack of focus and priorities as regards recommendations. Overlapping with other initiatives (outside the ASEM framework), for example, can be seen in the EU-Asia initiative “Asia Invest”, which aims to support cooperation between European and Asian enterprises, particularly SMEs. “The Asia-Invest II Programme is an initiative by the European Commission to promote and support business cooperation between the EU and Asia. The Programme provides assistance to intermediary business organizations to facilitate mutually beneficial partnerships between companies, in particular small and medium-sized enterprises (SMEs), in the EU and South and South-East Asia and China; as well as to strengthen the business environment to increase trade and investment flows between the two regions. The Asia-Invest Programme commenced in 1997, and has since entered a second phase of implementation from 2003 to 2007.” By the end of the programme in 2007, over 7,000 companies from Europe and Asia are expected to have been involved in direct business encounters and match-making events, with about 1,000 of them likely to be engaged in deeper business contacts and serious discussions for

²⁹⁷ The Steering Committee initially comprised the present chair as well as the two most recent chairs and a representative of the host of the next Forum. AEBF4 (1999) added representatives from the private sector of ASEM coordinator countries, from the sponsoring economic organization of the Forum’s current and succeeding host country, from the host country of the ASEM summit, chairmen of ad hoc groups and other relevant experts.

partnership.²⁹⁸ The AEBF aims to achieve similar goals in a roughly corresponding area, only with much less resources and instruments. A sharpened focus on niche areas of cooperation would therefore be beneficial to the Forum's efficiency. The European Commission has identified the means to improve business involvement in ASEM, based on consultations with the European business community: "a need to mobilise CEOs and not only professional people, to reduce excessive public sector expectations of what business is willing/able to commit to ASEM, to focus on market access problems and investment and avoid tackling too wide a range of issues, creating confusion and a lack of understanding regarding how everything fits together, as well as on providing networking opportunities between the public and private sector."²⁹⁹

Differences between Asian and European approaches may be singled out as a fourth explanation, as generally Asian participants tend to place more emphasis on the forum as a networking/match-making event, whereas European participants may be more inclined to regard the AEBF as a forum to facilitate the working environments and achieve more binding codes. The forum's ambiguous and non-transparent nature could be pointed out as a fifth factor. The AEBF is considered private sector, as it consists of business leaders and managers of transnational companies, in addition to government officials. Yet at the same time it functions as a fully integrated part of the formal ASEM structure, as the forum has a formal institutionalized role within key ASEM bodies such as the SOMTI and the IEG.³⁰⁰ According to the critical view, large corporations active in AEBF promote a narrow, corporate agenda and have political power through their privileged status in the ASEM process and their tie-in with the government. The European Commission has an active role in the AEBF and considers it part of its "internal decision-making process, yet at the same time considers it a private sector body."³⁰¹

In order for the AEBF to achieve results, the interviewed experts provided the following suggestions: First, streamline the topics for discussion and goals to be achieved, and limit the number of working groups; second, organize meetings between AEBF business representatives and political leaders at the summit; and third, aim for a common

²⁹⁸ European Report 03/12/2002.

²⁹⁹ SOMTI9 Chairman's Statement, Paris, 6 June 2003.

³⁰⁰ Hoedeman 2002: 1.

³⁰¹ Hoedeman 2002: 2. Cf also the Written Question P-1959/01 in the EP to the Commission by Caroline Lucas. Official Journal 364E, 20/12/2001 p. 0231-0231.

understanding between political and business leaders in important issues. In addition the European Commission has suggested the creation of some form of structure to ensure follow-up/continuity between meetings without institutionalization, the establishment of a form of scoreboard to keep track of the progress made in addressing business priorities, and the setup of a regional Steering Committee/Board that would involve public/private sectors.³⁰²

2.4 The EU reaction to the Asian economic and financial crisis

The European reaction to the Asian economic and financial crisis of 1997-1999 led to a fourth set of important initiatives. As mentioned above, Europe initially felt immune to the Asian crisis, and was criticized for failing to react to the Asian predicament, also because the EU was in the first place preoccupied with protecting the launch of the euro.³⁰³ It was only in the beginning of 1998 that the potential danger for European markets sunk in. ASEM2 issued a separate declaration on the financial and economic crisis in Asia, emphasising the shared interest in restoring stability, and expressing support for the reform programmes agreed with the IMF, WB and ADB (Asian Development Bank) to reduce the social impact of the crisis. In addition, the ASEM2 Chairman's Statement included the creation of the ASEM Trust Fund to help finance technical assistance, the proposal to establish a European network associating Asian expertise to enhance technical advice, the recommendation for the AEBF to develop proposals for promoting SMEs, and support for the role of trust funds at WB and ADB. As concrete measures to alleviate the effects of the crisis, the EU took the following measures in the ASEM framework: ASEM issued a Trade and Investment Pledge, established an ASEM Trust Fund, and created a Financial Expertise Network.

In essence the ASEM Trade and Investment Pledge meant that the EU would keep its markets open in the face of any protectionist measures that might arise from the crisis. According to the European Report³⁰⁴: "The Asians would agree to uphold the principles of free and open markets, vow not to resort to protectionism, and sweep out whatever corrupt and dodgy financial practices had festered for so long in the region - all in line with the demands of the International Monetary Fund. In return, the EU would proclaim its utmost confidence in the

³⁰² SOMTI 9 Chair's Statement.

³⁰³ Gilson 2002b: 89.

³⁰⁴ European Report 08/04/1998.

region's innate economic strengths, launch whatever investment campaigns were needed to fulfil this pledge, and lend a modicum of support and expertise to help the reform process.”

The ASEM Trust Fund (ATF) was made at World Bank from June 1998 and provided countries affected by the crisis with technical assistance and advice on restructuring their financial sectors; set up a "clearing house" to supply public and private sector financial experts on topics such as bank restructuring and risk management, with the ultimate aim of helping Asian economies re-establish financial security. Phase 1 of the ATF was in operation until 2001, but was followed by phase 2 (ATF II, 2002-2006) to ensure implementation of financial and corporate reforms specifically aimed at China, Indonesia, Vietnam, Philippines, and Thailand. In addition to the trust fund, the EU contributed substantially to International Monetary Fund programmes for financial support to Asian countries, and contributed 26.5% of the quotas, subscriptions and capital of the IMF, the World Bank and the Asian Development Bank for restructuring efforts in Asia.³⁰⁵ In addition the European Expertise Network (EFEX) was created with the aim to provide assistance to Asian economic representatives in reforming the Asian financial sector, by identifying high-level experts in response to specific requests.

On the one hand the EU reaction to the Asian crisis was criticized for being too little too late. The initial inaction and ultimately slow response marked the indifference on the EU side, and was a missed opportunity to develop “a substantive crisis management initiative within the ASEM forum”³⁰⁶. Julie Gilson pointed out that “from a European perspective, ASEM clearly offers a very useful means of ring-fencing the crisis and provides an international forum in which to pass responsibility for managing the crisis on to Japan – the dominant regional economy – to resolve it.”³⁰⁷ According to the critics, the crisis revealed both EU’s and East Asian reluctance to enter into a co-management partnership of the post-hegemonic world order.³⁰⁸ The fund is called “a gesture of goodwill, no less but also no more”, and also split up the ASEM into two camps along the lines of the role of international finance in managing the crisis.³⁰⁹

³⁰⁵ European Report 02/10/1999.

³⁰⁶ Rüländ 2001c; cf. also Dent 2006: 120.

³⁰⁷ Quoted in Forster 1999: 756.

³⁰⁸ Dent 2006: 120.

³⁰⁹ Maull and Okfen 2006: 230.

Yet on the other hand the EU's measures within ASEM to deal with the crisis are credited and are seen as having contributed significantly to overcoming the crisis, and hailed as a sign of ASEM's functionality. For example, at the Berlin ASEM EMM in October 1999 the Asian crisis was declared over, and ASEM partly credited for helping to end it. EMM Chairman Werner Müller declared that "(T)he ongoing process of reform in the concerned countries, coupled with the cooperation and solidarity shown by the international community, and with the determination of ASEM partners to maintain open markets in line with the trade and investment pledge, have made it possible".³¹⁰ As European markets were kept open despite Asian currency depreciations, Europe's trade balance with Asia transformed from a surplus of 21 billion euro in 1996 to a deficit of 121 billion euro in 2000.³¹¹ The Commission itself called its own contribution of crucial importance to the Asian recovery.³¹²

Three capacity-building initiatives emanated from efforts to deal with the Asian crisis. First, the Kobe Research Project (launched at FinMM3, 2001) was designed to promote interregional research and study on trade and investment, regional monetary cooperation and exchange rate regimes and led to policy recommendations submitted to the FinMM. Second, the Bali Initiative (FinMM 5, 2003) was launched by Indonesia and intended to enhance capacity building and human resource development through interregional cooperation by way of internships, staff exchanges, scholarships and training. And third, the Tianjin Initiative on Closer ASEM Economic and Financial Cooperation aims to enhance policy dialogue and improve technical assistance, and included a proposal for the establishment of a Contingency Dialogue Mechanism in order to deal with emergency crises and natural disasters such as the 2004 tsunami.³¹³

2.5 “Track two” economic cooperation and think tank initiatives: The Asia-Europe Vision Group (1999) and the ASEM Task Force for Closer Economic Partnership (CEP) between Asia and Europe (2004)

A final group of ASEM initiatives concerns “track two” projects, such as think tank surveys and policy reports with recommendations. The Asia-Europe Vision Group (1999) submitted its report to ASEM3, setting out medium to long-term perspectives on EU-East Asia

³¹⁰ Quoted in European Report 13/10/1999.

³¹¹ Reiterer 2002c.

³¹² European Commission 2001a.

³¹³ FinMM6, 2005.

cooperation and suggesting nine major recommendations and 22 minor ones. The major recommended policies included an eventual goal of free trade in goods and services by 2025, closer macroeconomic policy coordination and reform of the international financial system, the creation of Business Advisory Councils (BACs), an improved ASEM Infrastructure Framework, an ASEM Information Technology Council, the establishment of an Environment Centre, the issuance of a Declaration on Education, the creation of an ASEM Scholarship programme, and the affirmation of the Principles of Good Governance. Minor recommendations encompassed an Asia-Europe trade Week, Work Programme on e-commerce, and the establishment of a lean but effective ASEM secretariat. However, most of the major proposals, such as free trade in goods and services in the ASEM nations by 2025, or the creation of BACs were rejected.

Another attempt to integrate Asian regionalism within the ASEM's economic cooperation, was the agreement for Closer Economic Partnership (CEP) between ASEM members. It was based on a task force report and recommendations by the Task Force for Closer Economic Partnership between Asia and Europe. General recommendations of the Report included an upgrade ASEM from dialogue to cooperation, an enhanced role of euro, improved infrastructure connecting Asia and Europe (Energy and Infrastructure Investment Collaboration on the Land Bridge between Asia and Europe), interregional free trade achieved by 2025, prioritized SME activity, and an emphasis on Asian economic integration and European economic reform. CEP furthermore suggested concrete, action-oriented recommendations such as the creation of a virtual secretariat, the establishment of ASEM YES Market and YES Bond Fund based on Yen-Euro-Dollar basket, the integration of energy issues into the economic pillar, the creation of an ASEM Virtual Promotion Center for Trade, Investment and Tourism (ASEM VPC), and the formation of ASEM Business Advisory Council (ASEMBAC). However, the Hanoi Declaration on Closer ASEM Economic Partnership endorsed at ASEM5 (Hanoi 8-9 October 2004) was criticized for doing little more than reiterating the principles of economic cooperation and the economic potential of both regions, and repeating the support for the multilateral trading system against the background of increasing economic integration in both Europe and Asia, and included none of the action-oriented recommendations.³¹⁴ Looking at it in a more positive way, the Hanoi Declaration set out the general course and guidelines for future development, which need to

³¹⁴ Pereira 2005: 17-23.

be complemented with concrete plans. Most recommendations were rejected: The European Commission clings to the idea of a virtual secretariat with a limited role; ASEMBAC was seen as overlapping with AEBF and therefore deemed undesired; the VPC, despite being broadly supported, also includes the possibility of duplicating work done elsewhere.³¹⁵

3. ASEM in the bilateral and multilateral framework

3.1 ASEM's enhancement of existing bilateral country-to-country and region-to-region relations

According to the ASEM philosophy, the Asia-Europe partnership should provide an opportunity to achieve progress on the country-to-country level and promote greater bilateral trade flows. The ASEM interregional framework and the bilateral level are supposed to have mutually reinforcing effects, yet it includes the inherent risk of preventing a more coherent approach towards East Asia.³¹⁶

EU-China

The EU's current China policy is based on the 2003 "A maturing partnership: shared interests and challenges in EU-China relations". The relationship with China has become increasingly important because of China's rapid economic growth and the economic stagnation of Japan,³¹⁷ but also after China's accession to the WTO in 2001 improved access to the Chinese market for EU firms. In 2004 China was the EU's second most important trading partner, and imports from China account for 12.33% of the EU total. At present EU-China trade relations are marked by a widening deficit on the EU side: from 48.6 bn in 2000 and 54.7 bn euros in 2002 to 78.8 bn in 2004 (cf table 3).

ASEM certainly has served the purpose of "getting China at the negotiating table", an important rationale behind the creation of this interregional forum. It is thought that ASEM also enhances EU-China bilateral relations, as the broader forum provides a less controversial framework for the discussion of trade-related issues such as human rights and pollution.³¹⁸ It

³¹⁵ Note by DG Trade: Economic Pillar Meetings in 2005.

³¹⁶ Dent 1999a: 31.

³¹⁷ Mushtaq Abbasi 2002: 5.

³¹⁸ Gilson 2002b: 74.

furthermore enables the EU to confront China's trade barriers within the regional and multilateral framework. China on the other hand regards ASEM as a means to promote inward investment. The ASEM Trade and Investment Exhibition of September 2005 in Xiamen coinciding with the Ninth China International Fair for Investment and Trade (CIFIT) is a good example. China has furthermore applied ASEM to promote "multipolarization" of the world or counter US unilateralism, in other words the absence of the US in ASEM defines its politico-strategic relevance.³¹⁹ China has also made skilful use of the ASEM framework to enhance its own bilateral relations. The ASEM EMM5 for example was used as a platform to promote the China-ASEAN Free Trade Area.

Table 3: EU trade with China (2000-2004) (in million euro)

Year	Imports	Yearly change (%)	Share of total EU imports	Exports	Yearly change (%)	Share of total EU exports
2000	74,369		7.47	25,758		3.01
2001	81,619	9.7	8.30	30,554	18.6	3.42
2002	89,604	9.8	9.52	34,869	14.1	3.87
2003	105,397	17.6	11.21	41,170	18.1	4.69
2004	126,912	20.4	12.33	48,131	16.9	4.99

Source: DG Trade; EUROSTAT

EU-Japan

After the 1991 groundbreaking "Joint Declaration on Relations between the European Community and its Member States and Japan" the relationship was consolidated in 1995 with an EU Japan Strategy and further strengthened in 2001 with the Action Plan for Reinforced Cooperation. Over the period 2000-2004 EU exports to Japan decreased on average by 1.3% per year. 2003-2004 however, again showed signs of recovery as EU exports grew by 5.2%.³²⁰ Foreign investment by the EU in Japan remains very low, but because the economic recession in Japan forced the country to open up to international competition substantial progress has been made in European FDI in the Japanese market.³²¹ The 2004 Cooperation

³¹⁹ Bersick 2004: 141.

³²⁰ European Commission External Relations 2006.

³²¹ *Ibid.*

Framework, endorsed at the EU-Japan Summit, aims to further enhance two-way trade and investment.

At present Japan has been replaced by Asia (or Asian ASEM) in the trilateral economic world order. Yet ASEM elicits both inter- and intra-regional commitments from Japan.³²² One good example is the promotion of a new round of trade negotiations. In March 2001 Japan and the EU co-hosted an informal meeting in order to encourage other countries to commit to a new round the fourth WTO ministerial later that year.³²³ With a view to the future of ASEM, it will remain necessary to regard Japan's position within the context of trilateral relations, i.e. including its relation with the USA,³²⁴ and against the background of its fragile relationship with China.

EU-South Korea

The 1996 EU-South Korea Framework Agreement on Trade and Cooperation entered into force in 2001. According to the latest statistics, South-Korea is the EU's fourth largest non-European trade partner, and imports from South-Korea grew by 17.6% in 2004 compared to the year before. Although also EU exports increased by 8.8% in 2004, the EU-South-Korea trade relationship is marked by a strong EU-deficit, attributed to barrier-creating requirements for products and services in the Korean market. At the same time the EU was also the largest foreign investor to South-Korea in 2003 with 2.6 billion euro of FDI flows, more than double the figure for 2001.³²⁵

Also in the case of South-Korea's ASEM provides the tool to negotiate trade-facilitating measures such as the removal of existing barriers. In 1997 informal discussions within ASEM led the EU and Korea to sign an agreement on customs clearance and mutual assistance.³²⁶ Furthermore, Korea sees ASEM as an important tool to further expand its international economic relations, and ASEM's informality has been beneficial for the discussion of more sensitive issues such as investment regulations.³²⁷ Except for the economic dimension, South-

³²² Gilson 2002b: 72.

³²³ Gilson 2002b: 72.

³²⁴ Dent 1999a: 29.

³²⁵ European Commission External Relations 2006.

³²⁶ Dent 1999a: 245.

³²⁷ *Ibid.*

Korea regards ASEM arguably more important in political and diplomatic terms in order to raise its international profile.³²⁸

EU-ASEAN

Economically ASEAN is certainly the most established and at present one of the most important interregional and bilateral partners for the EU in Asia. In a speech on 29 April 2005 EU trade commissioner Peter Mandelson called for the consolidation of these strong economic ties through the possible establishment of an EU-ASEAN Free Trade Agreement.³²⁹ The EU-ASEAN relationship has primarily been economic, seeking to promote region-to-region trade and investment. The main instrument to accomplish that aim is the first place the removal of NTBs through regulatory cooperation within the EU-ASEAN Trade Initiative (TREATI) framework. The TREATI action plan was proposed by the EU in 2003 as part of “A New Partnership with South East Asia”³³⁰ and is regarded as the basis for a future preferential regional trade agreement³³¹ to follow a successful conclusion of the Doha Development Round. Within the flexible TREATI framework any commonly defined activity (in the fields of SPS issues, regulations on industrial products, customs, investment, competition, e-commerce and information society, services, public procurement, intellectual property, consumer protection, and industrial policy for example) can be started with the involvement of the EU and two or more ASEAN countries, following the so-called “EU + x” formula. These activities would be coordinated and complemented with ongoing regional as well a bilateral assistance, and be supportive of the Initiative for ASEAN Integration (IAI). The TREATI is complemented by READI (Regional EC ASEAN Dialogue Instrument), a framework for dialogue on non-trade matters.

At present the EU-ASEAN relationship is maintained through Ministerial Meetings (AEMM, held every 18-24 months), Economic Ministerial Meetings (occasional), Senior Official Meetings and Post Ministerial Conferences and the Joint Committee Meetings. ASEAN is still vital for the EU in three respects. First of all, ASEAN shows strong tendency towards increased regional cooperation and integration. The establishment of the ASEAN Economic Community (AEC) in 2003 (after the so-called Bali Concord II declaration aiming to achieve

³²⁸ Camroux and Park 2004: 173.

³²⁹ “Tilting the Global Balance: Asia’s New Trade Growth.” EUROPA – Speeches and articles by Peter Mandelson (European Commission External Relations 2006). A Vision Group was set up to examine the feasibility of an EU-ASEAN FTA.

³³⁰ European Commission 2003.

³³¹ European Commission External Relations 2006.

an ASEAN internal market by 2020), and, furthermore, the ongoing negotiations on free trade and closer economic partnerships with China, Japan and South-Korea (in the framework of the ASEAN+3 process), reveal the potential of ASEAN as the engine driving the integration process in the East and South East Asian region. Also in non-economic areas of integration, ASEAN is seen as vital in a rising consciousness of an Asian Community, for example through the creation of the ASEAN Socio-cultural Community. The EU supports ASEAN integration through cooperation on fighting terrorism and drugs, statistical cooperation, and help with policy development and institutional capacity, specifically the ASEAN secretariat, by way of the EC-ASEAN Programme for Regional Integration Support (APRIS).³³²

Table 4: EU trade with ASEAN (2000-2004)

Year	Imports	Yearly change (%)	Share of total EU imports	Exports	Yearly change (%)	Share of total EU exports
2000	75,197		7.55	41,777		3.01
2001	70,791	-5.9	7.20	43,842	4.9	3.42
2002	67,725	-4.3	7.19	40,514	-7.6	3.87
2003	65,764	-2.9	6.99	39,247	-3.1	4.69
2004	69,098	5.1	6.71	47,748	8.9	4.99

Source: DG Trade; EUROSTAT

Secondly, developing East Asia and ASEAN in particular are again showing strong figures of growth, and is once more regarded as “one of the most dynamic growth engines for the world economy”³³³. Of course this can partly be contributed to the strong growth of China. According to a recent World Bank survey³³⁴, GDP in the developing East Asia & Pacific region in 2003 and 2004 increased by more than 8% annually, making it the strongest since the 1997-98 financial crisis. The Chinese economy alone accounted for an increase of 9.5 %, but also excluding China, growth for the region is expected to rise to 6.2% by 2007. Both imports from and exports to the ASEAN region showed a strong increase in 2004 (5.1% and 4.44% respectively). Financial support to implement TREATI is the main tool to expand trade and investment flows and to establish a framework for dialogue and cooperation.

³³² Cf. European Commission 2004.

³³³ *Ibid.*: 3.

³³⁴ World Bank, Prospects for the Global Economy.

Thirdly, similarly to the situation in the mid-90s, the EU supports ASEAN in order to counterbalance possible Chinese and Japanese dominance in the region.

3.2 ASEM in the multilateral order

According to Vinod Aggarwal³³⁵, new institutions must be reconciled with the pre-existing institutional structure. Arrangements in new institution such as ASEM are often “nested” within a broader framework of principles, in the first place the WTO, which contributes to conformity and strength. According to the ASEM philosophy, the informal framework ideally functions as an effective means for consultation and dialogue on the WTO Doha Round. One prime function of the ASEM framework is certainly to serve as a forum for pre-discussion of WTO-related issues, and to reinforce the rules of the global regime.³³⁶ The idea to make ASEM an important catalyst for ongoing developments in other multilateral fora and organizations have been at the core of ASEM since the very beginnings. For example, attempts to find a common EU/Asian voice in preparation for the Singapore WTO ministerial of December 1996 ranked very high on the list of priorities ahead of the Bangkok summit.³³⁷ Also at the first meeting of ASEM Economic Ministers on September 28 in Makuhari, Japan, the discussion focussed on a new round of multilateral trade talks, labelled the “Millennium Round” by the EU Commissioner for External Economic Relations Sir Leon Brittan, and China’s WTO membership. Moreover, pre-discussion on WTO issues was one prime task of the Senior Officials Meeting on Trade and Investment (SOMTI), convened for the first time in 1996. One key priority for the SOMTI was to intensify dialogue with regard to “complementing and reinforcing efforts to strengthen the open and rules-based multilateral trading system embodied in the WTO” (AECF 2000). The informal character of the ASEM process was also intended to strengthen the WTO process, through the promotion of trade and investment flows by way of the TFAP and IPAP and even taking into consideration the establishment of a FTA by 2025, as recommended by the Vision Group. According to

³³⁵ Aggarwal 1998.

³³⁶ Dent 1999a.

³³⁷ The EU had two overall priorities: implementation of the conclusions trade-liberalising commitments of the Uruguay Round (for example, access to third country markets; the defence of intellectual property rights; industrial tariff reduction) and the WTO's future agenda (for example, trade and labour standards in order to prevent the exploitation of child and prison labour; investment rules and MAI within the WTO rather than at OECD), competition policy (first at UNCTAD before being discussed at WTO); integrating multilateral clothing and textile pacts under the General Agreement on Tariffs and Trade; an Information Technology Agreement (ITA) to reduce tariffs on a wide range of IT products. Furthermore, the completion of the Uruguay round remained an issue: negotiations on financial services, basic telecommunications and maritime transport were in need of resumed negotiation.

Michael Reiterer, ASEM's contribution in this respect has been substantial. In his viewpoint, symposia, conferences, seminars and meetings in the ASEM framework on global financial and economic issues contribute much more to regional cooperation and integration than many well-worded statements or unimplemented plans, as they help to build the political base that politicians need in order to take (bold) decisions. Sharing experiences and explaining interests, goals and difficulties fosters mutual understanding and builds bridges "with the aim of achieving an outcome which at the end reflects the interest of all members of the WTO and contributes to stabilising the shaken international political system."³³⁸

But in how far has ASEM been successful in securing this "common voice" on trade-liberalising commitments, the WTO's future agenda and trade liberalization in general? To what extent has ASEM lived up to its role as a minilateral forum aiming to promote the function of the WTO as a multilateral institution? In other words in how far has ASEM fulfilled its "multilateral utility function", its potential as a "minilateral forum", its role as an "informal dispute settlement mechanism", or its function as a "clearing house for decision-making bottlenecks in global multilateral forums"?

Christopher Dent, for one, contends that ASEM's potential to develop "multilateral utility", in other words how ASEM has been usefully connecting and interacting with the wider global system and specifically how it has realized and shaped the goals of multilateral institutions, has remained low key.³³⁹ Dent argues that only recently ASEM partners have embarked on low-level multilateral utility endeavours, i.e. "pre-discussion of agenda items for forthcoming global-multilateral negotiations".³⁴⁰ According to Dent, the key decision towards these "preparing the grounds" meetings was taken at the FMM3 in 2001, and formalized in the Commission's Vademecum policy paper (2001). This was followed by EMM4 (2002) taking up WTO issues for pre-discussion, an ASEM symposium on regionalism and multilateralism in Tokyo, and consultation meetings in Hanoi and Paris in 2003.

It is certainly debatable to what extent ASEM served as a vehicle to push forward new trade rounds (the 2003 meeting in Cancun) and the Doha Development Agenda. As O'Brien³⁴¹ pointed out, at ASEM3 the leaders did declare their joint continued support for further trade

³³⁸ Reiterer 2003.

³³⁹ Dent 2005: 32.

³⁴⁰ Dent 2005: 32.

³⁴¹ O'Brien 2001: 23.

liberalization talks and a new round of negotiations on rule-based multilateral trading, which, after the Seattle WTO fiasco, sent “a strong message from two of the three economic blocs, primarily aimed at the US”. And at the EMM3 of September 2001 Asian countries agreed to launch a new trade round, saying that the Ministers “expressed their political will and flexibility in building support for launching a round at the fourth World Trade Organization ministerial conference in Doha, Qatar”.³⁴² However, with regard to actual WTO-related negotiations, ASEM functioned less than perfectly, mainly because trade negotiations also include areas where Asian nations are less enthusiastic: investment, government procurement, trade facilitation, competition policy and the environment. FMM2 (March 1999) hinted at the opportunity for the Berlin ASEM EMM (9-10/10.1999) to reach a consensus among ASEM partners on a wide range of issues related to trade negotiations. Yet, the partners failed to achieve a common position ahead of the Seattle WTO Ministerial starting on November 30 1999, with the extent of the multilateral negotiations and work in conjunction with the ILO on the relationship between trade and core labour rights as core issues. In particular, Asian ministers rejected the wide-ranging EU plan for a “Millennium Round” of WTO trade talks,³⁴³ arguing that environment and social standards will only end up penalising developing countries. Asian concerns about the need for the DDA to take into account also the needs of developing countries remained a core issue. EMM5 in Dalian only pointed out the need to join forces if the WTO ministerial in Cancun were to be successful in setting trade talks back on track and complete the negotiating round by the end of 2004.³⁴⁴ After the Cancun meeting ended in failure³⁴⁵, Asian and European Ministers again called for the Doha Round of talks to be revived.

ASEM still carries its function as a multilateral catalyst high in its banner. The ASEM FinMM in June 2005 called on the WTO Ministerial in December 2005 to reach consensus so as to pave the way for a successful conclusion of the Doha Round negotiations by 2006, and the same message echoes from the SOMTI 10 Chairman’s Statement. Even though only a

³⁴² European Report 14/09/2001. The EU was one of the driving forces behind the launch of a new round of WTO negotiations, the so-called Doha Development Agenda (DDA), in November 2001. The DDA seeks to liberalize trade and strengthen the rules-based trade system, in addition to integrating developing countries into the world trading system. According to a EU policy document (European Commission 2002a: 4), the launch of the new round sent a strong political signal of confidence in the multilateral system and helped to restore business confidence after 9/11. The DDA has been at the centre of the ASEM trade dialogue ever since.

³⁴³ Supposed to cover agriculture and services, trade facilitation, investment, competition, government procurement, and further work on trade and the environment. Cf. European Report 13/10/1999.

³⁴⁴ European Report 25/07/2003.

³⁴⁵ Agriculture is the main point of dissent, as the EU is under pressure to dismantle subsidies and other market barriers that influence trade in agricultural products.

substitute meeting instead of the scheduled EMM in September 2005, the “High-level Meeting within the Framework of the EMM” (16-17.9.2005) at least recognized the need to make progress in achieving convergence on the all relevant issues (agriculture, non-agriculture market access (NAMA), services, development, WTO rules, trade facilitation, WTO membership and leadership), but ASEM is far from functioning as a WTO “clearing house” as envisaged by Sir Leon Brittan³⁴⁶ in 1997. At a recent symposium³⁴⁷ on multilateral and regional economic relations, the chairman expressed the difficulty in reaching common viewpoints, saying in his concluding remarks that “(i)n regards to the WTO new round negotiation, it is not realistic for ASEM to achieve a common position. Rather, the most important task for ASEM is “confidence building”.³⁴⁸ The question is whether dialogue and confidence-building is enough to ensure ASEM’s future relevance in the multilateral arena.

4. Overview of trade and investment (FDI) relations between Europe and Asia

As mentioned before, the relative decline of both trade and FDI figures can be cited as one main cause for the reasoning behind the New Asia Strategy, and indirectly the support for the suggestion to create ASEM. The New Asia Strategy policy document hence placed a strong emphasis on economic cooperation, indicating that “the main thrust of the present and future policy for the EU in Asia is related to economic matters”. According to the document, a stronger economic presence would contribute to Asian stability through economic relations, and promote the economic development of less prosperous countries and regions in Asia. The first ASEM summit, though not directly an EU initiative, built on the recommendations put forward by the NAS and was “all about trade”³⁴⁹: Economic links should form the basis for a wider partnership between Asia and Europe. The enthusiasm for reinforced economic links between Asia and Europe which characterized ASEM1 continued well into 1997. A report by the United Nations Conference on Trade and Development (UNCTAD) labelled "Sharing Asia's Dynamism: Asian Direct Investment in the European Union" which appeared early 1997 further exacerbated the view of Asia as "the most dynamic area of the world economy", and reiterated the EU’s relatively small share in that development. According to the study, foreign direct investment (FDI) flows from Asia into the European Community increased more than eight-fold between 1989-1991 and 1992-1994, but the EU still only represented

³⁴⁶ Quoted in Bersick 2002d: 222.

³⁴⁷ Ministry of Foreign Affairs, Japan (2003).

³⁴⁸ *Ibid.*

³⁴⁹ European Report 17/02/1996.

5% of Asian FDI stock in 1995. The upward trend in 1996 continued as 62% of the net foreign direct investment inflows into the European Union came from Asia.³⁵⁰

Whereas the ASEM1 summit was rife with admiration for the Asia economic “miracle”, ASEM2 of 2-4 April 1998 in London showed an entirely different picture. The Asian Crisis that hit in July 1997 is most often attributed to the region’s high debt-driven economic development and misconceived international finance politics, i.e. foreign over-borrowing on a short-term basis and non-performing loans, but also exposed structural defects of many East-Asian economies.³⁵¹ The European Union initially felt immune to the turmoil on South-East Asian markets, stressing that the region's trade with the European Union represented only a tiny fraction of EU Gross Domestic Product.³⁵² Yet the Asian crisis did have not only direct bearing on EU-Asia trade, but also led to a global slowdown of trade growth.

Table 5: EU trade in goods with Asian ASEM countries (1996-2000)

Year	Imports	Yearly change (%)	Exports	Yearly change (%)
1996	132,433	5.1	105,872	9.4
1997	156,910	18.5	112,743	6.5
1998	176,094	12.2	88,457	-21.5
1999	194,518	10.5	97,112	9.8
2000	252,262	29.7	127,014	30.8

Source: European Commission 2002a (figures excluding Brunei and Vietnam)

First of all, EU exports to Asia fell, to Japan with as much as 13%. Second, imports from Asia soared, as the Asian region was “attempting to export its way out of the crisis”.³⁵³ The Asian crisis furthermore led the EU’s trade surplus being halved in 1998, leading to a decline in exports. The surplus in the European Union's trade balance with the rest of the world changed into a 11.3 billion euro deficit in 1999, as EU imports rose 8% while exports increased by only 3%. In 1999, Asia accounted for 18.5% of the EU’s exports, whereas EU imports from Asia amounted to 31.3% of the total. The figures suggest that two years after the outburst of the Asian economic crisis, increased imports still placed their weight on the

³⁵⁰ European Report 27/01/1999.

³⁵¹ Dent 1999a: 20.

³⁵² European Report 26/11/1997; 10/01/1998.

³⁵³ European Report 02/09/1998.

EU trade balance, ending six successive years of trade surpluses.³⁵⁴ According to a WTO report published on 13/04/2000, the EU in 1999 still suffered the fallout of the Asian crisis, when the most affected countries appeared to have recovered already.³⁵⁵

As a result of the crisis, global flows of investment to Asia dropped by half from 1997 to mid-1998.³⁵⁶ Although one view has it that EU investment flows into Asia were not affected³⁵⁷ due to the active policy by the EU, FDI did show a substantial decline for all major partners (China, Japan, ASEAN) with the exception of Korea (cf. USD 2002 and SFEP 2001). The crisis furthermore resulted in a sharp decline in inward FDI from East Asia into the EU, mainly due to the fact that long-term investment projects were financed by short-term financial resources.³⁵⁸ By 1999 new record FDI inflows were recorded in Asia, including increased M&As.³⁵⁹ Especially exports from China soared. China alone had a surplus of Euro 30 billion with the EU in 1999, and Euro 20 billion for the first six months of 2000.³⁶⁰

Calls for reforms of the international financial framework, in particular reform of the IMF and WB, strengthened as a result of the crisis. The international financial institutions failed to foresee the crisis and committed mistakes in handling it. Specifically the issue of excessive protection against credit losses by commercial banks, transparency standards, and the attention paid to potential social and political consequences of different economic measures were called into question.³⁶¹

In December 2000, the WTO declared that European trade had recovered from the fallout from the Asian economic and financial crises, after the fall from 6.0% trade growth in 1998 to 3.5% in 1999. In 2000 trade growth figures looked set to rise again to 5%.³⁶²

³⁵⁴ European Report 01/03/2000.

³⁵⁵ European Report 17/04/2000.

³⁵⁶ Gilson 2002b: 87.

³⁵⁷ “Despite the Asian economic crisis, EU investment in Asia continued to grow – 7.8 bn in 1998 for ASEM countries, up 13% on 1997.” Patten 2000.

³⁵⁸ IEG3 Co-Chairs’ Statement 5-6 July 1999.

³⁵⁹ Gilson 2002b: 90.

³⁶⁰ European Report 16/01/2001.

³⁶¹ European Parliament - Committee on Foreign Affairs, Security and Defence Policy 1999. Cf. also European Parliament 1998.

³⁶² European Report 05/12/2000.

Table 6: EU trade with Asian ASEM countries 2000-2004

Year	Imports	Yearly change (%)	Exports	Yearly change (%)
2000	267,185		129,419	
2001	255,192	-4.5	135,446	4.7
2002	253,697	-0.6	136,160	0.5
2003	267,877	5.6	137,551	1.0
2004	298,811	11.5	151,654	10.3

Source: DG Trade; Eurostat

The surge in EU imports from Asian ASEM countries as a result of the Asian crisis continued until 2001, when imports for the first time declined with 4,5% due to the general economic slowdown and the fallout of the 9/11 terrorist attacks. 2003 and 2004 both saw a new substantial rise in Asian imports. In total imports grew with 2.8% on average annually between 2000 and 2004. Exports to Asia also picked up again in 2000, increasing steadily until 2004 (with 4% on average per year). Looking at the latest available trade statistics (2004), it becomes clear that Asian ASEM countries were the EU's largest regional trading partner for imports, with 29% of the total, and, after the USA, the second most important export partner (15.7%). Combining import and export, Asia is therefore the number one trade partner for the EU with 22.6%.

As for FDI, Asia as a whole was the fourth largest investment destination for the EU in 1999, accounting for 6.8% of outward FDI. EU investment in Southeast Asia dropped in 2000, but Asian ASEM (APT) was the EU's third largest regional investment destination with 5.5%, after the US and AMLAT. One conspicuous trend is the redirection of FDI flows. In the 90s 60% of FDI went to ASEAN countries, whereas the balance shifted in the favour of China in the new millennium, leaving ASEAN with only 20%.³⁶³ The same goes for trade: EU imports from ASEAN countries declined on average 2.1% in 2000-2004, and exports grew with 0.6%. ASEAN has a decreasing importance as share of total EU imports and exports. (ranking seventh on the overall list of major trade partners in 2004). In the period 2001-2003 inflows of FDI from ASEAN countries decreased more than 50%, and outflows in 2003

³⁶³ Cf. "Europe-Asia Partnerships" Official Journal of the European Union 13.11.2003.

shrunk to one third of the volume of 2001. FDI in China on the other hand, increased. The EU-China trade relations are now marked by a widening deficit

5. Concluding remarks

In order to assess whether ASEM's economic pillar has achieved its goals and lived up to its expectations, three questions (based on the initial expectations as formulated in the Madrid European Council and the Chairman's Statement of ASEM1) need to be answered. (1) Has ASEM complemented and reinforced the WTO-based open trading system? (2) Has ASEM led to facilitating and liberalization measures in order to promote greater trade and investment, and have economic ties been strengthened through involvement of the business and private sectors? (3) Have trade and investment flows between the two regions actually increased?

First, the actual impact of ASEM on the promotion of a WTO-based open trading is difficult to assess, as dialogue certainly contributes to the understanding of mutual viewpoints but may not directly lead to common positions in multilateral fora such as the WTO. According to one leading analysis ASEM lacks in "multilateral utility", and has contented itself by merely displaying "multilateral deference".³⁶⁴ Failure to substantially contribute to the formation of a common European-Asian position ahead of WTO ministerial meetings or the failure to draw on the causes and effects of the Asian financial and economic crisis in order to reform the IMF are most often quoted as examples to corroborate this view. However, as mentioned in this study, ASEM's work on the harmonization of customs procedures along WCO lines as part of the TFAP framework serves as an example of a more effective multilateral utility function. The ASEM trade and investment dimension has also come up short as "a vehicle for co-ordinating the range of bilateral exchanges",³⁶⁵ and has only led to minor accomplishments.

Second, trade facilitating and liberalization measures were the main focus of ASEM's two action-oriented plans, the TFAP and IPAP. Evaluation cannot be entirely positive. After the flying start and the major achievements in outlining priority areas and impediments to trade and investment in the form of NTB's, progress has stalled since 2003, both due to problems

³⁶⁴ Dent 2005.

³⁶⁵ Gilson 2004b: 71.

concerning ASEM-enlargement (the cancelled or altered ministerial meetings) and issues related to the nature of ASEM (the lack of a binding mechanism to implement initiatives for example). The work in Customs Cooperation on the other hand, shows ASEM's potential in achieving actual progress and concrete results. This does not take away the fact that ASEM's economic pillar is in need to revitalization and reform, as appealed for by the 2004 Task Force Report on Closer Economic Partnership between Asia and Europe and the 2005 Tianjin Initiative on Closer Economic and Financial Cooperation. Economic ties between the two regions have certainly strengthened through the involvement of the private sector, but the lack of follow-up on AEBF recommendations, their lack of focus, and the decreasing interest of the business community are some of the remaining challenges to be tackled. One participant in the AEBF summit working groups voiced the frustration of the business community who receive little feedback and fail to see the fruit of their hard work, after the final statement including AEBF conclusions and recommendations has been handed over to the political leaders at the summit. The insufficient functioning of ASEM-related websites aimed at increasing business networking and indirectly enhancing trade and investment is also symptomatic of the less than optimal running of the economy pillar.

The interviewed experts and government officials concurred on the overall dwindling results of the economic pillar. Cooperation has been less than effective, and only a few of the working groups have been truly productive. One former ministry official pointed out that the main reason should be sought in the general character of the process, which emphasizes intergovernmental dialogue rather than concrete results.

Finally, Table 7 provides an overview of exports and import flows from 1995, just before the start of ASEM, to 2004.

**Table 7: Overview of EU export, import and FDI relations
with Asian ASEM countries 1995-2004**

EU Exports (million euro)

	1995	Share of EU total* (%)	2000	Share of EU total* (%)	2004	Share of EU total* (%)	Change 1995- 2004	Change 1995- 2004 (%)	Change in share of EU total '95-'04
Japan	32,896	5.74	45,460	5.31	43,210	4.48	+10,314	+31.35	-1.26%
South- Korea	12,331	2.15	16,702	1.95	17,815	1.85	+5,484	+44.47	-0.30%
China	14,690	2.56	25,758	3.01	48,131	4.99	+33,441	+227.64	+2.43%
ASEAN	37,091	6.47	41,777	4.88	42,748	4.44	+5,657	+15.25	-2.03%
Total Asian ASEM	97,008	16.92	129,697	15.14	151,904	15.76	+54,896	+56.59	-1.16%

EU Imports (million euro)

	1995	Share of EU total* (%)	2000	Share of EU total* (%)	2004	Share of EU total* (%)	Change 1995- 2004	Change 1995- 2004 (%)	Change in share of EU total '95-'04
Japan	54,299	9.96	91,836	9.22	73,745	7.16	+19,446	+35.81	-2.80%
South- Korea	10,925	2.00	26,697	2.68	30,251	2.94	+19,326	+176.90	+0.94%
China	26,343	4.83	74,369	7.47	126,912	12.33	+100,569	+381.77	+7.50%
ASEAN	34,670	6.36	75,197	7.55	69,098	6.71	+34,428	+99.30	+0.35%
Total Asian ASEM	126,237	23.15	268,099	26.93	300,006	29.15	+173,769	+137.65	+6.00%

Sources: based on calculations using figures from European Commission 2002a for 1996 and DG Trade statistics for 2000 and 2004. *Excluding intra-EU trade

The following conclusions can be drawn from the figures:

- Ø Trade flows between Asia and Europe have certainly increased to a large extent. EU exports to Asian ASEM countries increased by more than 56% between 1995 and 2004, and exports from Asian partners to the EU more than doubled, revealing an increase with more than 137%. The upward trend in growing trade flows between the two regions thus continues compared to the pre-ASEM era.
- Ø However, it is also clear that the relative share of East Asia in the total of EU's export, in other words the importance of Asian ASEM partners for the EU's export trade, does not share that upward trend. In fact, compared to 1995, the share dropped by 1.16%, a percentage which would have been higher were it not for the heightened importance of exports to China, which more than tripled between 1995 and 2004. (China's share in total exports increased from 3.01% to 4.99%). Exports to South-Korea rose by almost 45% over the ten year period, but the share in total EU exports showed a slight decline. Exports to Japan increased for the total 10 year period, but the 2000-2004 figures alone show a sharp decline (-1.3% annually on average). Exports to ASEAN dropped sharply in 2002 and 2003 but picked up again the year after, eventually resulting in an average 0.6% increase annually. Also with respect to ASEAN the decline in share of total EU exports is obvious.
- Ø With regard to imports from Asian ASEM on the other hand, especially the increased role of China is clear, with a 7.5% increase in its share of total EU imports. The total volume of imports from Asian ASEM partners enlarged by 137%, and the relative share increased by 6%. This makes Asian ASEM the EU's largest import partner.
- Ø The fact that imports increased to a much greater extent than exports also means that the EU trade deficit with Asia has widened, from 29,229 billion euro in 1995, to 148,102 billion in 2004.
- Ø From the Asian vantage point, the EU remains the second largest import and export partner (behind Japan and the US respectively). The EU now accounts for 12.9% of Asian ASEM countries total world imports, and 16.6% of total exports. With regard to the total volume of trade, the EU still lags behind the US), and the EU's share in Asian trade still hovers around 15%, as it did before ASEM started.

Ø In retrospect it is clear that the EU's FDI relations with Asian ASEM countries have steadily decreased when looking at the period from 1999 until 2002.³⁶⁶ Especially EU FDI flows to ASEAN dropped significantly in 2003, namely minus 58% compared to 2002 and minus 67% compared to 2001)³⁶⁷, despite the region's dramatic 48% increase in total inflows of FDI that year³⁶⁸. Also the inflow of FDI from ASEAN countries into the EU has gradually declined in the period 2001-2003.

It goes without saying that the direct link between trade and investment flows and ASEM is difficult to indicate. At the same time it is clear, however, judging from the decreased relative share of Asia in the total of EU's exports for example, or the diminishing EU FDI in Asian ASEM despite rising overall total inward FDI statistics for Asia, that ASEM has not lived up to the expectations. However, at the same time it needs to be taken into consideration that the levels of ambition for the economic pillar of ASEM have been lowered since its creation and at present does not directly aim to achieve increased trade flows directly, but only envisions to function as a forum which promotes transparency and increases knowledge and interaction between two regions. As such it certainly has achieved a certain degree of success, even though this too is difficult to measure in concrete terms. The "Review of the Economic Pillar", a report by ASEM economic co-ordinators adopted by SOMTI9 and later EMM5 in 2003, which states that "(c)urrently, the mandate for the Economic Pillar is recognized to be an informal dialogue with a view to facilitating greater understanding on trade and investment issues" indeed seems like a much less ambitious objective than the one that was posed in 1996. As the same report also continues to point out, the main problem is that dialogue taking place in ASEM on all levels is based on a voluntary process which rests on goodwill and peer pressure. An overall coordinating mechanism is lacking, no institutional memory exists, and dedicated funds are absent, which means that all contributions by ASEM partners are self-financed.

Comparing ten years ago and the present, several parallels can be drawn. East Asia is again an economically booming region; politicians and media alike again speak of the "increasing Asian threat to European industry"; although the volume of EU-Asia trade has expanded

³⁶⁶ European Commission 2004: 41.

³⁶⁷ EU FDI Yearbook 2005.

³⁶⁸ ASEAN FDI Yearbook 2004.

substantially, the relative share of Asia in the total of EU's exports has decreased; imports have increased much more rapidly than exports; and the EU is still lagging behind the United States as the major trading partner for the region. But the picture also shows great differences. While ten years ago it was the Asian Newly Industrialized Countries that were the engine behind the Asian economic miracle, now it is China which attracts most attraction and is claiming a leadership position in Asia, even though its relation with Japan continues to cause instability in the region. While trade and investment in China have grown immensely, FDI in ASEAN, Asia's single integrated sub-region and longstanding partner for the EU, has declined markedly despite booming FDI inflows into ASEAN in recent years. ASEAN is still in the process of recovery after the economic crisis but shows encouraging signs of growth. Most importantly, the gradual rise of an "Asian community" will first and foremost start with economic integration and will centre on ASEAN (in the form of ASEAN + α). As the EMM4 in 2002 already noted, the role of ASEAN in this integration process is highly important, as the bilateral FTAs among Asian ASEM partners primarily involve ASEAN countries. The workings of the ASEM economy and trade dimension are in need of streamlining the EU intends to actually increase its importance in the region and if, based on the vision put forward by the EMM4 (2002), it is serious about an enhanced region-to-region cooperation and further economic integration between the two regions after an eventual successful conclusion of the Doha negotiating round.

CHAPTER IV

Social/Cultural Dialogue

ASEM's "third pillar" can be seen in a less than positive light as a "one-size-fits-all" repository for cooperation in very diverse fields other than the political and economic ones. After a decade into the process however, it may be the single area of dialogue which has attained most substantial results. The following sections first sketch the general background of social/cultural dialogue, and subsequently examine in more detail how the Asia-Europe Meeting has attempted to broaden mutual understanding through the creation of the Asia-Europe Foundation, the involvement of civil society, initiatives related to dialogue on cultures and civilizations, and other initiatives.

1. General overview

The importance attached to the role of culture, including the weight it carries in economic and political negotiations, has varied since ASEM's conception in the early nineties. The New Asia Strategy of 1994 emphasized the promotion of international cooperation and understanding in order to contribute to stability in Asia. The Madrid European Council of 15-16 December 1995 which clarified the Union position on the Europe-Asia Meeting and laid the basis for the first ASEM summit, also stressed improved mutual understanding through enhanced cultural contacts, information, and cooperation in a wide diversity of socio-cultural fields. Furthermore, an open and wide-ranging dialogue between cultures and civilizations was seen as part of political collaboration, whereby exchanges between "intellectuals, those who form public opinion, politicians and businessmen" would be at the basis of the rapprochement between both regions and a common commitment to human rights and fundamental freedoms. By the time ASEM started, however, it was assumed that in the first place a deepening of economic relations would achieve meaningful intercultural dialogue, not vice versa. This reflects the general economic bias of the initial Euro-Asian cooperation, which can also be linked to the idea that an "open and wide-ranging" dialogue on cultural values in general and on democracy, human rights, labour standards and rule by law in

particular would have hampered progress in the all-important economic field.³⁶⁹ Cultural links and people-to-people contact between Asia and Europe were lumped together with science and technology cooperation, human resources, education, development and health, environmental issues, and the fight against drugs, terrorism and international crime under “Cooperation in Other Areas”. The cultural and social agenda in ASEM’s early years remained relatively weak, scattered and even economy-oriented,³⁷⁰ and the cooperation was mainly focused on intellectual, cultural and people-to-people exchanges organized by the Asia-Europe Foundation (established in 1997). Nevertheless over the years the social and cultural dialogue has gradually acquired a better balance with the other pillars and its agenda has been sharpened. Environmental issues for example have moved to the political pillar, and social matters have been clustered with economic relations.

The EU document “Perspectives and Priorities for the ASEM Process” (1997) for the first time referred to “the social and cultural field”, in which especially the building of key networks, dissemination of information to the public, and support for ASEF were seen as key objectives. Its successor, the Commission working document “Perspectives and Priorities for the ASEM Process into the Next Decade (2000) suggests that in the context of globalization, it is vital that the informal dialogue forum in the new decade enhances awareness and understanding between the two regions in all three dimensions. The shift from a mainly economic orientation towards a broader approach is furthermore clear in the texts of the Asia-Europe Cooperation Framework. Whereas the original (1998) version only emphasizes networking and exchanges, the dissemination of information about ASEM and Euro-Asian links, and the role of ASEF, the updated 2000 edition highlights enhanced contact and strengthened mutual awareness of common issues affecting a common future to a much higher extent, pointing out networking and exchange, but also the protection and promotion of cultural heritage as key priority areas.

ASEM dialogue in the third pillar consists of the cultural and human resource cluster and the Asia-Europe Foundation (ASEF). The main themes of the cultural and human resources cluster are education, cultural heritage and most recently dialogue between cultures and

³⁶⁹ Hence ASEM1 did not address issues such as child labour, women’s rights, deforestation, pollution, civil liberties and East Timor. Rodan 1996: 336.

³⁷⁰ At ASEM1 the leaders recommended the strengthening of science and technology flows and development of human resources because they were regarded important for the strengthening of economic links. ASEM1 Chairman’s Statement 1996.

civilizations. Since ASEM's beginnings educational cooperation has been one of the key areas of the third pillar. Concerned by the imbalance between US-Asian and EU-Asian educational contacts and exchange, the partners have encouraged educational links, networking and tried to increase student exchange between Asian and European universities.³⁷¹ Many of the initiatives have been realized by ASEF, which has established various educational exchange and scholarship programmes. The Asia-Europe Vision Group lobbied strongly for educational cooperation. In its 1999 report it recommended the ASEM partners to adopt a Declaration on Education, which would provide a long-term view on educational requirements and goals. Neither this nor regular ASEM Education Ministers Meetings have been realized yet.³⁷² Also the EU has strongly promoted educational cooperation. Prior to ASEM3 the EU called the ASEM partners to express their political commitment to facilitate educational exchanges between Asia and Europe with a goal of five-fold increase in student numbers within ten years.³⁷³

At ASEM2 the leaders agreed that ASEM initiatives should encourage the growing interests of all sectors of society in Asia-Europe relations and thus promote a human dimension in ASEM.³⁷⁴ Socio-economic issues and globalization were addressed at ASEM3 as the leaders stressed the importance of social and human resource development in alleviating economic and social disparities. The leaders confirmed their interest to enhance the welfare of the socially weak by promoting social safety nets.³⁷⁵ Yet the ASEM dialogue has often been criticized, mostly by civil society actors such as the Asia-Europe People's Forum for lacking a real social dimension and a sustainable social dialogue on long-term policies. The dialogue has been cited limited in scope and continuity, since social responsibilities of governance, social security issues or women's issues have rarely been addressed.³⁷⁶

³⁷¹ Cf. for example ASEM1 Chairman's Statement 1996; ASEM2 Chairman's Statement 1998; ASEM3 Chairman's Statement 2000. At ASEM1 educational links and people-to-people contacts were promoted for mutual understanding and awareness and young people and students were identified as central target groups. At ASEM4 2002 ASEM Youth Games were introduced as a new tool of people-to-people contacts.

³⁷² The Vision Group also initiated the establishment of a high-profile, prestigious ASEM Scholarship Programme (currently ASEM Duo) and urged for better balance in Asia-Europe exchange student flows. Asia-Europe Vision Group 1999.

³⁷³ European Commission 2000.

³⁷⁴ ASEM2 Chairman's Statement 1998.

³⁷⁵ ASEF3 Chairman's Statement 2000.

³⁷⁶ The European Parliament called 1999 the ASEM partners to give more emphasis on women's equal opportunities, particularly in Asia. This issue was raised again at the Asia-Europe Consultative Seminar with Civil Society organized by the European Commission 2003. European Parliament 1999; Asia-Europe Consultative Seminar with Civil Society, Brussels 2003. ASEF and JCIE co-sponsored in 2001 a project called

The social consequences of economic growth came to the fore as an issue for discussion at ASEM4 in Copenhagen. The joint project of Denmark, Ireland, Malaysia and Singapore to create a framework for lifelong learning, presented to ASEM4 in 2002³⁷⁷ was followed by the ASEM Workshop on Future of Employment and the Quality of Labour, aimed to strengthen long-term social cohesion.³⁷⁸ The issue was brought up again at ASEM5, where the ministers of ASEM countries were tasked to develop cooperation in social development, labour and employment, education and training, public health and environment.³⁷⁹

Since the 9/11 terrorist attacks and ASEM4, cooperation within the third pillar (for example, education and human resource development) has increasingly come to be regarded as a way to address the adverse consequences of globalization and as way to fight the root causes of terrorism and international crime.³⁸⁰ It is difficult to gauge to what extent dialogue among cultures and civilizations enhances understanding and tolerance among people and preserves world peace and security. It is sure, however, that cultural and social issues have finally claimed their rightful place in the ASEM discussion forum.

2. The Asia-Europe Foundation (ASEF)

Asia-Europe Foundation is the only institution of the ASEM process. Following the Singaporean initiative the foundation was established in 1997 to promote exchanges of think-tanks, peoples and cultural groups between Asia and Europe as a non-profit organization.³⁸¹ The Foundation bases its activities on the Dublin Principles, which explain its goals to promote understanding between Asia and Europe through intellectual, cultural and people-to-people exchanges. ASEF is designed to act as a clearinghouse and a catalyst or facilitator of dialogue and cooperation. While avoiding duplication or overlapping of earlier cooperation, ASEF strives to build on and further develop the activities of existing networks. Participation

Gender Agenda: Asia-Europe Dialogue, which facilitates discussion on broad gender issues. Two conferences have been organized in Chiba, Japan 2001 and Tampere, Finland 2002.

³⁷⁷ European Commission 2002b: Cultural and Human Resources Cluster; Three workshops were established in 2002: a) "ensuring basic qualifications for all (co-ordinated by Denmark), b) "integrated approaches to lifelong learning and recognition of skill (co-ordinated by Malaysia) and c) "policies and incentives to promote access to lifelong learning" (co-ordinated by Ireland). The final results were reported to ASEM4 in Copenhagen 2002. Undervisningsministeriet 2005: ASEM Lifelong Learning. Building on this Denmark, Sweden and Thailand initiated an ASEM Education and Research Hub for Life Long Learning at ASEM5. Cf. ASEM5 Chairman's Statement 2004.

³⁷⁸ ASEM4 Chairman's Statement 2002.

³⁷⁹ ASEM5 Chairman's Statement 2004.

³⁸⁰ European Commission 2002.

³⁸¹ See ASEM1 Chairman's Statement 1996.

in ASEF is open to all ASEM partners. It is managed by the Executive Director and the Deputy Executive Director and it reports to the Board of Governors, in which all partners are represented. ASEF is funded by voluntary contributions from the ASEM countries' governments, institutions and private actors. To realize its mandate ASEF both produces its own projects and cooperates with other institutions and actors.³⁸² So far ASEF has completed over 300 projects involving about 15,000 people. The EU views and supports ASEF as a visible example of ASEM achievements and as tool for raising public interest in ASEM and encourages ASEF-activities to become more directly relevant to broader public (education, culture) and to actively involve the civil society in the Asia-Europe dialogue.³⁸³

ASEF currently functions in four different sectors: intellectual exchange, people-to-people exchange, cultural exchange and public affairs.

Intellectual Exchange contributes to policy debate and long-term strategic thinking by linking together representatives from the academia, government, private sector and civil society to unofficial high-level meetings. The debates focus on international relations (e.g. Asia-Europe Roundtables), science and technology (Asia-Europe Workshops, the Asia-Europe Environmental Forum Series) and governance related issues (informal Human Rights Seminars). In the context of Cultures and Civilizations Dialogue ASEF has organized conferences with civil society, lecture series and "ASEF-talks on the Hill" events.³⁸⁴

People-to-People Exchange has been one of the most developed and wide reaching sectors of ASEF. The participants are young professionals, parliamentarians and students, who are encouraged to interact and create networks for future co-operation. The projects cover educational links, cross-cultural learning, business, youth, environment and politics. Educational exchanges and cooperation programmes have been central in ASEF throughout its activity. Cooperation programmes include ASEM Education Hubs³⁸⁵, ASEM Duo³⁸⁶ and

³⁸² Dublin Agreed Principles of the Asia Europe Foundation.

³⁸³ European Commission 2000.

³⁸⁴ Asia-Europe Foundation 2005: About Intellectual Exchange.

³⁸⁵ The ASEM Education Hubs (established in 1998) form a network of universities specializing in different areas of Asia-Europe relations. The network for student exchange currently comprises 27 universities in Europe and Asia.

³⁸⁶ ASEM-DUO (established in 2001) is a two-way fellowship-granting programme for university students and teachers of ASEM countries. Thus far four DUO-programmes have been introduced (DUO-Korea, DUO-Singapore, DUO-Denmark and DUO-France). The fellowship programme was first recommended by the AEVG

the Asia-Europe Institute, established by the University of Malaysia in 1997.³⁸⁷ With the ASEF University Programme the foundation has brought together students from both regions to engage in intercultural exchange.³⁸⁸ Asia-Europe Youth Cooperation engages young people in interregional dialogue within various projects, such as the ASEM Youth Dialogue that aims to channel the ideas and priorities of youth leaders and activists from government and civil society to the ASEM leaders.³⁸⁹

People-to-People Exchange links together also leading young professional with the Asia-Europe Young Parliamentarians Meeting, Asia-Europe Young Entrepreneurs Forum, Asia-Europe Young Leaders Symposium and Programme for Emerging Public Sector Leaders. The aim of these projects is to facilitate personal networking, mutual understanding and promote fresh, future-oriented ideas of Asia-Europe relations.³⁹⁰

The third major sector is Cultural Exchange, which aims to promote cultural dialogue and exchange of young artists. The activities include *inter alia* Asia-Europe Forums for young photographers, artists, dancers and musicians as well as cooperation in the field of museums, cinema and television. Cultural Exchange also promotes dialogue on policy-makers' level in order to advocate ASEM level policies favourable to creativity, artistic innovation and cultural diversity.³⁹¹

The fourth sector of ASEF, Public Affairs, works to raise the profile of ASEF and Asia-Europe relations by working with mass media and by creating publicity support for all ASEF activities. The activities include journalists projects such as Editors' Roundtables, seminars,

in 1999, and later endorsed at ASEM3. ASEM DUO Fellowship Programme 2005; European Commission 2002b: Cultural and human resources cluster. ASEM Education Hub 2005.

³⁸⁷ Introduced to the ASEM partners at ASEM2 in London and upgraded from Asia-Europe Centre to Asia-Europe University in 2001.

³⁸⁸ In addition ASEF has launched the Asia-Europe Conference of Student Union Leaders (CONSULT) for the presidents of student unions, the Asia-Europe Classroom (AEC) programme for the secondary and high school levels. Asia-Europe Foundation 2005: About People-to-People Exchange.

³⁸⁹ Other programmes include ASEF Youth Explore, Asia-Europe Young Volunteers Exchange Programme, Asia-Europe Youth Camp, Asia-Europe Training Programme for Youth Leaders and Asia-Europe Youth Connections. *Ibid.*

³⁹⁰ *Ibid.*

³⁹¹ The development of an Asia-Europe Cultural Portal was launched 2005, with an aim to link practitioners, policy-makers, artists and administrators in collaboration. In addition ASEF, together with the Universes in Universe-project, has maintained since 2002 the CulturE-ASEF –website that serves as a portal to Asia-Europe cultural and artistic events, resources, websites etc.

public lectures and exhibitions. The Public Affairs Department publishes the ASEF Newsletter, Annual Reports and the academic Asia-Europe Journal.³⁹²

In addition to these sectoral activities, ASEF organizes the Asia-Europe Workshop Series in collaboration with the European Alliance for Asian Studies.³⁹³ ASEF also maintains the ASEM Infoboard-website that provides ASEM-related information and official ASEM documents to the public.

Although ASEF is formally perceived as part of the third socio-cultural pillar, it has served an important socialization function for the whole ASEM process with its various projects.³⁹⁴ As mentioned above, ASEF activities are not limited to social/cultural issues, but also cover a wider range issues and people related to other areas.

Reforming ASEF

The key strengths of ASEF include its ability to address a wide range of issues, the fact that it is virtually the only institution developing Asia-European cooperation and the broad support it has received from the ASEM partners since its establishment. Nevertheless, in the recent years ASEF's role and future, particularly its financial efficiency, sustainability and proliferation of its activities, have been raised in the discussions. The most substantial financial contributors have been the European Commission, Japan, Singapore, Korea, Germany, China, France and Finland.³⁹⁵ ASEM's main source of resources, voluntary government funding, has sometimes been criticized as unpredictable and unsustainable. Private funding as a main source of income has not been favoured by the ASEM partners either. Furthermore it has reportedly been difficult for ASEF to gather general, non-earmarked private funding, as it is usually targeted at specific projects. Also the idea of compulsory contributions has been raised from time to time. A major challenge for ASEF has been to create sustainability and long-term networks through its activities, instead of the proliferation of one-time events. ASEF has also been criticized for insufficient visibility and

³⁹² Asia-Europe Foundation 2005: About Public Affairs.

³⁹³ Since 2002 the 27 workshops have been organized. The next workshop "Voices of Islam in Europe and Southeast Asia" will be organized in Thailand (January 2006). Asia-Europe Workshop Series 2005: About the Workshop Series.

³⁹⁴ Dent 2003a: 230.

³⁹⁵ ASEF Annual Report 2004/2005: 25; Singapore also granted 1 million USD as seed money for the Foundation in 1997.

there have been calls for a better communication strategy. The recent enlargement of ASEM and the different motivations of the new partners are also a new challenge for ASEF.³⁹⁶

An extensive review process was launched at ASEM4 to assess ASEF's activities, management strategy and finances in order to ensure its long-term sustainability.³⁹⁷ Based on the assessments the ASEM leaders issued a set of recommendations in Hanoi 2004 to tie ASEF closer to ASEM and to further develop its role from a grant-giving institution to a network-building organization. The recommendations stated that ASEF should be more aligned to ASEM and provide information and analysis of the ASEM process. The relations between ASEM Senior Officials and ASEF Governors should be strengthened and the ASEF finances and activities should be more closely reported to the the Senior Officials. ASEF was also asked to give a greater priority to the implementation of projects assigned by the ASEM Summits or Ministerial Meetings. With regard to the long-term financial sustainability of ASEF, the contributions were kept voluntary. The post of a Chief Financial Officer was recommended in order to ensure the cost-effectiveness of the activities.³⁹⁸

3. Engaging Civil Society

Since the beginning of the ASEM cooperation there has been debate going on how and to what extent the civil society should be included in the process. As ASEM was initially perceived as a top-down leaders meeting, the civil society actors were not seen as key players in it. ASEM partners have not been unanimous about the role of civil society in the ASEM process. Generally speaking European governments and civil society actors have pushed for the opening up of the ASEM process against the opposition of many Asian governments³⁹⁹, among others China, where the concept of civil society is often seen as a European term and the Europeans have been perceived to be lecturing.⁴⁰⁰ For Europeans the involvement of civil society would bring wider legitimacy for the ASEM process. For example Jacques Santer, President of the Commission, called at the opening of ASEM2 in London for a human dimension in ASEM, in particular links to parliaments, local authorities, academics,

³⁹⁶ Issues raised in discussion at the Asia-Europe Consultative Seminar with Civil Society, 2003 Brussels. European Institute for Asian Studies 2003.

³⁹⁷ Asia-Europe Foundation's Strategy and its Long Term Financial Sustainability" also known as the van der Geest-Macaranas Report; the ASEF Board of Governors' "ASEF Sustainability".

³⁹⁸ ASEM5 Chairman's Statement 2004, Annex 1.

³⁹⁹ Bersick 2005: 2.

⁴⁰⁰ Comment made by Prof. Zhang Wei Wei at the Consultative seminar with the civil society 2003 Brussels.

researches, trade unions and non-governmental organizations, artists and intellectuals.⁴⁰¹ The European Commission noted in 2000 that “the active involvement of civil society in the dialogue between our two regions should be encouraged”.⁴⁰² Two years later it stated that the ASEM partners should include more representatives from civil society and other sectors of society and widen the scope of themes with social issues.⁴⁰³

In the context of social issues and civil society the Chairman’s Statement of ASEM1 raised only individual, uncontroversial themes of cooperation such as education, culture, human resources and people-to-people contacts. The Chairman’s Statement of ASEM2 only used the wording “*all sectors of society*”. In the Asia-Europe Cooperation Framework 2000 dialogue between the peoples of the two regions and among all sectors of society was encouraged and in the context of initiatives civil society was mentioned together with government and business as a “prime actor”. The Asia-Europe Vision Group recommended in its 1999 report the engagement of NGOs in the ASEM process, even in political and security cooperation in order to promote good governance and human rights, these proposals were however never endorsed.⁴⁰⁴ In the European Commission’s Vademecum document (2001) it was noted that as a matured dialogue ASEM should now give more weight to a “bottom-up” approach and encourage regular meetings with NGOs, parliamentarians and officials. The document also noted that all sectors of society should be invited to contribute to the process.⁴⁰⁵

Asia-Europe People’s Forum

Prior to ASEM1 different civil society actors expressed a strong interest to monitor the summit. Thus a parallel, non-official meeting of Asian and European civil society representatives was organized in Bangkok on the eve of ASEM1. The NGO conference convened under the theme 'Beyond Geo-politics and Geo-economics: Towards a New Relationship between Asia and Europe'. Recommendations were given to the ASEM leaders in the fields of social and economic relations, democracy and human rights and politics and security. At the following meeting in 1998 in London, the process adopted the name Asia-Europe People’s Forum (AEPF). AEPF has thus developed into a regular series of meetings held every other year parallel to ASEM summits with the aim to make ASEM more

⁴⁰¹ Jacques Santer, speech given at the ASEM2 Opening ceremony 1998.

⁴⁰² European Commission 2000: 7.

⁴⁰³ European Commission 2002.

⁴⁰⁴ AEVG 1999: 37.

⁴⁰⁵ European Commission 2001: par. 7.

transparent, accountable and open to civil society. It has criticized the ASEM process for its focus on economic issues and for the lack of social issues in the ASEM agenda. During the first ten years AEPF has debated various issues ranging from social justice to democracy and human rights and from gender equality to migration and environment.⁴⁰⁶

AEPF promotes the inclusion of a social dimension in the three existing pillars of ASEM. The social impact of ASEM initiatives in the three pillars would be studied by a Social Forum, which would act as a consultative mechanism between civil society, trade unions and the official process to enable a systematic exchange of views and ideas. The AEPF partners have called for regular Labour and Social Ministers meetings and coordinated meetings with the Finance and Economic Ministers. The lack of ASEM's accountability to national parliaments has also been raised. The Social Forum –initiative was lobbied before ASEM3 and ASEM4, however so far it has not been acknowledged or discussed at official ASEM level. The proposal pleads to the fact that the business society's participation in the process is already facilitated, whereas the social dimension remains absent. AEPF also argues that in other international institutions the importance of the people's participation has already been recognized (for example in the UN).⁴⁰⁷

The overall effect of AEPF in the official ASEM process remains limited. It is not included in the decision-making or agenda-setting processes and there are no regular meetings between AEPF and ASEM officials. Some occasional meetings have taken place in the sidelines of ASEM summits, however official participation, especially from Asia, has remained low.⁴⁰⁸

Nevertheless, AEPF has succeeded to increase horizontal networking between non-governmental organizations in Asia and Europe. Civil society actors have been able to form and coordinate common objectives, as the “People's Vision: Towards a more just, equal and sustainable world” (2000).⁴⁰⁹ The Vision, which highlighted women's and children's issues, human rights, democracy and civil society, arms trade and trade and investment for sustainable environmental, social and economic development, was delivered to the ASEM

⁴⁰⁶ Transnational Institute 2005: Asia-Europe Relations.

⁴⁰⁷ Asia-Europe People's Forum: A Proposal for a Social Forum in the ASEM Process, 2000. *Ibid.*; 58-60; NGOs' and Trade Unions' demands for Copenhagen: Integrating a Social Dimension in the ASEM Process. Towards a Social Forum. In Fritsche 2002: 6-7.

⁴⁰⁸ Denmark organized such an ad hoc meeting during ASEM4 in Copenhagen, but official participation was limited.

⁴⁰⁹ Bersick 2005: 6.

leaders at the time of ASEM3, however it was not discussed at the summit. The AEPF has been appraised for its peaceful approach compared to, for example, anti-globalization demonstrations seen in the sidelines of some other international conferences.⁴¹⁰

AEPF covers a larger geographical area than ASEM, as it welcomes all Asian and European countries to join the cooperation (for example, India, Pakistan and Bangladesh participate in AEPF). It is managed by the International Organizational Committee (IOC) which comprises of two regional organizations (Transnational Institute in Europe and Focus on Global South in Asia) and member countries.⁴¹¹ The legitimacy of AEPF as the representative of Asian and European civil societies has been questioned. Does AEPF have a mandate to speak for the people of ASEM partners? For example at AEPF2 almost 14% of the participants came from countries outside ASEM. Jürgen Rüländ argues that AEPF is merely a self-styled representative of civil society with no legitimately established mandate.⁴¹² NGO-representative Bolger Hansen on the contrary states that more important than the legitimacy of these groups, is the value-added they could bring to the official relations.⁴¹³

The official ASEM process has more or less disregarded AEPF. It was first recognized in 2000 when the European Commission stated that the output of the parallel civil society meetings should be heard in the official ASEM process.⁴¹⁴ Supporting the involvement of civil society, the EU Member States and the European Commission proposed in 2001 that ASEM should encourage regular meetings between AEPF representatives and Senior Officials in order to inject more substance into the process. It was also noted that all sectors of society should be invited to contribute to the ASEM process, as stated in the AECF 2000.⁴¹⁵ The ASEM Foreign Ministers acknowledged the civil society conferences at their meeting in Bali 2003, where they stated that the host countries of ASEM events can organize parallel activities with the business sector, think tanks, academia and other sectors of society.⁴¹⁶

⁴¹⁰ Reiterer 2002a: 116.

⁴¹¹ Bersick 2005: 5.

⁴¹² Rüländ 2001a: 68.

⁴¹³ Hansen 2002: 14-15.

⁴¹⁴ European Commission 2000.

⁴¹⁵ European Commission 2001, Annex 1.

⁴¹⁶ FMM 5 Chairman's Statement 2004.

The role of civil society in ASEM dialogue has been debated in academic circles as well. David Milliot argues that in order to maintain the informal and sometimes even fragile flow of discussion in the first pillar, civil society representatives should not necessarily be involved directly. However, the concerns of the civil society could be channelled to the agenda. He regards the economic dialogue more open to civil society as it could help to ensure that the impact of business and trade on people's lives, human resources and environment are taken into account. The civil society actors can inform and educate the public as well as provide concrete and practical assistance in the implementation of different projects. This would develop ASEM to a consultative and participatory forum and enhance its sustainability, transparency and visibility.⁴¹⁷ Paul Lim points out that the Social Forum would give more substance at least to the third pillar. He argues that ASEF, as a state-initiated institution, can help to facilitate civil society dialogue but cannot represent civil society alone.⁴¹⁸ Lim adds on the other hand that civil society is very heterogeneous and there are also groups that do not see the need to be engaged to ASEM.⁴¹⁹ Sebastian Bersick notes that it is necessary to involve civil society groups in the ASEM process, before they lose interest and a good opportunity for cooperation is lost.⁴²⁰

ASEF and Civil Society

The original guidelines of ASEF (the Dublin Principles) mandated it to promote mutual understanding through intellectual, cultural and people-to-people exchanges. The Asia-Europe Vision Group, tasked by ASEM2 to envisage ASEM's role and future, called for strengthening of ASEF, so that it could further connect the civil societies of Asia and Europe through its activities.⁴²¹ Over the years ASEF has strived to engage a wide-range of actors from different sectors of society, outside the business community, in the Asia-Europe dialogue by bringing together students, intellectuals, parliamentarians, NGO-representatives, youth leaders, entrepreneurs, artists and journalist from Asia and Europe. In addition ASEF has contributed to the networking of non-governmental institutions by co-organizing international conferences and by facilitating civil society actors' participation in ASEM related meetings and events.

⁴¹⁷ Milliot 2003: 2-3.

⁴¹⁸ Lim 2001b: 6.

⁴¹⁹ Lim 2000e.

⁴²⁰ Bersick 2005: 11-12.

⁴²¹ AEVG 1999: par. 71.

Nevertheless, it has been criticized among some civil society groups, particularly those involved in the Asia-Europe People's Forum, for being too elitist or limited in its approach towards civil society. They have regarded ASEF as an insufficient representative or facilitator of Euro-Asian civil societies and civil society contacts, as it is a government-initiated project and functions under the guidelines of ASEM governments. The relationship of AEPF and NGOs with ASEF is problematic. Despite the criticism these NGOs participate in ASEF-organized activities (such as the Barcelona Conference in 2004) and thus already use the channels it provides to impact the ASEM leaders.

Looking at the criticism, one can argue that it reflects the NGO-actors desire to become included in the ASEM process, not just through ASEF and its projects, but to be part of the official dialogue and decision-making. As mentioned earlier the civil society groups have not had similar presentation in ASEM as the business community through AEBF. It also suggests that the role of ASEF has not necessarily been completely clear. The original mandate of ASEM was to act as a clearing house and facilitator of different contacts and exchanges, a promoter of common understanding and awareness working with the different civil societies of Asia and Europe but not to be the representative of civil society as such.

Regarding their criticism on ASEF's approach, it can be questioned whether ASEF activities in the core fields, people-to-people, cultural or intellectual exchange, should be targeted at the widest possible audience as it may be more cost-effective to target those with most potential. ASEF's strategy has a very long-term perspective. Particularly by targeting the youth, the results of ASEF activities in building awareness and understanding may show their real results only after a generation. Cooperation activities organized by ASEM, for example conferences and dialogues, seem to engage interested parties widely from different sectors of society as seen also from the example below.

The Barcelona Conference: "Connecting Civil Society of Asia and Europe: An Informal Consultation" (2004)

In order to enhance the linkages between the civil society and ASEM, ASEF co-organized with Casa Asia, JCIE and IIAS an informal consultation in 2004 under the title "Connecting Civil Society of Asia and Europe". With the aim to consolidate the engagement of civil society actors interested in Asia-Europe relations ASEF provided a platform for dialogue, with its most extensive event so far (187 participants from 27 countries). The participants

debated how ASEM could further promote the civil societies of Asia and Europe, how civil society actors could be better integrated in ASEM programmes and how civil societies' access to and representation in the ASEM process could be developed. The conference in Barcelona, sometimes cited as ASEM's response to the civil society critique, was open to all civil society actors interested in Asia-Europe relations: think tanks, universities, NGOs, trade unions, consumer organizations, media, cultural institutions and civil society resource organizations. Dialogue in the conference was divided into six thematic clusters which touched *inter alia* governance, human rights, and labour relations; environment, dialogue of civilizations, inter-faith dialogue and cultures; trade, social issues and migration and international relations and security issues.⁴²²

The conference formulated suggestions and recommendations that would increase public access to the policy-making level. The three key premises of the discussion were 1) identifying youth and education as priority targets, 2) understanding that dialogue of cultures and civilizations and religions concerns all and is not merely the responsibility of the states and 3) identifying ASEM as the key actor to achieve these goals. During the discussions at the conference three key messages emerged: the need to establish a social pillar in ASEM, the need to improve ASEM's transparency and the need to solve the Burma/Myanmar situation with a common ASEM position.

In the Barcelona Report the participants issued a list of general recommendations that were meant to challenge the leaders to engage the civil society in the process and to create a direct and regular link between civil society and ASEM officials. The participants stressed ASEM's role in supporting the participation of NGOs and policy advocacy groups in relevant ASEM meetings and emphasized ASEM's responsibility to foster civil society organizations' capacity-building and their participation in the People's Forum. In addition over thirty specific recommendations were introduced.⁴²³

ASEM has sometimes been criticized for using the Barcelona conference as a way to legitimate its role as the official representative of Asia-Europe civil society dialogue. Nevertheless, the Barcelona conference expressed a clear message from the wider civil

⁴²² The Barcelona Report: Recommendations from Civil Society on Asia-Europe Relations Addressed to the ASEM Leaders 2004.

⁴²³ *Ibid.*

society demanding a part in the official ASEM. It also expressed ASEF's interest to expand its activities in enhancing participatory democracy within the ASEM process. The Barcelona Conference managed to present a representative voice of the civil societies of Asia and Europe, which were evenly represented at the meeting. Sebastian Bersick describes the Barcelona Report as "...an example of citizens' political acting through direct participation in a civil society mechanism that deals with issues which interest them".⁴²⁴ He notes, that the Barcelona Conference reflects a developing socialization process between states and non-state actors within ASEM. The Asia-Europe civil society, formed with the help of ASEM and ASEF, is developing from a pre-political civil society to a political one. This also reflects the evolving role of ASEF. Bersick sees this trend as an indicator of the rising legitimacy of the civil society in ASEM.⁴²⁵

Yeo notes that the long list of recommendations and demands made by the Barcelona Conference reflect the difficulties of creating consensus among such a varied group of actors. Hence the results resemble a "laundry-list" of recommendations. She sees the real value of the conference in the connections established between different European and Asian civil society actors.⁴²⁶

The final Barcelona Report was distributed to the ASEM leaders and expected to be acknowledged at ASEM5 in Hanoi 2004. Neither the conference nor its final report was recognized at the Hanoi Summit.⁴²⁷ However, FMM7 in Kyoto did welcome the conference's proposal to hold a meeting of Labour and Employment Ministers.⁴²⁸

The European Commission has also tried to engage civil society actors in the ASEM dialogue. In 2003 it organized the Asia-Europe Consultative Seminar with Civil Society, which conclusions highlighted the need of a stronger political and social partnership by involving parliaments (national and European Parliament), labour ministers and trade unions in social dialogue. ASEM was also called to involve civil society in the development of a long-term perspective for the ASEM process.⁴²⁹

⁴²⁴ Bersick 2005: 9, 13.

⁴²⁵ Bersick 2005: 11-12.

⁴²⁶ Yeo 2004c: 1.

⁴²⁷ One of the reasons behind this was the limited, yet emerging, role of civil society in Vietnam. See for example Bersick 2005: 14.

⁴²⁸ FMM7 Kyoto Chairman's Statement 2005.

⁴²⁹ Asia-Europe Consultative Seminar with Civil Society, 2003 Brussels.

Parliamentary dialogue

Parliamentarians were not initially regarded as key ASEM actors. Over time they have, however, become part of the wider the Asia-Europe dialogue, although their role and impact on ASEM remains very limited as the parliaments cooperate outside the ASEM process. The European Parliament has organized inter-parliamentary dialogue in the framework of Asia-Europe Parliamentary Partnership (ASEP)⁴³⁰. ASEP sees itself as part of the Asia-Europe partnership process and describes itself as a forum for interparliamentary contacts, exchanges and diplomacy among parliaments and as a link between parliaments of Asia and Europe and ASEM and thereby as a contributor to the ASEM process and summits.⁴³¹ The latest ASEP Meeting in Hanoi 2004 decided to further institutionalize the process by holding biennial meetings, which provide ASEP declarations and recommendations to the ASEM summits. The parliamentarians have called for reinforced interaction between ASEP and ASEM and have even raised the idea of expanding the Asia-Europe Business Forum to parliamentarians and government officials.⁴³² The European Parliament considers the ASEP forum as a good channel to provide among other issues parliamentary guidance to Asian countries.⁴³³

Due to the special role ASEM takes in the EU's external relations, the European Parliament (EP) is excluded from the official process. Nevertheless, the European Parliament tries to impact the ASEM process by debating ASEM-related documents issued by the European Commission and by analyzing summit conclusions. As an active advocate for human rights, democracy and rule of law, the EP has called for clear commitments to these principles in the ASEM dialogue, and has also advocated the exclusion of any state that does not respect these. The Development Committee of the EP expressed its objection of Burma/Myanmar's participation in the ASEM process in 2004⁴³⁴. In addition the EP has recommended the ASEM partners to handle new security issues, environmental questions and regional conflicts, such as China-Taiwan. The EP furthermore supports the establishment of a Social Forum, promotes stronger civil society dialogue, and demands a clear role for itself and the

⁴³⁰ ASEP meetings have been held in Strasbourg (1996), Manila (2002) and Hue (2004).

⁴³¹ Draft Rules of Procedure of Asia-Europe Parliamentary Partnership Meetings (Second draft agreed upon by the ASEP Study Group at the meeting in Ho Chi Minh City on 11 April 2005)

⁴³² Declaration of the third Asia-Europe Parliamentary Partnership meeting, Hue City, Viet Nam, 25-26 March 2004

⁴³³ European Parliament 2005: Fact Sheets, 6.1.3.13 ASEAN and other countries in South-East Asia.

⁴³⁴ Europe Information 3.9.2004.

national parliaments of Asia in the ASEM process.⁴³⁵ The European Commission has supported the engagement of ASEM partners' parliamentarians to a regular debate within ASEM.⁴³⁶

Young parliamentarians have convened in informal meetings under the auspices of ASEF and thus have a more institutionalized link to the ASEM process. As the leaders of the future, they are considered as an important target group for building better mutual understanding between Asia and Europe. The objectives of the Young Parliamentarians Meeting (YPM) are to deepen the parliamentarians' understanding of current international issues, particularly in areas which affect Europe and Asia or where Europe and Asia can cooperate, to create a forum where they can exchange views and perspectives and to establish personal contacts and networks between the parliamentarians at the people-to-people level.⁴³⁷ Recently ASEF established an online forum, "Asia-Europe Inter-parliamentary dialogue", which provides a dialogue and cooperation platform for old and new YPM-participants. In addition the Asia-Europe Young Leaders' Symposium, originally formulated as a "youth exchange programme(s) of the mini 'Davos-type'" aimed to strengthen cultural links and mutual understanding, has been organized annually since 1997. Following the guidelines of ASEM5, the Symposium convened in 2005 (Beijing and Tianjin) under a new title "Young Political Leaders Forum".⁴³⁸

Labour issues and trade unions

Asian and European trade unions became involved in the Asia-Europe dialogue in 1996 when they presented a statement demanding an official link to the new ASEM process.⁴³⁹ The first workshop was organized in 1997 under the auspices of a German Friedrich-Ebert-Foundation. Since then the Asia-Europe Trade Union Forum (AETUF) has convened regularly. The European Trade Union Confederation (ETUC), participant of the AETUF, argues that issues related to employment policies, quality of jobs or the promotion of a strong social partnership are not handled adequately or are completely ignored in the ASEM process.⁴⁴⁰ The latest ASEM Trade Union Forum in 2004 Hanoi was attended by some 30

⁴³⁵ European Parliament 2000.

⁴³⁶ European Commission 2002a: 13.

⁴³⁷ Asia-Europe Inter-parliamentary dialogue 2006: About Asia-Europe Young Parliamentarians Meeting.

⁴³⁸ Asia-Europe Foundation 2005: About People-to-People Exchange.

⁴³⁹ Presented by the International Confederation of Free Trade Unions - Asian and Pacific Regional Organization (ICFTU-APRO).

⁴⁴⁰ Trade Union Memorandum to the Irish Presidency of the European Union.

union representatives from 12 ASEM countries (inc. International Confederation of Free Trade Unions, ETUC, and ILO). The meeting called for permanent Asia-Europe Dialogue on employment and labour issues, for an institutional framework or trade union consultation in the ASEM process and for strengthened social dialogue.⁴⁴¹

Several workshops and conferences have been arranged on Euro-Asian labour issues, the first was co-organized by ASEF in 1998 in The Hague.⁴⁴² ASEM4 acknowledged the social dimensions of globalization and the need for cooperation in the field of human resource development, education, employment and labour and endorsed the ASEM Workshop on the Future of Employment and the Quality of Labour. The first informal ASEM brainstorming “Future of Employment and the Quality of Work” convened in Beijing 2003⁴⁴³ and the second in Hanoi 2004 under the title “The role of Corporate Social Responsibility”⁴⁴⁴. The ASEM Employment Conference (“Future of Employment – a European-Asian Dialogue”), organized in Berlin 2004, brought together civil society organizations and government officials in a back-to-back meeting. The Chinese government participated with a large delegation reflecting the states widening approach towards civil society groups and social issues.⁴⁴⁵ Following the recommendations of the Barcelona Conference and FMM7, the first ASEM Labour Ministers meeting will be organized in Germany 2006. As the Asian countries represent an increasingly important market for European investments and trade, the development of the social dimension in Asia is also in the interests of Europe, but more tangible results have been called for. Cooperation in labour issues has been largely dependent on Germany and the Friedrich-Ebert-Stiftung.

4. Dialogue on cultures and civilizations

The initiatives taken in ASEM that fall under the “culture and civilizations” umbrella can roughly be divided into three sections: cultural heritage initiatives, dialogue on cultures and civilizations, and interfaith dialogue.

⁴⁴¹ European Trade Union Confederation 2006: Our Activities, ETUC and External Relations.

⁴⁴² Co-organized by ASEF, IAS Leiden and NIAS.

⁴⁴³ Co-organized by German Friedrich-Ebert-Foundation, the Federal Ministry of Economics and Labour and the Chinese Ministry of Labour and Social Security

⁴⁴⁴ Organized by the Vietnamese Ministry of Labour, Invalids and Social Affairs, the German Federal Ministry of Economics and Labour, and the FES.

⁴⁴⁵ Bersick 2005: 10.

Cultural heritage initiatives

Protection and promotion of local cultural heritage emerged on the ASEM scene at an early stage, when a first initiative was launched at the ASEM2 summit in London. A conference/seminar in May 1998 in the same hosting city was followed by an expert meeting in Vietnam which included the adoption of an action plan for the implementation of concrete projects from 1999 onwards. At this meeting in Hanoi on 21-22 January 1999, ASEM experts adopted an action plan for the Protection and Promotion of Cultural Heritage, which was endorsed at FMM. Concrete priority areas included the establishment of a Cultural heritage day, the establishment of an ASEM prize for cultural heritage activities, the creation of an ASEM internet site, the organization of training and training work sites, and the organization of seminars, workshops and conferences.

A Seminar on Cultural Heritage Training took place in Madrid on 5-7 June 2001. In the same year Vietnam and the Francophone Community of Belgium organized a seminar on cultural heritage and tourism, following up on the Action Plan of the First Cultural Heritage Experts Meeting which focused on the important influence of tourism on economy and heritage preservation. A broadened public commitment to the preservation of cultural heritage was discussed at a retreat session at ASEM4 in Copenhagen.

Dialogue on cultures and civilizations

Given the wide diversity existing not only between Asia and Europe, but also within each region, the dialogue on cultures and civilizations can be regarded as a highly important element of the ASEM process. A more meaningful dialogue and intercultural communication could certainly contribute to a better understanding of Asian cultures, and indirectly lead to better results in political debate as well as negotiations on business and investment. Yet higher emphasis on socio-cultural interaction and the inter-civilizational dialogue *per se* only appeared quite late on the ASEM agenda. The 2001 Communication from the Commission: Europe and Asia: A Strategic Framework for Enhanced Partnership in fact acknowledged the lack of progress in the field of intercultural dialogue. The document observed that mutual awareness has not evolved greatly, with Asia and Europe still stereotyping the other as introspective and old-fashioned, or distant and exotic, respectively. ASEM aims to counter

the Huntington scenario and promote “unity in diversity”, drawing on the dialogue and confidence-building character, specifically addressing the role of education, access to information and the involvement of civil society.⁴⁴⁶

Discussions on the effects of globalizations and the proclamation of the year 2001 as the “United Nations year of Dialogue among Civilizations” contributed to the higher priority given to the issue of inter-civilizational dialogue in ASEM during 2002, but more than anything it was the 9/11 attacks and the dominance of the overarching theme of terrorism at the ASEM4 summit that raised the topic’s profile. Dialogue on cultures and civilizations was suggested first in the “Updated non-paper by European ASEM partners on the possible main contents of ASEM4” in 2002. The proposal aimed to organize a special retreat session dealing with cultures and civilizations, focussing on the “unity in diversity” approach. This retreat session lacked a formal agenda, official statements, or determined seating, but instead centred on informal dialogue on common values in order to achieve deeper understanding and overcome stereotypes and prejudice. The concept paper on the ASEM Conference on Cultures and Civilizations (COCC) was endorsed at ASEM4, and was followed by the first conference held in Beijing (December 2003), based on an initiative by China, Denmark, France, Indonesia, Malaysia and Singapore. The Chairman’s Statement pointed out the following policy directions in order to tackle the concrete problem of overcoming and preventing stereotypes and prejudices: the need to expand cultural and educational exchanges, the importance of UNESCO instruments for international cooperation, the need to pursue the dialogue on cultural diversity, and the importance expose youths at an early stage to the diversity of cultures. ASEM5, Hanoi 2004, consecutively adopted the “ASEM Declaration on Dialogue among Cultures and Civilizations”, and, except for educational and cultural exchange, added the priority areas of promotion of creativity and exchange of ideas, the promotion of sustainable and responsible cultural tourism, the protection and promotion of cultural resources, and strengthening of ASEF. On 7 and 8 June 2005 the ASEM partners took part in the second Meeting of ASEM Ministers of Culture in Paris, ahead of and complementing work done in the UNESCO intergovernmental meeting which was held the same week (11 and 12 June). The workshops organized at the conference centred on the importance of exchange, the role of cultural industries, tourism, and culture as a factor of development, reflecting the main issues of the UNESCO meeting. A final declaration and a

⁴⁴⁶ Updated non-paper by European ASEM partners on the possible main contents of ASEM4. May 2002.

15-point action plan were the main outcomes. Concrete follow-up actions include Culture360, an Asia-Europe Cultural Web portal currently in the process of being set up by ASEF, an increased role for ASEF in developing the diverse projects, and more frequent meetings of Culture Ministers and Senior Officials. ASEF organized approximately 80 projects on a wide range of cultural activities as a follow-up to the cultures and civilizations dialogue⁴⁴⁷, in addition to a programme consisting of conference series, lecture tours and ASEF “Talks on the Hill”⁴⁴⁸.

Inter-Faith dialogue (Bali Declaration 2005)

The Bali Interfaith Dialogue Meeting, held on 21 and 22 July 2005 and sponsored primarily by Indonesia and Great Britain, brought together diplomats, scholars, journalists and religious leaders from the ASEM partners. The Bali Declaration on Building Interfaith Harmony within the International Community, adopted on 22 July 2005, aims to translate commonly shared values of peace, compassion and tolerance into practical actions in the fields of education, culture, media, and religion and society. In the sidelines of the Interfaith Dialogue, ASEF organized a civil society leaders brainstorming seminar on “tackling imported conflicts” and a Journalists Colloquium.

5. Other issues

Throughout the ASEM process the partners have discussed and endorsed various, miscellaneous activities and initiatives which fall more or less under the third pillar. The main themes of these activities include science, technology and globalization.

Following the dialogue on science and technology of both ASEM1 and ASEM2, a Ministerial Conference on Science and Technology was organized in 1999 in Beijing.⁴⁴⁹ The Ministers called for improved communications and networking between scientific communities and identified research of sustainable and equitable development and globalization as key themes

⁴⁴⁷ Cho 2005.

⁴⁴⁸ These brainstorming sessions on sometimes sensitive topics relevant for Asia and Europe have focussed on cultural tools as means of forging human interaction with nature, the relationship between religion and state, and the influence of the media on foreign policy and public opinion.

⁴⁴⁹ Cooperation in the field of science and technology was identified as a key objective in AECF1998.

of future dialogue. Science and technology were also linked to environment and sustainable development as recommended already by the Madrid European Council in 1995.⁴⁵⁰

Perhaps the most well-known ASEM science and technology project is the Korean-French Trans-Eurasian Network (TEIN), endorsed at ASEM3. The TEIN, operational since 2001, provides a direct link between Asian and European research and education networks. The initial TEIN project has been complimented by the TEIN2 (expected to be operational in 2006), a joint project of Commission and DANTE (Delivery of Advanced Networking Technology to Europe) aimed particularly on Southeast Asian nations.⁴⁵¹

Cooperation in the field of ITC was first initiated at ASEM2, but the Asia-Europe Information Technology and Telecommunications Programme (AEITTP), was only later reformulated in ASEM3 to the one-time "Seminar on Information and Telecommunication Technology" (Bangkok 2001). The Belgian-Singaporean initiative on e-commerce and logistics seminar, endorsed at ASEM3, was taken up by Korea and Finland: the first ASEM Seminar on Electronic Commerce was organized in Seoul (2001), and the second in Helsinki 2002, which focused on reaching common principles and objectives for the facilitation of e-commerce. The latest ASEM Conference on e-commerce was organized in London 2005, where 400 participants from Europe and Asia gathered to discuss paperless trading, tackling spam, e-logistics, e-learning and e-health.⁴⁵² South Korea has also organized an ASEM Workshop on Cyber Security in 2005.⁴⁵³

The ASEM dialogue on globalization has mainly focused on the economic aspects of the phenomenon, although ASEM partners address issues and phenomena related to globalization in various other dialogues. The roles of public authorities and private actors in economic and social progress were raised in Copenhagen at the Korean-Danish conference "State and the Market" in 1999. The ASEM Round Table on Globalization was held in Korea (2001) and the problems of unequal digital opportunities were discussed at the ASEM Seminar on Digital Opportunity" in 2001.⁴⁵⁴

⁴⁵⁰ Information Technology Cluster (European Commission 2002b); ASEM Science and Technology Ministers Meeting Ministerial Communiqué 1999.

⁴⁵¹ Trans-Eurasia Information Network 2005.

⁴⁵² ASEM London: 4th Conference on E-Commerce (2005).

⁴⁵³ Asia-Europe Vision Group 1999.

⁴⁵⁴ Globalization Cluster (European Commission 2002b).

There are still several ASEM initiatives that do not fall under the above mentioned clusters or pillars. Many of these initiatives, initiated at the first ASEM summits, were either one-off events or endorsed but never realized, reflecting the problems of the early ASEM process. The topics of these initiatives are varied: railway networks, megacities, and public management.

6. Assessment and concluding remarks

ASEM was initially perceived as a top-down process and as an informal dialogue forum for heads of state and government. As the initial key motivation of the cooperation was to enhance economic relations, social/cultural issues were left in the shadow of the economic and financial dialogue. Therefore cooperation in the third pillar was miscellaneous and without a clear focus. Over the years social/cultural dialogue has started to address significant current challenges and expand from culture and education to social issues such as labour, employment, and globalization. Nevertheless, it still remains limited in scope and effectiveness. As the informal top-level event in Bangkok 1996 has now developed into a series of regular meetings and processes, civil society groups, trade unions and parliaments have raised the question of ASEM's representativeness and accountability to the citizens of ASEM countries.

The initial expectations of the European partners regarding ASEM cooperation in the third pillar covered a wide range of issues starting from human resources and developmental cooperation.⁴⁵⁵ Some of the fields identified by the 1995 Madrid Council as “cooperation in various fields” have been moved over the years to the political dialogue, including issues related to combating drugs and illegal activities. Promotion of business cooperation is handled by the economic dialogue and the AEBF. Following the Madrid Council's recommendations the partners have managed to strengthen educational contacts, youth and student exchanges. Cultural contacts and exchange of information on each other's cultures have been realized mostly by ASEF. Regarding technology cross flows the dialogue has been rather limited, although in the field of e-commerce cooperation seems to have been taken off in the past years.

⁴⁵⁵ Madrid European Council 15-16.12.1995.

Since its establishment the Asia-Europe Foundation has strived to fulfil the key objectives of ASEM cooperation: mutual awareness and better understanding between Asia and Europe through its own mandate (intellectual, people-to-people and cultural exchange). ASEF has organized various successful activities and projects aimed at developing intellectual, cultural and people-to-people exchanges. The ASEFUAN alumni network, established by former ASEF University participants, can be raised as one concrete example of ASEF's ability to function as a facilitator of Euro-Asian people-to-people networking and intellectual exchange⁴⁵⁶. The informal, track-two level dialogues in the field of inter alia human rights and environment can be raised as another area of important cooperation. Linking academia to ASEM is beneficial for informal dialogue and analysis, particularly in areas where some governments may be under-prepared.

ASEF has also taken steps that imply an emerging trend to facilitate wider Euro-Asian civil society dialogue and cooperation, as seen at the Barcelona Conference in 2004 and in its plans to co-organize another connecting conference in Helsinki at the time of the ASEM6 summit, which would bring together the civil society, business and ASEM officials to interact. These recent developments suggest that ASEF is perhaps elaborating its function as a facilitator of the Asia-Europe dialogue. It also shows that ASEF, as recommended by ASEM5, is aligning its activities with the official ASEM and trying to highlight the ASEM process through its own activities.

While recognizing the role of ASEF as an implementer of ASEM objectives, the official level should also respect ASEF's role as a contributor to the high-level dialogue. Therefore the linkages between ASEF and ASEM should be clarified and important dialogues organized by ASEF should be enabled to contribute to the official ASEM process⁴⁵⁷.

The Asia-Europe civil society groups, organized outside the official ASEM process have had a limited impact on ASEM. Although both AEPF and AETUF have managed to enhance Euro-Asian cooperation and dialogue in their respective fields, their demands have been largely ignored by the official process. ASEM has lacked a clear and accountable relation to

⁴⁵⁶ The Network publishes the online academic journal "Asia-Europe Voices", and organizes the Culture Capsule project for pupils, as well as Model ASEM events. ASEF University Alumni Network 2005: Projects.

⁴⁵⁷ There are some cases where ASEF contributions have been delivered to the official ASEM, for example the conclusions of ASEF Seminar on Migrations were represented to the ASEM Ministerial Conference on Cooperation for the Management of Migratory Flows between Europe and Asia in Lanzarote 2002.

the national parliaments of ASEM partners and the European parliament. Only the young parliaments have been engaged in the process through ASEF. The Asia-Europe Interparliamentary Partnership and the European Parliament have had limited impact on the official ASEM, as seen in the case of Burma/Myanmar's accession to ASEM, opposed by the European Parliament. A clarification of ASEM's role vis-à-vis civil society would develop ASEM into a more democratic, participatory process. A meaningful, sustainable engagement of different civil society groups would enhance ASEM's visibility and increase awareness and feeling of ownership in the ASEM countries.

Concerning ASEM's accomplishments in addressing cultural issues and civilizational dialogue, three points stand out. First and perhaps most importantly, the ASEM Conference on Cultures and Civilizations (COCC) can be seen as instrumental in rallying support for and achieving a common standpoint on the UNESCO draft convention on cultural diversity. The Hanoi Declaration on Dialogue among Cultures and Civilizations already included a generally-formulated recognition of the right of States to develop public cultural policies and preserve and develop cultural resources. This evolved into "the desire of many countries in Asia and Europe to give full consideration to the distinct nature of cultural goods and services, both by affirming the right of states to establish policies to protect and promote this diversity and by strengthening cooperation between developed and developing countries", as adopted by the Ministers of Culture in the Chairman's Declaration and fifteen-point Action Plan of the CMM2. The meeting and its results can in turn be evaluated as an important step toward adoption by the UNESCO General Conference of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions, approved on 20 October 2005 after two years of negotiations. The convention determined, for example, that cultural industries should be considered as exceptions to free trade rules and that governments are legally allowed to maintain subsidies and quota to promote the national industry, a decision which met with strong US resistance. Though there is no concrete means to measure its weight, work done in ASEM meetings may have had an impact reaching common ground in Euro-Asian relations on a policy in order to cope with the fact that "...cultural uniformity is no mere bogeyman but a real threat."⁴⁵⁸

⁴⁵⁸ M. Renaud Donnedieu de Vabres. Opening Address for the Second ASEM Culture Ministers' Meeting. Paris, June 7th 2005.

Second, the relatively recent focus on culture ties in with the importance of cultural diplomacy and its link with power politics, in particular the possibility to establish “ASEM soft power” which could result from deeper inter-cultural understanding.⁴⁵⁹ The dialogue on cultures and civilizations is seen as instrumental in “easing the growing tensions between ‘Western’ and ‘Oriental’ culture”⁴⁶⁰, not unlike the perceived tension and possible clash between European and Asian civilizations a decade or longer ago. At the same time, the initiative to hold a retreat session on “Culture and Civilizations” at ASEM4 has been criticized as a “refuge for unanimously agreeable discussion”⁴⁶¹. However, the events of 9/11 and its aftermath, and more recently the “clash of cultures” ignited by the publication of Danish cartoons satirizing the Islam, have shown that deepened intercultural communication and attempts to promote cross-cultural understanding are important factors in dealing with the effects of globalization. The Interfaith Dialogue in particular tried to tackle the undue use of religion to justify wars and terrorism.

Third, culture and values are also at the heart of a dialectic process between Europe and Asia. The emphasis on Asian values in the context of a growing Asian community consciousness can partly be seen as a direct result of Europe’s view of East Asia as a cohesive regional bloc and treating the region as a separate negotiating partner within ASEM (in other words the EU and the “Asian Ten” come to recognize each other as “Europe” and “Asia”)⁴⁶². The Asian values debate has stalled after the Asian economic crisis, and Europe’s recognition of the existence of an encompassing Asian identity has all but disappeared, leading to an increased stress on diversity, but the fact remains that Europe’s initial attitude may have contributed to an increase in Asian regionalism, and forced Asians to cooperate after the crisis. The recent East Asian Summit in Kuala Lumpur in December, though short and only leading to an agreement to hold further talks on trade and security, is a sign of this burgeoning “New Asianism”. It remains to be seen, however, in how far the Japan-China rivalry (visible in the cancellation of bilateral talks at the summit) and the immense diversity (the summit was attended not only by ASEAN+3 but also by Australia, New Zealand and India) can build on a consciousness of an Asian community in order to forge a future political and economic alliance.

⁴⁵⁹ Reiterer 2004a: 367.

⁴⁶⁰ *Ibid.*

⁴⁶¹ Gilson 2004b: 68

⁴⁶² *Ibid.*: 73. According to Gilson “interregionalism has led to regionalism”.

CHAPTER V

ASEM as a Part of the EU System

1. Introduction

It is a general understanding that the EU – unlike the Asian community in ASEM – forms a more or less unitary “region” in the ASEM process with clearly coordinated goals and interests. This understanding has given reason to the argument that the Asian partners could learn from the EU regarding the level of their internal community-building. On the other hand, one of the most frequent criticisms directed at the European dimension of ASEM relates to the weak commitment to the process and its principles shown in European capitals. This seems to be in contradiction with the first assumption in the sense that if the EU would function in the ASEM as a collective actor, one would have good reason to believe that its commitment would be firm. All the official documents stress the importance of relations with Asia and the role of ASEM is widely recognized as the political accelerator of these relations.

The purpose of this chapter is to take a closer look at the role ASEM takes in the EU’s political and institutional system. If ASEM came into being as a result of the new recognition of Asia in the EC’s policies – and the transformation of the EC into the EU enhanced the possibilities for common external policies – why is this not reflected in the EU’s contribution and commitment to ASEM? Or what are, in general, the possibilities of the EU member states to conduct a common policy vis-à-vis the ASEM process? The chapter starts with an introduction to ASEM’s role in the EU’s institutional system and to the challenges emanating from it. Then, a brief assessment of the political challenges behind the formulation of a common policy – and of the differences in the policies and points of emphasis of different member states – will follow.

2. ASEM in the overall EU-Asian relations

It is a challenging task to sum up the position ASEM takes as a part of the EU system. ASEM forms one element of those interregional structures of cooperation where the EU and its member states participate. The EU maintains a permanent dialogue with a number of groups

of states in Africa, Asia, Latin America as well as in Europe.⁴⁶³ These dialogues are very different as far as their forms of cooperation and institutional mechanisms are concerned. They comprise different models also with regard to the structure of participants. In some dialogues –such as those with the Rio group or the Mercosur – the EU takes part as a collective actor through its representation by the Commission and troika.⁴⁶⁴ Other dialogues, again, involve all the individual EU members separately. ASEM and the EU’s meeting with Latin American and Caribbean states, however, form the only two cases where a state-to-state concept is applied at the head of state/government level. There are also extensive differences in how policies are being prepared under the political level of participation.

ASEM forms one particular part of the overall EU-Asian –relations. The EU’s relations are, first, conducted in the form of a multilateral dialogue with two regional Asian organizations, ASEAN and SAARC. In the first dialogue, the individual member states of the EU participate at the ministerial level meetings whereas in the dialogue with SAARC the EU is represented by the troika. In addition to these bloc-to-bloc dialogues, the EU’s relations with Asia are conducted at the bilateral level. The EU has intensive bilateral relations with a number of individual Asian countries. Different types of institutional and political practices characterize even the conduct of bilateral relations.

A general characteristic of the conduct of all relations with Asia is that the political and institutional practices follow the logic of the EU’s pillar system and the division of external relations into the “first pillar” relations covering above all economic and development policies (and in general, all other EU competences within external relations with the exception of the CFSP) and into the “second pillar” issues covering the common foreign and security policy (CFSP). This division is reflected in the conduct of EU-Asia relations in the sense that the Commission is – in general - the key actor as far as the economic and development policy issues in these relations are concerned. In the Commission, responsibility

⁴⁶³ The EU’s dialogue partners cover for instance the African, Caribbean and Pacific group, the Southern African Development Community, the African Union, the Intergovernmental Authority and Development, Association of South East Asian Nations, Asia-Europe Meeting, South Asian Association for Regional Cooperation, Organization for Security and Cooperation in Europe, EFTA, Council of Europe, Countries of South Eastern Europe, Andean Community, Central American States, Rio Group, Mercosur, Latin America and the Caribbean, Gulf Cooperation Council and Euro-Mediterranean Partnership.

⁴⁶⁴ Troika refers to the mode of representation in the EU’s common foreign and security policy, where the EU is represented by the Presidency in office, the Council Secretariat and the European Commission. The troika can be assisted by the member state holding the next presidency. The troika takes place at different levels of representation depending on the context.

of these relations is divided between the external relations directorate general (RELEX), directorate general trade and Europe-aid cooperation office. The political dimensions are dealt with as a part of the CFSP which means that the High Representative of the CFSP, the Council Presidency and the troika form the key forms of leadership and representation. EU-Asian relations are prepared in the Council working group for Asia and Oceania (COASI) which is a working group dealing both with economic and CFSP matters.

ASEM has to be seen as a particular form of cooperation between EU members and specific Asian countries. It completes the other forms of multilateral and bilateral cooperation mentioned above. But – as it comprises only the ASEAN countries plus Japan, China and the Republic of Korea – it includes only a part of those Asian countries with which the EU has an on-going relationship in other frameworks. The European motives behind the establishment of ASEM were both economic and political. The earlier relationship with ASEAN and the trends in world economy in the early 1990s are (see chapter 1), however, reflected in ASEM's partnership structure. In any case, it has to be taken into account that irrespective of its name "The Asia-Europe Dialogue" ASEM accounts only for a very specific geographical part of these relations in a very specific format. The successes and failures of ASEM – as a part of the EU system – cannot therefore be analysed without paying attention to the way this dialogue fits to the overall system of EU-Asia – relations.

As was shown above, the EU's relations with Asian countries – both multilateral and bilateral – are essentially conducted on the basis of the normal external relations mechanisms of the Union. ASEM was, however, not established to serve the normal day to day functioning of these relationships but to enable an informal top level dialogue among leaders of the EU countries and ten Asian countries. The partnership structure reflects this goal as well as the informal character of ASEM lacking any formal legal base. The individual EU members are partners of ASEM and not the European Community which normally represents the EU members in formal external relations comprising legal commitments.⁴⁶⁵ The European Commission is another partner but not in its normal external relations capacity of representing the member states in first pillar matters (through the European Community) but more in its own capacity of an important actor in the general EU-Asian relations.

⁴⁶⁵ EU-ASEAN –relationship is based upon a co-operation agreement (1980) between the EC and the ASEAN member countries. In addition, there is a political dialogue where the separate member states of both organizations as well as the Commission (as the representative of the EC) participate.

The specific character of ASEM reflects itself in the position it takes in the EU's institutional set-up. As an informal political dialogue, ASEM forms basically a state-to state structure, where the EU member states participate in their own capacity. This is reflected in the structure of ASEM's key functions – summits and ministerial meetings – where individual member states and the Commission participate.⁴⁶⁶ The coordinating role is carried out by one composition of the ministerial meetings – the foreign ministers assisted by their preparatory body, the senior officials (SOM).

The EU's role as a collective actor – and the fact that in many other contexts of EU-Asia – relations the EU functions on the basis of a common policy – is reflected in other dimensions of ASEM arrangements. ASEM coordinators which are nominated by both regions themselves give in the EU's case expression to the more normal external relations system. The Commission and the Council Presidency being the two coordinators in the EU's case implies a clear linkage to the roles taken by these two institutions in such fields of external relations which belong to the EU's competences. The two institutions that for the EU's part carry out the task of coordinating and administrating ASEM-issues are, consequently, the same that coordinate and administrate general EU-Asia –relations. A clear linkage to the formal EU-Asia relations can also be seen in the fact that issues related to ASEM are along with other Asian policy issues prepared in the Asia-Oceania Group (of the Council's working bodies).

That ASEM differs from formal EU-Asia relations can again be understood from the details. First, the division of labour among the two European coordinators is not the same as it is in other parts of EU-Asia relations. The Commission's role is not limited to the (EU's) first pillar issues in ASEM only but covers the whole range of ASEM issues. This implies an unusual division of labour among the two bodies. A third body of representation and administration which in normal parts of external relations is to be found among the Commission and the Presidency is missing from ASEM, i.e. the Council secretariat and the all the more powerful chair of the High Representative of the CFSP established by the

⁴⁶⁶ Usually the Commission has been represented by its President. In the Hanoi Summit in addition to the Commission President Romano Prodi, the Trade Commissioner Pascal Lamy participated.

Amsterdam Treaty. The role of the latter is unclear at the moment as the Asian partners of ASEM have not accepted his participation in ASEM Summits.⁴⁶⁷

Contradictory views seem to exist regarding the factual role taken by the Commission. It has been pointed out that the fact that the Commission forms the only permanent body among ASEM's coordinators has been an asset to it.⁴⁶⁸ The Commission serves as ASEM's historical memory and point of continuity for the European as well as Asian partners. On the other hand, the Commission has been criticized for its weakened contribution in ASEM, for instance as far as the number of staff assigned to ASEM issues is concerned. In the Commission, only one civil servant in RELEX is in charge of ASEM and this applies also to the preparation of the biennial summits.

Even if ASEM issues are in the Council system – in institutional terms – dealt with very much like any other issues of EU's Asian policy, there are clear differences in the detailed handling with them. ASEM's informality and state-to-state character is reflected in a process which is less oriented towards producing a common policy – or common understanding in different issues – than processes applied in other contexts of Asian policy.⁴⁶⁹ It has for instance been pointed out that in principle, the various EU leaders are free to choose the contents of their summit contributions even if some coordination of the themes might take place in the council system.⁴⁷⁰ On the other hand, there are of course a number of issues relevant also for ASEM, where common positions among the EU members have been formulated in other contexts of Asian policy. The role of Burma can be mentioned as one topical example. According to the provisions of the CFSP, EU members will have to respect common positions in all fields of their own policies. This means that irrespective of the particular and state-to-state character of the ASEM process, there are clear constraints on the individual policies of the EU members, which, in fact, in many respects are bound to common positions.

Finally, one more difference between ASEM and the ordinary parts of the EU's external relations is that ASEM is excluded from the competences of the European Parliament. In

⁴⁶⁷ Reiterer 2004b: 5.

⁴⁶⁸ *Ibid.*: 4; Bersick (2002c) refers to the "quasi right of proposal" that the Commission is understood to possess on the European side.

⁴⁶⁹ For example, the agenda of the Hanoi Summit was only superficially dealt with (interviews).

⁴⁷⁰ Bersick 2002c.

general, the EP's role is stronger in the first pillar external relations whereas in the CFSP the EP doesn't have any legally binding powers over council decisions. Taken into account the stronger intergovernmental character of the CFSP, its parliamentary control is seen to become fulfilled through national parliamentary systems. Concerning ASEM, the Commission's working documents on the perspectives and priorities for the ASEM process have been discussed in the EP's committees which have given a report on them.⁴⁷¹ The Asia-Europe Parliamentary Partnership was established to enhance the parliamentary participation and it involves the national parliaments and the EP.

Institutional development in other regional dialogues

The EU's regional dialogues have changed their format and institutional structure partly as a reflection of the changes taking place in European integration. In general, "regional dialogue" in the EU's terminology refers to a relationship which covers both economic and political elements. From the point of view of the EU's institutions this means that the institutional mechanisms of the first pillar as well as the second pillar are involved. Broad regional dialogues – like those with Asia (ASEM), Mediterranean countries (EUROMED) or Latin American and Caribbean states (LAC) – are a reflection of the EU's post-Maastricht policy and of the new phase adopted by its external policies due to the Maastricht treaty.

In order to analyse and compare the Union's regional dialogues, a distinction has to be made between "formal" regional dialogues, i.e. dialogues which as far as their objectives and forms are concerned are based upon a treaty among the partners and informal dialogues. ASEM along with the two broad dialogues mentioned above, EUROMED and LAC, all lack a treaty basis. The political basis of EUROMED, i.e. "the Barcelona declaration" forms the most detailed and treaty-like document of the constitutive instruments of the three processes. For ASEM's part this role belongs to the AECF. The LAC dialogue was established by 1997 Conclusions of the European Council meeting in Amsterdam. A common characteristic of all the three dialogues is that they are not pure region-to-region dialogues. As far as ASEM and LAC are concerned, it is question of the extension of a region-to region process into a more extensive dialogue. In the Asian case, the starting point was the EU-ASEAN relationship and in the case of LAC it was the EU's relationship with the Rio group. Both of these original region-to-region relationships are based upon a treaty among the parties.

⁴⁷¹ See for example A5-0207/2001.

Practices vary as far as the political and institutional structures of regional dialogues are concerned. ASEM and LAC have common characteristics also in the sense that they are both led by summits at the heads of state or government level. In this respect they form a minority as a major part of these dialogues are led from the ministerial level. In addition to the two dialogues mentioned, only the very recently launched summits between the EU and Africa take this top level. For the time being, it is unclear whether the EU-Africa summits will continue. In addition to these multilateral dialogues, summits at the top level form the practice in the Union's bilateral dialogues for instance with the United States, Russia and Ukraine. But these dialogues differ essentially from the three multilateral dialogues in the sense that the EU is represented by its normal collective representation. This means that the presidents of the European Council and the Commission represent the Union at the summit level and the troika format at lower ministerial and civil servant levels.

The EU's mode of representation – and the institutional practices related to a regional dialogue for the EU's part – depend decisively on the type of outcomes the dialogue produces. The more binding decisions a dialogue is set to achieve, the more the EU is involved as a collective actor on the basis of the structures for common policy-making. The EU's bilateral relations with major historical partners, the US and Russia as well as with some important new neighbours such as Ukraine can be mentioned as examples of relationships which are dominated – at all levels of the relationship – by the troika format of representation on behalf of the EU. In the EU-ASEAN dialogue the EU participates in the format of 25 member states at the ministerial level, but at the senior official level in the ASEAN-EC Joint Cooperation Committee the EU is represented by the Commission.

Even the structures of EUROMED and LAC differ from those of ASEM. ASEM and LAC have the summits and all three have ministerial meetings, where the 25 EU members participate.⁴⁷² While ASEM and LAC meet also at a lower level in a state-to state constellation (the SOM meetings), in the EUROMED the EU is represented by a troika throughout its preparatory system (Euro-Mediterranean Committee as a horizontal body covering both I and II pillar issues and other meetings in the CFSP). The institutional practices of ASEM and LAC differ from each other in the sense that due to the more binding

⁴⁷² In practice all the 25 EU member states have participated at the top level neither in the ASEM nor in the LAC summits (only 15/25 in the latest LAC summit and 10/25 on the ASEM summit in 2004).

character of conclusions of the EU-LAC summits the EU states' positions are better coordinated in the Council system. In ASEM, the corresponding document concluding the summits – the presidency's statement – is less binding which means that its contents are less coordinated among the partners in general and this applies also to coordination in the EU.

3. ASEM - institutional challenges in the EU

The greatest challenges to which ASEM's role in the EU's institutional system gives cause seem to be linked with its ambiguous character. ASEM seems to take a role in between a pure state-to-state structure and a part of the EU's common external relations. This ambiguity is in part a result of the constitutive decisions due to which ASEM was – as a state-to-state structure – planted among the communitarised (first pillar) or at least semi-communitarised (second pillar) structures of the EU's external policies comprising also the overall EU-Asia relations. The motive for keeping ASEM separate from the other structures of the EU's Asia policy dealt with its informality and with the Asian resistance of its bloc-to-bloc characteristics.

It seems, however, to be a challenge to maintain such a different – essentially state-to state – structure in a situation where a growing number of issues in the EU's relations with Asia at the same time are dealt with as parts of the EU's common policy.⁴⁷³ ASEM's ambiguity can also be seen to have strengthened during its existence due to the fact that a clear deepening of the EU's external relations has taken place during this period. This deepening comprises the structures and institutions of policy-making as well as the material scope of the EU's external relations. The changes implied by the Amsterdam treaty, which entered into force in 1999, were decisive both as far as the institutions and instruments of the common external policies are concerned. The profile and visibility of the EU's external relations was strengthened by the establishment of the function of the High Representative of the CFSP. This lightened the portfolio of the Council Presidency in representing the CFSP and led to changes in the format of troika. A still more powerful change took place through the creation of the crisis management capacity to the EU. The incorporation of the so called "Petersberg tasks" into

⁴⁷³ In other parts of the EU's interregional dialogues, state-to-state constellations have been gradually replaced by the EU's collective representation with the result that ASEM and LAC remain as the only two cases where the member states of the EU are individually represented at the head of state/government level.

the treaties launched a process which later on led to the construction of both a military decision-making system and military capabilities for the EU.

At the same time as the structures of common policy have been strengthened, new issues have been included into its scope. Examples of such fields in the EU's external relations which have gone through a decisive deepening of the common policy since the mid 1990's cover the EU's Mediterranean relations, the EU's relations with Russia and the EU's relations with states part of the former Soviet Union.⁴⁷⁴ As far as the EU's relations with Asian countries are concerned, a lot of new steps have been taken for the deepening of these relations both in bilateral and multilateral context. The EU has deepened its political dialogue with individual Asian countries as well as expanded its trade and investment relations. The EU has also become involved in the Asian Regional Forum (ARF), where it is represented by the troika.

From the EU's point of view, the informality and state-to-state character of ASEM on the one hand and the ever deepening of the EU's common external policies on the other seem to form an contradiction in ASEM. This contradiction will affect the possibilities to develop ASEM. The lack of concrete – and legally binding – results is often mentioned as one of the reasons behind ASEM's low profile in Europe and the weak commitment of European governments to it. But on the other hand, the development of ASEM into the direction of a formal negotiation forum with legally binding instruments would demand a change in the EU members participation and representation as one would then necessarily enter into the field where the EU's competences apply. The possibilities for a further development of ASEM as an informal dialogue forum thus seem to be quite limited from the European point of view. This is one of the reasons why the EU members in the context of other regional dialogues have moved from a state-to-state representation to the EU's collective troika representation.

The Impact of the Treaty on European Constitution

The changing institutional structures as well as the changing scope of the EU's external relations have affected the conduct of the EU's regional dialogues. As the treaty on European

⁴⁷⁴ The Euro-Mediterranean Partnership was launched in 1995. It forms the framework for EU's relationship with 12 states in North Africa and Near East. The EU's relations with Russia and with Ukraine were given more concrete content through the Partnership and cooperation agreements concluded in late 1990s. The EU has even adopted a common strategy on relations with both countries. A partnership and cooperation agreement forms the basis for the EU's relationship with former Soviet republics in central Asia. The EU's neighbourhood policy adopted in 2004 deepens the EU's common policy *vis-à-vis* these states.

Constitution would imply major changes in the EU's external relations setting, there is reason to briefly deliberate upon its impact on the ASEM dialogue. Even if there is unclarity about the possibilities of the treaty to enter into force, the changes it brings to the Union's external relations are most likely to see daylight sooner or later. First, these amendments have not figured among those treaty elements which have been opposed in the political campaigns or by the European public in general. And second, they are to a large extent changes which are crucial for the efficiency of a further enlarging EU.

The constitutional treaty will promote a further unification of the two parts of the EU's external relations – the economic relations and the CFSP/ESDP – which currently are separate as far as their objectives as well as institutional systems are concerned. The treaty will first confirm the EU's legal personality. It will furthermore bring all external policies of the EU under a common list of principles and objectives.⁴⁷⁵ The unification will be furthermore promoted by the abolishment of the current pillar system; i.e. the institutional division of external relations among I and II pillar issues. The treaty leads to the harmonization of the Union's instruments and brings the normal I pillar legal instruments also to the CFSP.

As far as decision-making and representation is concerned, the new treaty brings the currently separate parts closer to each other. The CFSP/ESDP maintains its intergovernmental mode of decision-making which implies that the European Commission, the EP and the European Court of Justice have less powers than in the I pillar economic policies. But a common function, the Union Minister for Foreign Affairs (UMFA), is created in order to lead and represent common external policies in the whole field of it. The UMFA is supported by an administration and a network of the EU's representations in third countries. An additional new leader figure, the European Council President, which will be a permanent function instead of the current rotating presidency, will be in charge of external relations representation at his or her level. An additional change in the rotating system of council presidency transforms the system based on six month periods of individual member states into 18 month team presidencies where the team consists of a group of three member states.

⁴⁷⁵ See Treaty on European Constitution, art. I-7 and III-292.

At this stage it is, of course, premature to assess in detail, how the changes mentioned above would affect the leadership and preparation of ASEM issues. It is at least highly likely that the role currently taken by the Commission would be affected by the merger of the functions of the current RELEX commissioner and that of the High Representative of the CFSP – including parts of their administrations – into the function of the Union Minister of Foreign Affairs. The whole coordination system of ASEM would need to be reconsidered as transfer into team presidencies would furthermore challenge the current system. An additional pressure towards ASEM's state-to-state character at the summit level would grow as it would be difficult on the EU side to bypass the European Council President as an additional top-level participant.

The constitutional treaty, once it enters into force, would likely have also more indirect consequences for the European management of ASEM. By weakening the tasks of council presidency in external relations and centralising them more and more into the function of the Union Minister for Foreign Affairs and his administration the treaty would harmonise the conduct of the EU's political dialogues. This would imply for example that the troika format of representation would be replaced by the minister and his administration including also the common external service. The treaty would also unify the Union's representation in treaty negotiations. These changes might increase pressures also towards those dialogues which still rely upon a state-to-state structure.

4. The Political Challenges of ASEM

In spite of all the progress achieved in integrating the EU members' external policies national differences still clearly come to the fore as far as the key orientations and points of emphasis in their foreign policies are concerned. These differences are reflected also in the role ASEM takes in the policies of various European partners.

In general, France and Germany are of the EU's large member states seen to be most committed to the ASEM project whereas the three others, the UK, Spain and Italy have been argued to adopt a more ambiguous policy.⁴⁷⁶ Many of the EU's smaller member states have lacked strong Asian policies with the exception of Portugal and the Netherlands which due to

⁴⁷⁶ See for example de Prado Yepes 2005: 31-33; Gilson 2002b and Bersick 2002c.

their histories have strong connections to several Asian countries. It has also to be kept in mind that the launch of ASEM coincided with a number of other important projects on the EU's agenda. Austria, Finland and Sweden had just joined the EU and were just about to get adapted to the Union's common policies and institutional processes. The EU was intensifying its relations with many states and regions including Russia and other former Soviet republics as well as the Mediterranean countries and the future EU members in East and Central Europe.

Both Germany and France were the important driving forces on the European side behind the establishment of ASEM. Germany was responsible of the original initiative for the intensification of relations with Asia by issuing its "Asienkonzept" in 1993. The reasons for an increasing German interest in Asia were both economic and political. On the one hand, the economic dynamism of Asia and the ever growing international competition was at the background of the German policy. But on the other hand, the political aspiration to consolidate the position of Germany in a post Cold War order has been mentioned as an equally important reason.

France again gained a key position as the idea of launching ASEM was advanced with the support of the French government and during its EU presidency. In France the Euro-Asian relationship is – in addition to its economic assets – seen as an important counterforce to the increasing US hegemony. This very quality of ASEM, i.e. the capacity of bringing Europe closer to Asia has been seen behind the more reluctant British attitude towards this cooperation.⁴⁷⁷ Also the priorities of Spanish foreign policy had traditionally been in other directions. The EC had, consequently, in the immediate aftermath of the Spanish and Portuguese EU memberships intensified relations both with Latin America and North Africa.

Only a few of the smaller EU members had a well established Asian policy before ASEM was launched. Similar to the EC in general, relations with Asian countries had been dominated by economic issues. As de Prado Yepes shows, ASEM has contributed to a stronger emphasis placed on the Asian policy of many smaller EU members.⁴⁷⁸ It has also provided a new forum for regional participation to the newest EU members joining the Union in 2004.

⁴⁷⁷ Gilson 2002b.

⁴⁷⁸ de Prado Yepes 2005: 33-34.

The EU members' commitment to ASEM has been affected by different factors. As far as attendance in ASEM meetings is concerned the EU's record shows low levels of commitment as well as of political problems in the EU-Asia relationship. The first Asia-Europe meeting was attended by only eleven of the fifteen heads of state and government from the EU's side and the president of the Commission. Denmark, Greece, Spain and Sweden were represented at the ministerial level as a reaction to a disagreement that had emerged among Asia and Europe about the role that human rights issues should take on the agenda.⁴⁷⁹ The second ASEM summit in London was attended by all the fifteen heads of state and government from the EU countries and even the third meeting arranged in Seoul was attended by fourteen European leaders. Only Greece was represented at a lower ministerial level. The two latest summits have brought the problems existing in the process to the daylight. The ASEM4 arranged in Copenhagen in 2002 was attended by only five European partners at the heads of state or government level whereas ten member states were represented at a lower political level. Only in the case of the UK this lower level meant a ministerial participation, in the nine other cases it was question of a civil servant representing the country. The year 2004, the year of the Hanoi summit, was the year for major political problems in ASEM as three ministerial meetings were cancelled due to the European opposition of the partnership of Burma/Myanmar. The summit was, however, attended by ten of the 25 European heads of state or government, which against this background is a solid level. Thirteen European partners were represented at the ministerial level which raised the general level of attendance much above that of the Copenhagen summit.

To some extent, the low levels of attendance on the European side are also a sign of the development in the EU's external policies where different policy fields are increasingly managed through the EU's collective system of representation. Informal top-level dialogues like ASEM or LAC are from this perspective an odd constellation which might also obscure their significance among European governments. Their attitude to ASEM might also be affected by the fact that as major parts of EU-Asia relations are dealt with as the EU's common policy the governments' room of manoeuvre in ASEM is getting increasingly limited. The purpose of such a state-to-state structure might therefore get unclear.

⁴⁷⁹ Forster 2000: 799.

In addition to the different levels of commitment to the ASEM process the European partners of ASEM differ from each other as far as other Asia related issues are concerned. The special relationships that many of the EU countries have with their former Asian colonies affect their Asia policies as well as their willingness to subordinate these policies into a supranational EU framework. France and the UK have been mentioned as examples of EU members with strong bilateral investments and an unwillingness to get these usurped or bypassed by contacts which might further the Commission's or even the EP's interests at the expense of their own.⁴⁸⁰ Germany again is more favourable to multilateralism also because of its clearly political aspirations for relations with Asia. The year 1999 was the key point for German activism in ASEM not least because it hosted three ministerial meetings in the ASEM framework. Bersick has shown how Germany as a host made use of its influence to strengthen the political dialogue in ASEM.⁴⁸¹ Smaller EU members have traditionally also belonged to the supporters of multilateralism in relations with Asia because this format clearly provides an institutional asset for them.

The importance of political dialogue in general – and the role of human rights issues in particular – have formed another dividing line between the European ASEM partners. The Scandinavian EU members, Denmark and Sweden, as well as the Netherlands have traditionally belonged to the most persistent supporters of a tight human rights policy vis-à-vis Asia. Also the UK has taken a firm position in the Burma/Myanmar issue. Differences among the European partners have not, however, in this respect reached the level they have taken among the two regions.

5. Conclusions

On the basis of the ten years of experience, the added value of the ASEM dialogue is not being questioned by its European partners. In a world of rapid changes it is still important that there is such a constant dialogue with an open and flexible agenda. The political importance of a firm interaction between Asia and Europe is the same – if not larger – than ten years ago.

⁴⁸⁰ Forster 2000: 794.

⁴⁸¹ Bersick 2001.

European integration is, however, a unique process that causes challenges to the political structures and processes of its member states. It seems to have done this to ASEM, too. Many of those problems that ASEM has been faced with among its European partners can in one way or other be linked with the speed and logic of integration. During ASEM's ten years, the EU – and in particular – its external relations have changed their form essentially. Many more fields and issues of the member states external policies have been transferred to the field of the EU's common external policies. This means that in them the member states bilateral policies are subordinated to the EU's common positions and policies. The importance of state-to-state structures, such as ASEM, is not denied but for its form the dialogue becomes an increasingly odd phenomenon among the EU's external relations. This might have affected the level of commitment to the process among some EU members which might have prioritized those formal EU-Asia relations which lead to more concrete and binding results.

The fact that ASEM dialogue takes for the most part place at a high political level has without any doubt affected its image and visibility in European societies. ASEM has been criticized for a lack of parliamentary accountability as both the European Parliament and national parliaments have been excluded from the group of major participants. It goes without saying that in European societies parliamentary participation is a guarantee for the visibility and openness of political issues. ASEM's weak visibility in Europe – and the lacking media interest of ASEM related issues – is above all a consequence of the weak parliamentary element.

The key problem with the future development of ASEM is, from the EU's perspective, that if more concrete and binding results are aspired very much can not be done in the current state-to-state format. If one wants to create ASEM into a more result-oriented process, it will have to be developed into a more region-to-region structure. First, this is a consequence of the EU system and the logic of the Union's external relations. In order to make ASEM more efficient, it has to be made a more normal part of the Union's external relations. This deals with the internal management of ASEM in the EU's institutional system. And second, this is the only way ASEM can cope with a continuing EU enlargement which has already caused problems due to ASEM's state-to-state structure.

At this very moment, it is not possible to draw any long-term conclusions about those institutional amendments that an efficient ASEM would presuppose for the EU's part. When

the EU's constitutional treaty enters into force the Union's external relations will be faced with another convulsion. The whole coordination and management of ASEM will then have to be reconsidered. For the time being, a more cautious development of ASEM closer towards the majority of the EU's interregional dialogues might be considered.

CHAPTER VI

Format, Institutional Questions and Working Methods

The purpose of this chapter is to study questions related to the institutions and management of ASEM. What are the weak points of ASEM in institutional terms and what should be done to improve ASEM's efficiency? The chapter first offers an overview of the general institutional framework, aims and scope. It then continues by looking at the informal, consensus-based and so-called "Asian-style" approach. A third part examines ASEM "management", including leadership, format of meetings and working methods. Subsequently the link between initiatives, declarations and follow-up is scrutinised, followed by the issue of ASEM's visibility and public image. The chapter concludes with the question of enlargement and its relationship with the functioning of the system.

It goes without saying that ASEM's format and working methods are closely related to its basic philosophy, and have ramifications that lead to the numerous challenges the process currently faces. ASEM was conceived as a high-level, multi-dimensional and evolutionary dialogue process of open, transparent, informal and un-institutionalized nature. As a partnership between equals, it aims in the first place to be a political catalyst to enhance mutual understanding and cooperation between Asia and Europe, and complement and facilitate progress in other fora. This central notion also gives ASEM an atypical place in the EU's external relations, as one tool within a larger Asia strategy, encompassing specific measures and initiatives at the four different Asian subregions (also including Australasia) in order to "help improved relations, in a bilateral framework with each country, but as part of a larger Europe-Asia framework." ASEM fits into this "pragmatic approach, based on an individually tailored analysis of its relations with each country or groups of countries".⁴⁸² ASEM, for example, was intended to deal with "global issues", whereas the ASEAN-EU dialogue would tackle region-specific issues and the ARF was to address topic-specific issues such as conflict resolution and security. The distinct character of ASEM as one device of a larger Asia-strategy has, then, far-reaching implications for its structure, format and working methods.

⁴⁸² COM(2001)469 (Bulletin EU 9-2001 (Asia 1/5)).

1. Introduction to the institutional framework in the pillars

First of all, ASEM as a player in the field of international institutions displays a fairly ambiguous and sometimes even contradictory character. ASEM is not institutionalized yet at the same time formalised and even bureaucratic. Dialogue is informal, and the process is “not intended to produce new agreements, treaties or contracts”⁴⁸³ but the meetings do result in lengthy Chairman’s Statements and ministerial reports. ASEM can be seen as an informal framework but does include two formal organizations associated with it. It is a high-level, top-down process, but is also marked by bottom-up participation by the private sector, NGOs and civil society. ASEM focuses on a loose and non-binding dialogue but nevertheless aims at concrete and substantial results (within ASEM but more often in other international or regional fora).⁴⁸⁴ The general approach is said to be “Asian-style” yet the EU is the strongest advocate of this approach, strongly resisting institutionalization, and at the same time sees itself as a model of coordination and integration for their Asian counterparts. ASEM furthermore is a highly complex and differentiated construction, regarding partners⁴⁸⁵, character and scope, procedural approach, and structure. It includes an expanded EU and a very diversified group of East Asian countries; it is a transregional forum, in other words, part of a dialogue process with a diffuse membership which does not necessarily coincide with regional organizations⁴⁸⁶, combining a regional organization (the EU) and a much looser affiliated regional group (the APT); it shows features of “adhococracy”, to borrow Alvin Toffler’s term, incorporating a vast assortment of meetings, workshops, initiatives, projects, task forces, and committees; and finally, it has developed into a hybrid structure combining a “role culture” (the “Greek Temple” composition with three pillars) and a “task culture”⁴⁸⁷, which originated when a matrix structure was superimposed on the original pillar structure in 2001.

The overall composition of ASEM can be said to consist of three dimensions: a vertical pillar structure, a matrix of interconnected initiatives, and a horizontal actor dimension.

⁴⁸³ Bull-EU 1/2 -1996.

⁴⁸⁴ “The Union considers ASEM as an open, transparent, and evolutive process, of informal nature, that should pursue, nevertheless, concrete and substantial results. It should, therefore, not affect the participants special relations with other areas of the world.” (Madrid European Council 15 and 16 December 1995 Presidency Conclusions)

⁴⁸⁵ The term is preferred to “members”.

⁴⁸⁶ Rüländ 2006: 296.

⁴⁸⁷ Handy 1976.

The ASEM structure rests its strength, first, on a formation of “pillars”, resembling a similar arrangement introduced in the EU’s Maastricht Treaty in 1992. Yet whereas the EU pillars consist of the European Communities, the CFSP, and cooperation in the fields of Justice and Home Affairs, the ASEM pillars reflect a political, an economic and a cultural/social dimension. The pillars are coordinated at the top by a pediment constituted by the Summit (HOSG, Heads of State and Government, and the President of the European Commission); the Foreign Ministers and the Senior Officials on a second tier controlling the political dialogue; and the Coordinators (European Commission, incumbent EU Presidency, one North Eastern Asian country and one ASEAN representative) on a third tier in charge of the overall management of the process. According to Charles Handy’s organizational theory (1976: 185), in this kind of a “role culture” the top of the arrangement should be the only personal coordination needed, because the final result will be as planned if work in the separate pillars takes place smoothly.

A second dimension is formed by the plethora of ASEM initiatives under the pillars. In 2001 a reorganization and integration in the form of clustered initiatives in a matrix-organization meant that the initiatives remain grouped under the pillars but are also classified by project-orientation in a “net” structure within the pillars. The matrix was composed of political, justice and home affairs, globalization, economic and social, finance, cultural and human resources, information technology, environment, and health clusters. This “net” structure superimposed on the pillar division was implemented because of two reasons: the fear that the proliferation of proposals and initiatives would lead to loss of focus and direction, and the awareness of the interaction between the pillars. A few examples will illustrate these cross-pillar synergies. It goes without saying that in the global system, economy is not isolated from political issues, and that economy takes an important place in foreign policy-making. ASEM itself was primarily seen as a "means to politically invigorate economic ties"⁴⁸⁸, and conversely, in 1996 increased economic cooperation with ASEAN was deemed vital in order to politically counter the weight of Japan and China in Asia-Pacific. But economy and trade are not only interrelated with international politics, but also with regional identity, social issues and human rights. The Asian crisis for example demonstrated the intrinsic link between economic and social issues and the importance of dialogue on the implications of

⁴⁸⁸ European Report 13/01/1996.

globalization. This led to a first realization of cross-pillar synergies, and the notion that ASEM should be used more to exchange views on relevant socio-economic issues at both the official level and civil society level.⁴⁸⁹ Ahead of ASEM4 the European Commission furthermore urged the leaders to “(c)onfirm that social and employment issues are an integral part of the ASEM work programme of the economic pillar and encourage therefore the enlargement of scope of and the participation in the dialogue on social matters, including gender issues. The EU’s diversity and experience of trying to combine economic dynamism with social justice could be the basis for a dialogue and exchange of best practices on the links between trade, investment aid and sustainable development. To this end special meetings ranging from expert to ministerial level as appropriate could be envisaged.”⁴⁹⁰ And finally, one only has to think of the cancellation of several Ministerial Meetings in 2004, to realize the influence of the human rights discussion on the dialogue on trade and economy.⁴⁹¹ To date the Burma/Myanmar problem remains a highly contentious issue, which will strongly influence ASEM’s course in the near future.⁴⁹²

The third dimension of the process is horizontal, with a transregional tier (Europe as represented by the EU, and APT or “Asian ASEM”), an intergovernmental layer (the different EU Member States and the Asian partner countries), and a Non-state level (parliaments, NGOs, civil society, private sector). The European Commission embodies the interests of the Union and can be said to regard ASEM as a tool to balance power in the region, pursue market opening and promote free trade in East Asia. Even though a strong asymmetry exists between an integrated EU and an as yet loosely affiliated “Asian community”, ASEM provides an important channel to the EU for negotiations with ASEAN or for contacts in the ARF. The different Member States utilize the bilateral space in ASEM meetings to promote individual interests, but also reveal the highly differentiated levels of interest in East Asia. For example, France, Germany and the UK place emphasis on the role of ASEM in Asia, in part because of their pre-existing bilateral interests in the region,

⁴⁸⁹ European Commission 2000.

⁴⁹⁰ European Commission 2002a.

⁴⁹¹ European Report 15/06/2004. The European Union cancelled two Ministerial meetings with Asian partners on June 14 2004, a FinMM in Brussels and the EMM6 in Rotterdam, as it was unable to come to an agreement over the presence of a delegation from military-ruled Burma/Myanmar. Also the SOMTI10, which was supposed to take place in Qing Dao, was later rescheduled.

⁴⁹² The different EU Member States remain divided over the issue. Some EU countries are of the opinion that a concession by the EU on the issue of Burma/Myanmar’s might be justified in order to promote access to Asian markets, in order to counter public fears of losing out against Asian economic competition and products from labour-cheap Asian markets flooding European markets. Other countries, then, advocate a more strict approach.

whereas Spain, Denmark, Sweden and Greece tend to prioritize human rights considerations or on the whole show little interest in ASEM at all.⁴⁹³ And finally, the involvement of non-state actors is encouraged and deemed important, but only business interests and culture are formally represented as part of the process in the form of the AEBF and ASEF respectively. In addition, a track-two process composed of networks formed by civil servants, academics and think tanks provide input in the form of task force reports such as those by the Council for Asia-Europe Cooperation (CAEC). However, as cooperation in ASEM is based on “peer pressure and a sense of legal obligation”⁴⁹⁴ rather than legal means, the approval for collective agreements by the European Parliament is not needed, thereby effectively sidelining the EP. Also the AEPF is not officially recognized as part of the ASEM structure.

While ASEM displays a complex hybrid structure integrating two organising cultures, and also includes regular HOSG and ministerial meetings as well as formal structures such as the AEBF and ASEF, it essentially remains a loose, consensus-based partnership of equals. Julie Gilson⁴⁹⁵ has therefore labelled ASEM a “semi-institutionalized relationship”. According to Anthony Forster⁴⁹⁶ the nature of ASEM offers an important advantage at the procedural level, as issues can easily be moved up and down a hierarchy depending on their importance and sensitivity. This makes ASEM “an expandable box of opportunities”, perhaps limited in legalistic terms, but at the same time highly adaptable, multidimensional and all-encompassing. This non-rigid nature is also closely related to the informal character of the dialogue.

2. Informality and the “Asian-style” approach

The European way of judging the depth of cooperation and integration is often based on the permanence of formal institutional structures, the existence or non-existence of binding decision-mechanisms, and the strength and independence of implementing bodies of international organizations. This way of assessing cooperation does not give much credit to ASEM which is based on a very informal way of tackling issues. The informal approach has often been seen as one of the key inputs of the Asian side of ASEM. Asia does not favour

⁴⁹³ Cf. also Forster 2000: 797.

⁴⁹⁴ Forster 1999: 754.

⁴⁹⁵ Gilson 2004b: 69.

⁴⁹⁶ Forster 1999: 753.

legal commitment to international structures of cooperation; instead, commitment in Asian diplomacy has traditionally been based on personal relationships, and more recently on institutionalized track-two processes. The “Asian-style” approach to the ASEM partnership is acknowledged by the EU⁴⁹⁷: “The instrumental role of Asian countries in creating this forum is reflected in its working method: it is informal and centred on the participating personalities and their mutual understanding rather than on agendas and procedures.” The so-called Asian way consists of a priority placed on consent, voluntary assumption of obligations, and non-interference and seeks to avoid any constraint that could arise from a pre-negotiated set of binding rules.⁴⁹⁸ It is often regarded tantamount to an “ASEAN way” of conduct, the idea of a common commitment in the ASEAN community to confidence-building, consensus, compromise, non-confrontation and non-interference.

From the European perspective ASEM’s informal character has sometimes been criticized, and there have been calls for more European ways in ASEM. At the same time, another academic line of thought criticizes “culturalism” and the dichotomization of Asia and Europe⁴⁹⁹, arguing that the over-emphasis on distinct Asian and Western approaches is clear also from the development in ASEM, as gradually the informal dialogue style has eroded and official and pre-prepared statements, also by Asian participants, have taken over.⁵⁰⁰

A second argument refuting the contrasting styles is based on the idea that a generally vague and uninstitutionalized approach is actually in the EU’s best interest. Gilson⁵⁰¹ referred to the “ASEAN Way” as a means to reinforce pre-existing institutional parameters. The absence of institutions constitutes for the EU a means to channel its vested interests and strengthens European agendas and procedures, “which come to be presented as the ‘evolution’ of collective practice”⁵⁰². The argument goes that, when negotiations in other broad fora such as the WTO as well as in narrow but conflict-ridden relations such as EU-ASEAN face a cul-de-sac, the ASEM offers a way out, exactly because it is more informal and loose. It is

⁴⁹⁷ European Parliament - Committee on Foreign Affairs, Security and Defence Policy 1999.

⁴⁹⁸ Okfen 2001a: 12.

⁴⁹⁹ The juxtaposition of European or “Western” ideas and concepts, and Asian values and approaches ties in well with the general debate on cultural specificity as the motor of economic progress, highly popular during the late 1980s (Japan’s economic prominence) throughout the 1990s (the rise of the NICs).

⁵⁰⁰ Five years after the birth of the process the European Commission noted that “the initial ideas of an informal and candid dialogue have however vanished on the way: the more we see each other, the more formality and preparation seem to take place” (European Commission 2001b: 2).

⁵⁰¹ Gilson 2004b: 69.

⁵⁰² *Ibid.*

furthermore the best way to integrate the mixed interests of the different intra-EU levels, i.e. the European Commission, representing the interests of the Union as a whole, and the Council, embodying the different national interests in Asia. Also Anthony Forster⁵⁰³ sees the EU in the first place as a multi-level, multi-tiered political system containing different streams of policy interaction and competing pressures and motivations. The Union can therefore not impose external policies which are too far from the consensus of the Member States. Often specific preferences are left open to ongoing negotiations within an agreed framework, allowing the participants to each get something different out of the process. In his words, “(m)ultilayered boundary agreements, with different policy streams underpinned by a network of relations, offer a process and set of rules in which actors can pursue a range of policy opportunities”⁵⁰⁴. Furthermore it can be said that ASEM’s informality is also its main strength: it improves understanding of the different positions on ongoing negotiations and functions as a “real time observatory” for current transformations and new power relations in East Asia, such as the shift of the centre of gravity towards the North (the rise of China as a regional power, and the enhanced cohesiveness of Asian positions revealing a - slowly but surely progressing - evolution towards regional integration.⁵⁰⁵

A need clearly exists to take a closer look at the “Asian-style approach” and its present appearance. In the primarily undemocratic Asia of 20 years ago, personal relations were the basis of trust, commitment and cooperation. Already at the establishment of ASEM, and even more today, after the democratization of much of Asia, transparency and institutional accountability have shifted Asia towards a new pattern of international relations. The expanded institutionalization of ASEAN, which occurred after the first wave of Southeast Asian democratization at the end of the 1980s, changed ASEAN and made its institutions suitable for the facilitation of cooperation not only within the association, but also within the ASEAN +3, which is the Asian part of ASEM. However, while personalistic informality has been modified, personalism has disappeared, but the informal approach has not. Instead, informality has been institutionalized: informal meetings where officials and eminent intellectuals attend in their private capacities have become more regular and now involve individuals from important institutional positions, no longer just friends and cronies. The role of track-two diplomacy took on much greater significance in the development of the

⁵⁰³ Forster 2000: 798.

⁵⁰⁴ *Ibid.*

⁵⁰⁵ Source: EU Member State questionnaire.

institutional framework of broader cooperation. Cooperation within the framework of the Council for Security Cooperation in Asia Pacific, CSCAP, became very important in security issues, while the main informal organization for cooperation between Europe and Asia was the Council for Asia-Europe Cooperation (CAEC).

Private visits and academic conferences are now widely used in a non-legalistic and informal way as forums for ASEAN+3 and ASEM brainstorming and confidence building.⁵⁰⁶ The so-called Jakarta Informal Meetings between Asian diplomats and politicians, for example, represent a rather ‘institutionalized’ (rather than merely personal) form of informal relations. Institutionalized track-two diplomacy can perhaps be seen as defining the new ‘Asian way’ that would simultaneously allow Europeans to contribute both to overall European-Asian security and to the institutionalization of security throughout these regions.

In particular the institutionalization of the track two level treatment of conflict issues and issues that are too divisive and controversial to deal in official meetings seems to offer some promising new ideas on how to deal with disputes.⁵⁰⁷ The fact that the ASEM has been able to organize an informal seminar on human rights in Suzhou, China in September 2004 proves ASEM’s informal activity could promote the exchange of ideas on issues of European concern.

Regarding ASEM cooperation for common Asian—European interests in global affairs, informal track two processes could be more systematically be utilized for the development of common strategies for the promotion of multilateralism in world affairs. The process related to the UN reform could utilize systematic Asian—European brainstorming and the development of the multilateral argument. The UN-related informal meeting of Ambassadors of ASEM partners before the UN General Assembly in 2001, should be continued with another meeting on the issue of how to promote a multilateral position in the UN reform process. The Meeting of ambassadors should be preceded by an informal European—Asian meeting of international relations think-tanks, or perhaps the Council for Asia-Europe Cooperation (CAEC) on the same topic of “How to promote a multilateral position in the UN reform process”. After the war in Iraq, opposed by a majority of Asians and Europeans alike, the informal ASEM conferences on Anti-terrorism (Beijing 2003, and Berlin October 2004)

⁵⁰⁶ Busse 1999: 50-51.

⁵⁰⁷ On these possibilities, see Job 2003.

could be continued as track two processes in the CAEC or in ASEM think-tank forums to develop a less militaristic and more multilateralistic platform for the countering of terrorism and inter-civilizational challenges that are also threatening Asian—European people-to-people as well as state-to-state relations. All these informal processes could facilitate the development of Asian—European multilateralist platforms that could help Europe and Asia in the coordination of their efforts in global forums. None of this can be developed by using rigid formal and official approaches.

The main difference between the European, legalistic approach to international cooperation, and the new Asian approach, is the fact that the new approach does not consist of regional forums making legally binding decisions, or decisions that would be independently implemented by these forums acting as a supranational international entity. The new Asian system is still based on a relatively uncompromised conception of sovereignty. This does not mean that international partners would have no guarantees that regionally agreed principles would be implemented by Asian nations. However, the guarantee in Asia is not based on international law, but on something slightly more complicated.

When issues are introduced in track-two forums, and if there is a consensus among experts and eminent people that a certain action should be taken, it becomes a matter of prestige for both the institutions, and for the eminent people involved in the track-two effort, to persuade their governments to address this action. At the same time, the meritocratic commitment of the Asian governments to listen to their leading experts makes addressing the concerns of leading experts a matter of prestige for the government as well. Of course, this does not mean that political will would necessarily yield to advice from intellectual authorities, but at least expert ideas tend to be subjected to political consideration. In the end, it is the national legislations that give the final signet to regional initiatives.

There does not seem to be many examples of the Asian type of institutionalized track-two diplomacy in Europe, unless the first phases of the CSCE qualify as such. Yet, realizing that such processes have led to many significant national commitments and regional practices, also leads to the realization that replacing international legal commitments with other types of commitments could be a way to achieving the same results as those achieved by the processes of European legalistic regionalism. While it should be possible for the Europeans to fully appreciate the Asian informal approach and participate and take advantage of it, Europeans

could still want to develop ASEM towards forms that allow direct moving of matters into forums with more formal decision-making powers; both in the form of decisions that are legally binding towards the ASEM members as well as decisions that the forum would have collective capacity to implement. For example, in the ASEM efforts to address some of the technical issues of countering terrorism, including the control of financial flows and the management of migratory flows in Asia and Europe, for instance, ASEM could directly forward initiatives to forums that are mandated with decision-making power on practical issues. Furthermore, ASEM could be mandated with budgetary powers to directly contribute to European—Asian initiatives in the field of counter—terrorist law enforcement training, counter—terrorist human rights education and activities to tackle the economic root causes of terrorism.

In summary it seems that the merits of the Asian informal approach in ASEM should be acknowledged by Europeans in order to utilize the informal instruments available for the promotion of European perspective, values and interests in ASEM. At the same time, the appreciation of ASEM's informal instruments should not rule out the possibility of ASEM developing also its official and formal instruments, either by developing its own organization or by being more systematic in forwarding the ASEM initiatives to other Asian—European institutions with sufficient formal powers to reach concrete results.

3. Management

3.1 Coordination

Coordination of the ASEM process is a vital element as proposals for meetings or initiatives require prior consultation and consensus among all partners. Coordination takes place on three levels. First, the foreign ministers and their Senior Officials are not only in charge of the political dialogue but also of the overall coordination. Second, at the practical level the four Coordinators are at the heart of scheduling and organization. And third, a network of ASEM contact officers facilitates the flow of information. For example, following the AECF 2000, any new proposal for an ASEM initiative should be presented to all partners through the Coordinators who disseminate the information through their regional instruments, i.e. in the

case of the EU formally through the COASI⁵⁰⁸ and on a more informal basis the ASEM contact officers. Initiatives are then selected by the SOM who submit them for consideration by the Foreign Ministers. The SOM are also responsible for the evaluation of progress achieved under all ASEM initiatives. On the EU side it is the (rotating) Presidency that is in the driving seat for the preparation of the agenda, which offers opportunities to include a particular issue-based predilection to the agenda, or incorporate special interests held by other Member States.

The proposal to establish an ASEM secretariat in order to cope with the growing complexity of the process, has been a topic of contention since 1999. It was in March of that year that the Asia-Europe Vision Group (AEVG) suggested the establishment of a “lean but effective” ASEM secretariat as a point of coordination. Also academics in the field of international relations such as Jürgen Rüländ⁵⁰⁹ have argued that a secretariat and permanent working groups in key areas of cooperation, in combination with a decisive move towards high politics can counter the erosion of interest of European governments and publics, and assist ASEM in turning to achievement orientation. Most recently, the Task Force for Closer Economic Partnership between Asia and Europe (2004) indicated the need to develop an initial virtual secretariat into a physical one in the medium-long term.⁵¹⁰ This would not only contribute to institutional memory which is now dependent on frequently transferred national officials, but also be a first step in upgrade of the process from dialogue to cooperation.

The European Commission, however, has rejected these proposals on the grounds that such an institutional approach would be inappropriate and counter-productive given the informal character of the ASEM process, and would also lead to a weakened sense of ownership and responsibility for the initiatives among the partners.⁵¹¹ In the words of one EU official: “if ASEM wants to protect the informality, a secretariat is the last thing it needs.” As the EU already possesses the necessary channels for coordination, the Commission has never seen the need for a formal secretariat, and leaves the creation of a possible Asian secretariat up to the Asian leaders.⁵¹²

⁵⁰⁸ Within the EU the Asia-Oceania Group (COASI) is the main body in charge of information sharing and coordination.

⁵⁰⁹ Rüländ 2001a: 67.

⁵¹⁰ The actual Hanoi declaration for CEP made no mention of this recommendation, though.

⁵¹¹ European Commission 2000.

⁵¹² Cf. for example “ASEM V: A view from the European Commission” in *EurAsia Bulletin* November-December 2004.

An overarching ASEM secretariat would furthermore lead to issues related to staffing, funding and location, and could even slow down the process as it potentially conflicts with existing EU coordination procedures.⁵¹³ Another argument against the establishment of a secretariat is that it runs counter to the EU standard approach to external relations, which usually strengthens relations with third countries or regions through an upgrading of the institutional basis by means of “third-generation” or comprehensive cooperation agreements. One interviewed government official supported this view, saying that from the EU’s point of view at least, the system of Commission and the rotating presidency is running smoothly. Whereas the Commission provides continuity, each presidency has an obligation to achieve results. The current system can therefore be seen as even more productive than the establishment of permanent leadership.

In addition the hazard exists that the continuous calls for a secretariat blur the actual issues and may prevent discussion on more substantive issues for cooperation between Asia and Europe. Julie Gilson, for example, argues that the difficulties with ASEM are not rooted in intercultural or intersubjective barriers, but in the “constant focus upon the need to expand the formal institutional parameters (such as a secretariat) of the forum”. This results in cognitive misconceptions at the functional level, which eliminates issues such as human rights and future membership from being brought up for discussion. “ASEM, therefore, needs greater cognitive institutionalization, rather than being overly concerned about its structural façade.”⁵¹⁴

Instead of a secretariat, a strengthening of the existing channels has been suggested, with an increased emphasis on the role of the Coordinators and Contact Officers, and the full usage of electronic communications. While officially the Foreign Ministers are responsible for the overall coordination of ASEM activities, in practice the Senior Officials together with the Coordinators play a central role in “taking the process forward”. Also a network of ASEM officers provides an informal channel of communications. Whereas the EU has its own institutional apparatus to fall back on, coordination on the Asian side is deemed more difficult, but at the same time is seen as promoting cooperation and integration. The concept of an institutionalized secretariat, then, was replaced by a three-fold solution mainly based on

⁵¹³ Note by DG Trade. ASEM: Economic pillar meetings in 2005, p. 3.

⁵¹⁴ Gilson 2001b: 119.

electronic exchange of information: the ASEM InfoBoard, a website to disperse information on ASEM meetings, initiatives, projects and programmes created in October 2004; a yet to be established Virtual Secretariat, a closed intranet system for coordination and information-sharing endorsed by FMM7 in Kyoto in May 2005; and improved information-sharing between ASEM contact points. During the interviews taken, fears were expressed that a virtual secretariat would only function as an archive for related documents.

In order to ensure a smoother overall management, a deepened regional coordination seems to be the logical next step. One concrete suggestion involves a strengthening of the role of coordinators by increasing their preparatory duties as well as the number of meetings. In 2004 the Senior Officials Meeting already agreed on proposals for the Foreign Ministers which included a specification of the duties and responsibilities of coordinators, in order to strengthen their role in follow-up and reporting on initiatives.⁵¹⁵ Support also exists for an ad hoc institutional mechanism, which was raised at the FMM5 in Bali. SOM, Coordinators and Contact Points should continue to function as the focal point of the management process, holding consultation on an ad hoc basis (FMM5 Bali). In addition the higher officials and liaison officers at Ministries should share information with their ASEM counterparts. The lack of continuity has led to another suggestion advocating the increase of the number of coordinators from the present four to five, so as to include the host of the next summit who could also function as ASEM Chair. This would contribute to an improved level of “permanence” and partly resolve the fact that at present the European Commission is the only constant coordinator, and has therefore been labelled as the de factor informal secretariat of ASEM.⁵¹⁶ One interviewed government official emphasized the different mandates held by regional coordinators in Europe and Asia as a key challenge for ASEM. The EU Member States are well integrated and represented as a Union, unlike the Asian side. The concentration and identification of some key cooperation areas can contribute to reaching a common policy and solve the challenges which result from this discrepancy in coordination. The same official further stressed the need to include the future hosts of an ASEM summit in the coordination process in order to ensure continuity. This is a practice which is already at the basis of EU workings: the future presidencies are included in the internal preparation as early as possible. At the time of writing for example, the UK’s EU presidency cooperates

⁵¹⁵ Recommendations for ASEM Working methods – Draft proposals for FMM6.

⁵¹⁶ Gilson 2004b: 69.

closely with future hosts Austria and Finland.⁵¹⁷ With a view to improving coordination, therefore, the addition of the future host in the coordination process would strongly enhance continuity.

Thus far, however, FMM7 only agreed to the establishment of a virtual secretariat, which at present is still in the works. The CEP report defined the virtual secretariat as a website where information on the ASEM process would be posted and regularly updated. The website would be publicly accessible for information on ASEM but also contain an intranet section for real-time exchange of information through chat, internet calls, or video conferences. The ASEM InfoBoard already serves the first purpose, yet is incomplete and updating has been slow. The vision for the InfoBoard as outlined by the Kildare FMM (April 2004) included the following functions:

- Archive function: publicly accessible information on ASEM activities and initiatives. However, the information available is incomplete and the updating of information is slow. As of January 2006, for example, no Chairman's statement for SOMTI 10 (held in July 2005) is available, while Customs working groups statements are sparse and AEBF CS are lacking altogether.
- Recipient function: to establish an "information reception desk" for the transfer of information from and to host countries of initiatives. Except for a "Contact ASEM" page, there is no sign at present that this function is fully operational.
- Dissemination function: To disseminate updated information through the website and/or periodically send information in the format of a mail magazine. It is possible to subscribe to a monthly update when the site is updated.

This substandard functioning of the InfoBoard was addressed at the FMM7 in Kyoto (May 2005), which called for a more active publicising of related meetings, initiatives, programmes and projects.

3.2 Representation and attendance

Even though ASEM before all seems to place emphasis on the intergovernmental aspect, poor EU participation by the member states has raised concern on the Asian side about Europe's commitment to ASEM, culminating in an especially organized SOM to streamline working

⁵¹⁷ Interview 11.07.05.

methods and make ASEM more effective and efficient.⁵¹⁸ In general it can be said that, especially on the European side, representation both at summits and Ministerial Meetings, has watered down in recent years, with ministers replacing heads of state, and ambassadors replacing senior ministers.⁵¹⁹ For example, in 2003 only two European ministers attended the FinMM. And attendance by deputy Prime Ministers and ambassadors sitting in for Prime Ministers was a prominent trend at the fourth and fifth ASEM summits compared to ASEM3, whereas the Asian representation shows much more consistency at the highest level.

Fading attendance can be seen as an internal EU problem, and one that is not limited to ASEM but also extending to other interregional fora. The only way to change the situation is to focus on substance and make the agenda as attractive as possible. Yet also a cultural reason lies at the root of issue. In Europe it is more accepted that any representative can commit his country, whereas in Asia it is the presence of the leaders that shows the authority. The problem is furthermore related to ASEM's distinct character in the EU and its consequences for internal coordination. In all summit-level meetings on the bilateral level (for example, EU cooperation with China, Japan, Korea, India...) as well as on the interregional level (EU-ASEAN) the EU is represented by the EU troika, i.e. the CFSP High Representative, the Commission and the Presidency (occasionally with the assistance of the succeeding presidency). In ASEM, however, the Commission is involved in its own right as an independent partner, the Council and Parliament are not represented, and the Member States in the first place pursue individual interests. This is related to the view that ASEM should not serve as a negotiating forum or a vehicle to reach new agreements, and, that the European Commission, with a few exceptions, also does not channel funding into ASEM, as all initiatives are self-financed.⁵²⁰

As a short-term solution (at least until the European constitutional treaty is adopted) EU representation by way of the "open-ended troika format" could be considered, as it could solve the process of dilution, lead to a more streamlined functioning, and most importantly,

⁵¹⁸ Lim 2003: 6.

⁵¹⁹ Gilson 2004b: 71.

⁵²⁰ Concerning development assistance, for example, the Commission does not consider ASEM in principle as a mechanism for delivering technical assistance or organising development co-operation (cf. European Commission 2004). In fact, the EU only contributes financially to ASEM in the fields of culture, finance and information technology. At present it concretely supports ASEF (Dec 2002-Dec 2006), the ASEM Trust Fund II (Aug 2002-2005), and the Second phase of the Trans-Eurasia Information Network (TEIN2) (March 2004-2007).

convince the Asian side that the EU's underlying commitment to Asia also holds the potential to develop into genuine action-oriented dialogue. In this format the European Union would be represented by the troika, while the Member States with interests in Asia could utilize Summits to pursue bilateral interests, and those without priorities in Asia could forego attendance without compromising European ASEM credibility. In the words of one Member State representative, the EU should speak with a coordinated voice but not with one voice. Possible representation by the troika, i.e. the High Representative for CFSP, the Presidency and Commission, should not eclipse the role of the MS.

Representation and attendance is also related to the general future direction of ASEM: will it remain mainly an intergovernmental process, or develop into a group-to-group cooperation. At present the process is predominantly intergovernmental in nature. Within ASEM the EU equals the total of its member states, whereas the Union as such is not represented in ASEM, but still plays an important coordinating role. One interviewed government official expressed the view that the intergovernmental process should be finished before the summits and that if results are expected the process should be more of a group-to-group nature, while retaining the possibilities for bilateral meetings in the sidelines of summits. First of all, in order for the ASEM process to remain relevant, the EU needs to be goal-oriented and achieve results in line with a common EU policy. But secondly, the bilateral meetings can help to understand country-specific sensitivities. Another former government official said that the lack of a common EU strategy is one of the causes for poor attendance. Larger countries tend to pursue individual interests through bilateral meetings. ASEM on the other hand remains more important for smaller or recently joined Member States, who are often support the group-to-group approach and see ASEM is the ideal instrument to promote multilateral dialogue. Another view contends that the intergovernmental character allows Member states to debate freely, while keeping close to the CFSP, and with the Presidency (also the coordinator or facilitator), leaving enough space for individual Member States.

An alternative way to ameliorate the situation is to focus on working formats and substance, a view that was also brought up in the interviews. Perhaps rather than leadership or coordination it is the strategies or areas of competence associated with leadership that ASEM truly lacks⁵²¹. ASEM needs to define a vision, which promotes political will for the

⁵²¹ Adapted from Handy 1999: 116.

realization of narrowly-defined goals based on the awareness of ASEM's potential as well as limits. The principle of subsidiarity⁵²², or the need to address the question which is the most effective level for handling Asia-Europe relations, is still relevant. In other words, realize the potential in tackling those challenges that can best be handled in ASEM, rather than elsewhere. If ASEM can define a clearer, vision on its short-term as well as long-term objectives, the initiatives and agenda will be focussed and show more continuity, political leadership in the form of guidance will be facilitated. This in turn will sharpen the focus of Ministerial meetings, and solve the problem of attendance addressed below.

3.3 Meetings

In the course of ten years the frequency of meetings in the ASEM framework has increased and subsequently decreased. Initially, in addition to the biyearly summit, the FMM, EMM and FinMM convened biannually in the intervening year between summits. In order to take the process forward this was increased to a yearly meeting in the AECF 2000, including EMM and FinMM normally taking place once a year, which led to gatherings in 2001, 2002, and 2003. When it became obvious that this did not necessarily contribute to more significant discussion nor to high attendance levels, the *Vademecum* (2001) thereafter advocated a biannual meeting if not enough substantive business is at hand for discussion. In order to improve the participation of foreign ministers, the 2004 Recommendations for ASEM working methods again advocated a biannual meeting for foreign ministers in between summits, starting in 2006, in addition to ad hoc meetings in summit years if deemed necessary. The SOMTI and AEBF have been meeting yearly since the beginning, but the SOMTI meeting in 2004 was cancelled. In the mean time also the FinMM as well as the AEBF have decreased meetings to biannual gatherings.

The question remains whether this constitutes a dilution of the process or on the contrary has led to an improved efficiency through the reduction of redundant, poorly-attended meeting. The central role of the SOM in policy discussion as well as in preparation of Meetings and Summits has been retained, and even strengthened.⁵²³ It was also suggested that the Senior Officials should meet at least twice a year, after ensuring sufficient regional coordination ahead of plenary SOMs, receive the power to approve and/or filter initiatives, and take care

⁵²² As pointed out in Segal 1996. Cf. also Maull et al. 1998: xv.

⁵²³ Cf. Recommendations for ASEM Working methods – Draft proposals for FMM6.

of a closer monitoring of follow-up to initiatives. Given the absence of a clearly-defined ASEM-specific vision, the meetings lack in focus, and hence fail to provide the political guidance which they are supposed to deliver, resulting in less-than-relevant initiatives. One suggestion raised by a EU member state was to include elements from the parliamentary working methods, i.e. the use of theme-specific working committees and rapporteurs could enhance the focus of Ministerial meetings and provide more continuity, while retaining the general closing statement as well as the essential informal and social exchanges.

The usefulness of the idea of parallel or back-to-back meetings has been recognized yet not generally implemented. For example, the AEBF's annual meeting was organized as in conjunction with the ASEM summit in 1998 in London and in 2002 in Copenhagen. The latter occasion also coincided with the EMM4 (September 2002). This allowed the AEBF to interact more closely with economic ministers, also inviting the latter to participate in a panel discussion during AEBF's closing plenary. The year after, however, meetings took place at a different time and in different locations. The concept of AEBF meetings parallel with EMM or Summits was included in the "SOMTI 9 Recommendations to EMM5 on the Review of the Economic Pillar". Also the EMM only took place once at the same time as the Summit. The next EMM will most likely be held prior to the ASEM6 summit in Helsinki. Back-to-back meetings certainly provide the occasion for networking and socialization between the business representatives of the AEBF and Ministers and Government Officials, for example. However, considering the general build-up in momentum towards summit meetings, holding Ministerials a few weeks before might be more constructive to prepare the topical and timely issues to be discussed at the summit.

The Vademecum 2001 called for more interactivity and informality during the summit meetings to promote more substantive and spontaneous discussion, aided by a well-prepared and active chair. The document also promoted longer informal intervals and informal retreat sessions, in addition to sufficient time slots for bilateral meetings. As ASEM at present counts thirty-nine partners, the idea of working tables (the splitting into subgroups of thirteen for some discussions) seems to have caught on as the only viable way to keep all participants as actively involved as possible in the dialogue. A similar format introduced at LAC meetings yielded similar positive feedback. Some Member States however oppose the working groups idea, as ASEM5 has shown that open discussions do not depend on the number of participants but on their willingness to speak freely rather than read prepared statements.

Interviews and questionnaires have also made it clear that it is more important to reduce the number of agenda points and define them precisely. Streamlining the agenda would also mean the ASEM partner has the freedom to participate or not in ongoing discussions, depending on national interests.

Also the selection of issues with “ASEM added value” for discussion, as well as a focussed and limited agenda, have been placed under scrutiny. While sessions should take place around a single theme, it is also important not to exclude any topic beforehand by allowing debate on any topic on current affairs debate. The Vademecum advocated meetings in specific contexts to pre-discuss common concerns and mutual agendas before important multilateral meetings for example. In relation to this last point, especially close consultation and attempting to find common positions in international trade bodies was emphasized.

The interviews conducted also made it clear that the introduction of retreat sessions (implemented for the first time in 2002), while being in line with the informal nature of the ASEM process, have been received in a highly positive way. Several government officials stressed the value of relevant discussion and exchange of views during informal retreat sessions at summit level, such as at ASEM4 in Copenhagen or the FMM6 in Kildare.

4. Link between initiatives, declarations and follow-up

4.1 Initiatives

The ASEM process operates with three sets of instruments: initiatives, Chairman’s Statements and Political Declarations.

In line with the informal, non-binding character of ASEM, the initiatives made by the partners are of political nature and based on voluntary contribution and participation. ASEM initiatives have taken many forms. Various meetings, conferences and dialogues have been organized, some have been one-time events (for example, the ASEM Seminar of Digital Opportunity 2001) and others more continuous processes (such as the Informal Human Rights Dialogue). Some initiatives have resulted in permanent institutions with wide ranging activities as the Asia-Europe Foundation. Other extensive, ongoing initiatives are the TFAP,

the IPAP which have facilitated economic cooperation through various measures. Initiatives have become a visible and concrete dimension of the ASEM process, which in the best scenario link the process to the citizens of ASEM countries, increase ASEM's visibility and create a feeling of ownership among the partners. In reality the quality, effectiveness, evaluation and follow-up of the initiatives have been a cause for concern throughout the process.

At the first summits and ministerial meetings the mutual enthusiasm in the new process was reflected in the large number of proposed initiatives: ASEM1 endorsed twelve new initiatives, ASEM2 seven and ASEM3 sixteen. In addition many other initiatives were noted by the ASEM leaders as supportive of the ASEM process. The danger of uncontrolled proliferation of initiatives and activities became soon apparent. Although 70% of the initiatives made at ASEM1 were implemented (because many of them were of procedural nature) only 50% of the initiatives launched at ASEM2 were realized⁵²⁴.

The European Commission noted already in 1997 that the partners should adopt a set of agreed procedures for reviewing, endorsing and coordinating new follow-up initiatives to ensure that they are in line with the key goals and objectives of the process.⁵²⁵ The so-called "laundry list" or "the Christmas tree" phenomenon reflected the partners' tendency to make initiatives for initiatives sake. After the summits endorsed projects were withdrawn, scaled down or completely forgotten. For example, the Asia-Europe Information Technology and Telecommunications Programme (AEITTP, endorsed at ASEM2) was reformulated to a one-time event and the Asia-Europe Agricultural Forum (endorsed at ASEM2) was later withdrawn completely. In order to address these problems the ASEM partners introduced a set of guidelines in the Asia-Europe Cooperation Framework 1998, to help to focus and streamline the initiatives and activities. These were further elaborated in the updated version AECF2000.

In the AECF the initiatives were tied closer to the ASEM dialogue. The partners had realized that initiatives need to be supportive of the dialogue. It is the purpose of the initiatives to facilitate the dialogue, not vice versa. Therefore the proposed activities should be of mutual benefit and contribute to the advancement of overall objectives and perspectives of the

⁵²⁴ European Commission 2001c: Annex 2.

⁵²⁵ European Commission 1997b.

ASEM process. Duplication with existing ASEM activities should be avoided. In addition the participation of large number of ASEM partners must be ensured and whenever suitable, the activities should have a counterpart facilitator/sponsor in Asia or Europe. Here the AECF reflected a new thinking among the partners. In 1997 the European Commission had described as a typical initiative an event or a symposium, organized by the initiating country with full responsibility of the execution and funding. Jointly funded activities were regarded to be more the exception than the rule.⁵²⁶ The AECF2000 also clarified that although the participation in ASEM initiatives is open to ASEM partners only, on a case-by-case basis the SOM may, with the consensus of all ASEM partners, invite a particular non-ASEM country or an international organization to take part in some specific event. The senior officials were given responsibility of the overall management of the initiatives. They were tasked to filter the proposed initiatives and forward the selected ones to the Foreign Ministers. All ASEM activities were asked to report to Senior Officials, who were tasked to review the initiatives on a regular basis and give recommendations on whether an initiative should be continued or terminated.⁵²⁷ The AECF2000 reflected the partners' recognition of the potentials of successful initiatives. Specific, well-targeted projects which would engage as many partners as possible would be instrumental for strengthening the partnership and for enhancing cooperation, visibility and ownership among the partners. On the other hand the document hinted at a common understanding of the threats that miscellaneous, irrelevant activities could pose on the process and its attractiveness and credibility.

AECF2000 also introduced the system of grouping related activities to thematic clusters. The clusters would facilitate a more coherent approach and provide an easier overview of the ASEM process. The clusters fit loosely under the three pillars of ASEM, but the division is not meant to be rigid as some of the clusters are clearly cross-pillar. The clusters were designed to increase cross-pillar linkages, enhance cooperation inside the clusters, allow the partners to build on existing expertise and to decrease duplication and overlapping with other initiatives. The idea was that the overall achievement of a cluster would be more than just the sum of its individual activities, as pointed out by the former ASEM Counsellor Michael Reiterer.⁵²⁸

⁵²⁶ *Ibid.*

⁵²⁷ Asia-Europe Cooperation Framework 1998, 2000: par. 25-27.

⁵²⁸ Reiterer 2002a: 49, 56.

On the basis of the Commission's policy document, the *Vademecum*, the ASEM Foreign Ministers agreed in Beijing 2001 that ASEM activities and initiatives should be further linked to the ASEM dialogue and be supportive of it. In addition they noted that clustering of activities can facilitate synergies within the ASEM process and within the clusters. The organizers and facilitators, especially within a cluster, were urged to consult each other on agendas and timing.⁵²⁹

The latest reform process was endorsed at ASEM5. The role of the Senior Officials was strengthened: an initiative can now be implemented even before formal summit level endorsement if it has been approved by SOM. The senior officials were also tasked to enhance the monitoring of the initiatives' follow-up. The coordinators' role in follow-up and reporting of initiatives was strengthened with the help of the ASEM Contact Points.⁵³⁰ Initiatives are now recommended to be more substantial, and placed under peer review by the partners. The SOM were tasked to monitor and assess the initiatives with the help of an evaluation template. The ASEM InfoBoard-website (maintained by ASEF) was tasked to collect and publish as much information of ASEM initiatives as possible (pre-event information, post-event assessments of results, and so on forth). The partners were encouraged to use the ASEM logo in the projects to strengthen the publicity and visibility of ASEM activities.⁵³¹ In order to promote the credibility and efficiency of the ASEM initiatives the partners also agreed in Hanoi 2004 that they should move towards more result-oriented projects and programs.⁵³² In order to streamline the dialogue and to enhance the effectiveness of the activities, FMM7 introduced three areas of substantive cooperation⁵³³, which will be addressed with focused dialogue, specific goals and result-oriented programmes and projects.

Despite of the reform processes there seems to be a general understanding that the inadequate management of initiatives has been a long-lasting problem and that the common tools for assessment have not been properly used. According to some European experts the

⁵²⁹ FMM3 Chairman's Statement 2001, Annex (ASEM Working Methods).

⁵³⁰ ASEM5 Chairman's Statement: Annex 2.

⁵³¹ *Ibid.* The Foreign Ministers raised the issue of publicity through the ASEM InfoBoard again in FMM7 in Kyoto. FMM7 Chairman's Statement: Annex.

⁵³² ASEM5 Chairman's Statement.

⁵³³ The areas are 1) political: strengthening multilateralism and addressing security threats, 2) economic: sustainable development (including environment and energy security) and 3) cultural, social and others: dialogue among cultures and civilizations. FMM7 Chairman's Statement 2005. The High-Level Meeting within the Framework of the Economic Ministers Meeting in Rotterdam 2005 added globalization and competitiveness to the list.

coordinators and senior officials have rarely used their powers to object or dismiss initiatives made by the partners. Sometimes politics have influenced the decision-making: coordinators have promoted their own national projects and proposals made by major partners or neighbours have rarely been dismissed. According to one European view, the Council Working Group for Asia-Oceania (COASI) has been slightly more controlling in its approach than the coordinators or the senior officials. Projects have sometimes risen from national interests to serve the national agenda without actual relevance to the common ASEM priorities and objectives.⁵³⁴ For example the TFAP and the IPAP or the dialogue on human rights show a direct connection to the ASEM priorities to enhance economic relations and to promote respect of human rights, however as pointed out by Yeo Lay Hwee, the connection of the Vietnamese Conference on Traditional and Modern Medicine to ASEM remains less clear.⁵³⁵ Sometimes strong national motivations have led to the establishment of overlapping projects as in the case of educational exchanges, where different projects have been launched to promote the same objective. For example the Asia-Europe University in Malaysia, Singaporean proposal on ASEM Education Hub and French-Korean initiative on the French Duo programme all support exchange of students and researches. However, possible complementary benefits of these projects seem to have been disregarded.⁵³⁶ Two ASEM initiatives have also conflicted with the non-institutional character of ASEM. The European Commission warned the partners already in 1997 of the proliferation of “ASEM Centres” or other permanent or semi-permanent institutions. ASEM1 endorsed two such initiatives, ASEF and AEETC. Over the years ASEF has acquired a meaningful, central role in the ASEM process, but AEETC had to be closed in 2002 because of lack of direction and funding.⁵³⁷

Another key problem has been the inadequate follow-up of projects, which has created an image of superficiality as noted by the European partners in 2001.⁵³⁸ For example a look at the ASEM Matrix in the European Commission -website shows that many organizers have failed to provide any follow-up information of their projects. The senior officials have the right and the responsibility to review the activities and give recommendation whether a project should be continued or terminated, but it has been argued that they rarely seem to implement their duties in this aspect. Here politics and fear of losing face may interfere again.

⁵³⁴ Yeo 2003: 166; Lim 2000e.

⁵³⁵ See Yeo 2003: 166.

⁵³⁶ *Ibid.*

⁵³⁷ European Commission 1997b.

⁵³⁸ European Commission 2001c: 6, Annex 1.

As all ASEM deliverables, also the initiatives are based on voluntariness. Therefore peer review and pressure are the only available tools to control the agreed commitments or reporting schemes. As Paul Lim puts it “initiatives as institutions take a life of their own”, and resist reform or termination although found inadequate.⁵³⁹ Sunset clauses, used in the investment experts group (IEG), have been raised as one possible solution to some of the problems related to follow-up.⁵⁴⁰ A two-year sunset clause, for example, would force the project facilitators to conduct a thorough assessment, if they wish to continue the project after the dead-line.

The initiatives have also suffered from low publicity, often left in the hands of the organising country. The publicity of endorsed projects has remained low even among the ASEM countries themselves. Extensive Internet searches have shown that the partners provide very little information of ASEM and related projects on their government websites. In many cases the website of a certain project has become outdated or even closed. The initiative database, endorsed by ASEM5, can bring much needed visibility for the initiatives, once opened at the ASEM InfoBoard. Paul Lim notes that because the projects are implemented by public funds, they should be more accountable to the wider public.⁵⁴¹ The effectiveness, relevancy and visibility of the initiatives should be carefully contemplated because the projects and activities can provide a concrete link to the ASEM process for the citizens and for the different stakeholders.

To conclude, many of the problems related to the initiatives are symptoms of a bigger dilemma: the lack of clear vision of ASEM’s role and purpose. A long-term perspective for ASEM was first drafted in the AECF1998 and updated in 2000 after taking into consideration the Asia-Europe Vision Groups Report (1999). The AECF2000 set out a vision, principles, objectives and mechanisms for the cooperation and it still serves as the main guideline for the cooperation. The very broad goals and objectives aimed “maintaining and enhancing peace and stability” or “enhancing mutual awareness and understanding” have given room for too many, too miscellaneous initiatives and projects. The proliferation of initiatives and the lack of a clear strategy only leads to waste of energy and resources, and creates duplication as pointed out by Percy Westerlund, former Director-General of the External Relations

⁵³⁹ Lim 2001c: 2.

⁵⁴⁰ Lim 2000e: 4.

⁵⁴¹ Lim 2000e: 4.

Directorate of the European Commission. He adds that the danger of “forum fatigue” is also imminent. When the objectives of the activities are too vague, the need to take action remains low.⁵⁴² The clustering of initiatives may not have been very successful in focusing activities. The decision of ASEM5 to locate only few areas of substantial cooperation reflects a need to refocus the dialogue. Some of the clusters have comprised only few activities, or the initiatives involved have been very different, making the value-added of the system debatable. Hence, it can be questioned whether clustering was just another classification system, as noted by Paul Lim.⁵⁴³ The principle of subsidiarity, clarified by Gerald Segal⁵⁴⁴, can provide a relevant guideline for the ASEM dialogue and initiatives. Cooperation should be concentrated on issues, which can be best handled by ASEM, not any other institution.

Finally, the partners have a custom to take note of other promising, suitable activities that support the ASEM process. These activities may not necessarily be open to all ASEM partners or to ASEM partners exclusively. Therefore an official recognition as an ASEM project is either not needed or not possible. Yet, in order to give these projects more visibility, the partners have recognized them as ASEM-supportive and listed them in the Chairman’s Statements. The possible multiplication of such initiatives has been interpreted as a positive outcome of ASEM and Asia-Europe cooperation.⁵⁴⁵

After ten years of cooperation the ASEM partners have already introduced various methods to manage the initiatives and activities. The problems lie in the execution of these guidelines. In an informal process of cooperation evaluation, coordination and follow-up of initiatives has remained insufficient.

4.2 Chairman’s Statements and Political Declarations

The documents of ASEM summits and meetings must be in line with ASEM’s legal and political character – hence the outcomes are political documents without legal effects. Since 1996 the key ASEM-document has been the Chairman’s Statement issued after each summit, ministerial or senior officials’ meeting⁵⁴⁶. In the beginning of the process Chairman’s

⁵⁴² Westerlund 1999: 19.

⁵⁴³ Lim 2000e.

⁵⁴⁴ Maull, Segal and Wanandi 1998: xv.

⁵⁴⁵ European Commission 1997b: 5-6.

⁵⁴⁶ SOM Chairman’s Statements are not publicly available, whereas SOMTI Statements are.

Statements quickly developed into extensive, negotiated documents, which did not always reflect the actual discussion at the meetings. Recognising the need for reform, the partners agreed at FMM4 (2002) that the Chairman's Statements should be developed into factual reports of the meeting's discussions. Time-consuming negotiations of formulations and wordings were to be avoided. Short, concise statements would attract more publicity for the summit as they would provide a quick, understandable insight to the summit dialogue for the media and public. It was emphasized that the statements should not repeat already known positions, but highlight the actual contributions of the ASEM process.⁵⁴⁷

In order to draw attention to a certain, specific question, the leaders decided in 2002 to issue separate political declarations.⁵⁴⁸ Thus far the ASEM partners have issued the following declarations:

- Statement on the Financial and Economic Situation in Asia, ASEM2 1998
- Seoul Declaration for Peace on the Korean Peninsula, ASEM3 2000
- Declaration on the India-Pakistan Situation, FMM4 2002
- Declaration on the Middle East Peace Process, FMM4 2002
- Political Declaration for Peace on the Korean Peninsula, ASEM4 2002
- Declaration on Cooperation against International Terrorism, ASEM4 2002
- Political Declaration on Prevention of Proliferation of Weapons of Mass Destruction and Their Means of Delivery FMM5, 2003
- ASEM Declaration on Multilateralism FMM6, 2004
- ASEM Declaration on Dialogue among Cultures and Civilizations, ASEM5 2004
- Hanoi Declaration on Closer ASEM Economic Partnership, ASEM5 2004
- Bali Declaration - ASEM Interfaith Dialogue 2005

With the system of separate Chairman's Statements and Political Declarations the leaders have been able to put emphasis on important international issues. While a declaration brings more visibility to the issue, it also enhances the image of ASEM as an international actor. The declarations have portrayed a picture of a more unified ASEM, which is able to form common positions on regional conflicts in Asia and elsewhere or on issues of global concern

⁵⁴⁷ The recommendations of FMM4 were based on the European Commission policy document *Vademecum*. European Commission 2001c: 6; and Annex 1: 1, 5.

⁵⁴⁸ European Commission 2001c: 6; European Commission 2002a: 10.

such as terrorism or proliferation of weapons of mass destruction. Nevertheless the effectiveness of the Chairman's Statements and Political Declarations can be questioned. Because of their unbinding nature there is a danger that they will never be developed beyond talk. Christopher M. Dent points out that the Declaration on Multilateralism (FMM6 2004), for example, was largely repeating what ASEM partners were already doing in other diplomatic levels. The declaration, as many others, uses affirmative words and includes no commitments.⁵⁴⁹ This largely applies to the other declarations and Chairman's Statements also. They reflect ASEM's inability to go beyond "declaratory" diplomacy. The partners pay deference to international institutions, the central role of the UN and its instruments, confirm their support of ongoing processes. Although the Declarations present a picture of a concerned, unified group of European and Asian leaders, who want to address current problems, they hardly contribute anything new to the issue at hand.

Regarding the outcomes of the meetings Jürgen Rüländ has called for more binding and precise results. He argues that in the long-run a process which does not produce tangible results cannot be justified for its costs and time.⁵⁵⁰ Rüländ notes that ASEM meetings could obligate partners to support negotiated common positions in global forums or oblige them to implement agreed commitments. He proposes linking Chairman's Statements to specific scheduled goals: a timeframe for ASEM partners to fulfil the emission targets of the Kyoto Protocol. This way ASEM could also attract publicity and raise interest in the wider public.⁵⁵¹ The ASEM partners could make a commitment to exceed the requirements of international agreements by creating a WTO Plus or Kyoto Plus for ASEM partners.⁵⁵² Because of the non-binding nature of ASEM cooperation, the fulfilment of these goals would have to be based on voluntary implementation and peer-pressure. However, specific common goals and guidelines could facilitate comparisons between partners and assessment of outcomes and boost peer pressure.

⁵⁴⁹ Dent 2005.

⁵⁵⁰ Rüländ 2005: 9-10.

⁵⁵¹ Acknowledging the difficulties of binding commitments and the reluctance of certain partners, Rüländ introduces a three-staged process, which would start with voluntary unilateral implementation of target-setting and benchmarking and be continued with more precise and binding implementation together with self-reporting and peer-group evaluation. At the final stage the partners could include mechanisms to sanction free-riding and non-compliance.

⁵⁵² *Ibid.*

5. Visibility and public awareness of ASEM

The general understanding among the partners is that ASEM's visibility in Europe and Asia has remained low. The partners have expressed their concern over the low visibility and public awareness of ASEM, but rarely addressed the roots of the problem in detail.

ASEM and the media

A survey of some of the leading European newspapers and news sources shows that ASEM receives only limited attention in the media.⁵⁵³ The average number of articles per year, which mention ASEM, ranges from 6.6 in *Le Monde* to 1 in the *Guardian*. These numbers include both articles focused on ASEM and articles in which ASEM is only mentioned. The number of articles is spread evenly over the years and there does not seem to be any significant increase during the summit years. Topics range from economic developments to summit descriptions, most recently the issue of Burma/Myanmar and its participation in ASEM has been dominating.

There are many reasons for the limited attention in the European media. On the one hand, European interest in Asia as a regional entity has remained limited because Asia is only emerging as a regional actor. ASEM also competes with other long-standing EU-Asia relations such as EU-China, EU-Japan and EU-ASEAN which tend to generate more interest.⁵⁵⁴ In addition, national bilateral relations to Asian countries may be regarded more interesting, and easier to cover than issues related to the complex entity of the EU. It goes without saying that the absence of the United States from ASEM is a major reason for lower media interest. The informal approach of the dialogue rarely produces sensational news or developments, making ASEM related issues uninteresting or unappealing in the eyes of the media as pointed out by journalist Matthew Saltmarsh⁵⁵⁵.

While ASEM's broad, unfocused agenda has enabled dialogue on various current issues, it has also made it difficult to portray ASEM in the media. Discussion at the meetings has often

⁵⁵³ Survey made on the Internet-portals of *Le Monde*, *Die Welt*, the *Guardian*, the BBC News online UK-version.

⁵⁵⁴ Saltmarsh 2004: 2.

⁵⁵⁵ *Ibid.*: 1-2.

remained superficial and the common statements have remained declaratory. In addition, the initiatives and activities have either a relatively low profile or are not sufficiently advertised or sold to the media and public by the ASEM partners themselves. ASEM is a slow process with biennial top-level summits. Activities between the summits are low key and procedural and therefore attract only limited interest in the mass media. ASEM's visibility in the media is also closely connected to the ASEM leaders' attitudes towards the process. Personal commitments of the heads of state and government are essential for the visibility of ASEM in the media and among the public. In order to raise awareness among Asian and European journalists, ASEM Public Affairs has organized meetings of editors and a colloquium for journalists. This way ASEM has strived to increase its own profile and the visibility of ASEM and Asia-Europe relations.

ASEM's visibility was challenged for a long time by the lack of a common logo. Until 2001 all ASEM events were advertised with different national logos. This problem was acknowledged first in the European Commission policy document *Vademecum* (2001), which stated that marketing of ASEM was difficult without a common image. A common ASEM logo was endorsed at FMM5 in 2003 and it was recommended to be used widely in all ASEM activities.⁵⁵⁶

ASEM and the Internet

Until 2004 ASEM lacked an official, common website. The European Commission has maintained its own website on ASEM as part of its portal on the EU's external relations. With a European outlook on ASEM the website has offered a rather extensive archive of ASEM related information, although it is currently partly outdated. All summit organizers have established their own national websites on the eve of the summits. These one-time sites are already outdated but many of them are still online creating confusion among people looking for current information of ASEM.

The official ASEM-website "ASEM InfoBoard" was established by FMM6 in 2004 to provide public information of the process and to enhance ASEM's visibility and transparency. The foreign ministers acknowledged that there is a need to enhance general awareness and understanding of ASEM – even among the ASEM partners themselves. The

⁵⁵⁶ European Commission 2001c; FMM5 Chairman's Statement; ASEM5 Chairman's Statement: Annex 2.

InfoBoard collects together all public ASEM related information, provides a monthly newsletter service and acts as an “information reception desk” for ASEM-related inquiries. It is a pilot project of ASEF and financed through voluntary contributions from the partners. The long-term development of the InfoBoard and the role of ASEF will be assessed later by the partners.⁵⁵⁷ Although the ASEM InfoBoard already provides a detailed calendar of ASEM activities, a more extensive “database” of ASEM initiatives, as proposed at ASEM5, has not been published yet.⁵⁵⁸

ASEM partners also provide information on ASEM on their own national websites. The amount and quality of that information varies greatly. Some countries maintain rather extensive websites with ASEM related documents and lists of their national initiatives and contributions, while many provide only general information about ASEM. There are also several other ASEM-related websites, maintained by think tanks and civil society groups.

ASEM and public awareness

Visibility and awareness are not only questions of media coverage, online visibility or information campaigns. Visibility and awareness are both closely linked to the level and nature of involvement of different actors. Therefore the lack of direct contacts with parliaments and different civil society actors, has led to low visibility and awareness of ASEM in the partner countries. Some civil society groups have independently, through their own activities strived to raise awareness of ASEM and Asia-Europe dialogue with the help of their own networking, e.g. the Asia-Europe People’s Forum and the Asia-Europe Trade Forum. Also the parliaments have created their own network in the sidelines of the ASEM. Nevertheless these processes have developed outside the official ASEM and reach only a relatively limited number of people.

There is a general understanding among the partners that the awareness of ASEM among the public has remained too low. This concern has been reflected among others in the launching of the ASEM logo and the InfoBoard and the recommendations of the Summits to enhance the promotion of initiatives. One of the key objectives of ASEM is to “enhance mutual understanding and awareness” between the two regions, as stated in the AECF2000, but ASEM, as a top-down process, cannot bring the peoples of Asia and Europe together itself.

⁵⁵⁷ FMM6 Chairman’s Statement: Annex (Concept Paper on ASEM Infoboard).

⁵⁵⁸ ASEM5 Chairman’s Statement.

The Asia-Europe Vision Group noted in its report in 1999 that there should be greater awareness of ASEM among the citizens of ASEM countries. The Vision Group recommended the partners to move beyond government circles and to engage the business sector, society and particularly the peoples of Asia and Europe in the process.⁵⁵⁹

The Asia-Europe Foundation was initially perceived as the tool, which by enhancing people-to-people connections and exchanges on different levels would at the same time promote the ASEM process and increase general awareness of Asia and Europe and ASEM among the wider public. The European Commission noted in 1997 that ASEF should be made a “highly visible expression of the ASEM achievements”⁵⁶⁰. Although ASEF has managed to organize an impressive number of activities and projects, it has sometimes been criticized for remaining unknown itself.⁵⁶¹ The role of ASEF was further clarified in 2004 when ASEM5 revised the foundation’s key principles (the Dublin Principles). ASEF was aligned closer to ASEM and tasked to provide public relation activities to profile ASEM and to publicize ASEM meetings and activities.⁵⁶²

ASEF is one of the key instruments for ASEM’s visibility and publicity. Through its activities ASEF has the possibility to make Asia-Europe relations and ASEM tangible and understandable to the wider public, especially through its people-to-people and cultural activities. With the help of its partner networks in Asia and Europe ASEF can disseminate information on its activities and on Asia-Europe relations in general. Recently ASEF has tried to create wider connections to the different civil society actors with the aim of facilitating dialogue and cooperation. At the same time it has tried to enhance its own and ASEM’s visibility among different stakeholders. ASEF has also organized different side events to ASEM summits (conferences, journalist meetings, art exhibitions and concerts), with the aim to increase awareness of ASEM and ASEF in the wider public and to engage the local actors in the process.

The Asia-Europe Business Forum has tried to enhance visibility and mutual awareness among the business communities of the regions. Nevertheless, in recent years the general interest in the AEBF has been waning.

⁵⁵⁹ Asia-Europe Vision Group 1999: par. 90.

⁵⁶⁰ European Commission 1997b.

⁵⁶¹ Yeo 2003: 56.

⁵⁶² The Dublin Agreed Principles of the Asia-Europe Foundation 2004.

In Europe greater public awareness and visibility of the ASEM process is linked to the role of ASEM in the EU's external relations. In its present position, outside the normal external relations procedures, ASEM has only received limited visibility within the EU. In addition the lack of parliamentary connections has restricted the awareness of ASEM in the Member States. Therefore, if ASEM would be mainstreamed to a normal part of the EU's external relations, the official connections to the European Parliament and to the national parliaments of the Member States would be automatically reinforced as the preparation of issues would be brought inline with the normal procedures of the EU. This way the enhanced national debates in the EU Member States would not only contribute to greater accountability but also better visibility and awareness in Europe.

The question of whether ASEM would need a secretariat has sometimes been raised in the context of visibility. Although a secretariat and a possible Secretary General would perhaps increase the visibility of the secretarial institution and its figurehead, it would not solve the root causes of the problem, *inter alia* low awareness stemming from limited engagement of different stakeholders.

Conclusions

Low visibility and awareness stem from various reasons. A focused and relevant ASEM agenda would generate more interest in the media and among the public. Furthermore a concentrated agenda could also facilitate more tangible cooperation, which would in turn enhance ASEM's visibility. ASEM has an important role to play, as its activities are suitable for improving mutual awareness and understanding. As awareness comes from engagement and participation, enhanced links to the different stakeholders (business sector, civil society and parliaments) should be considered essential for enhancing the profile of ASEM in a sustainable way.

6. ASEM enlargement

6.1 Overview

The enlargement of the ASEM partnership has become a difficult, long-term challenge in the Asia-Europe relations. When the cooperation was inaugurated in 1996, the EU membership quickly became the common requirement for partnership in Europe. In Asia the partnership was built around ASEAN and the three dynamic states of China, Korea and Japan. At the first summit the partners agreed that the process should remain open and evolutionary, but no membership criteria or concrete plans for enlargement were identified.⁵⁶³

The question of enlargement became acute soon after the initial ASEM summit, as Laos and Burma/Myanmar became members of ASEAN in 1997 and Cambodia in 1999. The possible membership of Burma/Myanmar caused perpetual disagreements between the partners, which culminated in 2004 in a critical freezing of relations. On the one hand the European partners opposed the integration of Burma/Myanmar because of its military regime and human rights violations, on the other hand the ASEAN partners demanded Burma/Myanmar to become included in ASEM as a full-fledged member of ASEAN.

The situation led to the cancellation of two ministerial meetings. The EU, holding to the principle that it must be presented by all its 25 Member States at international meetings, indicated that as there was no agreement on ASEM enlargement, the European side could not participate in any ASEM meetings before the Hanoi Summit.⁵⁶⁴ Finally the partners reached a compromise, which allowed Burma/Myanmar to participate with a lower-level representation. At ASEM5 in Hanoi the partners welcomed thirteen new states to join ASEM (including Burma/Myanmar and the ten new EU Member States). Burma/Myanmar's participation in European ASEM Ministerial meetings and Summits still remains unresolved, as the 2004 Council Position bans visas from high-ranking Burmese military leaders, including many ministers.⁵⁶⁵ The problems related to the Rotterdam Economic Ministers Meeting in September 2005 were a concrete example of the current dilemma. The Asian ASEM partners view this as a European problem and have criticized the Europeans for placing conditions on a partner state.

⁵⁶³ See ASEM1 Chairman's Statement, Bangkok 1996.

⁵⁶⁴ Europe Information 15.06.2004.

⁵⁶⁵ However, according to the Common Position (Article 6 Paragraph 5), exceptions to the visa-ban can be made to accommodate Myanmar's representation in meetings where a political dialogue is conducted that directly promotes democracy, human rights and the rule of law in Burma/Myanmar. Council Common Position 2004/730/CFSP of 25 October 2004.

The current ASEM enlargement policy is based on the Asia-Europe Cooperation Framework 2000. The original AECF, endorsed at ASEM2 in 1998, touched enlargement only briefly and failed to define any criteria for ASEM partnership. The issue was addressed in more detail in the AECF 2000: ASEM is an open and evolutionary process, and enlargement is conducted in consensus by the Heads of State and Government. According to the AECF every enlargement should reinforce the Asia-Europe partnership. Enlargement should be conducted in progressive stages and each candidate should be examined on the basis of its own merits and in the light of its potential contribution to the ASEM process. In addition a two-key approach is utilized: a candidate state should first receive the approval of the partners in its own region and only then can all the partners in consensus decide its participation.

The ASEM5 Chairman's Statement further defined the current position of the partners regarding ASEM enlargement:

The Leaders, emphasising the need to consolidate the ASEM process after enlargement, agreed to consider future enlargement, taking into account the continued EU enlargement and the important role of other candidates.

The issue was raised again at FMM7 in Kyoto 2005, where the Foreign Ministers called the partners to seek a common understanding of the future membership in the light of the open and evolutionary nature of ASEM process.⁵⁶⁶ Hence the process remains open.

6.2 Challenges

What is ASEM - a state-to-state or region-to-region relationship?

The enlargement question is closely related to the question of how ASEM is perceived by the partners. As already discussed in the previous chapters, the structure of ASEM ambiguously floats somewhere between a clear state-to-state and a region-to-region approach. On the one hand the process highlights the roles of the national governments and emphasizes the state-to-state approach. On the other hand, considering ASEM strictly as a forum of nation states would undervalue the special roles the EU and the ASEAN have acquired in it. In Europe the ASEM functions are closely integrated in the institutions and mechanisms of the European Union, thus making it already a part of the agenda of a regional process. Regional coordination is undertaken also in Asia by the ASEAN+3. In comparison, the Asian partners

⁵⁶⁶ FMM7 Chairman's Statement, Kyoto 2005.

have not coordinated their agendas regionally in APEC.⁵⁶⁷ Also the regional integration processes taking place within the European Union and ASEAN+3, suggest that the partnership could be seen more as a region-to-region relationship than just as a strict state-to-state one. One can also argue that from a historical perspective ASEM in a way is an extension of the region-to-region EU-ASEAN relationship

Initially it was more favourable for the EU to regard ASEM as an intergovernmental process, as a region-to-region approach could have legitimized the participation of Burma/Myanmar as a member of ASEAN. Now that Burma/Myanmar is already in ASEM, the benefits of the region-to-region approach could be reconsidered. If ASEM would be developed to a partnership of regions, the question of enlargement could become less complicated as the extension of the partnership would be defined by the development of the regional frameworks. This would mean that common rules should be adopted for both Asian and European enlargement and the validity of the current guidelines should be carefully contemplated. This would be particularly beneficial for the EU, because ASEM enlargement could then be automatically linked to the EU enlargement. In Asia a region-to-region approach would be a motivation for the states of ASEAN+3 to further develop their regional integration. An enhanced coordination on both sides could help the partners identify areas of cooperation and formulate common positions in international issues. Closer integration in both sides would also enhance consensus building and decision-making, and it could even strengthen peer-pressure in keeping common commitments.

It goes without saying that a region-to-region approach should not be perceived as a limitation to ASEM's possibilities in building meaningful and deep cooperation in important issues. Therefore ad hoc cooperation with key non-member Asian or European countries could be enabled in some of the most pressing issues, such as broad security questions including the threat of terrorism and energy and environmental issues. A broader Asia-Europe cooperation in some issues or projects could enhance efficiency and visibility.

Boundaries of enlargement in Europe

The European Commission stresses that the EU is the European core of ASEM, and participation in ASEM is conditional to membership in the EU. The special character of the

⁵⁶⁷ CAEC 1997: 84.

union must be thus respected. As the EU enlarges, the new Member States will play a full role in the ASEM process. The European Commission has therefore argued that the new EU Member States should automatically become ASEM partners as they enter the union, justified by the special nature of the EU framework.⁵⁶⁸ This position has created difficulties and disagreements among the partners because of two reasons. Firstly this principle is challenged by the enlargement guidelines of the AECF2000. The two-key approach of enlargement gives the Asian partners a chance to veto the accession of new EU Member States to ASEM. The framework also states that each candidate should be examined on the basis of its own merits and in the light of its potential contribution to the process. Hence the possible input and relevance of some EU-applicants could be questioned and vetoed by the Asian partners. Secondly the Europeans strongly opposed ASEM enlargement to the new ASEAN members, because of Burma/Myanmar. It was stated that ASEAN membership did not qualify for automatic access to ASEM⁵⁶⁹. This led the Asian partners to criticize the EU for adopting different rules of enlargement for Europe and Asia.

The core of the enlargement issue lies in the fact that the two regional actors, the EU and ASEAN + 3, are very different institutions with very different structures and working methods. From the point of view of the EU the situation where all Member States would not be allowed to participate in one part of the common external relations would be unacceptable. The EU enlargement is an on-going process and as new states enter the EU they become full-fledged members with equal rights to participate in the common policy-making. ASEM is only one part of the EU's overall relations to Asia. To give a concrete example of the possible difficulties that would emerge if all EU Member States would not be in ASEM: the preparation of ASEM related issues is conducted among other EU-Asia affairs in the Council Working Group for Asia-Oceania (COASI), where all Member States are represented. What could be the position of those EU Member States in these and other meetings and processes when ASEM related issues are debated? Would it be acceptable that these countries could have a say in the EU-ASEAN affairs but not in ASEM affairs? Similar problems would arise in the European Council among the Foreign Ministers.

The question of ASEM's possible enlargement beyond the EU is also closely related to the definition of ASEM. If ASEM would be a clear state-to-state partnership, where the EU

⁵⁶⁸ European Commission 1997; 2000.

⁵⁶⁹ Bersick 2003a: 63.

would not have any role, the participation of a non-EU state could be legitimized. However, as the EU has been the core of the European partnership since the beginning of the process and the institutions of the EU are involved in the European coordination, the possibilities of non-EU states to participate in ASEM in Europe become scarce. Nevertheless, the possible participation of non-EU states has been raised from time to time when certain European countries have indicated their interest to join ASEM. In the case of Russia the debate is culminated on the fact that although geographically Russia is a truly Eurasian state, it would still be difficult to determine from which side it should join the partnership.⁵⁷⁰ Integrating a major international power such as Russia would most likely complicate the ASEM process, although it could bring ASEM more visibility and weight in for example energy issues. Also Turkey has indicated its interests to join the process. If Turkey will join the EU in the future, its accession to ASEM shall then be handled accordingly. In the meantime, also its European/Asian nature has been disputed. In addition Norway and Switzerland have been listed as possible, interested candidates.⁵⁷¹

Considering the ASEM process' position in the EU, it would be very difficult for any European state outside the Union to become a partner in ASEM. A non-EU participant would be excluded from the preparation and coordination of issues within the EU and non-EU states would not be likely to follow the common positions of the EU partners, making it even more difficult to maintain a common European voice in ASEM⁵⁷². In the European side ASEM coordination is bound to the Commission and the rotating Presidency, two central institutions of the EU, making the participation of any non-EU state very difficult. In concrete terms, how could the participation of a non-EU ASEM participant be organized in the internal working groups of the Union (for example, the above-mentioned COASI) where also other affairs of the EU are handled?

Among the academia there are some who would now prioritize consolidation and deepening of cooperation to enlargement. Jürgen Rüländ supports a moratorium on enlargement, because ASEM has not yet consolidated its position as an institution. He points out that new members, particularly those from South Asia, would risk the development of an already

⁵⁷⁰ Russia expressed its interest to join the partnership at ASEM3, without indicating from which side it would prefer to join. Reiterer 2002a: 46.

⁵⁷¹ Reiterer 2002a: 44.

⁵⁷² CAEC 1997: 82-83.

fragile forum by bringing in new sets of problems and by weakening the poor cohesion.⁵⁷³ Rüländ argues that both the EU and ASEAN are just recovering from their own enlargements and ASEM enlargement would only deepen problems and could even lead to a stagnation of the whole process.⁵⁷⁴ From the point of view of the EU, a moratorium of membership would not be feasible as the EU enlargement is a continuous process. As explained earlier a situation where some EU Member States would not be included in ASEM would be contradictory to the nature of the EU and would create great difficulties in common policy-making and coordination.

The boundaries of ASEM enlargement in Asia

Taking into account the different basis of the partnership in Asia, the list of possible candidates is more varied there. Thus far the partnership in Asia has followed the lines of ASEAN+3, as most Asian partners have favoured this East and Southeast Asian focus. However now when all ASEAN+3 states are part of ASEM, the process could be opened to new candidates. Australia and New Zealand have been raised from time to time as possible candidates, but both of them have been considered too “western” to join the partnership from the Asian side. It has been argued that integrating them in the process can dilute the still weak cohesion and identity of the Asian partners.⁵⁷⁵ The participation of India has been debated since the beginning of the process. ASEAN states have been hesitant to consider it, because of the danger of simultaneously importing the India-Pakistan conflict in ASEM.⁵⁷⁶ However, as ASEM partners regard non-traditional security, particularly the threat of terrorism, as a key issue of the ASEM agenda, engaging India and Pakistan could allow them to undertake deeper and more effective cooperation.⁵⁷⁷ India is already linked to ASEAN via the ASEAN Regional Forum. It has also been argued that India could diminish ASEAN’s central role in the ASEM process and weaken the voice of small and medium-sized Asian countries in and possibly challenge the interests of China.⁵⁷⁸ In any case, a heavyweight such as India would load the ASEM process with not only new possibilities but with new challenges and problems as well. The possible enlargement to Mongolia has also been raised. At the moment there

⁵⁷³ Rüländ 2002a: 9.

⁵⁷⁴ Rüländ 2005: 10.

⁵⁷⁵ Hund 1998: 73; Reiterer 2002a: 44.

⁵⁷⁶ Hund 1998: 74; Reiterer 2002a: 44.

⁵⁷⁷ In 2004 there were according to US official statistics, 32 terrorist incidents in ASEM area, while there were 827 in South Asia. Furthermore, since 2001 Pakistan has captured or killed over 600 suspected Al Qaeda operatives, more than any other country in the world. US National Counterterrorism Center 2005; US Department of State 2005.

⁵⁷⁸ Hund 1998: 74, 105.

seems to be no consensus in Asia over the future Asian ASEM candidates as the partners had only agreed on the partnership of the remaining ASEAN members.

The European Commission pointed out in 2000 that the EU's dialogue with Asia cannot reach its full potential as long as certain major players of the region are absent. The Commission has suggested the Asian partners to consider enlargement to South Asia and Australasia.⁵⁷⁹ Also the European Parliament has encouraged the European partners to promote India's participation in ASEM.⁵⁸⁰ As the EU enlarges with a faster pace than the ASEAN, the numerical imbalance between Asian and European partners grows wider. The EU has pointed out since the beginning that enlargement should take place on the Asian side as well.⁵⁸¹

Although the enlargement of ASEAN does not seem very likely in the short-term, ASEAN+3 cooperation could, in the long term, expand to cover some or all of the following: India, Pakistan, Australia and New Zealand. The emerging Asian rapprochement, the recent East Asian Summit (2005) being a visible example, could provide new possibilities for the Asian ASEM partnership. Nevertheless, considering the key role of ASEAN in the East Asian Summit –process and the generally slow pace of integration in Asia, ASEAN and ASEAN+3 may well remain the core of Asian integration.

Concluding remarks

Future enlargement of ASEM is a highly political question and the experiences of the past years have shown that in this issue consensus building between Europe and Asia has proven to be difficult. The partners seem to be lacking a clear, common understanding regarding the future of ASEM enlargement. Nevertheless the next ASEM summit in Helsinki 2006 is obliged by ASEM5 in Hanoi and FMM7 in Kyoto to address the issue.

Firstly, although the case of Burma/Myanmar should no longer be regarded as a question of enlargement, solving the dilemma may well be a prerequisite for future enlargements. The

⁵⁷⁹ European Commission 2000: 6.

⁵⁸⁰ The European Parliament "Calls on the Commission, the council and the member states to invite India, one of the most important democracies in the world, to participate in the ASEM process, within a reasonable time-frame." European Parliament 2000.

⁵⁸¹ European Commission 1997b.

disagreement over its participation in ASEM summits can cause perpetual difficulties in the cooperation and became an obstacle for enlargement.

Secondly, another short-term problem for Europe is the forthcoming accession of Bulgaria and Romania, which are scheduled to join the EU in 2007. The European partners see that these need to be automatically welcomed in ASEM. However, as long as there is no clear consensus over the enlargement policy, no agreement over the next Asian candidates and no solution in the Burma/Myanmar issue, it is possible that the ASEM enlargement, in the case of Bulgaria and Romania, can again become a difficult issue dividing the partners and in the worst case even lead to a similar dead-lock as before the last enlargement.

Thirdly, the issue of enlargement needs to be solved with a long-term solution. The EU enlargement will continue after Bulgaria and Romania, meaning that the ASEM process must be kept open for new partners. Therefore the European partners need to come up with a clarification that justifies the full partnership of all EU Member States in ASEM. Although at ASEM5 the leaders agreed to consider the enlargement issue while keeping in mind the continuous enlargement of the EU, the situation still remains ambiguous.

The validity of the current enlargement guidelines, defined in the Asia-Europe Cooperation Framework 2000, should be carefully contemplated, as they no longer correspond to the political realities, particularly in Europe. The partnership needs to be kept open also for Asia, where recent developments in the regional integration may provide new possible candidates to ASEM, for example through ASEAN cooperation. Finally, moving towards a region-to-region approach could be helpful for both sides. To be realistic it would perhaps be less complicated for the European side to develop ASEM to a region-to-region relationship, than for the Asian side, where the regional integration is still much looser and more fragile. However both sides should closely study the benefits of such an approach and it should be viewed as a motivation and instrument for closer regional integration and better interregional cooperation.

Conclusion

In a speech in 2004 Goh Chok Tong, the spiritual father of the ASEM dialogue, looked back on his brainchild. He expressed the opinion that the momentum in the interregional dialogue seems to have slackened and that relations at present are “passive rather than passionate”.⁵⁸² Today, after ten years of East-West dialogue in the ASEM framework, many seem to agree with him. Numerous observers and critics have expressed the idea that the “getting-to-know-each-other” phase of networking should be over, and that the Asia-Europe Meeting requires a “system upgrade”. What nobody seems to agree upon, however, is how to accomplish that goal.

It was the aim of this background study to provide the basis for the demarcation of possible future directions for the ASEM dialogue, not only by looking at ASEM’s present conditions and predicaments, but by conducting a broad and multi-angled re-assessment. This included a look at the historical background, the conditions and environment that gave rise to ASEM in the first place; a “performance measurement” reviewing the main joint initiatives in the three fields of cooperation; an examination of ASEM’s position within the overall workings of the European Union; and a look at internal working methods, institutional issues, and political mechanisms.

Chapter One noted that Europe’s “rediscovery of Asia” during the early 1990s was rooted in the first place in the growing awareness of the region as an awakening economic world power, including the opportunities this embodied for Europe but also the potential threat it posed to European industry. The renewed concentration on Asia can further be attributed to the following factors:

- Ø the development of a proactive US economic policy in the Asia-Pacific and the ensuing creation of APEC
- Ø the realization that Europe needed to shift away from its strong introspective focus and reach out to Asia in order to avoid that Euro-Asian relations would turn into the “weak side of the triangle” or the “missing triadic link” in the global structure

⁵⁸² Goh 2004.

- Ø the potential of Asia in local identity-building processes, as an instrument which could contribute to the definition of a nascent European identity through the EU's formalization of relations with third countries

ASEM in particular was seen primarily as an instrument that could provide the opportunity to strengthen the EU's economic presence in Asia. At the same time it was considered as a tool to raise the Union's profile, deepen political relations, confront the much higher interdependence between Europe and Asia, and last but not least offer a way to revive the long-standing region-to-region cooperation with ASEAN while at the same time extending the contacts to include South-Korea, Japan and (perhaps most importantly) China. The first ASEM summit in March 1996 was certainly a milestone and the beginning of a new era in Asia-Europe relations. Each of the five summits held during the ensuing decade have been marked by dominant themes such as the Asian financial crisis, the political situation on the Korean peninsula or the fight against terrorism. The widening of dialogue and cooperation between Europe and Asia in an extensive variety of fields is certainly one of ASEM's valuable accomplishments.

The question, however, remains in how far ASEM has lived up to the initial high expectations. Chapters Two through Four of this background study attempted to provide an answer that question.

Chapter Two indicated that, considering the discrepancy in expectations placed on the political pillar, and the dominating role of the economic pillar, the fact that the dialogue has developed into a central element of the ASEM process is an important asset. Positive developments include the opening of an informal, regular exchange of ideas on human rights, the emerging security dialogue not only on terrorism but also other global threats, and the expanding discussions on environmental questions. However, ASEM's potential to become a rationalising, agenda-setting actor vis-à-vis international institutions has not been realized. At the same time the inability to approach political issues and prepare for focused and concrete agendas has led to perceived "disaffection" and "forum fatigue".

Chapter Three on the achievements in the field of trade and economy concluded that accomplishments have remained below expectations. Significant progress has certainly been achieved in the identification of priority areas of concerted action in the Trade Facilitation

Action Plan (TFAP), Investment Promotion Action Plan (IPAP), and customs cooperation areas. Concrete results, however, are generally deemed insufficient. Especially the absence of binding means to ensure follow-up of initiatives diminishes the importance of the groundwork done on trade and investment facilitating measures for example. ASEM has furthermore shown limited efficacy as a rationalising tool to build consensus for and complement ongoing work in other bilateral and multilateral frameworks. Moreover, although two-way trade between the EU and Asian ASEM countries has increased substantially compared to ten years ago, the EU's trade deficit with Asia has also grown, and outward FDI into Asia as well as the relative share of East Asia in the total of EU's exports have actually decreased. The waning interest of the business community and the insufficient functioning of ASEM-related websites aimed at enhancing business networking and information-access are also symptomatic of the less than ideal running of the economic pillar. Much more needs to be done in the economic arena if interest in the ASEM process is to be sustained.

The number of concrete activities carried out in the socio-cultural and intellectual areas, including the establishment of the Asia-Europe Foundation (ASEF), educational exchanges through the ASEM DUO programs and the creation of a network of educational hubs reflects the relative success of ASEM's "third pillar" (Chapter Four). ASEM-initiated endeavours to address cultural issues, such as the Conference on Cultures and Civilizations and the Interfaith Dialogue, have a crucial importance in developing "ASEM soft power". These issues are entrenched in the sphere of soft security, and with a view to the future, are doubtlessly the pre-eminent fields that can display "ASEM's added-value". The Dialogue on Cultures and Civilizations furthermore has not only shown its importance in the consensus-building process ahead of the UNESCO declaration on cultural diversity, but is also a key cross-dimensional topic instrumental in the development of measures to address global security threats. Nevertheless, engaging civil society and tackling social questions (such as labour issues and outsourcing) in a meaningful way remain key challenges for the ASEM process. Finally, although inter-parliamentary dialogue in the framework of the Asia-Europe Parliamentary Partnership (ASEP) has built up momentum, the overall process lacks a clear, accountable relation to the national parliaments of ASEM partners and to the European Parliament. This transparency and accountability is clearly linked to ASEM's specific character as a process that uses economic and political protocols which, unlike treaty-based

cooperation agreements, “remove the complicating factor of seeking approval from the European Parliament”⁵⁸³.

ASEM’s distinct nature also has ramifications for its position within the EU system, as discussed in Chapter Five. From the European point of view, many of ASEM’s challenges seem to be linked with its ambiguous character as a cooperation structure which is in the first place centred on intergovernmental, state-to-state dialogue but also displays features of interregional, group-to-group contact. The role ASEM plays in the Union’s external relations is not equivalent to other, formal fields of interregional cooperation. This is visible in the relatively low commitment of resources, the focus on the Member States (rather than the European Community) as ASEM partners, the role of the Commission, and the weak involvement of the European Parliament. ASEM’s informal character and state-to-state nature appears to contradict the continuous deepening of the EU’s common external policies. Keeping in mind the logic of the EU’s external relations and continuous enlargement, in order for ASEM to become more result-oriented process, it will have to develop into the direction of a region-to-region structure, in congruence with the EU’s standard interregional dialogues. At the same time it has to be kept in mind that coordination and management of ASEM will be in need of re-consideration after the European Constitutional Treaty enters into force.

Chapter Six further elaborated on the distinct character of “ASEM-ness”. It goes without saying that ASEM’s disposition as a high-level, multi-dimensional and evolutionary dialogue process of open, transparent, informal and un-institutionalized nature also determines the format of meetings and working methods. The following assessments were made.

- Ø The informal and “Asian-style” approach offers advantages for networking and multi-dimensional cooperation but also for pursuing national interests or policies. In addition it can offer the EU a “real time observatory” for transformations and shifting power relations in East Asia. On the negative side, however, the lack of binding instruments prevents the dialogue and groundwork being done from developing into concrete, functional cooperation based on formal agreements.
- Ø Regarding management and coordination, the present study refutes the need for an ASEM secretariat. The proposal for the establishment of a secretariat to improve

⁵⁸³ Forster 1999: 754.

overall coordination has been a topic of contention since ASEM's early years, to the extent that it may even have prevented discussion on more substantive issues for cooperation between Asia and Europe. As main reasons for the argument against a secretariat the study pointed out the presence of the necessary channels for coordination within the EU, the issue of resources, and the contradiction with standard EU procedure in interregional cooperation frameworks. Rather, an enhancement of coordination on the Asian side is an issue that needs to be tackled.

- Ø As for the European attendance in ASEM Summits and Ministerial Meetings, the dilution of representation at the highest levels poses a challenge. Even though a “cultural” difference concerning the delegation of powers plays a role, it cannot be denied that fading European attendance, whether due to “forum fatigue” or a more general disaffection with the process, diminishes the potential function of the forum especially in the eyes of the Asian partners.
- Ø Based on questionnaires and the interviews conducted it can furthermore be noted that an insufficiently focussed and streamlined agenda at meetings is another issue to be addressed.
- Ø Also many of the issues related to the plethora of ASEM initiatives derive from the lack of a clear vision of ASEM's role and purpose, and insufficient implementation of the agreed guidelines for coordination and follow-up. The decision of ASEM5 to specify a limited number of areas for substantial cooperation reflects this need to set more specific objectives and concrete deliverables.
- Ø The system of separate Chairman's Statements and Political Declarations has enabled ASEM to place emphasis on important international issues, but at the same time their effect (due to their unbinding nature) needs to be questioned.
- Ø From the European point of view often-mentioned problems related to low public awareness and visibility stem from unfocused agenda-setting, the inability to prioritize, the lack of concrete results, as well as the low levels of commitment and limited engagement of different actors from civil society, the business sector and the parliaments. The ambiguous position ASEM takes in the EU further compounds the issue in Europe.
- Ø Future enlargement of ASEM is a highly political question and disagreements over ASEM enlargement pose a challenge to the partnership. The dilemma is centred on the automatic participation of new EU Member States, required by the European side, and the Asian view, which holds that symmetry must exist between the regions.

While the European side as well is committed to the idea of symmetry in ASEM, the EU enlargement is an on-going process and as new states enter the EU they become full-fledged members with equal rights to participate in the common policy-making, also in the field of Euro-Asian relations. The study pointed out the need to find a short-term resolution to the Burma/Myanmar issue, and, with regard to the long-term perspective, to devise a clarification that justifies the full partnership of all EU Member States. It was also recognized that the current enlargement guidelines of the Asia-Europe Cooperation Framework 2000, no longer fully correspond to the political realities, particularly in Europe.

To sum up, stocktaking of the accomplishments of the Asia-Europe Meeting (ASEM) in its first decade inevitably leads to the conclusion that the dialogue forum has not entirely lived up to the initial expectations and has not been exploited to the full. The paucity of tangible outcomes has led to a perceived emergence of “disaffection”, or “forum fatigue” among partners. Also in the interregional context ASEM had limited influence as a balancing, institution-building, rationalizing, agenda-setting, and identity-building framework.

Most importantly, at present in 2006 ASEM does not seem to reflect the full potential of Asia-Europe relations. The reasons why ASEM was called to life ten years ago are very different from the present global situation, but ASEM does not appear to have evolved to a great extent. Moreover, the relatively low priority given to Asia in the EU is at odds with the region’s (growing) global political and economic importance. It is therefore vital that ASEM starts delivering on tangible benefits in all major areas of cooperation.

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