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ASEM in its Tenth Year

Looking Back, Looking Forward

Asian Country Reports

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March 2006

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Thailand

[CHINA]

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Assessment of 10 Years of ASEM
Chinese perspective

Evaluation Report on the Asia-Europe Meeting

The year 2006 is the tenth anniversary of the Asia-Europe Meeting (ASEM). The purpose of ASEM is to help build a new partnership based on equality between Asia and Europe, to promote the democratization of international relations and to accelerate the development of multilateralism. Being involved in the process from the very beginning, China has played an active role in all of the Asia-Europe Meetings.

In order to effectively evaluate the attitudes and perception of Chinese elites, the general public and policymakers toward the ASEM process, understand its influence in China, and explore effective ways of promoting the development of the process, the Asia-Europe Meeting Research Team of the European Studies Center of CFAU[1] organized a series of data-gathering activities including questionnaires, seminars, and interviews. The group has compiled this report on the basis of these activities. The report includes three parts: 1. Public's perception of ASEM; 2. Media coverage and elites and policymakers' perceptions; 3. Conclusions and suggestions on the future development of ASEM.

I. Public Perception of ASEM

We handed out 1000 questionnaires and took a random sample in four universities, namely, Tsinghua University, Peking University, Renmin University of China and China Foreign Affairs University. This survey, intended to reveal what students know about ASEM, includes questions in two aspects: perception of facts and attitudes and comments.[2]

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[1] The research, commissioned and supported by the Japan Center for International Exchange (JCIE), is under the direct leadership of Ambassador Wu Jianmin, President of CFAU. The research team, headed by Prof. Zhu Liqun, Director of European Studies Center of CFAU, consisted of Zhu Jiejin, Hui Gengtian, Lin Minwang and Sun Junhua.

[2] The sample size is 1000, among which 970 are valid with a validity rate of 97%. The sample distribution conforms to the principle that the sample size is in proportion to the total number of students studying at the university: we handed out 300 questionnaires in Tsinghua University, 300 in Peking University, 300 in Renmin University of China and 100 in China Foreign Affairs University. After retrieving the questionnaires, the research group

Among the valid samples, there are 602 males, accounting for 62.13% of the total, and 367 females, accounting for 37.87% of the total. The following chart shows the distribution of the samples' education background, university majors, and age.

Table 1 Basic information in survey

Basic information	**Content**	**Valid sample**	**Percent（%）**
Gender	Male	602	62.06
	Female	367	37.84
Education background	Undergraduate	795	81.96
	Graduate	146	15.05
	Others	27	2.78
Major	Science	386	39.79
	Arts	355	36.60
	IR	88	9.07
	Others	138	14.23
Age	19—22	664	68.45
	23—30	268	27.63
	Above 30	35	3.61

Based on the survey, we made the following conclusions about the respondents' knowledge of the Asia-Europe Meeting.

1. Students have limited knowledge of ASEM

The survey suggests that students know little about ASEM and have poor knowledge about the basic facts of ASEM. When asked: "Do you know ASEM?," 68.6% of the respondents answered, "Heard of it. But do not know it well." Only 7.64% of the respondents said, "Know it well," and 1.34% said, "Know it very well."

We asked six questions about basic facts of ASEM to investigate the respondents' knowledge of the process. The survey shows that each respondent answered only 1.3 questions correctly on average.

The following table shows the six questions asked to test the respondents' knowledge about ASEM.

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organized persons with professional skills to check and examine them, removing invalid ones. Epidata was used for data input to ensure the quality of statistics. Afterwards, we checked and sorted out the data using statistical software. The statistical analysis of the data was conducted using SPSS 11.5. The whole process was conducted under the effective management and quality control of the research team.

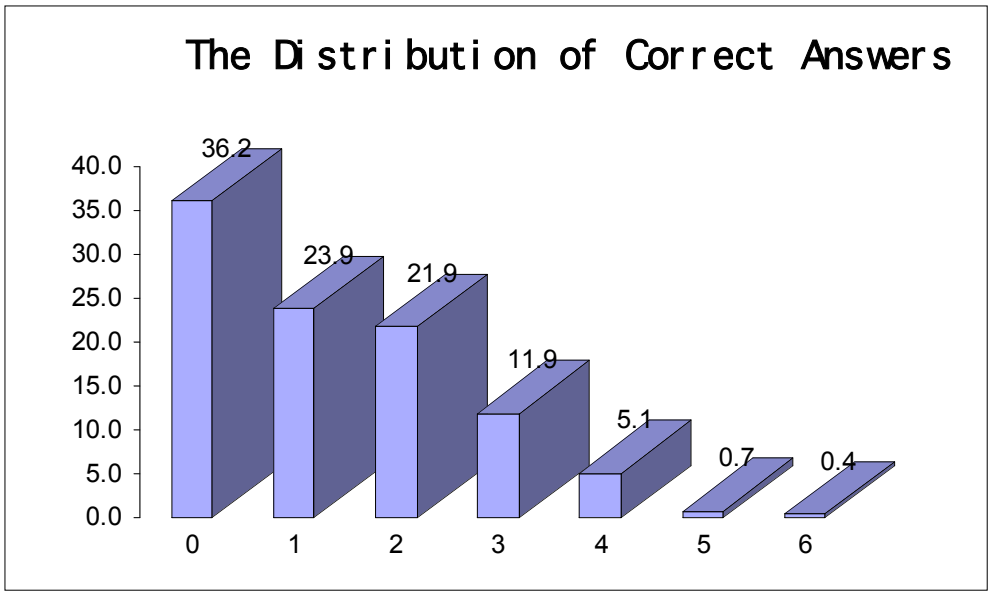
Table 2 The six questions asked to test the respondents' knowledge

Q 2、The first ASEM was held in____(place).
Q 3、So far ASEM has been held ___ times.
Q 4、There are__ states participating in ASEM today.
Q 5、Asia-Europe Summit is held ____(time).
Q 6、"Asia" in "Asia-Europe Meeting" refers to____.
Q 7、"Europe" in "Asia-Europe Meeting" refers to____.

Table 3 and **Chart 1** show the results of the survey:

Table 3 The Distribution of Correct Answers to Questions about the Basic Facts of ASEM

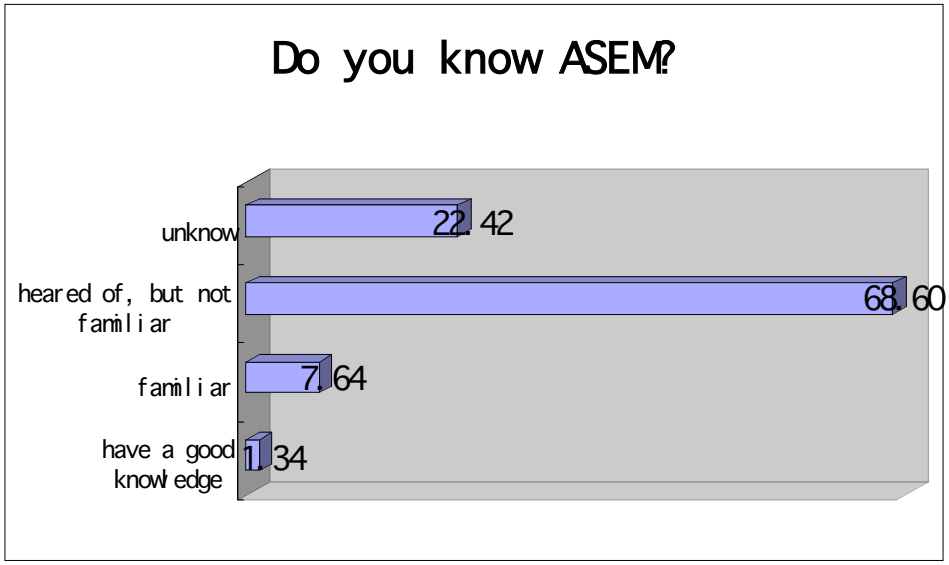
Number of Correct Answers	**Valid Sample**	**Valid Percent (%)**
0	351	36.2
1	232	23.9
2	212	21.9
3	115	11.9
4	49	5.1
5	7	0.7
6	4	0.4
total	970	100



(Chart 1)

From **Chart 1**, we concluded that students in China know little about ASEM. Moreover, only four students—0.4% of the total respondents— could correctly answer all the questions on the basic facts of ASEM.

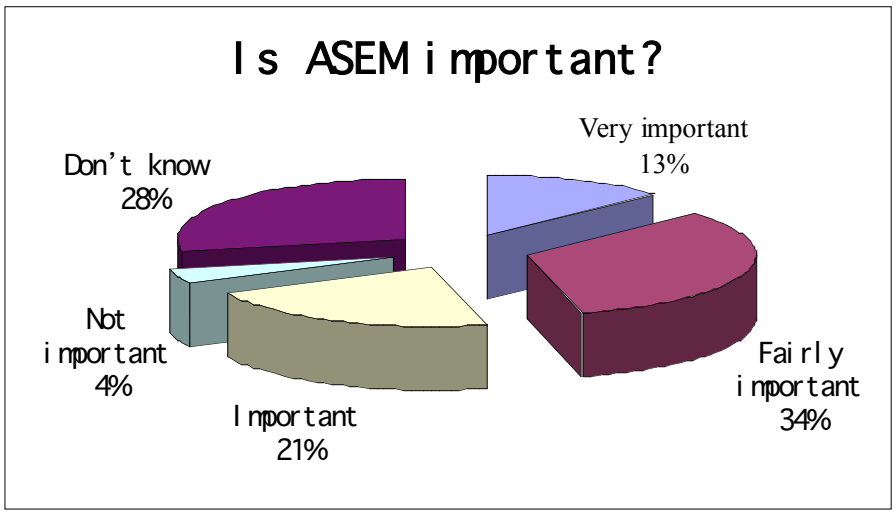
When asked "Do you know about the Asia-Europe Foundation (ASEF)?" and "Do you know about the ASEM Trust Fund?" most respondents answered "No." As Chart 2 shows, the rate of students who actually know about them is very low.



(Chart 2)

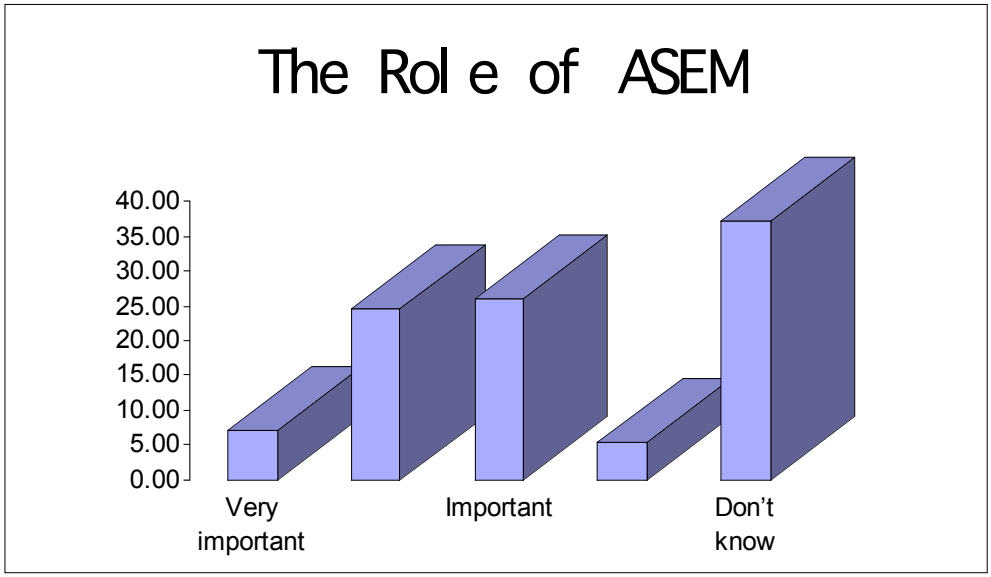
2. Students have generally positive views towards the role of ASEM

The survey shows 46.2% of the respondents think ASEM is important or very important. Only 4.3% do not think so. See **Chart 3**:



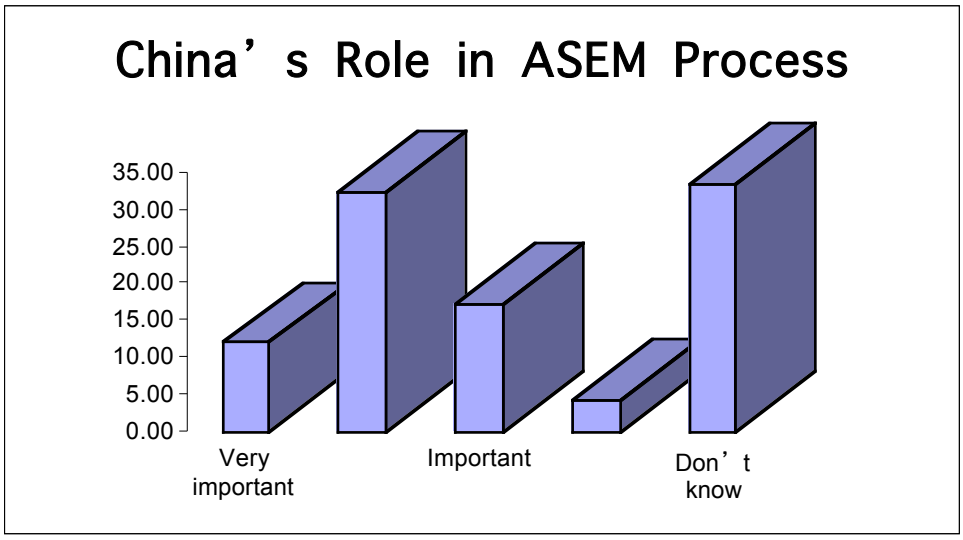
(Chart 3)

When asked about the role of ASEM in promoting the democratization of international relations, 31.57% of the respondents said it was very important or important. Only 5.28% thought it was not important. This shows that students are quite positive about ASEM. See **Chart 4**.



(Chart 4)

When asked whether ASEM was strategically important to China, 66.94% of the respondents answered, "Yes." When asked about China's role in the ASEM process, 44.56% of the respondents answered, "Very important" or "Important," and only 4.25% answered "Not important." See **Chart 5:**



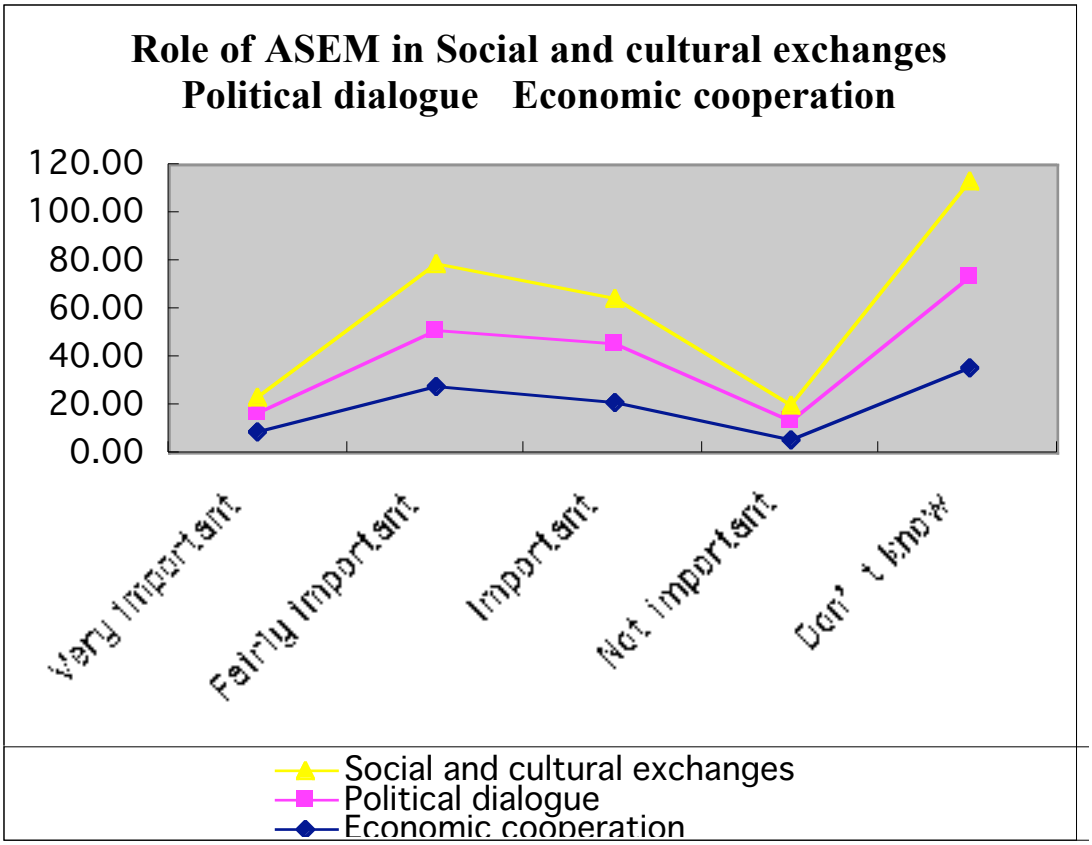
(Chart 5)

When asked whether the role of ASEM has been strengthened or weakened in recent years, 8.07% of the respondents answered "Greatly strengthened," 34.64% said "Slightly strengthened," and 4.24% of the respondents replied "Weakened." See **Table 4**.

Table 4 Role of ASEM in recent years

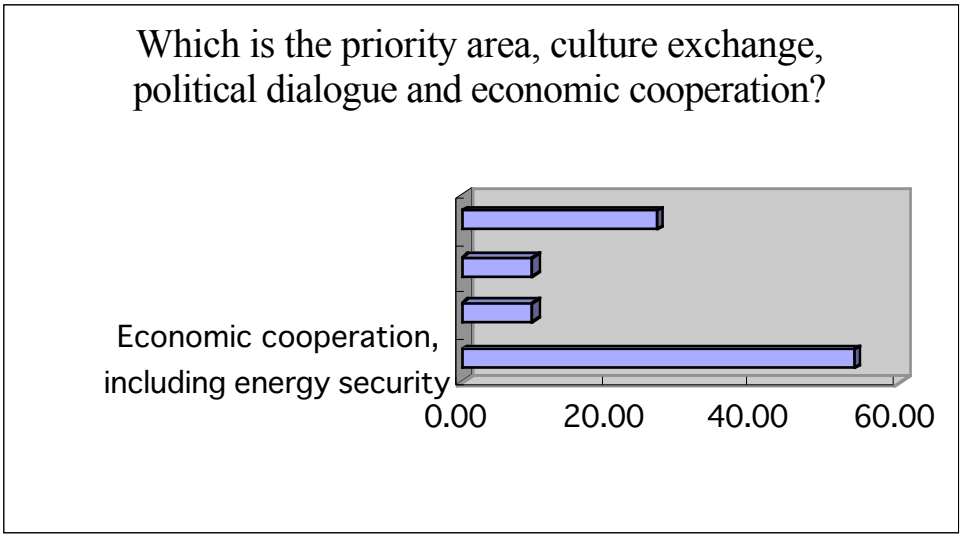
Attitudes of Respondents	**Valid sample**	**Valid percent**
Greatly strengthened	78.00	8.07
Slightly strengthened	335.00	34.64
Not strengthened	101.00	10.44
Weakened	41.00	4.24
Don't know	412.00	42.61
Total	967.00	100.00

There were three questions in this questionnaire, which asks about respondents' views on the role of ASEM in promoting economic cooperation, political dialogue and social and cultural exchanges. The survey shows that respondents thought that among the three areas, ASEM's most important role was in social and cultural exchange, and the least important role was in economic cooperation. See **Chart 6**.



(Chart 6)

The survey shows that 53.74% of respondents suggested that ASEM should give priority to economic cooperation in the future, including energy security cooperation and scientific and technological cooperation, and that political dialogue and cultural exchange should come later. See **Chart 7**.



(Chart 7)

In general, students have very limited knowledge about ASEM. This is clearly demonstrated by their low scores for the six questions about the basics of ASEM. In sharp contrast with the low level of perception, students have a positive view about the role of ASEM and its influence. Meanwhile the statistics show that most respondents tend to think China has played an active role in the ASEM process. These two points are the major conclusions of the survey.

Within Chinese society, young people in higher education are most the capable of receiving information and making analyses. If they do not understand much about ASEM, then it is safe to deduce that the general public in China knows even less about ASEM than students.

Why do only a small percentage of students know about ASEM? This question can be partly explained by the questionnaire. An analysis of the data indicates that those who know about ASEM major mostly in international relations. This is shown in **Table 5**.

Correlation between majors and ASEM knowledge

			Do you know about ASEM?				
			Know it very well	Know it well	don't know it well	Don't know	Total
Types of major	technology	Count	2	15	262	106	385
		% within Types of major:	.5%	3.9%	68.1%	27.5%	100.0%
	arts	Count	5	35	249	65	354
		% within Types of major:	1.4%	9.9%	70.3%	18.4%	100.0%
	international studies	Count	4	14	56	14	88
		% within Types of major:	4.5%	15.9%	63.6%	15.9%	100.0%
	others	Count	2	9	96	31	138
		% within Types of major:	1.4%	6.5%	69.6%	22.5%	100.0%
Total		Count	13	73	663	216	965
		% within Types of major:	1.3%	7.6%	68.7%	22.4%	100.0%

($\chi^2 = 35.605$，P=0.001)

From the table above we can see that the percentages of respondents knowing ASEM very well and well are high if they international studies majors. Therefore, knowledge about ASEM has much to do with academic major. The value is 35.605. This indicates that people know about ASEM only because they major in international studies. In other words, only insiders in international studies know about ASEM and outsiders know little about it.

Then why do students think highly of ASEM despite having little knowledge of it? One explanation for this illogical phenomena might be that young students generally have a positive perception about Europe and that they expect better Asia-Europe relations. Developing cooperation between Asia and Europe, pushing forward multilateralism, promoting the democratization of international relations, and China's important role in the ASEM process are all their wishes.

This survey alone cannot satisfactorily explain this question, though. Analysis of media coverage of ASEM in the second section may offer further explanations.

II. Media Coverage, Elites' and Policymakers' Perceptions

1. Media Coverage

We searched news coverage and commentary about ASEM from Xinhua News Agency[3] since 1996. And we have done the same for APEC in order to make a comparison and get a more objective view on the frequency and density of coverage on ASEM.

We found 778 documents[4] about ASEM after searching all published Chinese news scripts with words or phrases including ASEM from Xinhua News Agency from the beginning of 1996 to July 2005. Among the 778 documents, there are 355 with words such as "ASEM" and "Cooperation between Asia and Europe" in their headlines. Among the 355, there are 333 factual reports and 22 commentaries. Most commentaries are positive about ASEM, as is shown in their headlines. The headlines of the commentaries are listed in Table 6.

Published date	**Headlines of commentaries**
02/28/1996	Commentary: Creating a New Situation of Asia-Europe Cooperation
03/02/1996	News Report: Initiating a New Epoch in Asia-Europe Relations
03/03/1996	*People's Daily* Editorial: New Starting Point for Asia-Europe Relations
03/18/1996	ASEM, a Historic Meeting
10/16/1996	Summary Report: New Steps in Asia-Europe Cooperation
02/16/1997	Summary Report: Positive Results Achieved at ASEM Foreign Ministers' Meeting
03/31/1998	Summary Report: An Important Topic for ASEM
04/02/1998	Summary Report: Asia-Europe Cooperation toward the 21st Century
04/03/1998	Feature Article: Asia and Europe Joining Hands in Creating the Future
04/05/1998	Summary Report: A New Chapter in Asia-Europe Cooperation
10/19/2000	Summary Report: Strengthening Cooperation between Asian and European Countries for Common Development
10/21/2000	Summary Report: Asia and Europe Entering the New Century Hand in Hand
05/26/2001	Summary Report: Strengthening Asia-Europe Cooperation in the New Century
09/25/2002	Summary Report: Asia-Europe Cooperation Gets on a New Stage

[3] Xinhua News Agency has been designated as the national news agency since the foundation of People's Republic of China. http://www.xinhua.org.

[4] Thanks are extended to the departments concerned in Xinhua News Agency for their help with our research.

07/22/2003	Summary Report: Asia and Europe Attach Importance to Economic Cooperation for Common Development
07/23/2003	Summary Report: The 5th ASEM Economic Minister's Meeting Highlighted
07/24/2003	Summary Report: China Playing an Important Role in Asia-Europe Cooperation
07/24/2003	Commentary: An Important Dialogue between Asia and Europe
07/25/2003	Summary Report: ASEM Foreign Ministers' Meeting Prompting Consultation and Cooperation
10/06/2004	International Watch: Asia-Europe Cooperation Maturing
10/09/2004	Commentary: A New Chapter in Asia-Europe Dialogue and Cooperation
06/09/2005	Asian and European Countries Seeking Universality among Cultural Diversity

In the same period there are 2690 documents with the phrase "APEC" in the news coverage of Xinhua News Agency, among which 945 documents have "APEC" or "Asia-Pacific Cooperation" in their headlines. There are 26 commentaries among the 945 documents. Table 7 compares the quantities of news coverage about ASEM and APEC.

	Number of articles with relevant key phrases	number of articles with relevant key phrases in the headlines	number of commentaries about relevant topics	orientation of comments
ASEM	778	333	22	positive
APEC	2690	945	26	generally positive

The reports on APEC by Xinhua News Agency number about 3 times as many as ASEM reports and APEC commentaries outnumber ASEM commentaries by a small margin. That is to say, news coverage on ASEM by Xinhua News Agency appears only 35.5 times per year on average, compared to as many as 269 per year for APEC. Reasons for this might be that the APEC meetings are held much more frequently than ASEM and that APEC has a yearly informal summit meeting.

2. Elite Perception[5]

Although the news reports are positive on the whole, scholars of international relations, especially Asia-Europe relations, have both positive and negative perceptions. On the one hand, they think ASEM has made impressive progress in the last decade. On the other hand, they also contend that ASEM faces a lot of challenges because of the multitude of issues that it has to deal with.

For the positive part, the scholars think ASEM has made achievements in three ways. First, it serves as a platform and channel through which consultation and cooperation between Asia and Europe in international affairs are enhanced. The ASEM Summit and Foreign Ministers' Meetings have held dialogues on major international and regional issues of common concern including global issues, Asian and European politics, security situations and hot regional issues, among others. Therefore, ASEM has played a role in building up mutual trust and promoting political dialogue among Asian and European countries. The "ASEM Declaration on Multilateralism," released by the 6th Asia-Europe Foreign Ministers' Meeting in April 2004, reflects the consensus Asia and Europe share in broad areas of international order, politics, security, development, and dialogues of civilizations. Asia and Europe expand their influence in each other's spheres through ASEM, which is undoubtedly conducive to the democratization of international relations and to the development of multilateralism.

Second, ASEM has made efforts to promote dialogue on sustainable development on the two continents and in the world economy. Talks on macroeconomic and fiscal policy coordination are carried out through programs like TFAP and IPAP to advance bidirectional investment flow. ASEM also contributes to the financial stability of Asia through the ASEM Trust Fund.

Third, under ASEM, active cooperation has been conducted and progress has been made in areas of education, science and technology, the environment, social security, health care, immigration, and the fight against transnational crime. Such cooperation

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[5] About the perception of the elite: this report reflects the main points of view generated by specialists in international studies and Asia-Europe relations at the "Seminar of Evaluation of Asia-Europe Relations and the 10-Year Process of ASEM," which was held by European Studies Centre of China Foreign Affairs University on September 15th, 2005. Besides the conclusion reached at the seminar, the reference information also includes some articles and literature on ASEM, including Pan Guang & Yu Jianhua, *From Silk Road to Asia-Europe Meeting*, CCPS Publishing House, 2004; Pan Guang & Wang Zheng, "Brief Analysis of the Institutionalization of the Asia-Europe Meeting," *Contemporary International Relations*, No. 7, 2004; Fu Xuming, "How to Handle the "Mess" of the Asia-Europe Meeting," *China Economic Times*, May 21st, 2002.

also initiated the process of building a new concept of Asia-Europe relations is characterized by equal partnership and multilateral cooperation. The common goal of Asia and Europe is to accelerate building a world of peace, cooperation, and harmony without hegemony.

In spite of the positive points, most of the scholars also see the problems and challenges ASEM is facing, which can be summed up as follows.

First, ASEM is not the priority concern of either party's foreign policies. European countries' priority list includes the eastward expansion of the European Union and issues of neighboring areas and the Middle East. East Asian issues are just one of its many policy concerns. Even though the European Union puts emphasis on participating in Asian affairs, ASEM is only one of the channels for its participation. The European Union pays greater attention to the bilateral mechanisms with ASEAN, China and Japan than to the multilateral mechanism of ASEM. Europe would like ASEM to be a tool that facilitates the convergence of the policies of Asia and Europe since the EU underscores political dialogue and the direction of the future development of political cooperation with Asia.

As for East Asia, countries in the region have never become an integrated whole in dealing with the EU in the ASEM process. They share neither a clear overall objective nor the same degree of attention to ASEM. Most East Asian countries are more interested in economic and technological cooperation with Europe than other issues. Under such circumstances, the major challenge ASEM faces is how to change its function as "a forum" and make practical progress.

Second, the non-institutionalization of ASEM results in the looseness of cooperation and slowness of development. ASEM holds that all countries, big or small, are equal, and adopts the principle of consensus. Although it has set up a regular meeting mechanism, it has neither official treaties nor institutionalized arrangements, and papers signed during the meetings have no binding power to its members at all. This non-institutionalized and unbinding arrangement may help build a flexible and comfortable cooperation environment and enhance mutual trust and cooperative will. But it also blocks information exchange, wastes resources and causes inefficiency. Decision-making by consensus has resulted in many valuable proposals not being adopted because of individual countries' opposition, which has seriously paralyzed ASEM's

functioning. In addition, documents adopted by ASEM have no legal power. In this case, ASEM could become merely a place for chatting, wasting both time and resources for the expressions of the wills of parties.

Some scholars argue that the lack of formalization and institutionalization are major features of ASEM, and that these features should be maintained for the current stage of development of ASEM. To these scholars, what matters is not formal institutions or binding forces, but shared norms. Due to the asymmetric power distribution, differences in culture, tradition, values, and interests between Asia and Europe, and a variety of internal interests on both sides, "the institutionalization of ASEM, if it were to be realized in the future, should be flexible and suitable for the diversity of actors in regional cooperation."[6]

Third, there has been inequality in the process of Asia-Europe cooperation although ASEM seeks to set up equal partnership. Differing from the United States, which imposes policy pressure on Asian countries on issues like human rights and democracy, European countries admit to the diversity of civilizations in Asia-Europe cooperation and hope to solve human rights problems through political dialogue. But actually they sometimes also adopt "double standards." "Eurocentrism" and a European superiority complex has convinced many in Europe that anything that benefits them will benefit the rest of the world. Consequently, European countries have hoped that Asian countries will develop in accordance with the European mode, completely accepting western values like democracy, freedom and human rights.

Fourth, the "American factor" is an important aspect that affects Asia-Europe cooperation. Both Europe and Asia attach great importance to relations with the United States, since it obviously enjoys an advantageous position in the handling of Asian affairs, especially security issues. The expansion of European influence in Asia through ASEM has aroused the concern of the United States. Further Asia-Europe cooperation will shake US dominance in Asia and incite reactions. China-Europe negotiations on the lifting of the EU arms embargo on China was met with pressure from the United States. Since both Asia and Europe place their relations with the US as the number one issue in diplomacy, the process of Asia-Europe cooperation is of course influenced and

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[6] Pan Guang & Wang Zheng, "Brief Analysis on Institutionalization of the Asia-Europe Meeting," *Contemporary International Relations*, issue No. 7, 2004.

restrained by American policies and goals.

3. Perception of Decision-makers[7]

(1). The driving force for the development of ASEM

The ASEM process was initiated and developed against a background of economic globalization and political multipolarization. Guided by its foreign strategy with effective multilateralism at its core, the European Union seeks to exert active influence on the world. At the same time, the influence of East Asian countries continues to grow owing to their rapid economic development. But the linkage between Asia and Europe at present is much weaker than that of the United States and East Asia or that of the United States and Europe. Thus, it is a strategic necessity to develop close cooperative relations between the two continents who have a lot in common in promoting multilateralism and safeguarding global security and prosperity. Economic globalization is another driving force in closer Asia-Europe cooperation. To build a cooperative and win-win situation is in the economic interests of both parties. Currently, the total population of ASEM members amounts to 2.4 billion, or 40% of the world's total; ASEM members' total GDP reaches two billion dollars, which accounts for half of the world's GDP; and the trade volume among its members is approximately 60% of the world's total. These numbers indicate that Asia-Europe cooperation will have a great impact on global patterns and economic development. China's promotion of ASEM is also driven by China's domestic demands for economic development and a harmonious society. Conducting economic and technological cooperation with Europe and learning from its governing experiences are of great significance for China's goals for a harmonious and prosperous society.

(2). The Content and Features of the ASEM Process

Cooperation conducted under the framework of ASEM covers political dialogue, economic and trade cooperation and cultural exchange. The current ASEM is characterized by dialogue and weak cooperation. The dialogue often focuses on policies

[7] This part of the report is based on interviews with officials from International Department, Policy Research

and strategies and emphasizes on understanding and coordination of each other's positions. The institutionalized cooperation in economy and trade is rather weak with few significant achievements. Besides, the development of cooperation is unbalanced in areas of politics, trade and economy, and culture. There are many high-level political dialogues, but inadequate policy cooperation in economy and trade. The dialogues among cultures and civilizations appear to be very active.

The issues discussed in ASEM, which are closely related to the latest developments in the international situation, highlight the flexibility of the dialogue mechanism and the diversity of topics. Unlike APEC's focus on economy, trade and science and technology, a great variety of issues are discussed in ASEM. Political dialogues and cultural exchanges have helped demonstrate the soft power of member states. Despite the immature institutionalization of ASEM, Chairman's Statements on hot issues like global political security released at the Asia-Europe Summit Meeting convey a very powerful political message and express the political wills of Asian and European countries.

(3). Problems of and Prospects for ASEM

We should not make negative assessments about ASEM simply because it has made few significant achievements. Instead, we should evaluate it from a long-term and strategic perspective. Though cooperation has been inadequate and few substantive results have been achieved up to now, dialogue, the main content of ASEM, helps facilitate mutual understanding and lays out foundations for further coordination. Therefore, dialogue is conducive to the development of cooperation. With the deepening of mutual understanding, cooperation will be a natural result. It takes time to go from dialogue to cooperation since such a step has to bridge the gap between the two continents in terms of cultures, traditions, and values. Therefore, the cumulative function of ASEM should not be underestimated.

However, the problems of ASEM should not be overlooked either. European and East Asian countries do have different political appeals in the process of ASEM. The former emphasize more the non-institutionalisation of the meetings and political and human rights dialogues, while the latter are greatly concerned with actual cooperation in

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Department and European Department of the Ministry of Foreign Affairs of the People's Republic of China.

economy and trade and intend to turn dialogues into cooperation in this area. Thus, Asian countries have greater enthusiasm towards ASEM than their European counterparts. In sum, different political appeals have restrained the cooperation and prevented ASEM from reaching its full potential.

Because of different historical backgrounds and cultural values, there are also some in-depth problems that add complexity to the realization of an equal partnership between the European Union and Asia. Some members of the European Union did not participate in the ASEM Economic Ministers' and Finance Ministers' Meetings due to the Burma issue in 2004. Though the European Union differs from the United States in the ways of preaching the idea of human rights, they have a lot more in common in ideologies and values.

There are also outstanding technical problems. Ten Central and Eastern European countries acceded to the European Union in 2004 and became members of ASEM. The increase in numbers of the member states has caused many practical problems in the management of ASEM and effective dialogue and cooperation among member countries. Big differences among Asian countries also add to the difficulty in policy coordination of ASEM. Therefore Asian countries are often disadvantaged since they cannot coordinate and unify their positions.

(4).China and ASEM

The Chinese government pays great attention to the multilateral diplomatic mechanism of ASEM, holds that ASEM is in the interests of both Asia and Europe, the results of ASEM are of great importance to the development of cooperation. This is even more important when seen from a long-term and strategic perspective.

The importance the Chinese government has attached to ASEM is not merely in words. Among all the members, China has made the most proposals for convening ministers' meetings. China has taken some action to actively promote the ASEM process. Besides, China enjoys close and good cooperative relations with the members of European Union. EU countries have paid great attention to China's role in ASEM. The bilateral dialogue mechanism between China and the European Union has made remarkable achievements. China reckons that ASEM has been a good platform for

dialogue between leaders from the European Union and East Asia. The multilateral mechanism of ASEM complements the EU-China bilateral mechanism well.

Conclusions and Suggestions

From the perspective of perception, the research team has analyzed and studied the achievements made and challenges faced by the Asia-Europe Meeting in the past ten years. The general conclusions and suggestions are as follows:

General conclusions: First, college students have rather poor knowledge about the Asia-Europe Meeting, but they think positively of its influence and role. The general public's consciousness of ASEM can be safely deduced from students' perceptions. The general public should know even less about ASEM, and their evaluation and attitudes should tend to be positive. Poor knowledge about ASEM correlates with little coverage by the media, while the positive evaluation and attitudes are consistent with the positive news reports and official perception. This reflects public support for the Chinese government's policy toward ASEM.

Second, elites have a relatively complex perception, and their evaluation, though both positive and negative, is mainly critical. For this part of the survey, the samples were experts and scholars who know and do research on ASEM. They have a comprehensive and systematic understanding of ASEM and are capable of making comparisons and analysis in connection with related developments. So they have more complex perceptions than the general public. While making a positive appraisal of ASEM, they all expressed their disappointment. Their evaluation of the status, role and influence of ASEM is far more negative than that of the general public and policymakers.

Third, the Chinese government has a developmental and more far-sighted perspective on ASEM. It places more emphasis on its potentials, the role of dialogues and communications, and shows more patience on the gradual process of its development. From the official perception, we found that China attaches great importance to Asia-Europe cooperation and the development of China-Europe relations, not only to meet the challenges related to economics and the process of globalization, but also to meet the demand of its own development. It is not intended to

counterbalance the United States.

The rapid development of globalization and profound changes of the international situation have posed new challenges to both Asia and Europe. Europe is confronted with huge pressures imposed by profound economic restructuring, while Asia, witnessing the deepening of regional cooperation, needs to learn from the European experiences. Europe's development needs Asia, and Asian development is indispensable in garnering the cooperation and support of Europe. Besides, there are still some misunderstandings in bilateral relations between Asia and Europe, and this calls for efforts to enhance confidence, remove mistrust and reinforce mutual communication. Therefore, it is essential to further strengthen Asia-European cooperation by fostering substantive results from the Asia-Europe Meeting. To this end, we put forward the following suggestions:

First, ASEM should be institutionalized. A small standing body such as a secretariat should be set up to replace the mechanism of four coordinators so as to ensure effective coordination and communication and avoid waste of human and material resources. Efforts should also be made to follow up and implement the meeting resolutions in order to make substantive achievements.

Second, new subjects and cutting-in points should be explored for the further development of ASEM such as cooperation in the areas of energy, finance, science and technology, and education. These new subjects should be concrete and practical, reflecting the common concerns of both Asia and Europe and serving common interests. The cooperation in functional fields promises more tangible results by avoiding politically and ideologically sensitive issues.

Third, extensive people-to-people exchanges should be enhanced. Various ways of communication can be adopted to strengthen ties, promote cultural understanding, and deepen friendship. We should also set up a mechanism for regular exchange of visits of young people and a regular contact and cooperation mechanism between institutions of higher learning. New ways of thinking should be cultivated through people-to-people exchanges and identity nurtured between the two continents by adopting a positive and constructive attitude towards the Asian-European political dialogue. Identity is going to be an important factor in directing the future development of Asia-Europe relations.

Questionnaire for the Public Perceptions Survey

Good morning/afternoon/evening, I am from the Asia-Europe Meeting (ASEM) Research Team, which is organized by the European Studies Center of China Foreign Affairs University, and we are doing a survey about China's public perception of the ASEM process. Would you please give us several minutes to fill out the questionnaire according to your knowledge of ASEM?

Part I: Your Personal Information

1,Gender: a, male b, female

2,Educational Background: a, undergraduate student b, graduate student c, others

3,Major: a, natural science b, arts c, IR d, others

4, Age: a, 19—22 b, 23—30, c, above 30

5, Political Background: a, member of CPC b, member of other parties c, league member d, the masses

Part II: Your Familiarity with ASEM:

Question	Answer
Q1:Do you know ASEM?	a, Know very well b, Know Well c, Know a little d, Don't know
Q2: Where did the first ASEM summit take place?	a, Beijing b, Bangkok c, London d, Don't know
Q3, By now, how many ASEM summits have taken place?	a,4 b,5 c,6 d, Don't know
Q4, How many members are there in ASEM at present?	a,33 b,36 c,39 d, Don't know
Q5, How often does the ASEM summit take place?	a, once a year b, twice a year c, once every two

	years d, Don't know
Q6, What does "Asia" mean in "Asia Europe Meeting (ASEM)"?	a, East Asia b, Central Asia c, the whole "Asia" d, Don't know
Q7, What does "Europe" mean in "Asia Europe Meeting (ASEM)" ?	a, the European Union b, the European Union and its members c, members of the European Union d, Don't know
Q8, Do you know ASEF?	a, Know well b, Know a little c, Don't know
Q9, Do you know the ASEM Trust Fund?	a, Know well b, Know a little c, Don't know

Part III: Your Attitude and Judgment about ASEM

Q1 ,Compared with other international cooperation mechanisms, is ASEM important?
A, Very important;
B, Relatively important;
C, Important;
D, Don't know

Q2, How important is the part played by ASEM in promoting democratization and multi-polarization of international relations?
A, Very important;
B, Relatively important;
C, Important;
D, Don't know

Q3 ,According to your impression, is the role of ASEM on the rise or on the decline?
A, On a steep rise;
B, On a mild rise;
C, No rise;
D, On the decline;
E, Don't know

Q4,How large is the part played by China in the process of ASEM?
A, Very large;
B, Relatively large;
C, Not large;
D, Don't know

Q5,How large is the part played by ASEM in promoting economic cooperation between Asia and Europe?
A, very large;
B, relatively large;
C, large;
D, not large;
E, Don't know

Q6,How large is the part played by ASEM in political dialogue between Asia and Europe?
A, very large;
B, relatively large;
C, large;
D, not large;
E, not clear

Q7,How large is the part played by ASEM in promoting social and cultural communication between Asia and Europe these years?
A, Very large;
B, Relatively large;
C, Large;
D, Not large;
E, Don't know

Q8, What is the priority for ASEM in the relationship between Asia and Europe?
A, Economic field is the priority, including cooperation of energy and science and technology, the political field is of less importance, and the cultural field of least importance;
B, Political field is the priority, including human rights dialogue and construction of civil society, the economic field of less importance
C, Cultural communication is the priority, including personnel exchange, the economic field is of second importance and the political field of least importance
D, All three fields should develop equally and harmoniously

Q9,Do you think that developing relations between Asia and Europe is strategically important for China?
A, Yes;
B, No;
C, Don't know

So much for the interview, thank you very much for your time and cooperation.

[INDONESIA]

EDY PRASETYONO

Head, Department of International Relations,
Center for Strategic and International Studies, Indonesia

Discussion: The Future of Asia-Europe Cooperation

(First Discussion)

The discussion was held on 3 August 2005 at the CSIS building, Jakarta, and was attended by around forty people from academic institutions, NGOs, and the Department of Foreign Affairs of Indonesia.

The main topic of discussion was the future of Asia-Europe cooperation, particularly within the framework of the Asia-Europe Meeting (ASEM). A number of issues were discussed, including the performance and significance of ASEM for both Asia and Europe, a number of factors that support and hinder the ASEM process, and reasons why ASEM and Asia-Europe cooperation must be maintained.

Ambassador Wirjono S. opened the discussion by making a comparison between European and American foreign policies, on which he explained that the European Union prefers soft-core policies. ASEM is only a meeting, not cooperation. The EU prefers this type of policy, particularly in a situation where there is interdependence and developed states are less-dependent. The more-dependent Asian states should improve themselves domestically so that they do not continue to be scrutinised.

Asia's capability to integrate will be a significant aspect of its relations with other regions. Particularly for Asia-Europe relations, a specific system is needed which must be further discussed by the two regions.

Based on this condition, what actually should be done by the two regions? Ambassador Wirjono emphasized the need to cooperate while keeping in mind the domestic situation of the Asians (particularly issues such as transparency and accountability).

Furthermore, another opinion was expressed by a discussant from the Commission I of the Indonesian Parliament (DPR). Asia is still the dependent actor in the relationship and is more fragile under Europe's scrutiny. This has real impacts, including in the economic sector. For example, the UK has been known to hold back its loans due to an incompatibility of vision with Asian states. From the European perspective, the differences of the two regions are more significant.

For example, in the security sector, Europe and Asia have differing perspectives. Asia is more realist and considers the state to be the main actor. This is not the case for Europe. In the economic sector, Europe pays more attention to its ex-colonial states in Africa rather than in building cooperation with Asia.

Next, Robert Mangindaan of the National Resilience Institute (Lemhanas) specifically discussed the issue of Indonesia within ASEM. He explained that there is very little advantage for Indonesia with ASEM. Indonesia does not even know what it needs from the ASEM relationship. Indonesia cannot even define its interest and what it wants to represent in ASEAN. Thailand's and Malaysia's interests seem to be represented more in ASEAN. Thus, what must be done at the moment is to formulize Indonesia's policies and interests and then put them forward in meetings like ASEM.

Furthermore, Mr. Mangindaan explained that Indonesia does not have a clear security management construction. There are unclear job descriptions and allocations among the Minister of Defence, Commander of the Armed Forces, and the National Police. Specifically on terrorism, Indonesia still fights terrorism using ordinary law.

The same insufficiency also applies for the case of the Malacca Straits, where there are plenty of problems relating to piracy and other criminal acts. Indonesia does not have clear legal regulations on the security of the Malacca Straits. Perhaps Europe can be of assistance in this issue.

Mr. Aleksius from Parahyangan University complimented well-integrated and well-consolidated Europe. It is too bad that consolidation in Asia is still a mess; patterns of interregional cooperation cannot be well-designed. Asia is the region with limited capabilities. Indonesia is particularly disadvantaged if it does not have clear objectives for its involvement in ASEM. So far, Indonesia seems to be merely following the trend and it is prone to exploitation both by the Europeans and the stronger Asian states.

Next, a discussant brought up two significant issues related to ASEM. The first issue is Myanmar. This issue must be carefully attended to by ASEAN to prevent the spread of controversial matters. The second issue is the development of the economic sector, because this is the most urgent matter for Indonesia in ASEM. ASEM must focus on economic cooperation in the future. ASEM could bridge the trade between Asia and Europe, particularly over trade barriers.

Dr. Hadi Soesastro from CSIS explained in detail the history of ASEM. At the beginning, ASEM was not designed as an interregional dialogue and served only as meetings between European and Asian states. This changed along with the existing mechanism. The problem was that there was imbalance caused by bad consolidation in Asia.

Aside from that, ASEM's meeting agendas were not well-prepared. At the beginning, all sorts of projects were suggested, thus resulting in the creation of a long wish list. Now, the problem is: what is the common agenda? So far, due to its comprehensive nature, there have been no efforts in ASEM to prioritize certain issues. Now, it is important to formulate a priority agenda to create an institutional framework to replace the existing non-working mechanism.

Dr. Hadi Soesastro also reminded discussants that there was no interregional mechanism between Asia and Europe. So far, relations are developing between Indonesia and a number of European states. The economic agenda must be managed in an interregional and global framework. The geopolitical dimension can be used in international forums.

Responding to the issue of mechanisms in ASEM, Mr. Luhulima from CSIS explained that there is no mechanism. There needs to be a distinction between economic and security approaches. Economic cooperation is easier to pursue. Thus, cooperation in ASEM must be identified according to sector.

Moreover, one must keep in mind that there are problems in Europe related to the EU referendums. There is growing evidence that in the future, Europeans may not be governed by the EU.

Dr. Hadi Soesastro responded that the EU had a very limited budget for economic cooperation. Large funds are possessed by individual European states. With this condition, European states refuse to use the EU in their economic relations, and thus practices to boost trade are conducted by individual states.

A comparison between Indonesia's relations with Europe and with big states in Asia, such as China and India, was then presented by Ambassador Sabam Siagian. He claimed that the potentials of these big Asian states must be thoroughly considered.

Another discussant from the Department of Foreign Affairs said that there are still a number of barriers that prevent ASEM from developing into a more concrete forum.

Bilateral economic relations will still dominate. In fact, at this point, what has more potential would be to develop initiatives in socio-cultural relations.

Furthermore, he also explained that ASEM's working methods were still insufficient, and it is still often questioned as to whether a permanent secretariat was necessary.

Ms. Evi Fitriani from the University of Indonesia explained that it was significant to identify the interests of "Asia" and "Indonesia" in ASEM. They have to be differentiated because there will be recommendations for Indonesia, for Asia, and for ASEM as a whole. She considered that the discussion was intended to identify the weaknesses of Indonesia in this regard, and thus will bring up recommendations to improve that.

In academic matters, she viewed that there had been many advancements in people-to-people relations. In fact, these relations are more sustainable with vast positive impacts.

Commenting on people-to-people relations, Dr. Hadi said that the relations were starting to get weak and fragile, particularly at the moment due to a decreasing budget. Thus, ideas for central funds must be revisited, because for ASEM to be a serious initiative, ample funds must be available.

The issue of civil society had been brought up in the second ASEM. Europeans declined this idea because they considered it unclear who or which institution could represent civil society. Civil society can only express its involvement at the national level. Thus, a well-organized mechanism to include civil society should be created at the national level.

Much valuable input was obtained from the discussion, and participants expressed desires that ASEM support interregional cooperation beneficial to both Europe and Asia. After about one and a half hours, the discussion was adjourned.

Discussion : The Future of Asia – Europe Cooperation

(Second Discussion)

This second discussion was held on November 17th 2005, at the CSIS building, Jakarta. It was attended by approximately fifteen people from different institutions, including CSIS, academic institutions (International Relations Department - University of Indonesia), The Indonesian Parliament (1st Commission) and the Department of Foreign Affairs.

This discussion is intended to provide some contributions to the forthcoming ASEM Senior Officials Meeting (SOM) in Vienna, March 2006. Afterwards, this input will be brought to the Asia-Europe Meeting (ASEM) in Finland, September 2006.

The previous discussion identified several difficulties and possible solutions in Asia-Europe relations. Despite the fact that there is an abundance of cooperation institutions between Asia and Europe, it is clear that these institutions have not performed at their peaks. Therefore, in this discussion it is important for the forum to seek possibilities to strengthen Asia-Europe cooperation.

Ambassador Wirjono S. initiated the discussion by addressing the importance of analyzing the regional conditions of both Asia and Europe. He acknowledged several conditions that will influence EU policies towards Asia. *First*, Europe is in the process of enlarging the EU. Consequently, Europe is finding its pattern of relations and power in the international arena. In addition, Europe is looking for more soft-power influence to equalize the United States' hard power. *Second*, there are some frightened feelings amongst European countries that EU enlargement will bring more burdens, specifically for Western European member states. For example, there are problems regarding immigrants in France, Germany, and the United Kingdom. Accordingly, Europe will adopt more inward-looking policies in order to manage these particular problems. *Third*, the repudiation of the EU constitution by the French and the Dutch public has shown that there is reduced confidence in the EU among member states. *Last*, the EU is dealing with the dilemma caused by the Turkey's wish to join.

Ambassador Wirjono S. also suggested that several conditions in Asia influence its relations with the EU. *First*, Asia—particularly ASEAN—has lost its attractiveness in

comparison with China, for instance, though this may change as the region recovers from the 2005 tsunami. *Second*, Asia is having some difficulties in defining the membership of the region. There are at least three clusters in Asia, ASEAN plus three, ASEAN and the South Asian countries, and ASEAN and the Oceania zone countries. Since 1997, however, the gravitational center of Asia has been moving to the North, with competition between Japan and China becoming a focus. Therefore, Asia-Europe cooperation is abundant on paper but not in actual project implementation.

In addition, relations between the two regions are mostly asymmetric: the EU predominantly dictates to Asia, for instance in the Myanmar case. Consequently, if Asia wants to equalize this pattern of cooperation with the EU, it must revitalize and empower itself. Indonesia has the chance to be in the driver's seat as long as Indonesia is able to improve itself.

In conclusion, Ambassador Wirjono S. proposed several important agenda items on ASEM to address. *First*, Asia must be able to define itself and to handle the problem of the distribution of power among Asian countries. *Second*, Asia must be able to empower itself and create more balanced relations with the EU, by, for example, strengthening democracy. *Third*, Indonesia could and should be able to assume the driver's seat position.

Afterwards, Mr. Marbun from the Department of Foreign Affairs noted several impediments to bilateral cooperation between Indonesia and the EU. *First*, cooperation is mainly restricted by the rigidity of the internal standards of the EU. *Second*, the EU prioritizes cooperation with other European countries, specifically Eastern European countries. However, Asia and Indonesia in particular has appeal for the EU as a buffer zone in countering terrorism. Hence, ASEAN is being used by the EU in accordance with their interests.

Similar concerns were raised by A.S. Hikam, a member of Indonesian Parliament. He shared his experience when he joined the second Asia–Europe meeting in London as an observer from a non-governmental organization. Based on that experience, Asia-Europe relations are basically formed by a disparity of power. Asia has less leverage than Europe. Within Asia, Indonesia has less leverage when compared with Singapore and Malaysia. Therefore, Indonesia must construct a comprehensive blueprint to formulate its foreign policy. *First,* Indonesia has to set a limited, real and viable target

that is relevant and compliant with its conditions. It is a pragmatic and short-term perspective, however. This way will be better for Indonesia, which most of the time gains nothing from this kind of cooperation. *Second*, Indonesia could use economic and social issues to catch the attention of the EU, for instance in natural resources exploitation. *Third*, cultural and education issues are important for expanding cooperation between Asia and Europe. *Fourth*, Indonesia and other Asian countries' missions and visions of the idea of regional cooperation must be revitalized.

Then Mrs. Evi Fitriani from the Department of International Relations, University of Indonesia recommended that ASEM should be used as a part of global strategy to form a new global alliance to balance the power of the United States. There are, however, some internal problems in Asia. These problems have made Asia less coordinated in comparison with the EU. Bilateral cooperation has been developed by Asian countries in order to gain an advantage over other Asian countries. Hence, it is necessary to understand the interest of Asia, ASEAN, and Indonesia.

Indonesia must prioritize its interests. Thus, well-formulated policies, especially regarding relations with the EU, are essential. These policies should be made by various stakeholders, for instance scholars, NGO representatives, members of parliament, the members of the Department of Foreign Affairs, and others. Hence, these policies will be real, comprehensive, and most importantly consistent because they have been formulated and consented to by all stakeholders. Policy coordination is important. Furthermore, Indonesia must preserve its bargaining position and at the same time it must keep its attraction to the EU strong. There are at least three areas that require further development. *First*, environmental issues must be addressed because of their importance for the EU. Mr. Edy Prasetyono of CSIS also mentioned that it is possible for Indonesia to have a debt waiver as a reward for improving environmental protection measures. *Second*, the issue of ethnic conflict must be addressed currently as the EU is currently confronting similar issues; Indonesia has a common interest with the EU in building a pluralistic community. *Third*, it is important to improve economic cooperation between Indonesia and the EU, for instance by improving the welfare of workers in Indonesia. This could open our market share in the EU in comparison with China.

As the discussion proceeded, Mr. Hikam raised questions concerning the mechanisms for cooperation between Indonesia and the EU: are we doing it bilaterally or multilaterally? In addition, he asked about the role of individuals in these relations. As a former ambassador, Amb. Wirjono explained that diplomacy is not the monopoly of diplomats anymore. Everyone can practice the principles of diplomacy. International relations have been democratized; therefore, ASEAN must be more definite about its strategy. ASEAN was formed as a sovereignty-based organization; hence, the national identity of each member is still solid and less collective. It is utterly different with the EU, established fifty years ago. Regional consolidation is inevitable and it is important to promote"we" feelings in ASEAN.

In addition, Amb. Wirjono proposed that Indonesia endorse its own interests, in other words, a stronger economic recovery. Hence, Indonesia must improve its consumption rates, increase exports and develop an environment conducive to investment. In addition, although ASEAN's revitalization is important, there is another priority for Indonesia. Indonesia must be an anchor of stability in ASEAN. It can serve this role through confidence-building measures in the political, economic, and cultural areas.

Mr. Edy Prasetyono underlined several significant issues that have been raised in this discussion. *First,* ASEAN regional consolidation is a necessity to form better cooperation with the EU. *Second,* ASEAN must solidify its basic principles with a charter or other constitutional foundation. *Third*, ASEAN must reduce its elitist character in order to build its effectiveness and efficiency.

Afterwards, Ms. Tristanti, a member of Indonesian Parliament, expressed her enthusiasm for exploring this topic further. Amb. Wirjono replied that Indonesia should not feel inferior since Indonesia has shown its willingness to use peaceful mechanisms in problem solving. Indonesia greatly contributes to peaceful mechanisms in ASEAN.

Subsequently, Mr. Edy Prasetyono discussed changing the format of ASEM meetings. Currently, ASEM meetings are ceremonial meetings between heads of state. However, there is a proposal to change the meetings to ministerial level. Additionally, setting the agenda is difficult both at the state and regional levels. This is because of different perspectives of the state and the public interest.

Ms. Christine Tjhin from CSIS mentioned the difficulties in building the people-to-people connections. *First,* this condition comes about because of the government's inadequate support for cooperation mechanisms like the ASEAN People's Assembly. Hence, improvements should be made in the ways the government provides support. It should provide financial, structural, and institutional support so these kinds of activities can efficiently serve as a means of diplomacy. *Second,* there are impediments to dissemination of information. People-to-people connections have less publicity. Hence, ideas and results are not adequately distributed.

At the end of the discussion, several participants raised issues about the lack of trust between civil society and government. One participant noted that there is no clear agenda within the parliament, specifically on democracy. Moreover, Mr. Hikam pointed out that civil society is suspicious of political society. On the other hand, NGOs are also seen as a part of a local conspiracy. Thus, it is possible that Indonesia is facing a problem of trust among people and between people and government. University scholars should take a leading role to balance and neutralise these issues in order to overcome such problems.

Lastly, it is probable that the formal role for organizing cooperation between Indonesia and the EU will be assumed by the Department of Foreign Affairs. However, it is necessary to put it this before the National Parliament so that national consolidation can serve as an agenda for the whole nation. In conclusion, much valuable input was obtained from this second discussion. After about one and a half hours, the discussion was adjourned.

Conclusion

The discussion concluded that Asia-Europe cooperation has been confronted with some difficulties. *First,* there is the issue of limited resources. Over the past ten years, there has not been any significant progress in developing human resources to deal with Asia-Europe relations. Experts in European affairs in Indonesia are very few. They are limited to the European division of the Department of Foreign Affairs, several researchers at national universities, and research centers. Most of the members of the

Commission I on defence and foreign affairs of the Indonesian Parliament lack even basic knowledge of Asia-Europe cooperation.

Financial resources to promote Asia-Europe are a fundamental issue. Funds for research activities, cultural promotion, and economic cooperation have been decreasing. In the past few years funds have been available mostly to promote bilateral relations. Not only have these developments reflected a lack of interest between Asia and Europe, but they have also underlined prevailing differences between Asia and Europe in the area of security, political issues, particularly human rights and democracy, and the concept of regionalism in the future.

A *second* barrier in strengthening Asia-Europe cooperation is the fact that Indonesia and many other Asian countries are still beset by many problems resulting from economic crises of 1997. Economic recovery, democratization, and other domestic issues remain at the top of the national agenda. In these circumstances, Asia-Europe relations have appeared to be of little interest and relevance. At the regional level, the countries in the region have been seeking to reconstruct their relations after the crises as shown in the case of the ASEAN Security Community and East Asia project. Constraints confronting the region are huge. They show that striking a balance between national interests and regional cooperation will remain problematic in the coming years.

With this background, *third*, there has been little progress in promoting activities to strengthen Asia-Europe relations. Within the intellectual community, including at universities and research centers, European affairs remains an area of interest of few people. This has also been case with social and cultural initiatives that have not marked significant progress over the past ten years. There has been a perception in Indonesia that Europe is becoming more inward-looking due to its complex integration process. The only real progress is in the promotion of democracy and human rights. But, some see that relations are too one-sided and asymmetric and that Europe dominates the agenda.

Some argue that bilateral economic relations among individual states will still dominate. This is a very pragmatic attitude and cannot be long-term, and perhaps it endangers the prospect of Asia-Europe cooperation precisely as the two regions are embarking upon their own regionalism projects. The world is too complex and too dangerous to be left to closed paradigms of regionalism. The two regions have to

develop conceptual, workable, and operational cooperation projects for global and regional stability. Otherwise, each region will independently go it alone to pursue their interests. We do not want to see that happen..

[JAPAN]

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Europe-Japan Relations and the ASEM Process: Personal Reflections on Multilateralism and Global Governance

Preface

It may be a presumptuous claim, but those involved in track-two diplomacy, including myself, may be more sensitive to shifting winds in relationships between and among nations than many others, including government officials in charge of external affairs. This may be so since international nonprofit and non-governmental professionals must identify broad emerging issues and explore possible responses in order to be effective and relevant. Accordingly, they have a comparative advantage as opposed to government officials, who normally deal with relations with specific countries or functional issues in the short-term. Moreover, NGO professionals remain in close contact with their counterparts in other countries, and they engage in a continual exchange of information and ideas not bound by national interest.

Needless to say, such professionals must also remain in close contact with government officials in their home countries and in other countries in order to cultivate their own perspectives as public diplomacy professionals. In my own experience, those government officials who are more open to working with civil society professionals are cognizant that their ministries need to improve their capacities to collect information from sources beyond government. They understand that this capacity is necessary to develop a broadly-gauged foreign policy direction not constrained solely by national interest or by the priorities of individual departments and sections in their ministries. These government officials are confident of the central role that government efforts play in diplomacy, but they are also conscious of the growing role that public diplomacy plays in the increasingly pluralistic and interdependent international and domestic environments.

In fact, there have been cases where government officials visiting our institution, the Japan Center for International Exchange (JCIE), sought our help to organize such fora for exchange including the so-called “wisemen’s groups.” There have been cases where government officials felt that a joint exploration of future bilateral or multilateral

relationships should be coordinated by civil society organizations in order to provide an appropriate base for the government to promote policy.

This brief paper reviewing the evolution of the relationship between Europe and Japan rests on JCIE's involvement in track-two activities. An analysis of our expanding involvement in international affairs reflects the significant changes that have taken place over the years in European-Japanese relations. In addition, there is a primary need to examine track-two processes that promote the Asia-Europe relationship as discussion of the future role of ASEM is underway. What can examining track two-processes in Japan teach us about European-Japanese relations within the context of ASEM? Can ASEM strengthen interregional relations and global governance as track-two processes have done? We should remind ourselves that at the inaugural ASEM meeting in February 1996, leaders called for enhanced intellectual exchange between Asia and Europe through seminars and symposia on international and regional issues and through the establishment of networks among private think tanks from both regions. As ASEM enters its second decade, a look at track-two relations between Japan and Europe can help us understand how to deepen relations and how the ASEM process can play a role.

Evolution of the Japan-Europe Relationship in the Immediate Post-war Era

It is well-known that Europe played a significant role in Japan's modernization. The Dutch and Portuguese established contact with the Japanese centuries before Commodore Perry's arrival, and Europe's colonial presence in East Asia during the nineteenth century meant that Japan has had contact with Europe for several centuries. Japan looked to Europe's political and social institutions and infrastructure as a model for its own during the Meiji Restoration. European contributions to Japan in terms of art and culture were well-appreciated and acknowledged, and many Japanese viewed Western Europe as one important aspect of the Japanese intellectual tradition.

Nevertheless, in post-World War II Japan, these two allies paid scarce attention to each other. This largely reflected the predominant presence of the United States in every aspect of Japanese life in the immediate postwar period, including during the Occupation years when Japanese virtually lived with the American military and were

exposed to the American culture and lifestyle. Many Japanese students went to the United States under the Fulbright and many other scholarship programs. In terms of Japan's foreign policy, Japanese horizons were limited primarily to the trans-Pacific relationship with the United States and relations with the rest of East Asia. Europeans, for their part, were more focused on internal affairs, their alliance relationship with the United States, and their adversarial relationship with the Soviet Union. Europe and Japan did not cultivate deeper relations with each other.

Japan's spectacular economic development and the market opening of the European Union paved the way for a blossoming of trade between Japan and Europe in the beginning of the 1960s. Relations remained determinedly economic in focus, however, and they were plagued by disputes over a bilateral trade imbalance, a closed Japanese market, and "torrential" Japanese exports in key European industries such as automobiles. Some government officials and public intellectuals in Japan and Europe expressed concern about the absence of a political context similar to the American-European Atlantic partnership within which to settle these disputes.

Then, the political shocks from 1971 to 1974 known as the "Nixon Shocks" demonstrated both the interdependence of the global economy and the key role of United States policy. The interdependence of European and Japanese security concerns was dramatically observed in subsequent developments in the Gulf region such as the fall of the Shah in Iran and the emerging threat of long-range "theatre" nuclear weapons. These events helped catalyze the genesis of a political relationship between Japan and Europe in the years to come.

Emergence of a Political Relationship Between Japan and Europe

The 1970s were witness to an increasingly challenging agenda before the international community. Is it interesting to note that during this time, track-two initiatives to involve Japan in greater international cooperation preceded government initiatives. In 1972, David Rockefeller, then chairman of the Council on Foreign Relations, along with Zbigniew Brzezinski of Columbia University, Robert Bowie of Harvard University and Henry Owen of the Brookings Institution started discussing the critical need to involve Japan in international policy studies and dialogues that had been traditionally promoted

in the United States and Europe by major think tanks and private policy-study groups. After a series of consultations among governmental and non-governmental leaders in the United States, Europe, and Japan, the Trilateral Commission was inaugurated in Tokyo in July 1973 in order to promote joint policy study and dialogue among the three "advanced industrial democracies." The official seven-nation Economic Summit was subsequently established in 1975.

I have been personally involved in the Trilateral Commission as secretary of the Japanese Group since its inception, and as soon as the Commission was launched it became quite obvious that the Japan-Europe dimension of the trilateral relationship was quite fragile in comparison with its two other dimensions. The level of contact between Japanese think tanks and policy specialists and their European counterparts was far lower than American-European and American-Japanese organizations and specialists. JCIE had been intensely involved in United States-Japan policy research and dialogue activities since the inauguration of the Shimoda Conference (the American-Japanese Assembly) in 1967 at the initiative of Cliff Nelson of the American Assembly and Herbert Passin of the Ford Foundation. It is embarrassing for me, however, to admit that it was only in early 1970s that I first visited Europe to attend an international conference in Italy. At that conference, I had an opportunity to have a drink with the late Andrew Shonfield, then the director of the Royal Institute of International Affairs (Chatham House), to exchange views on how to bridge the seeming absence of intellectual dialogue between Japan and Europe. When Gert Brandt of the Thyssen Foundation joined us for a drink, Shonfield and I asked if he would be willing to fund an intellectual dialogue forum between Japan and Europe. He responded by saying, "why not?"

Thus, the Europe-Japan intellectual dialogue, nicknamed the "Hakone Conferences" in reference to the name of the venue of the first meeting, was launched in 1975. Despite the fact that the Hakone Conferences were organized in parallel to the Trilateral Commission meetings, European participation at the first and second Hakone Conferences was impressive and meaningful. Participants included representatives from the Royal Institute of International Affairs, the Research Institute of the German Society for Foreign Policy, the Italian Institute for International Affairs, the French Institute of International Affairs (IFRI), and other European institutions. Their participation seemed

to reflect the growing attention given to Japan and Asia by senior European researchers and research institutions.

On the Japanese side, there had been a growing consciousness of the need for Japan, by then considered to be a major economic power, to define its international role more clearly. In the foreword to the report of the Second Hakone Conference, it was stated that "[i]n efforts to define its proper role in the global community, Japan should be engaged in more extensive dialogue with various regions of the world; for in this interdependent world, a one-sided international posture is obviously untenable. A lack of dialogue between Europe and Japan has been felt keenly as cooperation among highly-industrialized nations has become even more important in a world seeking a new international order." There had been a growing consciousness among Japanese that the role of the United States as guardian of Japan's pursuit of economic interests was ceasing to be the case. Accordingly, Japan was beginning to reach out to Europe. Japan's political consultations with outside countries had been limited to those with the United States, but policy issues started appearing on the track-two agenda, and eventually on the agenda of government consultations as well.

The emergence of the trilateral relationship strengthened the Japan-Europe relationship not only in economic, but also in political and security terms. Informal consultations between Japan's Foreign Ministry staff and their counterparts from major European nations were initiated between 1975 and 1980. The shocks of 1978-81 led to the creation of a formal structure for consultations. Informal efforts for dialogue were expanded. For example, the growing interest of emerging political leaders of the United Kingdom residing in Japan led to the creation, in 1984, of the UK-Japan 2000 Group, an informal dialogue group that was dubbed the "Wisemen's Group." A critical facilitating role in this group was fulfilled by a political counselor of the Japanese Embassy in the United Kingdom, Yukio Satoh. I was made director of the Japanese side of the group, with JCIE acting as its secretariat. A similar Japanese-German Dialogue Forum was created upon the joint initiative of Japanese Prime Minister Kiichi Miyazawa and German Chancellor Helmut Kohl in 1993.

These bilateral consultative groups have started to discuss Japanese-European or Asian-European relations in recent years, indicating a growing Japanese consciousness about relationships with European countries.

Japanese Public Opinion on Japan-Europe Relations

Popular opinion holds an important influence on Japan's foreign policy, and in this respect a brief examination of trends in the public's feelings toward Europe since the end of the Cold War can shed light on the evolution of the interregional relationship. Polls of Japanese people's feelings toward Europe is one key indicator, especially when examined comparatively with Japanese attitudes toward other nations and regions. Public polls conducted by the Japanese Cabinet Office over the past fifteen years reveal a gradual but increasing "sense of closeness" toward Western Europe, from slightly under half responding yes in the beginning of the 1990s to more than half responding similarly over the past few years. The average affirmative response over the past fifteen years is just over fifty percent. In comparison, almost three-fourths of those who responded they felt a sense of closeness towards the United States, less than half for China and Korea, and just above one-third for Southeast Asia. Figures detailing respondents' understanding of relations with these nations and regions reveal a similar trend. When asked annually whether relations with Europe were "good" over the past fifteen years, an average of just over half of the respondents believe so, as compared to seven out of ten for the United States, just under half for China and Korea, and only four in ten for Southeast Asia.

These figures bear similarity to the intensity of Japan's economic, political, and security relationships with the countries and regions in question. Feelings toward the United States, the strongest partner in the trilateral relationship and security guarantor for Japan, are by far the most robust. In contrast, feelings towards China, Korea and especially Southeast Asia are markedly more muted. Positive sentiment toward Europe is in-between, and this may be indicative of the fact that although Japan does not have historical issues to sort out with Europe, as it does with much of East Asia, the dearth of strong, U.S.-style institutionalized links affects the amount of contact with the region and the intensity of Japanese people's feelings toward the region. Gradually increasing positive public opinion toward Europe parallels the historically increasing level of European-Japanese contact over the past decade. At the same time, however, the level of support for Europe, when viewed in comparison with support for the United States, suggests that while the depth and range of opportunities for cooperation has expanded

since the close of the Cold War, collaboration within the weakest link of the trilateral triangle has yet to reach its full potential.

Media coverage in Japanese newspapers over the past fifteen years provides additional insight into public perception of Europe. Feature articles focusing on Japan-Europe relations in the six major print news sources in Japan, Asahi, Yomiuri, Mainichi, Nippon Keizai, Tokyo newspapers and the Kyodo News Service are few: fifteen articles on average per year among all six news sources. Coverage focusing more broadly on Asia-Europe relations, including coverage of ASEM meetings, meanwhile, is greater: an average of seventy articles per annum from 1996, the date of the establishment of ASEM, to 2004.

Editorials in the major Japanese dailies on Japan-Europe relations provide insight into public sentiment toward Europe. The number of published editorial articles are relatively few in number: only a couple per year between all the major print news sources. In these articles, Japan is repeatedly called on to act as Asia's liaison with Europe; to take a more assertive leadership role with Europe in the ASEM forum; and to advance political and security cooperation with Europe. Editorials published at the time of the Asian financial crisis repeatedly expressed Japanese dismay with the weak European response to requests for assistance by affected Asian countries.

Measurements of public perception suggest that while the Japanese popular perception of Europe is positive, it is not particularly strong; Europe is not on the Japanese national consciousness to the same degree as the United States, for example. Newspaper coverage, in particular coverage calling for increased cooperation and Japan's role as facilitator between Europe and Asia, however, suggests that Japan may view itself as having a special and worthwhile relationship with Europe. In sum, the gradual upward swing in positive public sentiment toward Europe may suggest that the two partners have the potential to achieve much more as major world players sharing common values and desiring a stable, multipolar world grounded in cooperation and engagement.

Emergence of the East Asia Community Concept in Japan As a New Impetus for ASEM

While recognizing that the Trilateral Commission has been a catalyst for enhancing Japan's relations with Europe, it should be noted that the Commission itself has undergone significant change in recent years. Recognizing the remarkable growth of the Asia-Pacific region, it was decided in 2000 that the Japanese Group would be joined by other countries in this region including the original six ASEAN countries, South Korea, Australia, and New Zealand to create a Pacific Asia Group that would represent the third leg of the Commission. In November 2005, the Pacific Asia Group held its annual regional meeting in Beijing to bring in a number of Chinese leaders in non-governmental fields into the Trilateral dialogue. The successful Trilateral Beijing meeting, which promises to bring greater Chinese participation in the Pacific Asia Group in the coming years, has reinforced our belief in the viability of the East Asia Community building process.

Though the "East Asia regional community" certainly is not at a stage of development comparable to the European Community's, growing economic interdependence and recognition of a need for functional cooperation on challenges such as environmental degradation and communicable diseases like HIV/AIDS, tuberculosis, and malaria have begun to foster a sense of community among the nations and peoples of East Asia.

A common feeling is emerging among political and intellectual leaders in East Asia, including China, that they all share a common interest and joint responsibility for the creation of a more stable and constructive regional order in the coming years. There is a growing consensus among a critical group of leaders, both private and government, that they are at the threshold of building an East Asia regional community.

Benefits from East Asia regional community building will be multi-faceted. First, community building will force each "member" country to consider its political and economic activities in a multilateral context. If any country in the region, particularly those considered to be economically and/or politically powerful such as Japan and China, were to engage in unilateral action, they would undermine the chances of building community and hurt their own interests in the process. Second, developing regional community would help ease bilateral confrontations or tensions such as the

ones that currently exist between Japan and China. As was the case with the aforementioned Trilateral Commission meeting in Beijing, Chinese and Japanese participants can sit side-by-side to discuss common regional and global challenges in a constructive atmosphere which may not be possible in a bilateral forum.

Furthermore, East Asia regional community building will unquestionably have a constructive impact on the future course of ASEM. One major shortcoming of ASEM has been a lack of regional solidarity in East Asia in comparison with a comparatively well-coordinated Europe. The lack of an Asian coordination mechanism for ASEM is one indication of this weakness. East Asia community building will result in greater intraregional coordination in many contexts, including ASEM.

Related to the above point, it should be emphatically noted that ASEM's activities in the coming years could provide a new impetus for consolidating East Asia as a viable counterpart to the well-developed European community. A convincing case needs to be made for ASEM as an important element in strengthening global governance. The three major regions of North America, Europe, and East Asia need to work together toward the same goals, seek solutions to common global problems, and fully take advantage of the dynamic forces of economic interdependence and integration. ASEM can, indeed, be an effective catalyst for East Asian regional community building efforts in the coming years.

Supporting Multilateralism and Global Governance: Suggestions to Strengthen ASEM

ASEM, then, can further two important goals: multilateralism in East Asia and global governance. First, the ASEM process supports East Asian community building efforts. ASEM enables East Asian countries to collaborate as a unified group vis-a-vis their European counterparts. East Asian nations' participation as a group can encourage greater cooperation, dialogue, and the development of shared perspectives as they work with Europe.

Second, ASEM fosters emerging global governance. Other initiatives such as the Trilateral Commission and Hakone Conferences are parts of a general movement toward global governance over the past thirty years. ASEM can be an important forum

for strengthening ties between Europe and East Asia, and in the process, not leave the burden of global power with the United States alone.

How do Europe-Japan relations fit into this equation? Japan has a key role to play in developing multilateralism and global governance through the ASEM process. In terms of multilateralism, Japan's participation in ASEM along with China and Korea allows all three countries to meet in a multilateral setting and to work together to form common positions vis-a-vis Europe. Working together on common issues in a shared institutional setting like ASEM can help improve relations between these countries.

In terms of global governance, Japan's close diplomatic and intellectual ties with Europe, its economic resources, and its status as an East Asian democracy put it in a unique position to help work toward these goals. For example, Japan can take advantage of its shared tradition of democracy with Europe to act as an interlocutor between the two regions. Japan has a strong interest in rules-based global governance supported by fora like ASEM, and it should strengthen its capacity to support the ASEM process toward this end.

How can the ASEM process itself be strengthened in a way that supports multilateralism and global governance? One important step would be the establishment of an ASEM Secretariat to coordinate interregional ASEM activities and communication. The Secretariat would be dedicated to facilitating region-to-region communication, organizing biannual summits and other official meetings, and perhaps most importantly, serving as the "institutional memory" for the forum. It is important that a permanent body like a Secretariat serve as an institutional warehouse for information and lessons learned if ASEM is to successfully redefine itself and grow over the next decade.

Another key step would be the creation of a permanent Asian Secretariat to coordinate East Asian activities and common positions on important issues. Europe has the European Commission as a coordinating mechanism for its policy on ASEM. East Asia, meanwhile, does not have a parallel mechanism. East Asia needs a space to develop common perspectives before meeting with Europe. An Asian Secretariat would foster communication, coordination, and help Asian members coordinate policy positions on important issues.

Strengthening the Asia-Europe Foundation (ASEF) or establishing a second organization dedicated to promoting interregional cooperation is necessary as well if ASEM is to contribute to global governance. ASEF is charged with promoting cultural, intellectual, and people-to-people exchange. Strengthening interregional ties, however, also requires more joint political and economic projects and exchange. The plethora of wide-ranging but short-term projects and initiatives that ASEM has sponsored to date—from roundtables on globalization to workshops on urban forestry and community healthcare initiatives—indicate a lack of focus in the ASEM process. A set of rules that identifies clear standards and goals for ASEM initiatives needs to be created, and a coordinating body like ASEF needs to oversee and help execute projects that meet these standards.

Perhaps most importantly, ASEM needs to redefine itself with a sharp and focused vision and goals for the next decade. This vision should mold ASEM as a forum that promotes multilateralism and global governance by promoting interregional cooperation within a system of rules-based relationships. ASEM members should look to academics and policy analysts in both regions to reexamine its past history and accomplishments and lay out a clear path for the process as it enters its next ten years.

[KOREA]

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Making Interregionalism Work:
An Assessment of 10 Years of ASEM and the Future

1. Introduction

Next year ASEM will celebrate ten years of interregional dialogue between the countries of the East and the West. The idea of creating a dialogue channel between Europe and East Asia Is not new, but the implementation of the idea needed to be creative. The two had almost forgotten to build an interregional channel since WWII, and it was rather difficult to find any momentum to take a new step toward that process. It was not until the mid-1990s that the two agreed to take a concrete step to shape new relations through interregional dialogue. Since then, ASEM has raised attention about the utility of a region-to-region dialogue for managing political, economic, and social relations. Based on principles of informality, multi-dimensionality, equal partnership and a high-level focus, the ASEM process is an alternative foreign policy tool.[8]

This paper assesses the ten-year history of ASEM from Korea's point of view. Discussion is focused on both political and economic dimensions of the interregional relationship based on relevant empirical evidence where available. In the course of developing the prospects for another ten years of ASEM, the perspective of Korea, which has been one of the most active participants in ASEM dialogue, is the primary object of discussion. The paper is organised as follows: Section II conceptualizes inter-regionalism in terms of its political, security, and economic dimensions. Section III discusses the progress of and structural problems with ASEM. Section IV discusses Korea's contribution to shaping the ASEM process. Section V proposes a tentative agenda for the upcoming ASEM summit in Helsinki, and Section VI features a short conclusion.

[8] In terms of format, ASEM is different from APEC, which is characterised as embodying transregionalism or regional integration. In terms of its agenda, ASEM has worked under the principle of *subsidiarity* by focusing on issues that can be most optimally addressed in the interregional context (Segal 2000, quoted in Lee (1999)).

2. Conceptualizing Interregionalism

One understands the significance of interregionalism after examining whether it matches the new demands of international politics. A functionalist view is one theoretical framework that explains the emergence of interregionalism and the role of ASEM. In the conventional Westphalian framework, the nation-state is the main actor In international politics. The jurisdiction of the nation-state, however, is now constrained in the light of the advancement of non-state actors in international politics and increasing global interconnectedness. Such changes necessitate the modification of existing institutional settings. Interregionalism emerges as an alternative channel for managing international relations comparable with regionalism and transnationalism.

A more popular approach to the functional utility of ASEM as an interregional dialogue is warranted by the analysis of security issues. Assuming that the US, EU and Asia form each side of a triangle in world affairs, the Europe-Asia relationship is a missing link (Ferguson, 1997). Europe and North America have shared close ties in the political, economic, and cultural fields. Asia and North America have explored ways of strengthening mutual interdependence by creating APEC. By contrast, Europe and Asia share no common link to complete the tripolar structure. The recognition that global governance is skewed toward US influence is also reflected in bilateral trade and investment relations between the three regions.

Therefore, it is not at all surprising that leaders gathering for the first ASEM summit emphasized that the EU and Asia strengthen political and economic linkages and secure a balanced tripolar structure by diversifying interdependence (Gilson, 2005: 313). Therefore, one proposed role for ASEM is to provide Europe and Asia with the opportunity to construct linkages by reinforcing cooperation in political/security, economic/financial, and social/cultural fields (MOFAT, 2004: 3).

Europe agreed to launch ASEM in light of the US commitment to economic cooperation with the Asia-Pacific region through APEC (e.g., Kim, 2002). Asian countries have sought to diversify foreign influence that would have been confined to that with the US. For example, ASEAN strongly supported the creation of an interregional dialogue in 1996 in the anticipation that enhanced cooperation with the EU would alleviate its overdependence on the US (Oxford Analytica, Oct 26, 2000).

Reiterer (2000) also argues that the changing role of the US in geopolitics and the need to counter the intraregional rivalry between China and Japan are motivations for ASEAN to support enhanced ties with the EU.

ASEM is not only a response to changes in international security. It is also a response to the economic dynamics between Asia and the EU. ASEM hardly mirrors the *de facto* volume and frequency of interregional cooperation. Nevertheless, interregional economic cooperation has the potential to intensify in parallel with separate, high-profile efforts to make ASEM a multidimensional context of regional interaction. Along with the United States economy, economies in Europe and Asia are the two other planes of the integrated global political economy. 36.9% of the world's population resided in ASEM countries in 2003. The ASEM region produced 48.1% of aggregated gross domestic production of all countries in the world that same year. The combined trade originating from ASEM member states is equivalent to 56% of world trade. In 2003, ASEM accounted for 49.5% of world GDP and 58.9% of world trade.[9]

Prospects for extensive interregional economic ties are likely to become reality considering the following recent developments in Asia and Europe.

- European members are pursuing a common external policy. A challenge of the EU's common external policy toward Asia is concerned with how to deal with diversity among the thirteen Asian members of ASEM (Gilson, 2005). The New Strategy Paper shows the revised status of Asia in the EU's foreign policy. In this context, interregional dialogue is expected to help deal with the changing nature of partnerships with Asian countries.
- Asian members increasingly desire trade and investment opportunities in the EU. In light of EU enlargement in 2004, ASEM could be a channel for Asian members to have increased access to European markets. Prior to enlargement, the EU was already the world's largest market, accounting for 40% of world trade. For East Asia, EU enlargement reinvigorated business interests in the EU market, with anticipation of the possible role of new member states as a gateway to enter the lucrative EU market.

[9] ASEM's share in the world economy has grown only a little since its enlargement in 2004 because new members are relatively small.

To some extent, prior discussion about Asia's increasing tendency to diversify diplomatic relations is relevant to the international economic and political relations of Korea.

Korea's diversification of its economic dependence started long before ostensible changes in its foreign policy. In 2004, as China became the most popular destination for foreign direct investment (FDI), economic ties with the US were steadily overshadowed by new and rapid economic exchanges with China. At the same time, Korea has maintained strong trade and investment relations with the EU. The EU has become the third largest market for Korean exporters, overtaking ASEAN and Japan. The EU is also the largest foreign investor in Korea as the cumulative value it invested in Korea between 1962 and the first quarter of 2005 totalled 31% of all FDI records of Korea.

In the 1990s, Seoul expanded its gaze into the global and regional arenas. This change became more apparent with the election of the President Roh Muhyun, who pledged for more independent foreign and defense policies. A commentary in a Korean daily suggesting that ASEM could be a channel for Korea to diversify foreign policy is therefore not groundless (Lee, October 6, 2004). Diversification of foreign dependence has been observed both in political and economic political affairs. The recent presidential tour illustrates the extent to which Korea's diplomatic priorities have undergone changes (Based on Oxford Analytica, June 09, 2005).

- Southeast Asia: During his visit to Laos for ASEAN+3, President Roh announced that the negotiation of a free trade agreement (FTA) with Singapore was being finalized. This is Korea's second FTA.
- BRICs: Korean multinational companies have been keen on increasing their market shares in Brazil, Russia, India, and China. During 2003-04, President Roh visited all four countries.
- Central Asia: Korea has maintained friendly ties with Central Asian countries where many ethnic Koreans call home. In 2005, about 530,000 ethnic Koreans were living in regions of the former Soviet Union (Statistics from Overseas Koreans Foundation homepage, http://www.okf.or.kr/index.html).
- Latin America: Korea ratified its first FTA with Chile. President Roh visited Chile, Argentina and Brazil in 2004.

- Europe: For Korea, the EU is not only an important trade and investment partner but also a contributor to regional security, as it counters the hard-line policy of the United States toward North Korea. President Roh expressed visited the United Kingdom, France, and Poland in 2004.

In sum, there is a belief that the underpinnings of global governance should be steadily transformed from a US-led unipolar system to balanced mutual inter-dependence. There are growing *de facto* incentives for both Europe and Asia to improve mutual understanding and thereby to diversify foreign dependence. Recent developments in its foreign policy illustrate that Korea is not an exception. Such trends have triggered recognition of the efficacy of interregional dialogue for supplementing existing bilateral or transnational channels.

3. Progress of ASEM and Structural Problems

Three pillars of ASEM

ASEM is composed of three pillars. Through five meetings since 1996, Asia and Europe have developed substantive cooperation in the political, economic, and sociocultural fields. This three-pillar approach tends to overlook cross-sectional issues that require special attention. For example, migration, environmental degradation, natural disaster recovery, socioeconomic gaps, and the challenges of an aging society are several issues that the two regions will have to collaborate on.

Despite concerns about oversimplification, the three-pillar approach is useful for discussing how asymmetric progress has been made in different agendas. By comparing fields in which members have advanced a common agenda and established inter-regional partnerships with other less successful fields, one can not only see what has been achieved but also the structural problems with ASEM. This will be elaborated on later.

A Review of ASEM Meetings

Before analyzing progress in each field, let us review the achievements of ASEM meetings. Biennial summits are regarded as the highlight of interregional activities. Apart from those summits, the Foreign Ministers Meeting (FMM), Senior Officials Meeting (SOM), and coordinators meeting are fora that foster interregional dialogue. Through five summits that have been held alternately in Asia and Europe every two years, ASEM has discussed a range of issues that can be summarized into political dialogue and cooperation in the economic/financial and sociocultural fields.

The first meeting was held in Bangkok in March 1996. It came at a time of great economic optimism in Asia. This positive outlook corresponded to the proliferation of European trade with the developing countries of Asia that grew more rapidly (17%) than that with the US (12%) and Japan (8%) (Ferguson, 1997: 404). The main achievements of the first summit lay in the opening of a new partnership, determining the structure and principles of interregional cooperation, and agreement on serious efforts to move beyond rhetoric (Ferguson, 1997:405).

The second summit was held in London in April 1998. As it took place during the Asian financial crisis, consequently leading to a modified official agenda, the meeting was preoccupied with details of the region's economic problems (Oxford Analytica, April 8, 1998). This partly explains the failure to produce tangible achievements. Nevertheless, ASEM made progress by reminding members that an East Asian region does exist, though this image overlapped with negative images caused by the financial crisis (Gilson, 2005: 314). Also, member states confirmed their commitment to economic cooperation programmes. In addition to proposed trade and investment liberalization, the Asian crisis drew attention to monetary and fiscal stabilization (Lee, 2000: 12). Unlike in the economic arena, however, ASEM did not move forward on political and cultural issues (Shin, 2002: 84).

Mutual understanding and equal partnership that existed only in rhetoric steadily gained substance. The third meeting held in Seoul aimed to cement the value of the ASEM process (Reiterer, 2001: 2). Following suggestions made in the previous summit, an Asia-Europe Vision Group presented mid- and long-term visions for cooperation. In this sense, ASEM finally proved that the interregional political dialogue can actually

work (Shin, 2002). The Seoul meeting also provided leaders with a venue for discussing the importance of engaging North Korea. As a result, the meeting resulted in the Seoul Declaration for Peace on the Korean Peninsula and the establishment of diplomatic ties between four European countries (United Kingdom, Germany, the Netherlands and Spain) and North Korea.

The fourth summit in 2001 appeared to be overshadowed by the events of September 11. The agenda had to be revised shortly before the Summit convened. Members nevertheless confirmed that there were several issues that could best be tackled in ASEM. For instance, discussions on counterterrorism assured members that it is possible to deter common security threats by drawing on expertise in regions with various cultures and civilisations, religions, and living conditions. ASEM pinned down the importance of drawing unity and strength from diversity and claimed that it is a rare asset in international relations that needs to be advanced further (Reiterer, 2002: 151-2). In consequence, Europe-Asia interactions gained more than just symbolic meaning.

The fifth summit held in Hanoi concluded with the declaration of the importance of social and cultural dialogue between the regions. This represents the view that difficulties in building consensus on concrete measures for political and security cooperation are attributed to the social and cultural distance between Europe and Asia. Participants also discussed the importance of improving multilateral systems such as the United Nations. The Hanoi summit was the first after ASEM's enlargement. Ten countries from the EU and three from ASEAN became new members.

Structural problems

Equal partnership requires equal mutual commitment to the interregional process. Moreover, it is essential for each party to develop an efficient intraregional process that builds collective capacity. The efficient intraregional process is therefore concerned with the degree of regional integration on each side. Over the past decade, ASEM has emerged as an interregional forum for discussion of a broad agenda. ASEM has maintained its informal and flexible structure as members have avoided institutionalizing the process. Although this structure has its merits, it has been slow in mending structural problems both at the intra- interregional levels.

Europe and Asia have achieved regional integration to different degrees. Europe has a channel for collecting individual members' opinions and creating common policy. By contrast, it has been argued that Asia has very few common policy objectives. Furthermore, it has difficulties in speaking in a unified voice as Asia does not share institutions for regional cooperation that enable collective responses.

ASEM has, however, made a clear contribution to developing a regional concept of East Asia. Over the course of developing the ideas and agendas that can be set on ASEM's table, East Asians began to think about the common goal and common predicaments facing the East Asian community as a whole. This way of thinking is new and completely different from developing the national agendas that the East Asians had been accustomed to in the era of rapid economic development. In the interregional dialogue where East Asia met the outer world of Europe, East Asians recognized the need for developing regional identity. Regional identity can be more easily established by interacting together with the outer world.

A likely challenge before ASEM is whether East Asia can emulate the EU in ensuring a common voice. Europe has institutions that play a coordinating function (Shin, 2002: 75-76). The EC encourages its members to jointly participate in interregional cooperative programmes in order to differentiate regional and bilateral projects from each other (Commission of European Community, 2005: 7). The EU has conceived the Common Foreign and Security Policy (CFSP) and the European Security and Defence Policy (ESDP) which served the goal of establishing common goals of European foreign policy and collective ambitions toward a third country (Reiterer, 2001: 4). In consequence, it has used ASEM as a channel to deal with its counterpart and promote understanding and awareness of Europe as a partner.

Intraregional linkages between Asian countries may become tighter and institutionalized in the near future. Asian countries are gearing up efforts to intensify economic cooperation amongst themselves. East Asian partners in the north and south are increasingly committed to ASEAN+3, although the process is still dependent on soft institutions. More and more Asian countries are engaging in negotiations over free trade agreements (FTAs). China, Japan, and Korea have been studying the possibility of trade arrangements with each other.

Another weakness of ASEM is disagreement about shared value. Such disagreement surfaced during the early summits. Preparation for the London meeting in 1998, for instance, was interrupted by Europe's refusal to agree on Myanmar's entry into ASEM. Accordingly, discussion about ASEM enlargement stalled as the EU felt uneasy about granting membership to Myanmar. At the same meeting, European members raised doubts about labour rights in South Korea, the treatment of political prisoners in China, and self-determination in East Timor and Tibet (Oxford Analytica, April 1998). The fundamental question underlying these disagreements is whether "Asian values" exist separately from the "universal values" that Europe advocates. This problem is compounded by persisting economic gaps between Asia and Europe despite rapid economic growth in developing Asian countries. The Asian financial crisis, for example, is an event that marks economic inequality in terms of performance and soundness between the two regions.

In conclusion, the success of ASEM depends on both functional and cognitive changes in both regions. The assessment is very mixed. Functional and substantive progress has been made in economic cooperation. In contrast, political and security dialogues have confirmed the different positions of members, though the Seoul meeting opened the potential for interregional political cooperation. Asymmetric progress between the two parties in regional integration shows that cognitive change cannot take place overnight. Moreover, political and economic distance remains between Asia and Europe. Therefore, for ASEM to flourish, both interregional and intraregional changes are required.

4. Korea's Contribution to the ASEM Process

For Korea, ASEM is an important channel through which it speaks to the EU. Many issues raised by Korea, however, represent not only its own interests but also transnational interests that require bringing together the expertise of members (Kim, 2004). During the second summit, Korea proposed discussing ASEM's vision. For that initiative, the Asia-Europe Vision Group was organized and its findings were presented in the "Asia-Europe Cooperation Framework 2000" at the Seoul summit. Korea played a key role in creating the framework.

Following is the discussion on Korea's contributions to specific fields. This section focuses on Korea's role in making the interregional process within the ASEM work, particularly in realizing political and security dialogue, multidimensionality, and East Asian integration.

Political Dialogue

The previous section discussed how substantive progress in certain issues did not occur during the first and second summits. Part of the reason was that political dialogue was derailed by delicate issues such as human rights violations in Myanmar and the conflict in East Timor. Economic cooperation was the major area of focus in early meetings. Substantive economic progress has been made, including the creation of the ASEM Trust Fund for sharing financial expertise between the two regions. Nevertheless, the repetitive stalemate in political issues has deterred stronger cooperation.

In this context, the Seoul summit in 2000 made the first significant breakthrough in political dialogue (Shin, 2002: 84-87; Reiterer, 2001: 12). At the third summit, the Seoul Declaration for Peace on the Korean Peninsula was issued. Leaders welcomed the first inter-Korean summit held in June 2000. They recognised the importance of engaging North Korea not only in multilateral dialogue but also suggested more concrete steps such as the establishment of diplomatic relations with North Korea. Despite later criticism about the ineffective modality of reaching consensus, the political and security dimension was praised as the highlight of the Seoul summit that left lessons for later political cooperation. Shared interests confirmed during political dialogue motivated members to advance a mutual consensus about more fundamental issues including the principles of ASEM enlargement.

Multidimensionality

ASEM's value-added depends on the extent to which Asian and European partners can distinguish between bilateral and multilateral dialogues (Reiterer, 2002: 136). So that ASEM "adds value" to multilateral dialogue, issues should not be limited to the rigid framework of the three-pillar structure. Rather, ASEM should discuss emerging issues

like security, transnational crime and counterterrorism, which current global governance has yet to deal with extensively.

In this context, Korea has contributed to advancing shared interests between Asia and Europe. Korea has assumed a mediating role in the forum by inviting both industrialized western European countries and developing Southeast Asian countries to the table. As it has increased its status in the global arena, Korea has actively participated in collective efforts to offer visions about the future of ASEM and to substantiate interregional cooperation. Korea proposed the ASEM Vision Group at the 1998 London meeting. The Vision Group submitted the Asia-Europe Cooperation Framework in 2000. At the third Summit, Korea launched new initiatives including the Iron Silk Road and the DUO ASEM Fellowship Program. For the first time, the Seoul meeting invited members of civil society to sideline events at the high-profile political dialogue.

The proposed agenda for the Hanoi meeting confirms Korea's role as mediator between industrialized and developing countries by sharing expertise in the various issues that accompany economic growth. For example, Korea needs to resolve issues of an aging population and deepening socioeconomic inequality. It needs to improve energy security in Northeast Asia and calls for regional cooperation to prevent environmental degradation.

Coordinating a Unified Asian Voice

Although progress at the cognitive level has been slow, interregional dialogue itself has fostered the growth of regional identity in East Asia (Gilson, 2005: 322). The emerging role of a region as a political entity encourages East Asia to emulate the EU process of intraregional coordination. Coincidentally, a growing number of Asian countries are pursuing greater institutionalization and are actively participating in negotiations for free trade agreements (Aggarwal and Koo, 2005). Compared with Southeast Asian countries, Korea only recently started negotiations on FTAs. Nevertheless, Korea has contributed to maintaining internal dynamics in ASEM by becoming regional coordinator twice, from 1998 to 2000 and from 2004 to 2006.

5. Agenda to come

Following are some of the issues on which ASEM member countries share common interests and where mutual cooperation will enable advanced preparation for dealing with them. The 2006 ASEM Summit in Helsinki needs to address the following issues in more depth.

- *Bipolarization*

  The global economy faces many challenges including the worldwide trend of growing income gaps. Recent economic bipolarization observed in industries, companies, and regions as well as in individuals' total wealth are cause for concern. Unskilled labor in shrinking industries, low value-added SMEs, and those living in depressed areas have been severely disadvantaged.

  In ASEM member countries, although income distribution has been deteriorating since the 1970s, there was an acceleration of this trend in the 1990s. Income in the UK, the Netherlands, Japan, Austria, Korea, and Thailand tends to be bi-modal. The growing productivity between traditional industries and emerging ones has also been widened.

  In Korea, the poverty ratio increased from 12.7% in 1996 to 17% in 2000, roughly the same level of that of the US. The Gini-coefficient of the Korean household marked 35.8 in 2000, which is one of the highest among the OECD countries. In Japan, where over 90% of people once identified themselves as "middle class," the middle class started to shrink after the bubble economy collapsed in 1992. Japanese whose living standards are below "middle-low" will likely increase to 33.6% in 2006. The average income of the Chinese urban area is 3.2 times larger than that of the rural area in 2003. Per capita income of Shanghai residents is reported to be $6,656, which is 13.1 times bigger than that of the people in Guizhou province. Moreover, assets, especially real estate, have played a key role in enlarging the wealth gap in urban China. The Gini-coefficient of China was 45.4 in 2002.

  Among the Asian partners of ASEM, bipolarization needs to be highlighted as it has gained unprecedented speed in the region since the financial crisis. Korea's Gini-coefficient leapt by six points between 1996 and 2000. In Thailand, the

income gap has widened rapidly since the late 1990s. Rapidly growing asset prices in the urban areas of Indonesia and Malaysia, which are still recovering from the Asian financial crisis, contributes to the division between haves and have-nots.

Therefore, ASEM member states, together with their respective institutions, need to pay more attention to bipolarization. A proper agenda that makes the utmost effort to solve the problem needs to be submitted. The approach will be comprehensive. It will take into account the interests of all ASEM members using methods that emphasize cooperation between the governments of member states and that highlight the fight against bipolarization and the improvement of each nation's competitiveness.

A work program would have two priority areas. First, the first area would examine the phenomena of bipolarization and it would assess progress in poverty, wage gaps, social security, regional development, SMEs, and so on. Second, ASEM needs to solve problems related to the changing socioeconomic environment facing ASEM member countries, and it needs to provide possible solutions to combat the problem in the APEC dimension, including fiscal policy coordination.

Aging society

In developing countries as well as developed countries, there is growing concern about aging populations. Aging populations can drain social welfare as well as block sustainable societal growth. In Korea, the ratio of people over age 65 rapidly rose to 7.2% in 2000. It is anticipated to soar to 14.3% by 2018 and 20.8% by 2026. Japan is already an aged society, with the ratio of those over 65 already more than 20%. By 2025, most of the European ASEM member states and some Asian ASEM member states including Japan, Korea, Singapore, and China will be on the list of the societies with the ratio of aged persons being over 14%.

The problems arising from aging populations are not few. In the labor market, an aging labor force leads to lower productivity. In the fiscal sector, the reduced tax base and difficulties in financing pension funds can contribute to a crisis in fiscal sustainability. The impacts of aging on the financial sector are particularly noticeable. As the baby boomers retire, declining savings will put downward

pressure on asset prices, which may lead to a financial asset meltdown. Some asset prices may be more adversely affected by the aging population, which shifts asset demand. Even if there is to be no general see-off of financial assets, financial markets are likely to be more volatile and asset holders will be exposed to greater risk. This gives us increased uncertainty and volatility. The savings of workers needs to be managed carefully to generate stable income after their retirement so demand for asset management services will increase. There will be growing demand for asset management services provided by institutional investors such as pension funds, insurance companies, and mutual funds. The asset allocation of institutional investors has a great impact on asset prices.

- *Environmental issues*

  As noted in environment ministers meetings held in 2002 and 2003, ASEM members are facing common challenges regardless of their level of economic development. This necessitates integrated approaches between developing and developed countries, such as transfer of environmentally-friendly technologies.

  With regard to environmental issues, particular attention needs to be paid to global warming and its impact on ASEM member countries. The average temperature of the surface of the East Sea is reported to have risen by 1.7 degrees centigrade over seventeen years, which is six times higher than the average temperature rise of the world's ocean surface. Global warming is also well observed in the Arctic area where the glacial region meets land.

- *Sharing responsibility for mutual prosperity*

  The Boxing Day Tsunami of 2004 reminded us of the importance of shared responsibility for mutual prosperity. Having been recently transformed from recipient countries to donor countries, Korea and other Asian countries are increasing their participation in international development programmes.

- *Energy security in Northeast Asia*

  Due to instability in the international energy market, Korea, along with other Northeast Asian countries, emphasizes diversification of energy sources.

5. Concluding Remarks

An interregional dialogue through ASEM can be a way to garner reliable channels of cooperation between Asia and Europe. In light of security and economic changes, interregionalism can enable the two regions to consolidate mutual interests.

Of course, interregionalism will function properly only when the current ASEM process can bring about both functional and cognitive changes. So far, functional changes have been limited to the economic arena, and many of them remain rhetorical. Slow regional integration on the Asian side indicates that cognitive change takes place even more slowly than functional change. Therefore, the evolution of interregionalism depends on each member country's commitment, not on one or two leaders.

Nevertheless, there is no doubt that ASEM has contributed to providing East Asians with a valuable opportunity to think over their common interests and over the shared values of East Asia, which have been forgotten for a long time since European imperialism overshadowed the region. Although ten years of ASEM has revealed many problems and limitations, these could be building blocks rather than stumbling blocks if we think of the "cognitive" developments of East Asian identity and its relations with Europe.

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[MALAYSIA]

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10 Years of ASEM – Malaysia and ASEM

1A. Overview

The Asia-Europe Meeting or ASEM is a multilateral dialogue process that was founded in Bangkok, Thailand, in 1996 to address "dis-connectivity" and initiate and smoothen relations on various fronts of mutual interest among the member states of the two regions, Asia and Europe. Although in the beginning ASEM was not represented by all of the member states of the two regions, they do so now with all ten countries of ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam), the three countries of Northeast Asia (China, Japan, and Korea) and the twenty-six countries of the European Union (Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom). In short, ASEM is a non-interfering conglomeration of thirty-nine independent and sovereign nations seeking to uphold the national agenda and goals of each other while, at the same, creating a common platform for cooperation, collective welfare, and peaceful co-existence.

Over the last ten years of its existence, ASEM has embraced principles of openness and transparency, informality and interactivity, and consensus as its modus operandi. It may be appropriately described as a unique interregional forum that is driven by leaders who draw on operational policies and act in accordance to the principles and consensus agreed upon. The general impression prevails that ASEM aims to be or will be a non-institutional engagement of the different states of the two regions; hence, there are no formal organizational structures of a steadfast and binding nature.

The highest leadership participation in the ASEM process takes place at the Summit, which is typically represented by heads of state/government. The Summit takes place biennially with the venue alternating between the two regions of Asia and Europe. To date there have been five Summits including the inaugural one in Bangkok, Thailand, in 1996. The next ASEM Summit will take place in Finland in 2006. Apart from the Summits, there are the Foreign and other Ministerial and Senior Officials' meetings that

convene during the interim period of the Summits to coordinate and operationalize ASEM initiatives and decisions. The interim-level meetings also ensure continuity and the effectiveness of ASEM.

Since its inception in 1996, ASEM has objectively explored its sense of purposefulness and fulfillment that manifested a wide range of initiatives to benefit both regions. The initiatives have been clustered, categorized, and endorsed as three strategic pillars of ASEM: political, economic and financial, and sociocultural and intellectual. The political pillar covers areas such as justice and home affairs issues, human rights, environment, and health. The economic and financial pillar covers both the stated areas as well as information technology and globalization. Finally, the sociocultural and intellectual pillar covers areas such as the Asia-Europe Foundation and human resource development.

1B. Malaysia as a Member State of ASEM

Malaysia has experienced a long period of political and economic stability. In recent decades, it has witnessed an outstanding economic and social development to a level not matched by most other countries in the region. GDP per capita is one of the highest in South East Asia at US$3,853 in 2000. The poverty level is 8%, and healthcare standards are relatively high. However, the present global economic slowdown has brought challenges to further development such as the need to accelerate deregulation and corporate restructuring, to reform the financial system, to eliminate weaknesses in the labor market, and to address sectoral overcapacity and overinvestment. Malaysia's trade surplus is a sign of economic vigor, but further effort is needed to stimulate domestic demand and broaden growth and development. Under these circumstances, Malaysia's participation in the ASEM process is a big plus to the nation.

Malaysia has positioned itself as a staunch supporter and proactive member of ASEM. At the first ASEM Summit, Malaysia initiated several projects including the establishment of an Asia-Europe Institute (AEI) and the Trans-Asian Railway Network. While the former is up and running offering higher education and research opportunities in Information Management, Regional Integration, and ASEAN Studies, which are in line with the objectives of ASEM, for students from both regions, the latter has been put

on hold requiring further study in view of a long-term commitment and huge capital involvement. Moreover, Malaysia consented and continues to work with other ASEM partners on a number of initiatives of the three pillars of the process such as the ASEM Ministerial meeting on Cultures and Civilizations (COCC). The first two ASEM COCC were held in Beijing and Paris in 2003 and 2005 respectively. Malaysia will host the third ASEM-COCC in Kuala Lumpur in 2007. Malaysia is also a co-sponsor of the ASEM Inter-faith Dialogue, the first of which was held in Bali in 2005.

There has also been notable development in bilateral exchanges between EU and Malaysia. Apart from frequent leadership visits, cooperation, collaboration, and cross consultations have broadened in the areas of academic and scientific undertakings (see the next section for details). Bilateral exchanges have involved many personnel, a number of local universities and other educational institutions as well as industries.

2A. Status and Impact of ASEM Initiatives

Malaysia is seemingly benefiting from its cooperation with EU. A number of projects and activities that stem from ASEM initiatives have been launched. These have been clustered as the three ASEM pillars of politics, economics and finance, and socio-culture. It may be noted, however, that not all of the projects and activities that Malaysia now enjoys from EU cooperation are appropriated directly to the country; some have been initiated from the collective participation of all or some of the ASEAN countries.

Political Pillar

Two initiatives of the political pillar have been covered, namely the environment and human rights. For the environment initiative, the environment program (Asia Pro-Eco 11) and the forest program have been introduced. The environment program aims to promote the sharing of innovative technologies, best practices, policies, measures, and capacity-building to improve the quality of life and environmental conditions of urban populations. Two examples of the project are:

1. Transfer and adaptation of EU perspectives, methodologies, and know-how in the field of ecotourism, and
2. Building capacities for technology transfer carried out for the introduction of environmental-friendly chicken manure treatment and application possibilities.

The forest program aims to support the conservation and sustainable management of tropical forests and other forests in the country. Certain themes that the forest program will address are forests and governance, small-scale community-based forest enterprises, wood and energy, sustainable use of forest biodiversity, forests in economic planning, and poverty reduction.

Under the **human rights initiative**, two programs on gender and democracy have been implemented. The gender program aims to promote gender equality in all development cooperation policies and interventions implemented in developing countries. Malaysia is a partner in one of the projects: "Building Greater Democratic Process and Citizens' Participation through Advocacy, Education and Reforms, and Enhancing the Monitoring of the Commitments of the Malaysian Government." The democracy program is an extension of the European Initiative for Democracy and Human Rights Program (EIDHR). It aims at protecting impoverished Indian minority women in urban and suburban Malaysia from racism, racial discrimination, xenophobia, and related intolerance. In this project, Malaysia works as a partner with the Education and Research Association for Consumers (ERA) of the EU.

Economic and Finance Pillar

Under the economic and finance pillar, EU support has been rendered in the areas of business facilitation, information and communication technology, information society technologies, and sustainable energy production.

For the business facilitation initiative, Malaysia is involved in two of the programs, namely Asia-Invest II and EC ASEAN Intellectual Property Program II (ECAP II). The Asia-Invest program has been designed to aid small and medium-sized enterprises (SMEs) in European and Asian countries in their internationalization process, thus increasing their opportunities for mutual trade and investment. In this focus, Malaysia has worked with several other ASEM nations such as Italy and Thailand in the

machinery industry. Other areas of Malaysian involvement include advancing business partnerships for industrial efficiency and the management of livestock production and meat processing. The ECAP II program has the specific objective of achieving greater economic cooperation by upgrading the ASEAN intellectual property rights systems to international standards and practices. The ECAP II program has required Malaysia to sign up a financing agreement with the EU that spells out the terms of cooperation at national and regional levels. In accordance with the financing agreement, Malaysia would benefit from technical assistance from the EU to improvise the legal framework and enforce and promote public awareness of intellectual property rights. In this regard, Malaysia launched in 2005 an autonomous body called MyIPO that will be fully involved in setting up and implementing the ECAP Malaysia Work Plan.

The second **initiative of information technology and communication** has broader implications at the regional level and involves all of the ASEM countries in the two regions. There are three focal areas that have been endorsed under this initiative during the 2000 and 2004 ASEM meetings. This will bring about and augment a greater level of integration and communication. The first is the Trans-Eurasia Information Network II, which will establish two network elements, namely a regional backbone infrastructure between participating Asian countries and a link between the regional loop and the European GEANT network. When the Trans-Eurasia Information Network is complete, it will provide ASEM countries in the two regions with a direct link to close existing gaps between them and to promote better collaboration among the partners. Also, it would reduce dependency on American-based commercial inter-connectivity via the Internet.

The next focal area of the information technology and communications initiative is the Gallileo project. It is a satellite positioning and navigation system for civilian purposes. The Galileo project is expected to be more advanced, efficient and reliant than the current US Global Positioning System (GPS). It will be managed by the European Commission and European Space Agency, and through a unique set of positioning and timing services it will allow for a wide range of navigation applications that benefit many economic sectors. The commercial approach followed for the

implementation and exploitation of Galileo will also provide a rare opportunity for Malaysian companies to innovate and build new services and equipment.

The third focal area of the information technology and communication initiative is that of the information society technologies (IST), which is very much an EU initiative aimed at realizing the European policies of an information society. There will be a greater emphasis of IST on R&D activities, with a potential commercial spin-off that will address major societal and economic challenges like security, ambient intelligence, e-business, interface technologies, component and micro-systems, etc. Also it will ensure further international networking and economic development in generic and applied technologies. IST offers a number of different instruments for multipartner research activities such as individual and host-driven mobility schemes, special projects focusing on SMEs, and instruments enabling the use of large-scale research infrastructure. It extends eligibility of participation to any natural person or legal entity from most countries in the world including Malaysia. Typical applicants and partners are research institutes, universities and industries including SMEs.

The final initiative in the ASEM economy and finance pillar in which Malaysia has been involved is Sustainable Energy Production. Under this initiative, the five-year EC ASEAN Energy Efficiency (EAEF) program was launched in 2002. The EAEF is a cooperation program designed to facilitate partnerships between organizations in both regions to develop specific joint projects in the energy sector. Programming consists of activities targeting institutional development and catalyzing interaction between industry and energy sector operators. Moreover, it provides complementarities to a number of existing multilateral instruments between development banks and other EC economic cooperation programs.

Sociocultural and Intellectual Pillar

In the sociocultural and intellectual pillar and under Human Capital Development, Malaysia has actively participated in the focal areas of higher education and research. In higher education, Malaysia enjoys the benefit of three programs, namely, Asia-Link, the ASEAN-EC University Network and Erasmus Mundus Scholarships. The Asia-Link program aims to promote regional networking and cooperation between higher

education institutions in the European Union and developing countries in Asia. It gears toward human resource development, curriculum development, and institutions and systems development in the participating countries. Malaysia has nine ongoing activities relating to Asia-Link. A number of Malaysian universities are involved in this program. Examples of projects undertaken in Malaysia under the Asia-Link program include "Development of a Core Curriculum in European Integration Studies" (University Sains Malaysia) and "Development of Teaching and Training Modules for Higher Education in the Waste Management Sector" (University Putra Malaysia). It is noteworthy that Malaysia, at its own cost, has established an Asia Europe Institute (AEI) under the umbrella of the University of Malaysia as an add-on to these projects. AEI currently offers International Master programs for international students in three areas, namely, Information Management, Regional Integration and ASEAN studies. The Institute, which was set up in 1997, is a precursor to the proposed Asia-Europe University that may be established in 2006.

The **ASEAN-EC University Network Program (AUNP)** aims to enhance cooperation in higher education among select educational institutions of the two regions to promote regional integration within ASEAN countries and to strengthen mutual awareness of European and Asian cultural perspectives. It is jointly financed and implemented by the ASEAN University Network (AUN) and the European Commission (EC). Under AUNP, Malaysia is involved in four ongoing activities that have been distributed to select universities in the country. Examples of activities implemented in the local universities include "a collaborative international training program in law, ethics and management in the life sciences" (USM) and "expanding expertise network for generating and sharing knowledge related to spatial planning and decision support (IIU)."

The third program under higher education concerns human resource development through the Erasmus Mundus (EM) scholarship. The main objective of the EM program is to encourage mobility of third-country graduate students and scholars to the EU. Scholarships are awarded on a competitive basis, and the duration of the program is five years (2004–2008), with funding of 230 million Euros. In addition to these scholarships, a specific Malaysia Window was operationalized in 2004/2005. The Window sets aside an additional 2.1 million Euros especially for students from

Malaysia for 2005–2007. Currently, twenty-three Malaysian students have been selected to receive scholarships from the Window. The number is expected to double in the years ahead.

The second initiative in the sociocultural pillar is research, in which Malaysia has partaken quite actively. The research program is supported by the EC's Sixth Framework Initiative (FP6) that also includes technological development and demonstration as its objective. The program runs from 2002–2006, and it provides the necessary financial support for scientific and technological development projects. FP6 aims to contribute to the creation of the European Research Area (ERA) by improving integration and coordination of research in Europe and with third countries.

The focus areas in the research program are:

- Life science, genomics, and biotechnology for health
- Information society technologies
- Nanotechnologies, multifunctional materials, and new production processes
- Aeronautics and space
- Food quality and safety
- Sustainable development, global change ecosystems
- Citizens and governance in a knowledge-based society

Currently, there are nine ongoing projects involving Malaysian partners who come from public universities, private educational institutions, and industry. Two of the on-going activities are "IST Gapfill," which aims to attract more participants from Malaysia, Singapore, Taiwan and Thailand (MINOS Berhad), and "RESTORPEAT, restoration of tropical peatland to promote sustainable use of renewable natural resources" (UMS).

2B. Perception of the ASEM Process

ASEM must be viewed in terms of its purpose, objectives and relevancy and how well or effectively it is faring in light of these criteria. ASEM has been mooted for the purpose of regional integration and cross-regional cooperation by providing a common platform to meet and hold high-level leadership dialogue on matters of common interest. The past ten years show that ASEM has been doing well, having achieved great success

in its choice of the programs and activities, implementing, and supporting them according to the needs of the participating countries.

Malaysia has been involved in a number of programs and activities apart from the benefits of merchandise and services-trading ventures. For its part, Malaysia enjoys a great deal of participation and enthusiasm in the areas of the environment and education. While such programs and activities are taking hold and bearing fruit in certain cases, there is a general concern about ASEM's shape and direction.

After ten years, ASEM is still grappling with the idea of what it is going to become. As the foreign minister of Malaysia in a seminar on "Strengthening the Asia-Europe Partnership" that took place in 2004 in Kuala Lumpur stated, "…there are still many challenges that it has to face, including developing a vision of ASEM." So far ASEM has remained non-institutional, and rightly so it has preferred to be called a "process." Whether non-institutional or not, ASEM is still an organization per se, and it has to have some sort of a structure, mechanics, logistics, and clearly spelt-out dynamics. Merely depending on a dialogue process at every stage it encounters may be unimaginable. A number of leaders from both EU and Asian countries seem to share the same concern. Scholars, critics and analysts also sometimes express skepticism about the ability and probability of ASEM's sustainability. One analyst suggested that should ASEM remain a pure dialogue forum, it could suffer from "forum fatigue." Others have indicated that there are attendance problems at some meetings. Malaysia notes that the sheer size of ASEM—thirty-nine member states—requires structure and predictable processes. Malaysia believes that there should be a mix of dialogue and substantive project-based cooperation in the ASEM process. ASEM should purposely be more than just a forum to improve mutual understanding between Asia and Europe, although caution and sensitivity to each other's perspectives must upheld at all times.

At another level, ASEM aims to involve the general public of the two regions to bring about social, cultural and intellectual awareness so that the peoples of member countries may feel interregional proximity or closeness despite geographic distance. Between Asia and Europe, there are very many different peoples with different looks, ways of life, clothing, preferences, habits, beliefs, values, languages, etc. By merely operating at an elite level, establishing universities for cross-cultural education, or creating common work centers, that aim may never be achievable. In retrospect, it may

have been better to have confidence-building measures as well in the ASEM process over the past ten years. But, sooner or later, more fundamental things will need to be done if the intended fellow-recognition among the peoples of ASEM is to materialize. ASEM is still not a popular word or concept as is the case with ASEAN, APEC, OIC or OPEC, and it needs to raise its profile.

3. ASEM in the Global and Regional Contexts

There is discernment among political leaders, scholars and analysts that the ASEM process, as immense as it is perceived to be, is historically a truly significant occurrence. Not only does it re-establish a "missing link" between the regions, but it paves the way for a renewed dialogue process for cooperation, collaboration and revitalization of the relationship. More importantly, it has come about at a time when a number of major events have been emerging both regionally and globally. These events have affected the general world order and call for a fresh examination of the existing political, economic and power balance.

No sooner had the ASEM process begun than the Asian economic crisis befell the region In 1997 and 1998, gravely affecting several nations in East Asia. Then followed 9/11, which reverberated through the entire world, raising the concern of a religiously polarized global community. It is noteworthy that the 9/11 attack on the United States has been followed by bomb incidents in Bali, Turkey, Spain, and London. The post-9/11 world has called for a concerted effort by all nations to support the war against terror. The United States invaded Afghanistan and then Iraq. The Iraq War has split alliances between nations as well. Many countries such Russia, France, Germany, China, India and a number of Muslim nations including Malaysia were non-advocates of the war.

Within the ASEM region, there were turbulent issues as well in the years after 9/11. The European Union was enlarging. There were successes and failures, offers and rejections, as in the case of Turkey. At the same time, EU has also been drafting its new constitution, which has yet to be universally accepted.

On the ASEAN front, the accession of Myanmar into the subregional body soon created problems for a number of EU nations which disapproved of the policies of the

ruling Yangon military regime. The 2004 Hanoi Summit took up the Myanmar issue and allayed the fears of its inclusion in ASEM.

The Northeast Asia subregion has been engulfed with its own share of problems. Out of the changing environment in that part of the world, leadership competition has emerged between China and Japan. It has contributed to regional tension in addition to the North Korean issue and the strained relations between mainland China and Taiwan.

In hindsight, ASEM has not trodden down a pleasant path over its decade of existence. The relevant question is: how has ASEM been performing or fulfilling its objectives? Some analysts say that ASEM has stood steadfast in the face of adversity, and it has successfully become a viable phenomenon. Others point out that ASEM achieved 70% of the initiatives that were launched at the first Summit, and 50% of those endorsed at the second Summit. A review of new and current initiatives, programs and activities, at least from the Malaysian perspective, reveals that many of them have been proposed, promoted and implemented during the last five years, and there is an increasing trend of more being started up.

Statistics of economic development between the regions of Europe and Asia are a good indicator of ASEM's health and commitment. The Asian members of ASEM have emerged as the key trading partners with the EU and have accounted for one-fifth of the EU's trade with the world in 2003. For the same year, records show that EU exports to Asian member nations amounted to 134 billion Euros, which was 13.8% of total EU exports for the year. A significant portion of exports included trade in services at 36.5 billion Euros. Remarkably, Asia has emerged as the EU's third-most important trading partner and its fourth-most important investment destination.

An assessment of the state of merchandise trade between Malaysia and the EU marks a positive note in the way ASEM has been functioning and keeping its focus. There has been an overall stable trend in merchandise trade between Malaysia and the EU in the past five years. Malaysia's exports to the EU amounted to 15 billion Euros, and Malaysia's imports from the EU have increased to 10 billion Euros a year. Malaysia has been recording a regular trade surplus with the EU, amounting to about 7 billion Euros, which has been attributed to EU enlargement. The EU is Malaysia's third-largest export market after ASEAN and the United States, and fifth biggest source of imports after ASEAN, Japan, the United States and China.

4. Conclusion: Reinventing ASEM

ASEM seems to be a phenomenal experiment that started as an organic form and process, and was allowed to evolve on its own accord and pace. Apparently, there are naturalistic and intellectual elements at play in ASEM. Whether there is such an understanding and clarity among the various leaders involved in ASEM of its purposeful existence, the operational forces acting on it do not seem to be clear because of the different comments, remarks, suggestions, and indications they make. They seem to reflect an understanding that any international relationship or meeting will require both structure and organization. At the same time, ASEM leaders share concern about overplaying the idea of institutionalization as the Foreign Minister of Spain stated in his intervention during the third foreign ministers meeting: "The problems arise when the contradictions between a political vision of informal and intimate meetings and a cumbersome formal structure become too accentuated."

If ASEM is to pursue a non-institutional existence, then the personnel who are providing leadership will have to know for sure the mechanics, logistics, and dynamics upon which it rests. Whether such an entity even requires having the typical vision/mission elements incorporated with it is also a question that needs to be answered accordingly. On the one hand, the typical vision/mission elements may have the tendency to lead on to typical institutional concepts that build on hierarchical structure and bureaucratic practices, which would be certainly paradoxical to the spirit it is projecting now. On the other, ASEM may not have clear direction and vision of the scope of events that it will undertake. Should it be "adhocratic," focusing and operating very much on the guidelines of the pillars of political, economic and finance, and social, cultural and intellectual initiatives and tackle relevant issues as come along? Regardless of its operating style, ASEM will need a broad operational framework at least in terms of guiding policies. For example, ASEM will have a fundamental need to steer away from any confrontations involving member countries by adopting a policy of non-interference in domestic matters. After ten years of making history, perhaps it is time that ASEM invest money and energy to discovering its functional as well as operational identity. However, for now, there is already a cry among the well wishers of ASEM that there needs to be a body, perhaps a secretariat, which could provide the

necessary support services such as consolidation and distribution of data, communication, and coordination.

ASEM may be able to continue the dialogue forum with only minimal institutionalization to take care of logistic issues if it is clear about ultimate objectives that go beyond sorting and implementing initiatives. ASEM aims to create ultimately an inter- and intraregional climate of neighborly relationships among the member countries of Asia and Europe for economic and financial collaboration, social and cultural recognition and acceptance, and intellectual exchange. ASEM may continue to play a provisional role to steer events towards that goal, in which case institutionalization will not be a critical issue. It would be a case where not the institution, but its purpose and objectives and the effects they may produce over time, are regarded as being more important. If that is the case, then ASEM will not have to reinvent itself but it will continue to evolve and over time, define its role.

ANNEX 1: EC-supported projects in Malaysia (ongoing)

Projects Under EC Asia-Wide Programmes Involving Malaysian Institutions						
EC Programme	**Project Title**	**CRIS Number:**	**Applicant**	**EC Contribution**	**Malaysian Institution involved**	**Other Asian Countries Involved**
Asia Invest	Southeast Asian chamber Academy – Professional Development for the Southeast Asian Chambers of Commerce and Industry and Business Organisations	71774	Eurochambres (Belgium)	190.995€	Federation of Malaysia Manufacturers	None
Asia Invest	"Asia-Interprise" Machinery: Italy, Thailand and Malaysia	To be determined (contract under preparation)	Lombardy Foreign Trade Centre, Italy	127.972,05€ (to be confirmed upon contract signature)	Federation of Malaysian Manufacturers, Malaysia	Thailand
Asia IT & C	SEABCIN (South East Asian Botanical Collections Information Network)	51837	Rijksuniversiteit Leiden (Netherlands)	395.384€	Hebarium Forest Department/Sarawak Herbarium/Kepong Hebarium	Indonesia, Philippines, Sri Lanka
Asia IT & C	IT facilitated Asian Adaptation of the European Foundation for Quality Management based Total Quality Management Model	51854	GAIA (Spain)	400.000€	Ansted Service Centre, Ansted University	India, Pakistan
Asia IT & C	Lites (LIFE Long Learning through IT & C in Environmental Education for Sustainability)	51887	NETPEM (India)	380.483,44€	Centre for Environmental Technologies (CETEC)	India
Asia IT & C	Vo@Net (Virtual Open-Access Network for Education and Training – Enhancing Interconnectivity between European and Asian Universities)	51890	Environment & Resources, Technical University of Denmark	399.535,27€	Universiti Malaya Institute of Biological Sciences, Faculty of Science	Thailand

Projects Under EC Asia-Wide Programmes Involving Malaysian Institutions						
EC Programme	**EC Programme**	**EC Programme**	**EC Programme**	**EC Programme**	**EC Programme**	**EC Programme**
Asia IT & C	EIVC (EU-Ipoh Virtual City): "Achieving Best Practices in E-Government for Ipoh Virtual City via PRISMA"	71541	Ipoh City Council, Perak State	400.000€	Ipoh City Council	None
Asia IT & C	EAPSTRA (EurAsian Network for Product Lifecycle Support & Training)	71548	Technische Universitat Clausthal, Institut fur Maschinenwesen (Germany)	298.012,96€	Universiti Teknologi Malaysia	Thailand
Asia IT & C	PROCONECT (Protecting Consumers inE-Commerce Transaction)	71549	Consumers International (United Kingdom)	200.000€	Universiti Teknologi MARA	Thailand
Asia-Link	Implementation and Realisation of an Asian-European Master Degree and Continuing Training Sessions in Food Science and Technology	49227	Ecole Nationale Superieure des Industries Agricoles et Alimentaires, Montpellier (france)	243,487,75€	University Putra Malaysia (Malaysia)	Philippines, Thailand
Asia-Link	New Educational Tools for Sustainable Management of Peatlands in the Humid Tropics- PEATWISE	57645	Wageningen University (The Netherlands)	300.000€	University of Malaysia Sarawak	Indonesia
Asia-Link	Development of teaching and training modules for higher education in the waste management sector	57670	Echnical University of Hamburg-Harburg, Department of Waste Management (Germany)	299.800,95€	University Putra Malaysia, Department of Environmental Sciences	Thailand
Asia-Link	Design and implementation of a curriculum on curriculum development Management responsibility : HQ (to be devolved to China)	CN/ASIA-LINK/005)	University of Bremen, Institute of Technology and Education (Germany)	298.911€ (to be confirmed upon contract signature)	Faculty of Education, Universiti Kebangsaan	China
Projects Under EC Asia-Wide Programmes	School of Social Sciences, Universiti Sains Malaysia	Thailand				

Involving Malaysian Institutions EC Programme EC Programme EC Programme EC Programme EC Programme EC Programme EC Programme Asia-Link Development of a core curriculum in European Integration Studies 84641 College of Europe (Belgium) 299.535€ (to be confirmed upon contract signature)						
Asia Pro Eco	Enhancement of the building capacity for technology transfer exemplarily carried out for the introduction of environmentally friendly chicken manure treatment and application possibilities in Asia	79016	Technical University of Hamburg-Hamburg (Germany)	499.630,70€	University Putra Malaysia	None
Asia Pro Eco	Sustainable Building and Construction Conferences Asia	79077	United Nations Environment Programme, Division of Technology, Industry and Economics, Paris (France)	350.609€	CTMC-Construction Technology and Management Centre, Faculty of Civil Engineering, Universiti Teknologi Malaysia	China
Asia Pro Eco	Transfer and adaptation of the EU perspectives, methodologies, and know-how to Malaysia in the field of Eco-Tourism	79718	EU-Malaysia Chamber of Commerce and Industry, Kuala Lumpur, Malaysia	495.571,25€	EU-Malaysia Chamber of Commerce and Industry, Kuala Lumpur/World Wide	None

					Fund for Nature Malaysia (WWF Malaysia)/Malaysia Nature Society (MNS)	
Asia Urbs	Achieving Innovation and Best Practices in Urban Management *Management responsibility : HQ*	75748	Perak State Government	500.000€	Perak State Government	None
Asia Invest	Southeast Asian Chamber Academy-Professional Development for the Southeast Asian Chambers of Commerce and Industry and Business Organisations	71774	Eurochambres (Belgium)			China
Projects Under EIDHR (European Initiative For Democracy and Human Rights) Budget Line						
	Community Centres for the empowerment of Indian women in Malaysia *Management responsibility : HQ*		Friedrich Naumann Foundation	982,71€	ERA Malaysia (Education and Research Association For Consumers)	None

ANNEX 2: Projects supported by EU Member States in Malaysia

Denmark	Finland	France	Germany	Italy	Spain	UK
Malaysian/Danish Cooperation on Environment and Development entering last phase 2003-2006. Since 1994, DK has supported some 100 projects with a total budget of 500 Million DKK (2003). The Environmental Cooperation Programme 2003-2006 covers five focal areas: Environmental Planning and Strategy, Renewable Energy and Energy Efficiency, solid Waste, Environmental Hazardous Chemicals and Biodiversity. Programme is complemented by support to NGOs and cooperation between private sectors of Malaysia and DK.	Funds granted by the Embassy of Finland for local cooperation in Malaysia since 1999. Special attention to projects regarding: training of women, children and disabled people; including orang asli-communities, support to local cultural identity and good Governance; training of journalists and representatives of media Amount committed in 2004: €220.00; Indicative amounts for 2005-06: 2005, €150.000; 2006, €150.000	Fields of intervention: cultural co-operation, Higher education, scientific cooperation. Amount for 2004: €617,000	In the field of cultural co-operation, the amount for 2004 will be around €600.000. In the field of technical co-operation, the allocated amount for 2004 will probably be around €2 Million. This amount will be distributed among four projects in the following two sectors: (1) Environment (1 project forest management, 1 project air pollution control, 1 project; school of international tropical forestry at Univ. Malaysia Sabah)	The Italian Government Scholarship Programmes offered to Malaysian citizens every year. Fields of intervention: Italian language courses, University courses, Masters, PhD. Funds yearly allocated by the Italian Government for the Scholarship; for 2004: €30.987. Scholarships granted bythe Program started in the academic year 1999/2000. 1999-2003: 62 scholarships; 2003-2004: 15 scholarships	Cooperation through the Spanish Agency for International Cooperation in 2003: Scholarships: €80.000; Seminars for professionals and experts: €112.000. Other cooperation in 2003: Technical and professional training including equipment: €3.130.000, *but declining to €1.200.000 over the 3-year period 2004-6.*	British Council/local cultural cooperation in Malaysia: 3,222,000 (Annual basis). Scholarship Programme: Post-scholarships amount for Malaysian students 2004: 784,000; amount towards this over the next 3 years: 2,700,000. Environment: amount for one environment project: 27,700; Additional amount for further activity under the Darwin Initiative: 100,000 Child Protection Project: Child Justice budget for 2003-2004: 79,000, of which around 36,000 will be spent I this financial year;

Total budget for 2003: 87.0 Million DKK. Total budget for 2004: 50 Million DKK for interventions on solid waste and hazardous chemicals and continued support to NGOs and the private sector.			(2) Education (vocational training). An additional Fund for small scale projects has been set up with €10.000 for 2004 to support projects (not yet identified) on poverty alleviation/basic needs/education.			Support for women's NGOs: 47,000.

Annex 3: Assistance of major third countries to Malaysia

Country	Type of Support
Japan	***Two ODA loans are currently granted: one for dam construction and another for education (scholarships). On the whole, the trend in ODA flows from Japan to Malaysia is quickly declining as a result of both Malaysia's economic performance and Japan financing problems.***
Australia	Malaysia has graduated from Australian ODA flows. Australia provides increasing assistance in the field of military cooperation and Counter Terrorism. This assistance is paid from the budgets for Defence and Law enforcement.
Canada	Malaysia has graduated from CIDA. Canada provides a very limited number of higher education scholarships.
USA	Malaysia has graduated from US ODA flows. The USA provide increasing assistance in the area of military cooperation and Counter terrorism under the International Military Education and Training (IMET) program, the Excess Defense Articles (EDA), the Foreign Assistance Act, and the Non-proliferation, Anti-terrorism, Demining and Related Programs (NADR) funds.

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10 Years of ASEM: A Philippine Assessment

The Asia-Europe Meetings (ASEM) were first organized in 1996 with the original objective of creating a new Asia Europe partnership based on a greater understanding between the people of both regions and strengthened dialogue between and among the governments of the countries involved. By the time of the Hanoi Meeting in 2004, ASEM involved 39 partner states and institutions -- the ten ASEAN member states, China, Japan, Korea, the 25 EU member states (after the latter's expansion in May 2004 from 15 to 25 members), and the European Commission.. In operational terms, ASEM sought to create an environment for cooperation between these countries by identifying priorities for concerted and supportive action in three areas or pillars: political dialogue, economic cooperation, and social and cultural cooperation. The prospects for ASEM in the immediate aftermath of the inaugural meeting in Bangkok were largely seen in a positively light and much was expected of the ASEM process towards promoting and enhancing interregional cooperation.

The international environment, however, has changed in the last 10 years. The world has seen the emergence of a largely unipolar global order. Both Europe and Asia have shared the experience of seeing the rise and spread of democratic governance, and the rapid growth of regionalism. At the same time, Asia's economic dynamism was dampened by the 1997 financial crisis, and the subsequent recovery affected by Japan's decade long economic malaise. On the other hand, the rise of China as a political and economic player in the Asia Pacific brings to the fore a new variable that has potentially long-term consequences for power relations and dynamics in the region. Underscoring all these is the United States' increased turn towards unilateralism since the 11 September 2001 terrorist attacks on New York and Washington, DC. In particular, the war launched against Saddam Hussein's Iraq has posed a serious challenge to multilateral institutions at a time when there is an urgent need to strengthen them.

In the context of these global and regional events and developments, it becomes necessary to review the relevance and importance of multilateral efforts and initiatives such as ASEM. The significance of ASEM, however, can only be measured in terms of how it has affected Asia Europe relations by looking at its impact on individual countries in Asia and their relationship with Europe, and vice versa. This paper looks into the extent to which ASEM has been instrumental in enhancing the Philippines' relationship with Europe. The analysis given in the paper is structured in the context of the different pillars of ASEM. It is argued here that while ASEM claims to have achieved success over the past 10 years of its existence, this success has not translated into any meaningful enhancement of Philippine relations with Europe. Several

factors can be identified as having contributed to condition, but in the end it points to ASEM's lack of impact on Philippine-European relations.

Institutionalization and Political Dialogue

The underlying principle in multilateralism, especially efforts and projects that involve institution building, is that cooperation relies heavily on shared interests. Societies sharing common values make regime formation easier and, conversely, value differentials make institution-building more difficult.[10] While structural change affects regime formation, Crone likewise recognizes that value differences and the need for common accepted norms and principles are significant**.** ASEM clearly reflects differences in cultures and national policy perspectives. The diverse political and economic systems of partners have also challenged norms that they have adopted. Despite these differences among its participants, ASEM has allowed them the opportunity to improve their relationship.

ASEM brought together EU and Southeast Asia and the three East Asian countries – China, Japan, and South Korea. It aims to strengthen relations and broaden opportunities between Asia and Europe through processes that emphasize informality, multidimensionality, equal partnership, and high-level participation. It was an opportunity to allay the "fortress of Europe" notion in view of the deepening integration process in Europe in the aftermath of the Treaty of Maastricht in 1992 and the Treaty of Amsterdam in 1998. On the part of Asia, it was also a symbolic expression of their "Asianness" where Asia became interested in Asia[11] even prior to the creation of the ASEAN Plus Three. In an interesting twist of logic, ASEM was seen as providing an interregional framework that could provide a platform for further strengthening intra-regional cooperation.[12] In other words, the ASEM process helped pave the way to the institutionalization of East Asian cooperation, and thereby contributing to multilateralism in Asia.

The establishment of the practice of bi-annual Summits, and identifying the three key pillars and priorities for ASEM were decided upon at the second ASEM Summit in London in 1998. Since then, ASEM has tried to map out a political and security agenda which its participants are supposed to look into. ASEM has succeeded in promoting and expanding high level political

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[10] Cited in John Avila, Regional Cooperation in APEC and ASEM: An Institutionalist Perspective. Available in http//www.Auckland.acnz/apec/papers/avila.pdf.

[11] Focus Group Discussion with government officials involved in ASEM, 23 August 2005, Department of Foreign Affairs, Pasay City.

[12] Cesar de Prado Yepes, "Is there convergence of East Asian countries' foreign policies? The case towards Europe," *Panorama*, Vol. 6, No. 1 (2004): 29; and Paul Lim, "Political Issues in EU-ASEAN Relations," *Panorama*, Vol. 1 No. 1 (1999): 6-7.

dialogue as well informal dialogues on both regional and international issues involving economic, environmental, non-military aspects of security, disarmament and humanitarian issues, as well as dialogue on common rules of conduct that ensure the proper maintenance and functioning of international order. It is in the context of the last aspect of political dialogue that the Philippine government saw the importance of the ASEM process to Philippine interests.[13] In particular, the Philippine's Department of Foreign Affairs was intent on using the strategic benefit that ASEM could lend to the issue of the South China Sea. ASEM became another forum which the Philippine government used to press China into discussing a code of conduct for rival claimants to the Spratley Islands. In the end, the establishment of the Declaration on the Conduct of Parties on the South China Sea is testimony to the amount of labor and persistence that went into these efforts of Philippine diplomats (both formal and informal, government and non-government) even in the face of imposing odds.

At the same time that the ASEM process was used by the Philippine government to advance an issue of particular interest to it, the episode also exposed what is clearly a major problem as far as advancing the dialogue process was concerned – discongruences in the interests of the Philippines, the other Asian participants to ASEM, and the European participants. At the ASEM Senior Officials Meeting in Berlin in 1999, the Philippines pushed for the inclusion of the South China Sea issue in the ASEM agenda over the disinclination of the hosts to support it. Obviously, this was an issue that China preferred to leave out of the meeting. Then Secretary of Foreign Affairs Domingo Siazon insisted that "the issue has to be discussed because it relates to political and security conditions in Asia, [even] as we will also be discussing political and security conditions also (sic) in Europe." He pointed out that the issue could be included via a formula which would allow it to be referred to in conjunction with other specific political and security issues.

The need to reconcile specific differences such as these, however, reflect a fundamental area of agreement between the ASEM participants, i.e. ASEM's value as a dialogue process on political and security affairs goes beyond any possible claim that it would provide a forum for discussing and perhaps helping resolve specific political and security issues. Rather, specific cooperation programmes and initiatives should help make ASEM into a workable confidence-building institution on a region-to-region level. As far as the Philippines is concerned, balancing between the achievement of specific goals (such as putting the South China issue on the ASEM agenda) and the general objective of keeping ASEM relevant as a dialogue process to all

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[13] Sebastian Bersick, "The ASEM Regime and its participants' interests," a paper presented at the Philippine Forum on the Asia-Europe

concerned remains the principal challenge. As far as the political dialogue process is concerned, and despite the lack of interest on the part of Europe to include the South China Sea as a specific issue that merits inclusion in the agenda, this has been less of a problem than it would seem. Two recent issues also illustrate how these interactions between convergences on interests on general policies coincide or conflict with specific Philippine or European concerns.

Terrorism and Human Rights. Since 11 September 2001, the fight against terrorism has taken on a global significance. This was brought home to Asia with the bomb attacks in Bali and the JW Marriott Hotel in Jakarta in 2002 and 2005, and various places in the Philippines in 2002. Attacks in Europe, such as Spain in 2004 and England in 2005 have only made to clear the commonality of the concern for both Europe and Asia. As a consequence, The EU-Asia dialogue process has given its support to the different ASEAN declarations on the fight against terrorism. The European Union's "Comprehensive Strategy for Future Relations with Southeast Asia" launched in July 2003 indicated its support for supporting regional stability in Southeast Asia and the fight against international terrorism.[14] Joint exercises that focused on counter-terrorism were conducted between ASEAN states and non-ASEAN states. These involved primarily the United States and Australia. At the same time, though, intensified cooperation specially on intelligence sharing is already evident among the ASEAN states, particularly between Indonesia, Malaysia, the Philippines, Singapore, and including even Thailand, as well as between the ASEAN states and some European states. Even more evident is the European support for ASEAN initiatives on counter-terrorism in Southeast Asia especially in the context of the ASEAN Regional Forum. The Philippines, a front-line state as far as terrorism in the region is concerned, has been a key player in these initiatives.[15]

The fight against terrorism, however, has also brought about tensions between Southeast Asia and Europe. On 28 November 2002 the Australian and Canadian embassies in Manila closed down after receiving "credible and specific information" about threats from Islamic extremists. This development was apparently another point against the Philippine government which was caught by surprise by the decision of the two governments. It was particularly problematic since the Philippine government could not confirm the veracity of the information

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Meeting: Understanding the Process and Potentials and Defining Civil Society Engagements, 26-27 November 2004, Manila.

[14] Frank Umbach, "EU-ASEAN Political and Security Dialogue at the Beginning of the 21st Century: Prospects for Interregional Cooperation on International Terrorism," *Panorama*, Vol. 6, No. 1 (2004): 11.

[15] Ever since 11 September 2001, there have been at least 25 declarations, joint communiqués and workshops undertaken by the ASEAN states. A number of these have been with the ASEAN Regional Forum. Of these initiatives, the European countries have been particularly active on issues relating to money laundering and terrorist financing. See John McFarlane, "Terrorism in the Asia Pacific: The Reality and the Response," in Elina Noor and Mohamed Jawhar Hassan, eds. *Asia Pacific Security: Uncertainty in a*

received by the two embassies.[16] Travel warnings from the United States, the European Union and Australia have been criticized by the ASEAN states. The European Union supposedly included the Philippines in its list of "terrorist havens." The impact of this development is such that it might "wipe out" the efforts of President Arroyo to lure foreign businessmen to the country.[17]

An even more serious rift is the conjunction between the fight against terrorism and human rights in the region. A number of states in the region, the Philippines included, have either put into place or are considering putting into place anti-terrorism legislation. In some cases, these have been criticized by some European states and more strongly by civil society groups based in Europe because of the powers these laws grant to the state that are potentially problematic for human rights. In the case of the Philippines, different versions of the same bill are being debated in both the Senate and the House of Representatives. Central to the debate is the issue that an Anti-terror Law may be used against political dissenters. Enough cases in the past wherein the police powers of the state was used with very little supporting evidence (and where in many cases it eventually turned out that there was really no evidence against the person/s involved) make the passage of an Anti-terror Law in the Philippines something that merits close scrutiny.[18]

Both terrorism and human rights, however, are issues that do not really create much dissonance in the relationship between the Philippines and Europe. Both are areas where there is actually strong agreement between the European states and the Philippines on the principles involved that need to be observed and protected. In fact, in both areas there has been some degree of cooperation between governments as well as civil society groups, especially as it pertains to pushing the adoption of human rights norms in the region. What is noteworthy is the degree to which ASEM has made a contribution in these areas of concern as far as the Philippine is concerned. This has been at best moderate as much of the cooperative mechanisms between the Philippines and Europe have been bilateral in nature.

The inclusion of Myanmar into ASEM and the enlargement of the European Union. The participation of 39 partner states at the Fifth ASEM Summit in Hanoi in 2004 was a historic landmark in Asia-Europe relations. Not the least of its accomplishments was in meeting the challenges provided by the membership issues that bedeviled both Asia and Europe in the lead-up to the Summit. In the case of Asia, the membership of Myanmar in ASEAN posed a

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Changing World Order (Kuala Lumpur: Institute of Strategic and International Studies, 2003): 34-35.

[16] *Manila Standard*, 29 November 2002, p. 1.

[17] *Manila Standard*, 5 November 2002, p. 2.

[18] See Gemma B. Bagayaua, "The Long Road to an Antiterror Law," *Newsbreak* (21 November 2005): 14.

challenge not only to the ASEAN-EU political dialogue that was suspended for a few years but also to the ASEM process itself. It was only made possible by the conjunction of two factors, the insistence of the ASEAN members on ASEAN solidarity and the EU's own desire to have its ten new members become participants in ASEM. If not for these two conditions, it is highly unlikely that Myanmar would have been admitted into ASEM. Even then, the case of Myanmar remains a sticking point in relations between Europe and ASEAN. Myanmar's eventual participation at ASEM 5 was at a level lower than Head of State/Government. The failure of Myanmar's military regime to release Daw Aung San Suu Kyi and open the National Convention to the participation of the National League for Democracy (NLD) prior to Myanmar's accession to ASEM 5 caused the EU to revise its Common Position on Myanmar and to further tighten sanctions against Yangon. Specifically, the visa ban on senior military officials traveling to the EU has been extended to cover all officers holding the rank of Brigadier General or higher while new restrictions have been authorized to prohibit EU companies from investing in Myanmar's state-owned enterprises.

The policy of constructive engagement implemented by ASEAN in relation to Myanmar is based on the rationale that Myanmar's integration into Southeast Asia would prevent it from slipping into potential isolation and would help socialize the country into being a responsible member of the global community. While the impasse between ASEAN and the EU over Myanmar is underpinned by differences in politico-cultural values, it is also due to a technical reason - the formal and official positions that each grouping had committed itself to.[19] On the one hand, ASEAN's admission of Myanmar means that Myanmar should be treated as full-fledged member of ASEAN both within ASEAN and in all activities that ASEAN is involved in.[20] On the other hand, the EU's common stand on Myanmar precluded the European member countries from having normal political and economic relations with Myanmar either directly or indirectly, or through its relationship with ASEAN.[21]

On the part of ASEAN, there has already been a vast change in the attitude of the ASEAN states regarding the case of Myanmar. The ASEAN Foreign Ministers signed a Joint Communiqué in June 2003 calling for the release of Daw Aung Sang Suu Kyi from detention. This started the debate within ASEAN which eventually led to the military junta in Myanmar agreeing to step down from taking over the chair of ASEAN in 2006 so as not to further strain ASEAN relations with its dialogue partners. Prior to this, only the Philippines and Thailand

[19] Simon Tay and Goh Chien Yen (1999) "EU-ASEAN Relations: The Question of Myanmar". *Panorama*, Vol. 1, No.4 (1999).
[20] Ibid.
[21] Ibid.

were prepared to adopt the principle of "flexible engagement" as a working principle in ASEAN in dealing with domestic issues that spill beyond national borders. Instead, the ASEAN states agreed at the Manila ASEAN Ministerial Meeting in 1997 that in exceptional circumstances it would be possible for ASEAN to act under the principle of "enhanced interaction," which many saw as a watered down version of "flexible engagement."[22]

The inclusion of Myanmar in Hanoi, albeit at a lower level of participation, as well as the actions of both groupings in their relationship with that country's ruling military junta show that both the ASEAN and the EU appreciate that the ASEAN–EU dialogue and ASEM must not be held hostage by Myanmar. At the same time, until political change takes place in Myanmar, it will continue to be potential source of contention in ASEAN relations with Europe, one that will indirectly affect Philippine political relations with the EU member countries.

The other side of the membership issue is the entry of eight central and eastern European countries together with Cyprus and Malta into the EU in what is the biggest and most ambitious enlargement of the EU to date. A debate over a constitutional treaty for the EU followed in the wake of this enlargement – a debate that has been settled at the moment by the non-ratification of a proposed EU Constitution by the people of a number of important European states. Hence, in the case of the EU, it is grappling with both widening and deepening issues. On the widening aspect, new and old members still face substantial political and economic challenges but the emerging trends are very positive. Even as the EU, however, begins the task of assimilating 10 new members, the deadline for the next enlargement is already approaching. Bulgaria and Romania, having completed negotiations, signed their Treaty of Accession on 25 April 2005. They should be able to join the Union on 1 January 2007. Two other candidate countries, Turkey and Croatia opened their membership negotiations in 2005. Initially scheduled for March 2005, the opening date for entry talks with Croatia was put on hold until the country cooperates fully with the International Criminal Tribunal for former Yugoslavia. Turkey opened negotiations in October 2005. An application for membership submitted by the former Yugoslav Republic of Macedonia in March 2004 is being examined by the European Commission, which will decide on whether it is ready to begin entry negotiations. The EU is now looking at further enlargement in the Western Balkans. It believes that the countries of this region are destined to become members of the EU once they are ready.

It is the deepening aspect of EU integration which has been stalled by the rejection by French voters of the EU constitution on 29 May 2005, followed by a similar decision in the

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[22] Carolina G. Hernandez, "Political Security Cooperation within ASEAN: Increased Opportunity for EU's Participation," *Panorama*

Netherlands three days later. These rejections have raised questions throughout Europe about what the rejections mean, and where the EU movement goes from here. All 25 states must ratify the EU constitution for it to become law but so far, only nine of the EU's 25 members have ratified it. The constitution, when ratified expands the EU's responsibilities to include such areas as immigration and refugee policy, makes the EU presidency a more powerful and permanent office, strengthens the role of the European Parliament, and gives the EU a "legal personality" so it can sign international agreements itself. If the proposed EU constitution does not win unanimous ratification, it dies. EU leaders have agreed to extend the deadline for ratification beyond November 2006. They have not specified what the new date will be, but there is little doubt that the movement towards fuller European integration suffered a major setback in France and the Netherlands.

The impact on ASEAN of the EU's widening and deepening policies are at this point too early to determine. The following scenarios, however, have been predicted in the event that the EU constitution will not be ratified.[23] At worst, the political dialogue (both in the bi-regional ASEAN-EU relationship as well as in the interregional ASEM process) would recede to a low profile and be replaced by a largely uncoordinated exchange of opinions among more or less autonomously acting member states. The EU, preoccupied with mending fences among members and getting back on track the derailed integration process, would become a basically inward-looking actor that shows little interest in deepening relations with ASEAN. The most likely scenario, however, is that the dialogue relations between ASEAN and the EU would continue without spectacular changes on a relatively low profile. Both bi-regional relations as well as the ASEM forum would proceed in a largely ad hoc manner; the noncommittal nature of consultation on the basis of "soft institutionalism" would remain in place. What is certain, however, is that with the widening, ASEAN's relations with Eastern European countries would be strengthened as the latter's integration in to the ASEAN-EU dialogue framework will regularize and intensify mutual contacts and increase opportunities for interaction. The accession of Eastern European countries may reinvigorate the ASEM bi-annual foreign minister's meetings that are not well attended by EU foreign ministers. Eastern European countries may be more motivated to send representatives to these meetings.

There is a need to consolidate the ASEM process after this round of enlargement, and also in consideration of future EU enlargement. There is currently a numerical imbalance in ASEM with 25 EU and 10 Asian countries, an imbalance that further enlargement on the Asian side

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would redress. Candidates for the enlargement of Asian participation are India, Pakistan, Mongolia, and Russia. New Zealand and Australia are also strong candidates.

The Philippines does not have any particular concerns with enlargement. It has always supported ASEAN on the Myanmar issue although it has also always supported attempts within ASEAN to push for political reform in Myanmar. At the same time, the Philippine government does not have any strong position on the inclusion of the new members of the EU. There have been, however, fears expressed that there is the danger of ASEM becoming too unwieldy. One way to address this is to improve ASEM's institutional mechanisms.

Strengthening ASEM Institutions. In Bangkok in 1996, the stated goals of ASEM were to foster political dialogue, reinforce economic cooperation, and enhance cooperation in other areas such as social, cultural, educational. As stated at the onset of this paper, ASEM is an informal process of dialogue and cooperation. But it was also seen as a basis for organizing region-to-region cooperative mechanism. It also intends to stimulate and facilitate progress in other fora, go beyond governments in order to promote dialogue and cooperation between business/ private sectors, between peoples of the two regions, encourage the cooperative activities of think tanks and research groups of both regions.[24] The only permanent fixture in the ASEM coordination mechanism is the EU Commission. The EU Council Presidency and coordinators from Northeast Asia and Southeast Asia (current are Japan and Vietnam) rotate, thus leaving continued institutional know-how in the hands of the EU Commission. It is seen as having powers to make proposal on the European side and even seen as the brain of ASEM.[25] Given the lack of institutional structure in Asia, the rotation scheme gives Asia country coordinators ample time to consolidate initiatives and build consensus on those initiatives. But despite its non-institutionalized character, ASEM gave birth to ASEF in Singapore and the AEETC in Thailand, both of which became permanent centers of ASEM activities most especially in the social/cultural pillar. Nonetheless, it was observed that in the absence of centralized budget system some initiatives like the ASEF could become overly focused on Singapore relations with Europe.

There are over 20 initiatives proposed at each Summit and these initiatives should have the full consensus and support of ASEM partners, and work programs are agreed at the Summit level. Proposals are usually done prior to the Summit at the Coordinators' Meetings. The

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[23] Jurgen Ruland, "The European Convention and Enlargement: Opportunities for ASEAN," *Panorama* Vol. 5, No. 2 (2003).
[24] Chairman's Statement at the Second ASEM held in London, 3-4 April 1998.
[25] Sebastian Bersick, "The ASEM Regime and its Participants' Interests," a paper presented at the Philippine Forum on the Asia-Europe Meeting: Understanding the Process and Potentials and Defining Civil Society Engagements, 26-27 November 2004, Manila.

Senior Official Meeting Summit is usually held every two years and is responsible for the overall coordination of ASEM activities. They form the core of the dialogue process that also includes the regular meetings of Foreign Ministers, Economic Ministers, and Finance Ministers. Clearly there is a need to look into the further institutionalization of ASEM as the grouping grows in both membership as well as activities.

Within the Philippines, there is particular interest in the idea of looking particularly at the possibility of setting up a "small but professional" ASEM Secretariat. Though the benefits of face-to-face dialogue between heads of states, which the ASEM Summits provide, cannot be ignored, a Secretariat would provide a repository for documents and limited funding and direction in ASEM, a need that was recognized by the ASEAN member states during the early stages of ASEAN's development.[26] The Philippines fully supports a Secretariat that will cater to both Asia and Europe.[27] The Philippines is also in favor of setting up more ASEM meetings, particularly functional ones.[28] The Philippines was most active during the first and last summit meetings and intends to bid to host the summit in 2012. Although the Philippines' principal interest in ASEM is primarily focused on the admittedly narrow concern regarding how the latter's political and security dialogue could affect a peaceful resolution to the South China Sea issue, the former stands to gain from a more effective political interregional dialogue, both in the bi-regional ASEAN-EU relationship as well as in the transregional ASEM process. The Philippines sees the ASEM process as contributing to regional and international security through political dialogue and specific cooperation programmes and initiatives that result in confidence building measures on a region-to-region level. Though the ASEM process is still largely a political dialogue mechanism, heads of states are brought together and personal communication between them (though expensive) contribute to the strengthening of lines of communications between the different governments involved.[29] The ASEM process has also contributed to seeing Asia not just as ASEAN but as ASEAN+3.[30]

Curiously, though the institutionalization of ASEM does not seem to be a priority of the EU at the moment, it does support the development and evolution of the ASEAN Regional Forum (ARF) and would like to see a move towards greater institutionalization. The EU stands ready to support the proposals made to reinforce the role of ARF and hopes that the recommendations made in the paper on Preventive Diplomacy will eventually be fully agreed upon and

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[26] Focus Group Discussion with government officials involved in ASEM, 23 August 2005, Department of Foreign Affairs, Pasay City.
[27] Ibid.
[28] Ibid.
[29] Focus Group Discussion with government officials involved in ASEM, 23 August 2005, Department of Foreign Affairs, Pasay City.
[30] Ibid.

implemented. From the EU point of view, strengthening the role of the ASEAN Secretariat in the ARF is a positive step. The ARF is also in the EU's view an appropriate forum to address key regional security issues and build a consensus among Asian countries on such issues. The recent positions taken by the ARF on Myanmar and on the Korean peninsula are encouraging developments in this respect, although the ARF could be more active in addressing regional conflicts and tensions. On terrorism, the EU has participated in the past intersessional meetings and supports the view that the ARF is a good forum for exchanging information and for expert level cooperation. The activities under ARF should be coordinated with work done under other fora such as ASEM for political dialogue, and EU-ASEAN for cooperation.

The ARF is the principal area of focus of the EU in relation to ASEAN, but it intends to play a more active role in ASEM and intra-regional processes. The EU's effectiveness in its political and security dialogue with ASEAN would ultimately depend, however, on the implementation of the Common Foreign and Security Policy (CFSP).[31] However, the rejection of the constitution by France and The Netherlands shows that the implementation of the CFSP will be stalled indefinitely. In the case of ASEAN, political security dialogue with Europe will be affected over the long-term by the continuing process of ASEAN integration, as well as the current discussions on the concepts of non-interference and sovereignty.[32]

Economic Cooperation

While the Philippines' expressed interest in ASEM lies in its political and security dialogue pillar, the more substantive effects of the grouping are expected in the pillar on economic cooperation. The Economic Ministers and Financial Ministers of the participating countries of ASEM meet once a year and are the primary channels for carrying forward the ASEAN work programs in their respective areas.[33] In this particular pillar, there is the Senior Officials Meeting on Trade and Investment that oversees the Investment Promotion Action Plan (IPAP) and the Trade Promotion Action Plan (TPAP) with the Asia Europe Business Forum (AEBF) facilitating business dialogue. The Philippines was particularly active in the development of the TPAP.

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[31] Carolina G. Hernandez ," Political and Security Cooperation within ASEAN: Increased Opportunity for EU's Participation," *Panorama* Vol. 5, No. 2 (2003)

[32] Ibid.

[33] See Asia Europe Cooperation Framework 2000.

There are, however, some questions as to how effective ASEM has been in helping to facilitate interregional economic cooperation. ASEM has been able to expand cooperation in different functional areas, but there is an apparent lack of coordination and linkage between the different mechanisms that operate under ASEM. At the same time, their different agenda are too broad in terms of the areas of interest they are involved in for current levels of coordination to operate more effectively. Though activities are agreed upon at the ASEM Summit, there is an evident lack of results-orientation in drawing up these activities and their expected outcomes. While each activity presented before ASEM indicate concrete policy outcomes which are supposed to further Asia-Europe relations, the process has instead led to more directionless activities. Nonetheless, ASEM has tackled issues of common concern such as employment and quality of labour,[34] international terrorism, and transnational crimes, among others. Most initiatives, however, are trade-related issues such as Customs Procedures and Trade and Investments. This shows that at least in the economic pillar, ASEM is making headway. On the other hand, it was noted that even as progress in being made in the area of economic dialogue, it is not clear whether this has been beneficial to Asian participants, particularly the Philippines.[35] The general trend in Philippine trade has not changed over the time that ASEM has been in place with Europe remaining significantly behind Asia and North America in terms of volume.[36] This is not primarily due to ASEM's lack of effectiveness, however, as these trends are at least partially attributable to a lack of business interests in the EU, and vice versa.[37] Various fora organized by University-based business schools geared to raise the level of awareness on the EU have not been able to turn the situation around.[38]

Trade and Investment. In a number of areas, the EU has been an important contributor to the economic development of the Philippines. Economic relations remain highly favorable to the Philippines with the EU being one of the largest export markets of the country. Since the Asian economic crisis, the EU-Philippine trade balance has been in favour of the Philippines. Partial figures for 2001, for example, show a trade balance surplus for the Philippines of €3 billion. During the period 1995 to 2001, the EU has been second largest export market of the Philippines by absorbing 19% of Philippine exports. In fact, the EU has been instrumental in diffusing the

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[34] Among the activities outlined at the 3rd ASEM was a workshop on "The Future of Employment and the Quality of Labour.
[35] Remarks made by Dr. Alfredo Robles at the Philippine Forum on the Asia-Europe Meeting (ASEM), 26-27 November 2004, Manila.
[36] Exports of the Philippines to Asia is at 45%, North America 32% and Western Europe 19% and imports to Asia is 55%, North America 20% and Western Europe 11%.
[37] An official of the Department of Trade and Industry articulated the lack of interest from the Philippine Business Community. One reason cited is the high cost of participation
[38] Interview with Rudolfo Ang, Dean School of Business, Ateneo de Manila University, September 19, 2005.

impact of the Asian economic crisis on the Philippine economy. More than 50% of the Philippines exports to the EU over the period 1995-2000 consisted of computer components and parts; and electronics and electrical equipment, whereas food products accounted for a quarter of the total exports. At present, the EU still constitutes the fourth largest export market of the Philippines, absorbing about 16.2% of total Philippine exports in the first 10 months of 2004 (versus 17.6% in 1995). It is behind Japan which has taken the lead with a 19.8% share (from 15.7% in 1995) of the market, the US with 18.4% (from 35.3% in 1995), and the rest of the ASEAN region with 17.3% (from 13.6% in 1995). The combined share of mainland China and Hongkong is 14.4% (from 5.9% in 1995) which puts them in fifth place.

On the EU exports side, the Philippines is a small but fast growing market. The market share of the Philippines is relatively small with less than 1% of EU exports being purchased by the Philippines. However, the volume of EU exports to the Philippines more than tripled between 1990 and 2001. Over the period 1995-2001, 9% of the total Philippine imports originated from the EU, putting it in fourth place after Japan, the US and the ASEAN countries. Also, while EU exports to the Philippines were hit hard by the Asian economic crisis, plunging by 38% in 1998, these more or less returned to pre-1998 levels as exports grew by 37% in 2000 and have stabilized since then. Over half of EU exports to the Philippines over the period 1995-2000 consisted of electronics, telecommunications, & electrical equipments; and power generating machines, mechanical appliances & computer-related items.

The investment record of the EU in the Philippines has also been exceptional. The EU has been the largest source of foreign direct investments (FDI) that flowed into the Philippines in the past decade, overtaking both Japan and the US. Over the period 1990-2001, EU direct investments accounted for nearly one-fourth of the total FDI in the country. EU investments have increased significantly during this period. In the aftermath of the Asian financial crisis, investments from the EU providing an important boost to the Philippine economy. In fact, from €364 million in 1997, it increased to €1.4 billion in 1999. The year 2000 proved to be an exceptionally fruitful year, with EU investments reaching €5 billion.

Since the mid-1990s, the EU has also surpassed the US as the largest supplier of bank credit to the Philippines. In fact, as of mid-2001, EU banks account for almost half (48%) of total outstanding bank credit to the Philippines. Japanese and US banks by comparison account for only 19% and 12%, respectively, of such credit. There are existing bilateral and regional instruments that can be used to help the Philippines improve its capacity not only to meet its international commitments but also to further intensify its economic relations with the EU.

The degree to which economic relations has grown can also be seen in the increasing acceptance of the euro as a preferred currency for foreign exchange. In fact, the Philippine Government floated €350 million of euro-denominated bonds from the early part of 1999, allowing it to further diversify its foreign debt. The Central Bank has also adjusted the composition of its international reserves, although only 1% was denominated in euro as of end-1999, versus 82% in US dollars. Although precise information is limited, there is evidence that the Philippines has begun to use the euro in international trade, both in import and export transactions.

This positive picture, however, has noticeably begun to deteriorate as Philippine exports to the EU have shown a declining trend over the past years. Japan and China gained ground on Europe as Philippine exports to these economies grew at double-digit rates in 2004. In contrast, the volume of Philippine exports to the EU (as well as with the US and South Korea) has been contracting. By 2003, this had declined to US$6.5 billion, down from a peak of US$8.9 billion during the period 1995-2000. In 2004, the trend continued with a further decrease (10%) in exports from the Philippines to the EU. This is quite significant because the growth of trade between the Philippines and the EU prior to 2001 had been instrumental in diffusing the impact of the Asian crisis on the Philippine economy. The sector most affected by this decline has been the manufacturing sector as the trends in exports in computer components and parts, electronics, optical and medical instruments have been going down. Other sectors that are in a similar bind include seafood products, vegetable extracts, paper products, tobacco leaves and waste food. While the export of some products, such as automobile parts, toy products, textiles, and wood products continued to enjoy respectable growth, and others (including clothing, aircraft parts, furniture, and vegetable and fruit products) have actually recovered, these have not been enough to offset the general trend.

There are a number of reasons for these developments. Most often cited is the issue of market access to Europe, which a lot of exporters find very restrictive. Phytosanitary measures are particularly problematic and had been mentioned in a number of discussions. Also of concern to both sides is the expansion of the EU into Eastern Europe, and the increasing importance of China as an international market. In the case of the former, this affects European economic interests in the region as more European states shift their resources towards Eastern European markets. The rise of China, on the other hand, attracts both Asian and European trade to the detriment of Southeast Asia. A third factor, however, involves a relative lack of interest in Europe on the part of Philippine exporters. The United States and Asia remain the main markets

for export goods coming from the Philippines, and the relative decline of Philippine exports to Europe may reflect a continued reliance on the traditional markets for Philippine producers.

The trends on the import side of trade are looking much better. The EU remained the fifth largest import supplier to the Philippines providing 8.2% of total Philippine imports in the first 9 months of 2004 (versus 10.8% for the whole of 1995). Since 2002 it had fallen behind mainland China and Hong Kong, which has a combined share of 10.3% (from 7% in 1995) of Philippine imports. ASEAN, with a share of 19.2% (from 11.9% in 1995) has overtaken Japan, which has a share of 18.4% (from 22.6% in 1995), as the largest import supplier. The US is now in third place with a share of 16.6% (from 18.4% in 1995).

A number of trade issues are being discussed and addressed in various bilateral and multilateral fora many of which affect trade relations between the Philippines and Europe directly. EU Trade Commissioner Pascal Lamy raised the issue of excise taxes on spirits with Trade Secretary Purisima at the sidelines of ASEAN-EU Consultations in September 2004. Draft legislation proposing a shift to a common regime for all distilled spirits independent of the raw material used was introduced by the Philippine government under the 13th Congress. However, subsequent debates and proposals in Congress led to a departure from this formula. The EC officially expressed its concern on these developments to both the Executive and Legislative branches. Nevertheless, in December 2004, the Philippines adopted Republic Act No. 9334, bearing the title "An Act increasing the excise tax rates imposed on alcohol and tobacco products," which exacerbated the differential treatment between distilled spirits using local raw materials and those that do not by imposing a 30% tax increase on the former and a 50% tax increase on the latter.

The temporary ban on beef from the Netherlands was lifted by the Department of Agriculture (DA) following an inspection mission in May 2004. The ban is still in effect for the EU Member States covered under DA Memorandum Order No. 19 dated 14

November 2000, namely: UK, Ireland, Belgium, Denmark, France, Luxembourg, Portugal, Italy, Spain and Germany due to the outbreak of Bovine Spongiform Encephalopathy (BSE) or mad cow disease. The continued implementation of MO 19 to date is considered to be discriminatory especially when viewed vis-à-vis other countries also affected by BSE. The comprehensive set of protection measures enforced in the EU against BSE guarantees that all beef produced in the EU meet very high health standards.

Quantitative restriction issues have also been addressed that would help ease the entry of Philippine products into the EU. In March 2004, the EU adopted a regulation increasing the garments and textiles quotas to take into account the imports by the 10 new EU member states.

The increase took effect from 1 May 2004 to the end of 2004. In December the EU adopted a regulation that will eliminate from 1 January 2005 all quantitative restrictions on the import of textile and clothing products in line with the expiration of the WTO Agreement on Textile and Clothing (ATC) on 31 December 2004. It also established a transitional regime concerning the import in the first quarter of 2005 of products subject to the import quota regime in 2004. The Regulation also sets up a statistical monitoring system for the imports to the EU of a number of textile and clothing products. This will give early intelligence on signs of serious market disruption and will allow the EU to follow closely the development of trade in the new environment. The EU will be abolishing 210 quotas for the import of textiles and clothing products from 11 WTO-member countries or territories (Argentina, China, Hong Kong, India, Indonesia, Malaysia, Peru, Philippines, Taiwan, South Korea and Thailand) which have been in force under bilateral agreements concluded under the former GATT Multi-Fibre Agreement in the 1970s. In 2003, a number of products were identified for which quotas will be eliminated. This includes 63% of total textile and clothing imports. It must be noted though that only 20% of EU imports were imported under quotas.

Further action was taken by the EU on areas that also affect the Philippines. As part of the EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT), the EC proposed in July a comprehensive set of measures to combat the growing problem of illegal logging and the related trade in illegally harvested timber. The main elements of the package are: (i) voluntary partnerships with wood-producing countries badly affected by illegal logging to support and promote governance reform in their timber sectors; (ii) a regulation that sets up a voluntary but legally binding licensing scheme with partner countries to ensure that only legal timber from these countries is allowed into the EU. The package is based on an innovative approach that links the push for good governance in developing countries with the legal instruments and leverage offered by the EU's internal market.

In December 2004, the EC committed 20 million Euros to support the EU Action Plan for FLEGT. The Commission will support international and non-governmental organizations and the private sector, through a range of innovative pilot activities, to promote governance reform in countries affected by illegal logging and to facilitate trade in legally harvested timber. In particular the EC will support:

- Intergovernmental dialogue aimed at building commitment for reforms to combat illegal logging and its underlying causes.
- Models of good practice for forest governance
- Independent monitoring / auditing of forest harvesting operations

- Strengthening local civil society in support of improved forest sector governance.
- Facilitating trade in legally-harvested timber, and encouraging corporate social responsibility in the EU timber importing industry.

Other areas where the EC proposes action include co-operation with other major consumer markets, such as the US and Japan, to stop the trade in illegally-harvested timber; and efforts to ensure only legally harvested timber is sourced through public procurement contracts in the EU. Illegal logging is linked intimately with corruption and bad governance, and robs governments in affected developing countries of an estimated 10 to 15 billion Euros every year in lost revenue. It also impoverishes rural communities in developing countries who depend on forest products for a living.

New programmes have been introduced in the Philippines intended to further strengthen relations, particularly economic relations, with Europe. Particular emphasis have been placed on: (i) business information and improving the Philippine industry's awareness of European trade and investment opportunities and vice-versa; (ii) business match-making events; and (iii) technical assistance to help Philippine businesses take full advantage of the trade and investment opportunities offered by the European single market. Examples of this new approach include the following bilateral economic co-operation programmes: Business Information and Development Services (BIDS) implemented by the European Chamber of Commerce of the Philippines; European Business Information Centres (EBICs); a software co-operation project implemented with the Philippine Software Association; and the European Studies Programme (ESP) implemented with the ESP Consortium of Universities (composed of Ateneo de Manila University, De La Salle University and University of the Philippines). These programmes have been successfully implemented and are now closed. In the case of EBIC and ESP, the private sector and the Academe respectively have taken over to pursue these valuable activities, thus ensuring the sustainability of the EC's investment.

The Philippine Country Strategy Paper 2002-2006

The European Commission adopted in 2002 a 'Country Strategy Paper 2002-2006' for the Philippines, a five-year strategy for its technical and financial assistance to the country, the operational and financial translation of which is made in 'National Indicative Programmes' (NIPs). This strategy paper was prepared in consultation with the Government of the Philippines

and the EU Member States and takes into account EU's goals and policies, the Philippines' development agenda, and past and ongoing EC co-operation experiences.

The CSP incorporated the conclusions drawn up at the Senior Officials Meeting (SOM) II held in Brussels in 1999. In light of the improving economic situation of the Philippines, the CSP reiterated the Commission's intention to redirect bilateral co-operation towards a "more economic orientation, seeking mutual benefits for both sides." EC development assistance to the Philippines, on the other hand, would continue to be focused on poverty alleviation, while geographic priority, besides the Cordillera Autonomous Region (CAR), would be given to Mindanao. Other areas of co-operation, such as governance, support human development and rights and stability and security, all of them preconditions for sustainable development. An indicative sum of €63 million for technical co-operation in development and economic programmes was foreseen for the period 2002-2006. The new strategy for the Philippines also put forth the cross-cutting theme of "good governance that will deal directly with the effective delivery of services by a democratically accountable government." Areas of intervention under this theme are access to justice by the disadvantaged and corruption prevention.

The CSP has been translated on two National Indicative Programmes, one covering the period 2002-2004 and one for 2005 to 2006. The projects identified under both programming documents are testimony to the significant change of direction that our cooperation strategy has experienced from the time its main focus was on rural development. New projects cover assistance to Governance, both in the public sector and on the corporate world; technical assistance to the Philippines on trade issues and cooperation on the fight against terrorism. Fundamentally, the CSP 2002-2006 aims to consolidate previous achievements and extend co-operation to intervention and policy dialogue contributing to create an environment conducive to private sector development and the strengthening of the corresponding reforms and policies. This strategy and the corresponding National Indicative Programme are focusing notably on the following priority areas aiming at supporting the Philippines' integration into the world economy:

1) Trade related technical assistance, to assist the Philippine authorities to enhance conditions for international trade and improve the access of Filipino exports to the expanded EU market. This priority area has been identified in view of the crucial role played by external trade in the Philippines development and on strong growth potential of Filipino export to the enlarged EU. The assistance follows a holistic approach, linking trade policy more effectively with macroeconomic and structural reforms, private sector development and institutional capacity building. A comprehensive TRTA programme

covering the areas of product standards, sanitary and phytosanitary measures, Customs reform and WTO capacity building is currently under preparation and should start its activities mid-2005.

2) Governance and institutional reform to create an enabling economic environment and improve economic governance in order to enhance economic relations between the Philippines and the EU and notably foster its foreign direct investments. The Philippines has a certain number of comparative advantages over its regional competitors, notably in terms of skilled and largely English speaking work force and relatively liberal economy and trade policies. A more transparent business environment and higher legal certainty are instrumental in transforming these business potentials in concrete investment flows. The EC supports the Government's efforts to implement its thorough reform agenda and fight against corruption, notably through the following projects: Access to Justice for the Poor, which supports the Supreme Court's Action Programme for Judicial Reform, and Corruption Prevention, in collaboration with the Office of the Ombudsman.
3) Support to mutually beneficial and sector specific partnerships as well as to business to business contacts. The aim is primarily to strengthen trade and investment flows between the regions, notably by (i) raising awareness of business potential of Europe in Asia and vice versa; (ii) to assist business organisations to help European and Asian SMEs with their internationalisation process; and (iii) to build institutional capacity, business dialogue and networking, notably through match-making events. A particular attention is given to the creation of long lasting partnerships and on the Information and Communication Technology (ICT) sector as well as on other sectors particularly relevant for the Philippine economy and European private sector. This goal is notably pursued through Asia Wide programmes, such as ASIA Invest and ASIA IT&C.

EC-Philippines Development Cooperation

As the EC-Philippine Country Strategy Paper (CSP) 2002-2006 states, one of the two main focal areas for future co-operation is assistance to trade and investment aimed at facilitating the integration of the Philippines into the international flow of trade. The CSP underlines that reforms in the legislative and regulatory framework and measures to improve governance in the Philippines are essential if business co-operation is to advance. Thus, assistance to enhance the business climate and economic governance is foreseen as essential elements of future co-operation in the Philippines. Part of this commitment is reflected in the EC's continued drive to

make the WTO Doha round a development round and to provide developing countries, including the Philippines, with the necessary trade-related technical assistance and support for capacity-building, consistent with the Doha Ministerial Declaration.

The Strategy Paper and Indicative Programme for multi-country and regional cooperation with Asia, covering the period 2005-2006 have just been approved by the EC. The Strategy provides a framework for Asia wide programmes and co-operation in regional integration intended to supplement and complement the EC's bilateral programmes. The Indicative Programme has a budget of up to 100 million Euros to support multi-country programmes notably in the following areas:

(1) Asia-wide programmes on trade and investment, on higher education, and on environment.

(2) A programme to support the Association of South East Asian Nations (ASEAN), focused on implementing the new strategy on South East Asia including issues such as deeper trade integration with EU and anti-terrorism.

The European Investment Bank

The European Investment Bank (EIB), the EU's financing institution also supports capital investments in Asian countries that are signatories to Co-operation Agreements with the EU, such as the Philippines. The Framework Agreement between the Republic of the Philippines and the EIB was signed in April 1994 and extended in July 1997.

The EIB gives particular emphasis to investment projects that involve: subsidiaries of EU companies; joint ventures bringing together EU and local firms; private enterprises holding concessions to invest in and run public services; and the transfer of European technology.

In the Philippines, the EIB has supported important capital investments such as BOT projects for the new 1000 MW Santa Rita power plant in Batangas and the Water and Sewerage Manila West project; the construction of an integrated circuits assembly and test facility; and improvement of the airports of Davao and Puerta Princesa.

Due to their size in excess of € 20 million, EIB loans have, in the past, tended to benefit only larger projects, the Bank has approved two lines of credit in 2003 to reputable financial intermediaries to provide medium to long term financing to small and medium scale investments and to assist SME development in the Philippines. The first global loan for US $50 million is to be released to ABN AMRO Bank Inc, a subsidiary of ABN AMRO NV; the second, for an

amount of €25 million, is to be released to the government-owned Development Bank of the Philippines.

Poverty Eradication

The focus on poverty eradication, however, continues. The European Commission's continued involvement in the health sector is further strengthened under the NIP for 2005-2006, which allocates more than €30 million (i.e. approximately half of the funding available for 2002 to 2006) to a sector-wide programme, an intervention that would mainly benefit the poorest sectors of society. It is also important to note that this programme follows the government's Health Sector Reform Agenda for 1999-2004, and is envisioned to pave the way for Government, i.e. the Department of Health, to be in the "driving seat" of a government-led Donor coordination process. This highlights three main trends or guiding principles in the EC's provision of aid to developing countries that aim to improve its impact: using sector-wide approaches instead of project/programme approaches; supporting government's reform policies and improving foreign donor co-ordination by participating in multi- donor assistance programmes.

Internal stability and security in the Philippines, particularly in Mindanao, is also an essential part of the EC strategy in the fight against poverty. It has been recognized that armed conflict with Islamic and communist rebels as well as with terrorist gangs exploiting the kidnapping industry have not only added destruction and suffering to the poorest population in the Philippines, but also hindered investment opportunities that could have helped reduce economic inequalities.

Restoring lasting peace and security in Mindanao is a key challenge to the Philippines. Together with other international donors, the World Bank is currently working on the establishment of a Mindanao Reconstruction and Development Trust Fund (MRDTF) which reflects the commitment of the international community to support peace and development in Mindanao. The Commission is an active participant in this initiative, to which it has assigned a considerable share of the funding available under the 2005-2006 NIP, provided certain conditions are met.

What About ASEM?

In all these, the impact of ASEM has been limited. Much of the economic relationship between Europe and the Philippines has been conducted at the bilateral level or through other multilateral

channels. This is not to say that ASEM has been ineffectual. ASEM programmes continue to play an important role in trying to build Philippine-Europe relations.

For the Philippines, the ASEM Trust Fund (TF) has played a critical role in supporting government activities to mitigate the adverse effects of the Asian financial crisis. Under ASEM TF1, eight country-specific projects were approved for funding for a total of US $7.2 million (approximately 5.76 million Euros). All of these were completed as of end-August 2002. In addition, nine regional projects benefiting the Philippines were approved and completed. Under the second phase, nine further projects were approved for the Philippines worth US $ 5.7 million (approximately 4.5 million Euros).

Despite the importance of the economic relationship in building stronger ties between the Philippines and Europe, much of it is founded on initiatives by governments trying to encourage the private sector to take advantage of specific market opportunities. The declining interest in Europe among the private sector, however, clearly shows that much needs to be done to build anew on existing programmes. There has been little recognition of the degree to which ASEM has contributed to creating such opportunities, but this is likely more a function of bilateral restrictions which are outside the purview of ASEM, and the continued reliance on the traditional markets of the U.S. and Asia on the part of Philippine business

Socio-cultural cooperation

Since ASEM 3, activities in the social/cultural pillar have proliferated as well. It has taken up issues such as on health, Culture and Arts events, e-Education, Aids/HIV, Fellowship programs, Youth Dialogue, among others. The Asia Europe Foundation (ASEF) is the main mechanism through which people-to-people activities are promoted. Though ASEF's contribution has always been commended by ASEM in the past years, the Van-der-Geest and Macaranas Report noted the need to align ASEF more closely to the ASEM process. One recommendation was to provide information and analysis of the ASEM process to a key audience through suitable intellectual exchange, people-to-people, cultural exchange and public relations/information projects.[39] Nonetheless, there is also a contrasting observation about ASEF - a Filipino participant to ASEF initiated activities observed that ASEF has helped build bridges and linkages between Asia and Europe and saw the process as more advance than the rest of the two

[39] Chairman's Statement at ASEM 5, Hanoi, 8-9 October 2004.

pillars. [40] But another observed that its purported aim is not being fulfilled because its linkage with civil society is very limited.

Yet if one looks at the list of participants in various ASEF-initiated activities such as the Young Leaders Symposium, Young Parliamentarians, etc, But it is not clear how participants, most especially in the track two activities of ASEF, get selected. One explanation could be the obvious problem of information dissemination and one could also conclude that there appears to be a lack of transparency as to how one can get to participate in those activities. But ASEF is recognized by the Philippines as having been responsible for bringing together a number of Track 2 efforts and bringing about closer understanding between Asia and Europe.[41]

Other issues covered have expanded/widened to include the Banking Sector, Tourism Cooperation, e-Education Hub, Drugs, Child Welfare, Ant-money laundering, Police and Transnational Crimes, Migration Flows, Environment, Anti-Terrorism, Fiscal Policies, etc. But ASEM activities for the past years neglected global issues such as reduction of nuclear weapons, working of the abolition of weapons of mass destruction and also complete disarmament. This was acknowledged at the ASEM 5 where leaders saw the need to strengthen multilateral cooperation and deeper ASEM cooperation on non-proliferation of weapons of mass destruction. In spite of the number of activities; other important themes such as asylum seekers, good governance, and democratization were excluded.

Philippine officials recognize the importance of the free dialogue process of ASEM and that the process' main accomplishment is the organization between these two regions. Yet, promoting dialogue between peoples of the two regions has to be explored further. Philippines civil society groups in particular have unable to engage ASEM because of the lack of knowledge how ASEM operates, it has proved to be difficult to raise issues regarded as critical by their governments.[42] Although the AEPF is another mechanism for consultation and parallel to ASEM, they are not sure whether ASEM indeed read statement of AEPF.[43] This is indicative of the lack of confidence and access to the process by these groups in ASEM. Though this maybe the case, it created synergy among civil society groups on issues that they think ASEM could address such as the human rights issue in Burma, reduction of military expenditure, child welfare, trafficking of women and children.

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[40] Ibid in note 2.

[41] See speech of Assistant Secretary Jaime Yambao, before the Asia-Europe Consultative Seminar with Civil Society, 17 November 2003.

[42] Bersick

[43] See comments made by Alfredo Robles who was discussant on the "Structure and Processes of ASEM," Panel 1: Regional and Inter-regional Formations: Asia and Europe at the Philippine Forum on the Asia-Europe Meeting (ASEM), 26-27 November 2004, Manila.

Given the above, there is a need to reevaluate the role and location of non-state actors in the process and re-orient the priorities of ASEM. On non-state actors, other than the academe and business, NGOs should also be given more significant participation in the process.[44] As a consequence of being left out, NGOs and POs established their own alternative forum - the Asia Europe People's Forum (AEPF). It is clear here that civil society groups recognize the need to create a space for civil society engagement with ASEM. The AEPF has called on ASEM to establish appropriate consultation to give them an opportunity to build the Asia-Europe partnership outside of the official process.[45]

Increasingly, some of the articulated appeals of AEPF have found its way into ASEM's list of initiatives, including such issues as trafficking of children and women and child welfare. But it remains to be seen whether governments will respond to these appeals and adopt actual policies. At best, it remains a dialogue process, and has not really become a forum for developing initiatives that could lead to concrete policies that could be adopted by ASEM governments. Though it has a pre-determined agenda many criticized the multiplication of initiatives as potentially contributing to lack of focus and direction as a consequence of the absence of an institutional driver. This was implicitly acknowledged by ASEM when in 2002 at the Foreign Ministers Summit of ASEM proposed that agenda should be focused with few topics.

The Philippines in this case, have expressed interest in the last Summit (ASEM 5) in the establishment of an ASEM Secretariat that would service both Asia and Europe and has even presented a case for hosting it. The secretariat is expected to serve as an institutional driver, which to some officials is what is lacking in the current mechanism.[46]

Proposed changes to improve ASEM Working Methods

There were proposed changes in ASEM's working methods, but only to reinforce its informal nature but to also make it more interactive. Thus, at the Fourth ASEM Foreign Ministers Meeting in Madrid in 2002, the Ministers endorsed measures to improve the ASEM working methods and among these measures were:

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[44] Based on the commentary made by Prof. Josefa Francisco who was discussant on "ASEM Structures and Processes: Players and their interests; What ASEM has achieved so far? And where is it heading towards? at the Philippine Forum on the Asia-Europe Meeting (ASEM), 26-27 November 2004, Manila.

[45] This is one of their appeals with ASEM governments outlined in the Final Statement of the ASEM People's Forum 5 on 9 September 2004 in Hanoi Vietnam.

[46] Focus Group Discussion with Philippine foreign affairs officials, 23 August 2005.

1) Meetings made more informal and interactive by instituting appropriate informal intervals and retreat sessions;
2) setting a focused agenda with a few topics;
3) ASEM activities/initiatives should be linked to the dialogue and be supportive of it;
4) making the Chair responsible for the short factual statements but political declarations on specific issues will be negotiated separately, albeit Chair Statements during Summits and Ministers' meeting consensus do not mean texts would be negotiated word for word; and
5) reaching out to the public by involving various sectors of society in ASEM.

While changes are needed, these will have to build on existing mechanisms and institutions. The Philippine Delegation in the Senior Officials Meeting in Rome in 2003 expressed the opinion that "there is no need to re-invent the wheel because ASEM leaders had already decided on the future direction of ASEM and prescribed the ways by which they might be realized."[47] A strengthening of existing institutions, however, is clearly warranted with the need for a Secretariat at the top of the list.

Other Mechanisms outside of the ASEM process

There are other mechanisms outside of the formal ASEM process that assists in enhancing relations between Asia and Europe at least at the track 2 levels and limited to policy-oriented intellectual exchange. These mechanisms include the EU-ASEAN Think Tanks Dialogue, the Council for Asia Europe Cooperation (CAEC), and the Asia Europe People's Forum.

(1) The European Union-Association of Southeast Asian Nations (EU-ASEAN) Think Tank Dialogue. An annual event jointly organized by the Konrad-Adenauer-Stiftung (KAS) and the ASEAN-Institute of Strategic and International Studies (ISIS) network that seeks to promote intellectual exchange and research collaboration between scholars from ASEAN and EU countries. It has been going on for five years and while the majority of the participants are policy experts and researchers from think tanks, universities and research institutions, the dialogue is enriched by the active participation of parliamentarians, policy officials and representatives from the business sector and Non-governmental organizations (NGOs).

Much of the papers written by EU and ASEAN think tanks generally do not reach the policy makers. Hence, much more should be done to ensure that good ideas that come

out from such EU-ASEAN dialogue reached the politicians and policy makers. While this network is an informal one, there is interest to institutionalize to help the network grow and make it more dynamic and effective. The network of think tanks can also identify specific EU-ASEAN issues and promote joint research on some of these issues. After studying the issue, a memoranda or list of policy recommendations should be circulated and brought to the attention of EU and ASEAN governments and parliamentarians. An important issue that the think tanks can focus on right now is the enlargement of the EU and its impact on EU-ASEAN relations that can be studied with the participation of think tanks from Central and Eastern Europe.

(2) Council for Asia Europe Cooperation (CAEC) was established in 1996 12 leading research institutes from Asia and Europe in response to the First ASEM Summit in 1996. It has facilitated intellectual exchanges between scholars, researchers, and policy planners from Asia and Europe. In 1997, CAEC produced a rationale for facilitating Asia-Europe cooperation and thus assisting in giving focus and direction for ASEM. This was followed by a publication of its policy-oriented reports on Strengthening International Order: The Role of Asia Europe Cooperation, on the Financial Crisis, and on Population, Food, Energy and the Environment in 2000 and four years later on Foreign Workers, Refugee, and Irregular Immigrants. CAEC provided the mechanism for Asian and European scholars discussing relevant and common issues to the two regions outside of the formal ASEM process.

(3) European Studies Programme in the Philippines is a bilateral program between the Philippine government and the Commission of the European Communities signed in 1993. The program is donor-driven that was conceptualized even before ASEM. It began implementation in 1995 by the European Studies Consortium of Universities in the Philippines. This consortium comprises three universities namely: Ateneo de Manila University, De La Salle University, and the University of the Philippines. On the European side, members of the consortium University of Amsterdam, University of Barcelona, Exeter University, University of Leiden, and the University of Turku.

The Philippine Consortium was set-up to administer the program and the two main goals are to increase the level of awareness of Filipino decision makers and the general public regarding European affairs and also to increase the pool of Europe experts. Select faculty members from Consortium members were sent to Europe Universities for

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[47] Yambao

research and for graduate studies. An initial outcome of this program was that establishment of the European Studies program in Ateneo and a European Documentation Centre in De La Salle. The Consortium's linkage with ASEM is through ASEF but only to ask for nominations for the Summer School and it gets to be invited to various Asia-Europe activities. The Secretariat is based in Ateneo.

It was an attempt to build Filipino European specialists but when the program ended those who were initially exposed to Europe were not able to continue to specialize in Europe because there was no more funding for PhDs. Thus, shifted to other areas where funding is available for PhD. Those involved in managing the program articulated the need to bigger commitment from Universities for students to specialize in Europe.[48] In addition, the commitment should also go for the foreign affairs office. In this case, the there is still a need to develop next generation of specialists in Europe and also address the disjoint in specialists by developing both Asia and Europe specialists. Thus, there was a suggestion to hold a strategic planning meeting for this purpose.

The closure of this program could be attributed to one there was a change in the Country Strategy Program of EU and the Philippines that has since emphasized trade and investment and assistance to the poorest sectors of society; and two, the inception of ASEM in 1996 placed emphasis on multilateral activities. Thus ASEM in a way undermined bilateral institutions.

Conclusions

As clearly shown in the paper, Philippine-Europe relations are built around a number of multilateral and bilateral arrangements and agreements which remain strong in a number of areas. The problematic area is determining the extent to which ASEM has been instrumental in all these. The idea behind ASEM is to forge a common vision for cooperation between Europe and Asia, but differing interests clearly impinge on this. In Southeast Asia, it was observed that countries that are more interested are Singapore, Thailand, the Philippines, and Vietnam. The Philippine in particular sees ASEM in terms of strategic benefits for the South China Sea issue. At the same time, it was expected that the dialogue process would lead to confidence building in the political side, and to an increase in trade links with the EU member states through the

[48] Separate interviews with Dr. Emmanuel De Dios and Prof. Rudolfo Ang, both were involved in the Consortium.

TFAP.[49] Yet, the trade links have not been expanded and remains largely bilateral. This is in spite of the extensive programmes that the EU has initiated to encourage more interaction in this area. The focus of the Philippines regarding ASEM remains focused on the dialogue mechanism, though there are hopes that this will eventually move towards substantive cooperation based on results oriented initiatives.[50] It has been declared by ASEM that it is an informal process and not a forum for negotiating agreements and is particularly cautious about the proliferation of ASEM institutions. Thus the current set-up is actually a coordination mechanism, ad hoc and is considered to be practical for their purpose. More substantive cooperation, however, will require more than what is currently existing. In the case of the Philippines, this is probably why there is greater interest on the effects that bilateral and other multilateral mechanisms other than ASEM have on substantive cooperation.

To be fair to ASEM, political considerations hamper its effectiveness. The difficulty of the accession of Myanmar in ASEM 5 has not been resolved fully. An indicator of this difficulty could be gleaned from the cancellation of several official meetings due to the inability to find a compromise concerning the legitimacy and extent of Burma's participation.[51] The enlargement of Europe and the inclusion of Myanmar in the process could also affect momentum of cooperation and at the same time showed the limits of its current modality such that episodic difficulties on Myanmar could have been avoided. The enlargement came at a time when the process itself has not deepened.

Overall, ASEM has not made much of an impact on the Philippines. Much of Philippine-Europe relations remain embedded on more traditional modalities. As noted above, this may be less a measure of its effectiveness as it is a reflection of the lack of interest in what ASEM can offer in areas outside of the official sphere. In this context, the governments of the Philippines and its European partners have to work beyond the official relations and to try to increase the participation of business (working to get them more interested in the process) and non-government groups (institutionalizing their participation) in ASEM and its programmes.

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[49] Sebastian Bersick
[50] Ibid in note 12.
[51] Jon Dosch. Relations of the US and the EU with East Asia: A Fresh Look at Actors, Strategic Interest and Institution Building. Panorama (1/2001).

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ASEM at Ten: Reflections from Singapore

I. Introduction

The Asia-Europe Meeting (ASEM) was established in March 1996 with the aim of creating a stronger partnership between two regions. The ASEM story began with an idea inspired by Singapore and was welcomed by the Europeans. This later on crystallised into a proposal for an informal dialogue between East Asian states—ASEAN, China, Japan and Korea—and the EU member states guided by the principles of mutual benefit and mutual respect. From a realist worldview, ASEM provided the missing link in the trilateral concert of regions—Asia, North America and Europe. For East Asians, ASEM would balance its transpacific links seen through the establishment of APEC and PECC, while for the Europeans, ASEM would balance its transatlantic relations through NATO (Hanggi 1999; Ruland 2001).

A decade down the road with 5 Summits held in Bangkok (1996), London (1998), Seoul (2000), Copenhagen (2002) and Vietnam (2004), ASEM finds itself at a crossroads. Its success in initiating dialogue and cooperation between Asia and Europe in economic, political and socio-cultural fields, reflected in a plethora of ministerial meetings and activities, has created its own challenges and rising expectations. ASEM at 10 finds itself under pressure to revitalise the slackening momentum of moving the process of enhancing Asia-Europe relations to a new phase. Beyond the characteristically slow-paced informal dialogue process on a host of issues, the challenge for ASEM as it enters a new decade is to be able to demonstrate its ability to translate dialogue into concerted action, and in specific areas that speak to the wider interest of its stakeholders.

The push to make ASEM relevant has been high on its agenda since the holding of the Third ASEM Summit in Seoul in 2000. This had been reflected in several ASEM reports, including the consecutive reports prepared by the European Commission (2000 and 2001) that highlighted the need to reform ASEM's informal processes due to concerns over "forum fatigue", and the Chairman's Statement of the Fourth ASEM Summit (2002) that stressed closer cooperation in identifying and addressing common areas of interests in order to add substance to ASEM 's informal dialogue process. When ASEM moved to enlarge its membership in 2004 with the entry of 3 new ASEAN members and 10 new EU members and the European Commission, the pressure on the 39-member ASEM to be a significant actor in the international arena has become more acute.

This report examines the record of, and prospects for, ASEM as it embarks on a new decade of meaningful transregional engagement. In this report, we seek to address the following questions:

1. How has the ASEM process evolved?
2. What are the perceptions of the political elites and other actors, particularly those that are residing in Singapore, on ASEM?
3. What are the current challenges facing ASEM, both regional and global?
4. How should ASEM respond to these challenges?
5. Does ASEM need to re-invent itself in order to be a relevant actor in improving Asia-Europe relations?

The report proceeds as follows. Section II provides a brief review of ASEM and examines how the ASEM process has evolved since its establishment. The review also revisits the motivations behind the creation of ASEM and discusses the geo-political and economic considerations that had defined ASEM's modalities. Section III proceeds to assess the progress of ASEM and examines how it has served the interests of its member states to some extent and its institutional growth. The assessment provides a summary of the observations on ASEM based on available literature and data. It also includes the views and perspectives of the respondents in informal interviews and participants in a workshop conducted in Singapore in September 2005. Drawing on the findings and observations on ASEM, section IV presents 10 recommendations to strengthen the ASEM process and section V is the conclusion.

II. ASEM in Review

ASEM has been described as an ambitious 'experiment' on transregional relations. It is ambitious in that for the first time in the history of regionalism, two distinct regional groupings had been brought together to work out a common agenda for improving inter-regional relations. Given the geographical reach of ASEM, it can therefore be described as a *sui generis* trans-regional institution with no precedent to follow—a salient feature that must be noted in any realistic assessment of ASEM for the following reasons.

Firstly, ASEM as is presently constituted, comprises two vastly different regional groupings. On the one hand, is the European Union with 26 member states coming from both Western and Eastern Europe; on the other, is East Asia with the 10 members of ASEAN together with China, Japan, and Korea. Secondly, the diversity of ASEM membership is so stark, reflecting not only

a much wider geographical footprint, unparalleled in its expanse, but also the motley mix of cultural, ethnic and ideological differences that characterised this grouping. Thirdly, while the EU is a highly institutionalised organization with a full-fledged Secretariat, as well a number of Commissions and institutions that have supranational authority, ASEAN in contrast has managed to operate with the minimum of institutions with hardly any supranational authority (Caballero-Anthony, 2005). Last but not least, is the striking asymmetry in power configuration that defines the geo-politics within and between the two regions. In the post post-Cold War era, intra-European relations is longer defined by the East-West ideological divide nor driven by the dynamics of major power politics. The geo-politics in Asia, however, presents several complexes. It brings together two major powers—China and Japan—whose bilateral relations are punctuated by patterns of competition and rivalry, not to mention the intractable bilateral disputes over territory and others. Moreover, while some Asian members have bilateral defence pacts with the United States – the only superpower in the world—they have also been carefully calibrating their relations with their largest neighbour China, whose emerging role as a global actor power is already weighing on the reconfiguration of power (strategic, political and economic) within and outside the region.

These multi-faceted factors have essentially shaped and influenced the nature of ASEM 's modalities since its establishment a decade ago. Thus, ASEM's preference for informal dialogue processes have largely been characterised by regular meetings conducted at four levels, i.e. Summit of Heads of States, Ministerial Meetings (Economic and Finance) and Senior Officials' Meeting (from trade and investments) and Coordinators' Meetings (Yeo 2002a: 59). These regular meetings are held biannually, alternating between the capitals of the two regions. The meetings essentially managed the ASEM process, although it is at the summits where the pace and direction of ASEM are set. As there is no Secretariat serving as the main depository of ASEM documents, it is mostly from these summits where the bulk of information about what ASEM has done, its future activities and the kinds of issues being discussed can be had, usually from the Chairman's Statements that follow every meeting.

Much has already been written about ASEM and its modalities (Reiterer 2004, 2002;Yeo 2000 and 2002; Gilson 2002; Dent 2003). In many of these writings, the observations and assessments about ASEM differ. These could range from the neutral/ ambivalent views to the more critical opinions that regard ASEM as a meaningless exercise, 'thick on dialogue, but thin on action'.

What follows is a short summary of these observations that are culled from the available literature on ASEM. For a more organised presentation, these observations will be divided into

themes. Also included in these observations are the current perceptions on ASEM which are drawn largely from the discussions and deliberations at the *Roundtable on Re-Assessing Ten Years of ASEM*, organised by the Institute of Southeast Asia Studies (ISEAS), Singapore on 27th September 2005. In the presentation of these findings, the reflections at the Roundtable are interspersed with the observations found in the writings about ASEM. Juxtaposing the findings from the writings on ASEM against the discussions at the meeting in Singapore would allow for a good barometer in gauging perceptions, knowledge about and interest in ASEM. It also provides for a better feedback coming from non-state actors who are often not involved in ASEM activities but would arguably have a stake in its progress and success.

III. The ASEM Scorecard: Observations on Selected Themes/Issues

1. Improving Asia-Europe Relations

ASEM had set modest goals when it was established in 1996. The aims were essentially to improve relations between these two regions which once shared deep historical ties but had been separated in the course of history. The inception of ASEM was "a historic re-engagement of two ancient region and civilisations" (Koh, 1997). As mentioned earlier, the underlying strategic motivations from both regions were also clear. To Asia, particularly East Asia, ASEM was the "missing link" in their view of a global triangular relations (Asia-US, Asia-Europe). The same was true for Europe which had strong transatlantic links but had yet to develop strong transpacific relations. Moreover, for their part, Europeans regarded themselves as latecomers on what was then a booming Asian market. At that time, ASEM provided a suitable vehicle to regain what was then perceived in Europe as lost economic and political ground. Having ASEM would also prevent the Europeans from being excluded from the economic dynamism that was taking place in the 'emerging Pacific Rim' (Ruland 2003, 1996; Dent 1997).

ASEM began as a summit and since then been a regular event. The institutionalisation of the summitry is indicative of the closer engagement between political leaders of these two regions and has been viewed by respondents as a positive development in Asia-Europe relations. As emphasised by Yeo Lay Hwee (2002), a Singaporean scholar who has closely followed the ASEM process, there is an intangible value to the frank and open exchange among political leaders on a wide range of issues covering political, economic, and socio-cultural areas. And,

like in many other multilateral fora, regular dialogues help to build confidence and trust among like-minded and non like-minded states.

The Summits are particularly important for smaller member states. As pointed out by Yeo, ASEM provides valuable diplomatic spin-offs to smaller states like Singapore in Asia and Denmark in Europe since it is one of the few diplomatic platforms where opportunities to interact with others in a much larger grouping are available. Reflecting on the Singapore experience, for instance, Yeo observed that while fora such as the ASEAN+3, ASEAN Regional Forum (ARF) and APEC enables Singapore leaders to engage with their counterparts in Asia and North America, ASEM has opened the avenue for them to meet regularly with 25 other leaders of the EU member states and the European Commission in a more intimate setting (Yeo, 2002:61). The same opportunities are also made available to other countries in Asia that are not only small but also resource-constrained like Laos and Cambodia. Similar opportunities apply to smaller states in Europe.

ASEM has therefore managed to bridge the vast geographical distance that separates Asian and European leaders. More significantly, the institutionalisation of the ASEM summitry and other related meetings have brought political elites from these two regions together in a regular pattern of dialogue that engenders its own "climate of confidence" (Santer, 1998). In brief, ASEM has been regarded as a good confidence-building framework that fosters a certain level of comfort among the participants coming from disparate political systems and in some, vastly different economic systems and levels of development.

More significantly, ASEM also provides the platform for both Asian and Europeans partners to get their voices heard in the international arena on common areas of interest. In the current international climate where there is a shared concern about American unilateralism, ASEM has provided that space where interest on multilateralism as a framework for interstate relations can be sustained and the commitment to international institutions and global governance can be upheld for regional and international peace and security. Given that both Asia and Europe have a stake in advocating multilateral approaches to important economic and security-related issues, the ASEM dialogue processes therefore have become extremely important avenues to articulate inter-regional convergence of views on issues of global significance.

These 'meeting of minds" are well reflected in the series of Chairman's Statements coming from the I-IV ASEM summits. Among the issues where there is convergence of views are: fighting international terrorism, commitment to an open and fair multilateral trading system, protection of the environment and sustainable development, as well as the promotion of

dialogue on cultures and civilisations (Asia Europe Cooperation Framework 2000; ASEM Chairman's Statements 2002, 2004).

With the positive side to this transregional relation also comes the downside. Despite what has been described as 'deepening political dialogues' on a number of issues, relations between Asia and Europe have been strained over a number of intractable issues, like the Burma issue, human rights and democratisation. This divergence was evident at the last Summit in Hanoi in 2004 when Asian and European partners took different stance on the admission of Burma to ASEM. The Europeans had pushed for the establishment of political criteria on Burma's admission, while the Asians argued for non-conditional membership. It did not help that when the Europeans finally agreed to the accession of Myanmar, it set the condition that it would be represented at a lower level than that of Head of State and government. Moreover, at the EU Foreign Minister's Meeting that followed soon after the Hanoi ASEM summit, the decision to tighten existing sanctions on Burma was announced that included the expansion of the visa ban and banning of new investments in state-owned Burmese enterprises (Pereira 2005, BBC 10/2004).

Reflections at the Singapore Workshop

This particular aspect of the ASEM relations was highlighted at the Singapore workshop. It was noted that since political dialogue is an essential part of ASEM's 3-pillar approach, the latest developments on the Burma issue have shown how prospects for closer Asia-Europe partnerships can unfortunately be held hostage by a single issue. Not only has this issue clouded relations between two partners but, as described as by former Singapore Prime Minister, Goh Chok Tong, has also 'come to disproportionately preoccupy Asia-Europe political exchanges and has become an obstacle to seeking common ground on other strategic issues' (The Straits Times, 2004). In the scheme of things, it appears that this issue will remain unresolved and will be a salient factor in Asia-Europe relations for some time to come.

Another issue that has a bearing on intra-ASEM relations is the 'asymmetric' participation from both sides. As observed by one participant, it was much easier for any new country of the EU to participate in ASEM while it was much harder for Asian countries to do so, as seen in the delay that the three new ASEAN members (Cambodia, Laos, Vietnam) faced. In terms of attendance at ASEM meetings, there was also an imbalance. While Asian countries often tended to send their heads of state to attend, the participation of their European counterparts at the

highest level was often uneven. This trend could have implications on the nature and progress of the ASEM process.

There was also the impression that the European's interest on East Asia was heavily skewed toward its largest member, China, than in other countries in the region. This could consequently affect intra-ASEM ties given the pre-occupation with one country.

2. Promoting Inter-regional Cooperation

A review of ASEM's programmes and activities reveal quite a comprehensive list of issues being covered within the framework of ASEM's three pillars for cooperation: political dialogue, economic cooperation and socio-cultural and intellectual exchange. Indeed, official documents show a plethora of activities and programmes undertaken by ASEM to promote inter-regional cooperation over the last ten years. These activities can be grouped following the 3-pillar approach, and some are highlighted below:

1. Political Dialogue:

- Regular meetings among ASEM's ministers of foreign affairs, economics and finance, environment and internal affairs;
- Regular meetings of senior officials, customs' director-generals/commissions, as well as expert-level working group meetings.
- At the track-two level, establishment of the Council on Asia-Europe Cooperation (CAEC) which comprise experts from 12 leading institutes from both Asia and Europe.
- Holding of informal dialogues on human rights
- Adoption of Joint Declarations on:

  —ASEM Copenhagen Declaration on Cooperation Against International Terrorism
  —ASEM Copenhagen Declaration for Peace on the Korean Peninsula
  —ASEM Declaration on Multilateralism

The list of activities above indicates a robust political dialogue process despite the deep differences over Burma. This balances the perception that ASEM is a one-issue forum. But while much ground has been covered in pursuing a number of salient issues, the concern raised has been more about content and substance of these political exchanges. More importantly, a pertinent question that needs to be asked is how much of these dialogues have had an impact on addressing the political and security issues affecting the broader region?

2. Economic Cooperation:

Aside from the regular meetings of economic ministers, concrete programmes include the following:

- Adoption of the Trade Facilitation Action Plan (TFAP)
- Adoption of the Investment Promotion Action Plan (IPAP), including the establishment of an Investment Experts Group
- Establishment of Asia-Europe Business Forum (AEBF)
- Establishment of ASEM Invest Online
- Establishment of ASEM Connect

It has been observed that it is in the economic pillar of ASEM where the potential for improving Asia-Europe cooperation is greatest. This is also an area where more concrete results can be assessed since specific areas for cooperation had been identified and clearer targets had been set. An example is in the area of trade facilitation with the adoption of the TFAP. The TFAP was endorsed by ASEM in 1998 with the aim of "reducing non-tariff barriers, increasing transparency and trade opportunities between the two regions while complementing and considering work being carried out in bilateral and multilateral forum" (European Commission 2004).

In this regard, although the TFAP has set concrete deliverable for 2002-2004 in specific areas, including: customs procedures, standards, testing, certification, accreditation and technical regulations, public procurement, intellectual property rights, and mobility of business people, so far information on the delivery of these goals is yet to be available. While it had earlier been reported that work in this area is 'progressing' (Yeo 2002), there is not much information available on what progress has been made, except the statement that "evaluations are still in progress". (European Commission 2004). Moreover, in contrast to the enthusiasm that accompanied the launching of the first Asia-Business Forum in launching, its numerous meetings and activities have yet to make a definitive impact on how business links between the two regions have improved.

Nevertheless, a cursory review of statistics on trade and investments between Asia-Europe show a positive trend in flows of transactions. In 2003, for instance, 15.7% of Asia's total merchandise exports were destined for the EU while 22.5% went to the US (Chart 1). The EU's exports to Southeast Asia have grown from Euro 6.5 billion in 1980 to Euro 39 billions in 2002 (Chart 2). Meanwhile, EU-ASEAN trade represented 5.1% of total world trade in 2002. The EU is ASEAN's third largest trading partner, accounting for 14% of ASEAN's total trade. As shown

in Chart 3, 16% of ASEAN's exports are destined for the EU, making it ASEAN's second largest export market after the US. From these charts, it is also quite clear that the EU has made great progress in catching up with the US as a trading partner of East Asia.

Chart 1: Share of Asia's Total Merchandise Exports in 1995 and 2003.

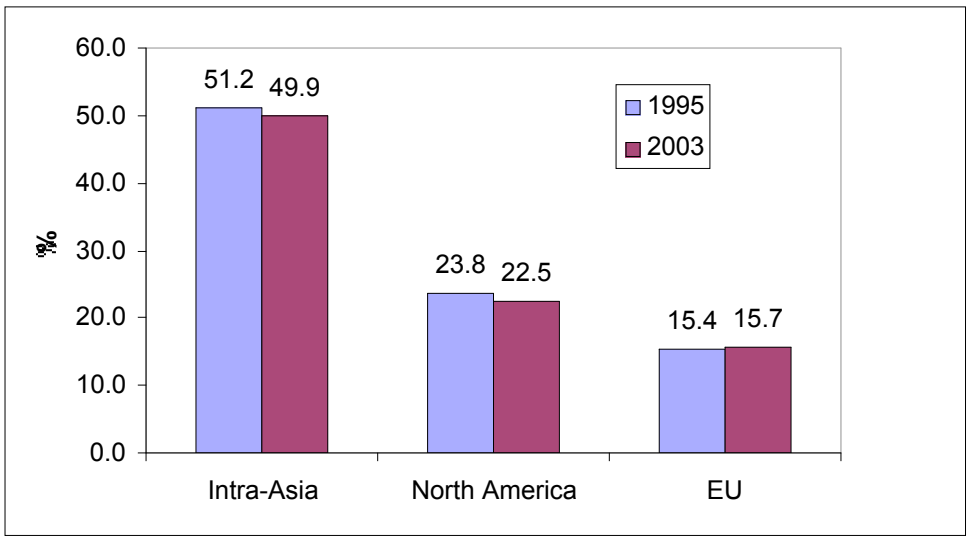


Chart 2: EU Trade with Southeast Asia

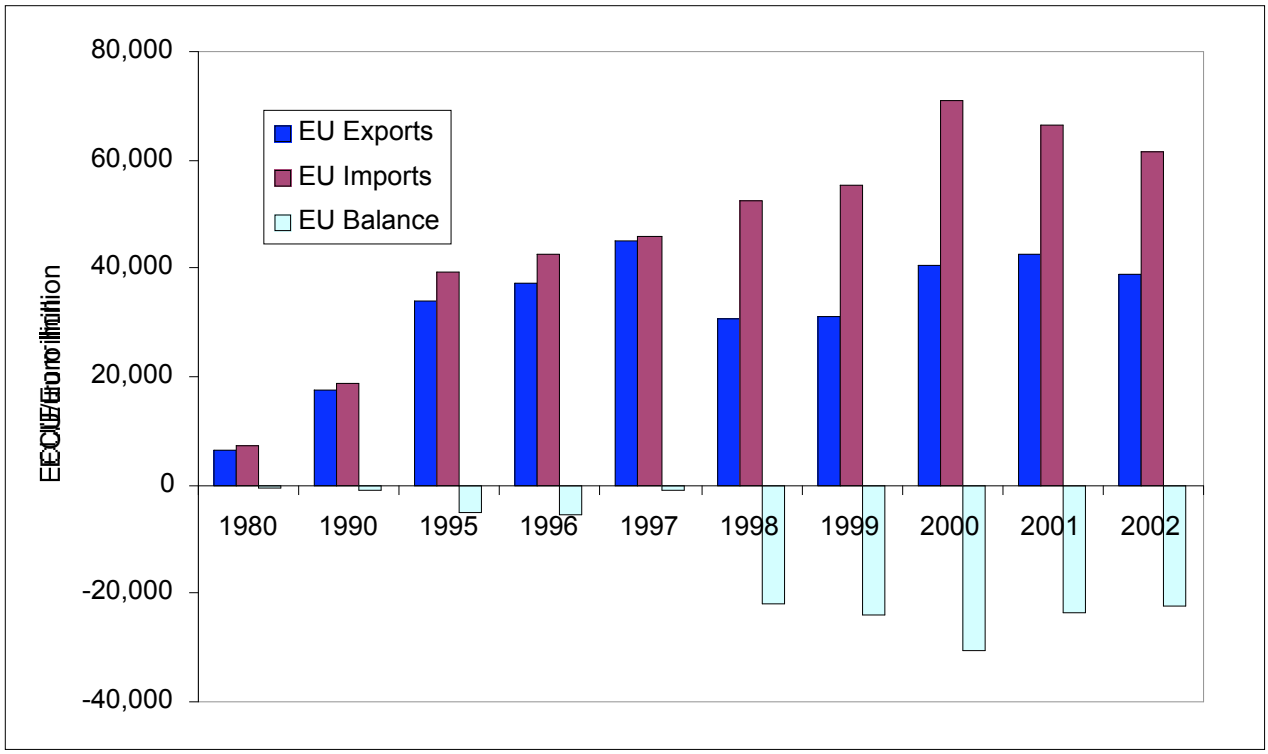


Chart 3: EU and ASEAN Trade Flows, 2002

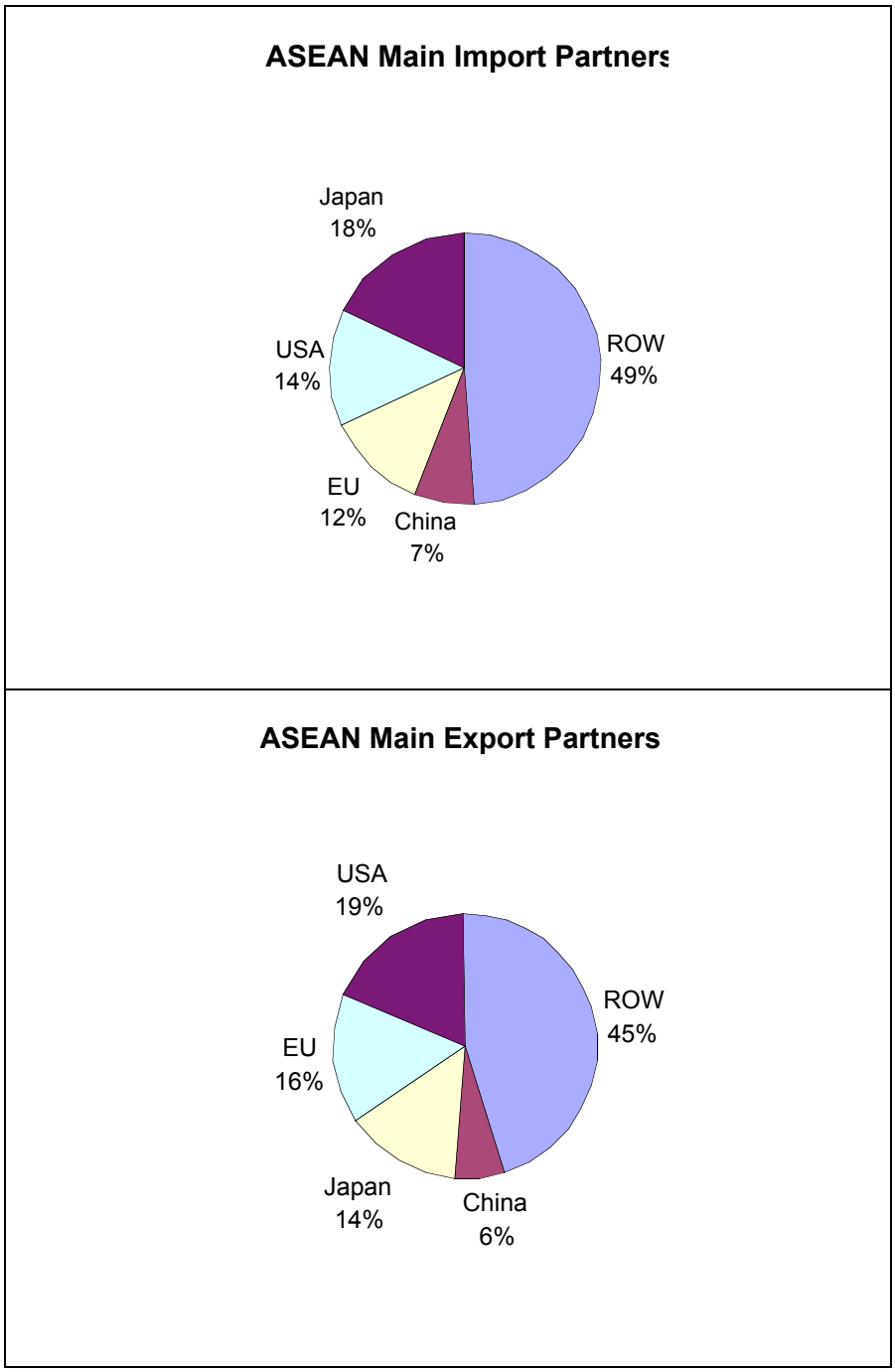
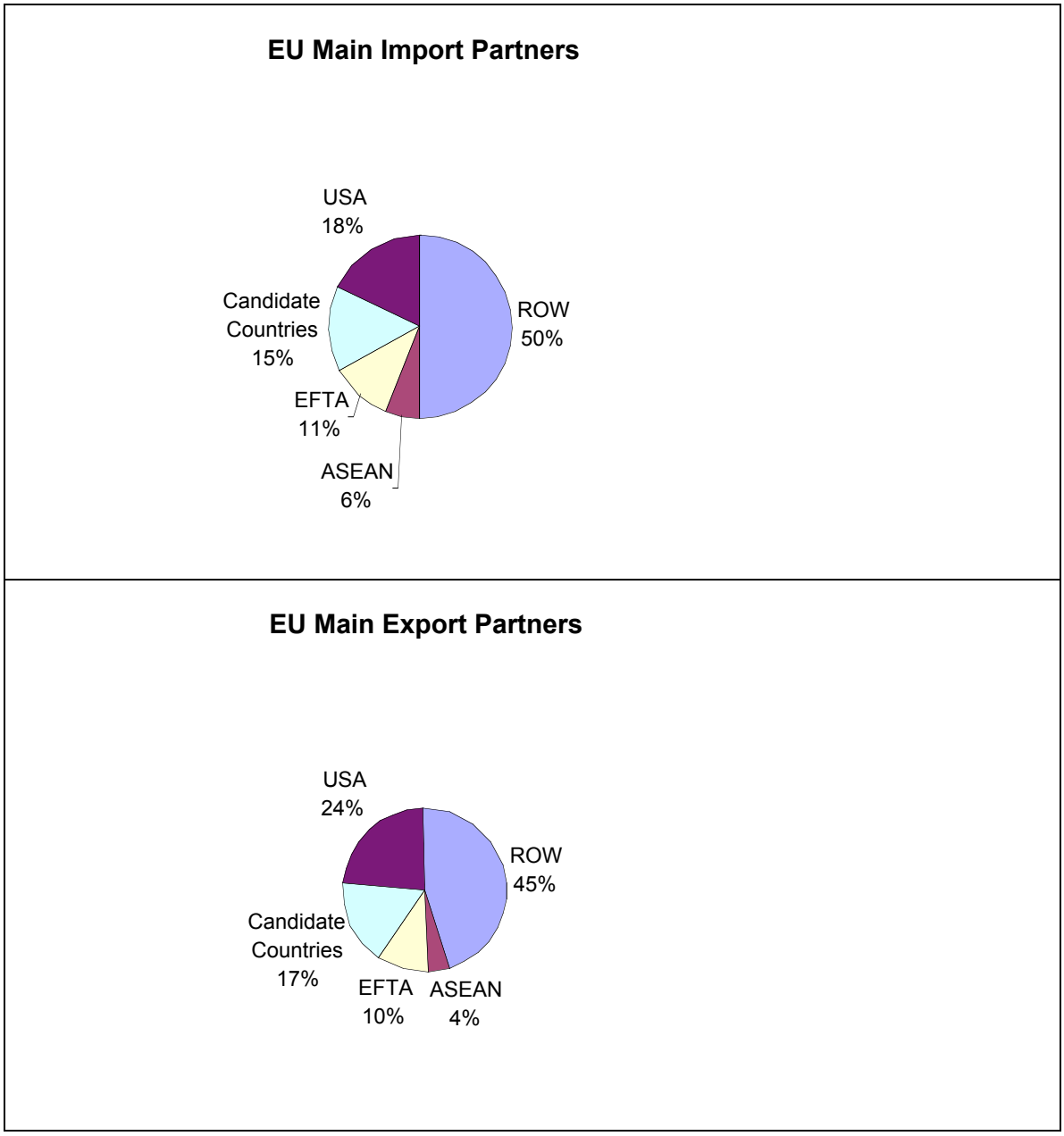


Chart 3 (continued)



Source: Eurostat.

In spite of these positive trends, however, there is the question of how to draw causal linkages. For instance, should we attribute the increase of trade linkages between Asia-Europe to ASEM's TFAP or AEBF or from the ASEAN-EU framework? First, it is difficult to process-trace how much of the growing trade is more a function of market forces rather than due to government activities. Second, it is also hard to ascertain whether this growth in trade has been facilitated by ASEAN-EU framework or ASEM. And, in this regard, how does one realistically separate the facilitation efforts done by ASEM from that of ASEAN-EU? It can be recalled that an EU-ASEAN Free Trade Agreement (FTA) had earlier been proposed by the Asia-Europe Visions Group (AEVG) in 1999, which was aimed at broadening the horizons for freer trade between the two regions (Park 2005). However, this idea has yet to feature in the agenda of the EU-ASEAN framework.

The attempt to draw a distinction between progress done under ASEM and under ASEAN-EU is driven by the need to assess the value-add of the former. In view of this, it has been suggested earlier that ASEM should focus on broader economic issues. For example, Koellner (2000) recommended that ASEM should address issues like reforms of international financial architecture or the international role of the Euro in enhancing interregional financial cooperation. The latter is particularly pertinent in light of the Asian financial and economic crisis of 1997. The crisis not only highlighted the kinds of financial challenges faced by both developed and developing economies that were brought on by insidious effects of globalisation, but also the need for closer regional and inter-regional cooperation.

The Asian financial crisis was perhaps the first major test to ASEM's economic cooperation. Although it had been suggested that ASEM had failed to respond to the problems faced by their Asian partners during the crisis—in the same way as the other regional groupings like APEC and ASEAN had been criticised for lack of action—one could argue that it was rather unrealistic to expect ASEM to respond immediately considering that the crisis happened just a year after its establishment. However, it was the perceived lack of interest on the part of the Europeans to do more throughout the long-drawn period of the crisis that had dampened the enthusiasm for closer economic cooperation between the two partners. As Gilson (2005) had noted, the European response to the crisis articulated at the second ASEM summit in London was perceived by its Asian partners as "strong in words but slow in deeds". Moreover, the anchoring of the ASEM Trust Fund in the World Bank rather than in the Asian Development Bank was seen as a lack of trust by the European in their Asian partners (Gilson 2005:276).

If one were to link this lack of financial assistance to the broader issue of the absence of development assistance in ASEM's agenda, more issues can be raised to assess the nature of

ASEM's economic cooperation. It is interesting to cite here the view from coming an a European official and scholar who attempted to put this issue in perspective. Reiterer (2005) had argued that ASEM was "conceived from the outset as a comprehensive and not only economic approach to international relations". He added that within the context of the principle of equal partnership, the granting of development assistance "is excluded on purpose from ASEM…[since] granting of development assistance is left to the bilateral relations of member states and the Commission with Asian partners" (Reiterer 2005:264).

Reflections at the Singapore Roundtable

Notwithstanding such assertion, perhaps of more significance in the lack of progress in inter-regional economic cooperation are the three salient factors that were highlighted at the Singapore workshop. First, is the preoccupation with the European partners with the enlargement process of EU. It was noted that there has been more introspective interest among the EU partners with the enlargement of the European community and this has diverted attention on ASEM. Second, and on the Asian side, there has also been this pre-occupation with sub-regional economic activities, e.g. promotion of ASEAN Free Trade Agreement (AFTA) and improving the current economic and financial cooperation mechanisms under the ASEAN + 3. Closely related to this is the region's keen interest in China and it is here where a lot of attention has been focused, which in the process led to less priority given to developing closer ties with the Europeans. Thus, the tendency to be more inward-looking in one's policies/ orientation is a feature actually shared by both regions.

3. Socio-Cultural-Intellectual Exchange:

In contrast to the two other pillars, one notes that it is in ASEM's socio-cultural and intellectual pillar were a lot of progress can be seen. These are reflected in a number of activities which had produced tangible projects. Among these, include the following:

- Establishment of the Asia-Europe Foundation (ASEF) in 1997.
- Establishment of an Asia-Europe Centre at the University of Malaya (1998)
- Institution of regular ASEM conference on Cultures and Civilisation
- Initiative on Asia-Europe Cooperation in Promoting Awareness in the Young Generation of the Drug Problem
- Establishment of the ASEM DUO (Educational) Fellowship Programme

The ASEM documents actually have a longer list of activities and programmes, but interestingly provide little information and updates on the projects that had been undertaken. A current literature search on these projects have also yielded scarce results, except the ones made available from the external relations link of the EU website, i.e. http://europe.eu.int/comm/external_relations/asem. So far there is very little that can be sourced either from the ASEAN Secretariat or from the websites of the individual ASEAN states.

On the other hand, while the Asia-Europe Foundation (ASEF) publishes quite an extensive amount of information on cultural and educational/intellectual exchanges, most if not all, of these pertain to ASEF activities. From the information available (edited books, journal, brochures, reports, newsletters, etc), ASEF has indeed been very active in promoting 'people to people' exchanges as reflected in the wide-range of activities organised under its auspices. Among these include ASEF's conference on Cultures and Civilisation, Asia-Europe Workshop Series covering topics on History, Media and Communication, Environment, Asia-Europe Youth Cooperation programme, plus a wide array of meetings, workshops and seminars being organised almost on a monthly basis.

It has been observed however that despite the impressive list of ASEF activities (see www.asef.org), ASEF's profile is yet to match up with the extent and reach of its activities and events. This impression has been well captured in the remarks by Yeo (2002) who observed that the mismatch might be due to "its [ASEF] lack of general lack of focus and the lack of a concerted and well-coordinated publicity campaign."

Reflections at the Singapore Roundtable

This sentiment was also expressed by a participant at the Singapore workshop who described ASEF as Singapore's 'best-kept secret'. Notwithstanding this kind of perception, it still remains to be seen how ASEF's extensive activities contribute to the promotion of the ASEM process. This was the general view that came out at the Singapore meeting. The issue that was unclear to most participants was the linkage between ASEM and ASEF, i.e.—how has ASEF helped to promote awareness of the ASEM process? Singapore is host to ASEF. Thus, in the Singapore context, it is puzzling that despite the extensive information available on ASEF, ASEM had not received much attention nor interest among the political elites in Singapore, except among the relevant officials and agencies that have direct dealings with ASEM (i.e. Foreign and Trade Ministry of Singapore).

It appears that while one could make a strong case for ASEF as one of ASEM's mechanisms in promoting confidence building and closer understanding between the two regions through its cultural-related programmes, questions remain about how it could promote better awareness and interest in the ASEM process—for instance, by dovetailing or fitting in many of its myriad activities with ASEM's programmes and initiatives rather than going into a separate, independent track. But as ASEF's mandate is clearly to promote cultural exchange, expectations about what ASEF should do for ASEM have to be realistic.

Wither ASEM?

The brief audit of ASEM's activities discussed above is certainly not exhaustive. However, what has clearly emerged from the study is that, is in spite of the proliferation of ASEM activities ASEM has not been able to make a significant mark in improving inter-regional relations between Asia and Europe nor make an impact in global politics. In addition to some of the reasons cited earlier, certain factors have also been identified that had affected the progress of the ASEM process. These factors are drawn largely from the views and perspectives articulated during the Singapore meeting.

1. Identity of ASEM

As noted earlier, it has been difficult to capture ASEM's identity, distinct from that of ASEAN-EU relations. For example, among the questions in this regard is: What is ASEM's niche? While clearly the motivation for ASEM was to improve ties between the two regions, the main issue has been about the added-value that ASEM brings in creating another inter-regional multilateral forum that would not duplicate the efforts already undertaken under the ASEAN-EU framework. This leads to the point about the need to revisit ASEM's *raison d'etre*, especially in the light of the other multilateral fora that are being formed, particularly at the regional and inter-regional levels as well, e.g. East Asian Summit.

On identity-building, it is interesting to note the European observations on the impact of ASEM on Asian identity. Some scholars, for instance, have remarked that one of ASEM's contribution to Asia has been the consolidation of an East Asian 'identity' within the region as demonstrated in establishment of ASEAN + 3 (Gilson 2002; Reiterer 2005). While this may be so, the question however is whether a consolidated identity on one side could hamper the

development of wider sense of a larger, albeit, 'imagined community' with shared interests. One could suggest for instance that the ASEAN + 3 was in fact indicative of a self-help mechanism that emerged when East Asian countries felt let down by their other partners in a bigger grouping that so happened to be established a year before the Asian financial crisis. Thus, the tendency of the ASEAN + 3 to be more inward-looking.

2. Lack of Ownership of ASEM

This issue of identity is related to a lack of ownership in ASEM. Ten years down the road, questions had been raised about the impact of ASEM on the member states. It appears that despite the proliferation of ASEM activities, it has actually been difficult to gauge its impact in improving Asia-Europe relations. For instance, how has ASEM in fact served the interest of states in the region given that its ability to help resolve regional and inter-regional problems remains untested. It has also yet to show how it can influence global events (arguably, an unrealistic expectation). As a result, the impact of ASEM has been more symbolic but lacking in substance. Symbolism, however, is not adequate to persuade members that ASEM is indispensable to them.

More importantly, this trend is reflective of the lack of leadership or champions within ASEM. And, while the ASEM meetings and summits do serve a purpose in building confidence and trust, interest in ASEM could wane as meeting 'fatigue' begins to set in.

Moreover, lack of ownership is also a symptom of the deeper issue of ASEM not having a strong constituency. ASEM has been described as an elitist and top-down project, without building a people-based support. Despite the fact that ASEF has organised a wide range of activities involving non-state actors and the attempts of ASEM to engage civil society, there are obviously shortcomings in the process that explains the lack of stakeholders in ASEM. Thus, unless the missing linkages between state and non-actors can be addressed and more is done to bring the latter into the ASEM process, it will be difficult for ASEM to take off.

3. Lack of Focus and Definition of Purpose

The lack of ownership within ASEM is also symptomatic of the lack of focus in ASEM. One could in fact suggest that the proliferation of topics in ASEM meetings is reflective not only of a crammed agenda but also more indicative of the lack of progress made on specific issues and

projects. The lack of direction in ASEM feeds into its inability to make an impact in inter-regional relations and on the rest of the international community.

Although the European Union in its 2000 report had already pointed out the risk that ASEM could lose its momentum if "it cannot confirm and maintain its clear relevance to public and business interest", it is interesting that the same concern exists even after the holding of the 5th Summit. That this concern persists despite the fact that there are clearly many areas where partnerships can be forged and where cooperation for global governance has become more critical against new and complex security challenges ahead, make for more compelling introspection and soul-searching within ASEM.

IV. Moving the ASEM Process Forward

ASEM at 10 clearly needs to be revitalised. Before we proceed to offer our recommendations, it is worth reiterating here a point made recently by Reiterer (2005), which captures the main thrusts of our report. He noted that:

> "ASEM research identifies four shortcomings of the process: lack of substance, trust, understanding and solidarity. These negative feature cannot be denied completely but should be contrasted with achievements like the initiation of a broad based dialogue, impetus to reinforce or foster regionalism, the socialisation of the actors involved at various levels, the enlargement of international exchanges to include new actors, representing civil societies. However, it is clear that ASEM has arrived at a critical juncture." *(Reiterer, 2005: 279)*

Mindful of the fact that ASEM is a relatively 'younger' forum when compared with similar interregional and multilateral institutions in region—APEC and ARF, we have attempted in this report to highlight some of the issues and challenges it faces in order to suggest some ideas to realise the potential of ASEM. While we recognise that ASEM has made a modest contribution in helping to improve Asia-Europe relations, we believe that more can certainly be done to help move forward the ASEM process. Drawing on the findings of our report, we therefore offer the following 10 recommendations.

Recommendation 1: Re-vitalise ASEM with renewed political will.

Against concerns that interest in ASEM may wane and 'meeting fatigue' will set in, East Asian and Europeans leaders should muster the political will to make ASEM a relevant multilateral forum for improving Asia-Europe relations. ASEM leaders must show that ASEM is an indispensable diplomatic platform in enhancing Asia-Europe relations, and through this forum, convince the international community that ASEM multilateralism matters in global governance and international relations.

Recommendation 2: Craft a new mandate for ASEM with clear goals and objectives.

ASEM needs a new sense of purpose. To do this, the ASEM process has to be steered from dialogue to cooperation by identifying specific areas of common interest between East Asia and Europe. ASEM should avoid ad hoc programmes and one-off projects, and instead focus on developing a roadmap for specific projects for the next ten years to demonstrate the necessity for cooperation between the two regions.

Recommendation 3: ASEM must identify visible flagship projects to carve a niche for itself in promoting Asia-Europe relations.

It has been observed that ASEM is thick on agenda but thin on action. This impression can be reversed if ASEM adopts specific, flagship projects that can be identified with ASEM. ASEM, for example, may consider the recommendations of the Council for Asia-Europe Cooperations (CAEC) Task Force that identified 4 key areas of cooperation: Strengthening multilateralism for global governance, cooperation on energy security, cooperation against global warning, and collaboration on human security centred development and security policies. Focusing on visible flagship projects of common concerns allows ASEM to carve its own identity and niche in the global community. This is the value-add that ASEM can bring to enhancing Asia-Europe relations.

Recommendation 4: ASEM must have leaders to champion the cause of ASEM.

ASEM needs leaders to drive the ASEM process and develop a more robust agenda for action. It is no longer sufficient to leave the rotating host of ASEM summits to initiate programmes and raise issues. Leadership builds commitment to ASEM as well as brings dynamism to the ASEM process. Since ASEM is a shared commitment between the two regions, it follows that leadership should also be equally represented for mutual partnership and build better understanding between the two regions.

Recommendation 5: Establish a Secretariat

The ASEM as constituted now is too loose and informal. Given the proliferation of ASEM activities, ASEM should consider establishing a Secretariat. With an enlarged membership, it is essential that ASEM has a secretariat that can coordinate the myriad areas of functional cooperation that has been set and to provide continuity and focus. An ASEM Secretariat can also be a clearing house for information about its activities. Alternatively, in lieu of an actual Secretariat, ASEM can construct a 'virtual' Secretariat until member states can agree to establish a real one.

Recommendation 6: ASEM should review and streamline areas for functional cooperation.

The burgeoning activities under ASEM's functional cooperation programme, be it in the economic and socio-cultural areas, need to be reviewed and streamlined in order to improve its implementation. For example, in promoting educational exchanges, more efforts must be given to facilitating accreditation, standarization of entry requirements, and mutual recognition of certificates for students from both Asia to Europe. Similarly, in promoting SME activity in and between ASEM regions, attention must given to addressing gaps in information and financing.

Recommendation 7: Enhance cooperation in new security challenges

Aside from the need to streamline areas of functional cooperation, ASEM should also pay more attention to transnational security issues like terrorism and develop more effective inter-regional cooperation in counter-terrorism strategies such as information sharing, intelligence gathering and improved cooperation among law enforcement agencies.

ASEM should also boost cooperation in addressing emerging threats to human security such as the spread of infectious diseases (Bird flu/H5N1 and HIV/Aid) and natural disasters (earthquakes, tsunami, floods and hurricanes). If human security, despite preventive and precautionary policies, are endangered in one or more member states by e.g. acts of terrorism, infectious diseases, natural or man made disasters, ASEM should stand ready to assist as a visible demonstration of international solidarity.

Recommendation 8: Raise ASEM's profile by making optimum use of institutional framework and available resources.

Raising ASEM's profile is one of its biggest challenges. To this end, efforts must taken to enhance ASEM's profile by tapping into the resources and expertise of the institutions linked to ASEM such as ASEF and the AEBF in order to raise awareness and interest in the ASEM process. There is a need to strengthen the density of ties among these ASEM-linked institutions and to examine concrete ways to feed their work into the ASEM process.

Recommendation 9: ASEM should strengthen links with Track 2 forums and civil society organisations.

ASEM should strengthen links with track 2 forums and civil society organizations. Track 2 processes provide the mechanism for developing new ideas to promote transregional relations. Closer linkages between ASEM and the Council for Asia-Europe Cooperation must therefore be encouraged. Likewise, building business networks must be promoted further to enhance inter-regional cooperation. In addition, links with non-governmental organisations and other civil society actors must be encouraged and supported by the governments of East Asia and Europe.

The involvement of non-state actors in the ASEM process will enhance its legitimacy. Ultimately, for the ASEM process to take off, it needs to build a stronger constituency of actors who believe in ASEM. This can be done by allowing for a more participatory process where both a bottom-up engagement complements ASEM's top-down approach.

Recommendation 10: Define a common strategy for future ASEM enlargement.

The dynamics of engagement in a 25-member body would have substantially changed as ASEM enlarged to 39 members. Given the declared interest of other countries to join ASEM, it would be imperative for ASEM to adopt a prudent strategy in plans for future enlargement, considering its implications. While it is important to affirm the principle of open regionalism, outward-looking and inclusiveness, it would also serve ASEM's purpose to maintain coherence in its aims and a project a sense of unity of purpose. These call for a careful calibration of future enlargement as the process of promoting trust and establishing a certain level of comfort among new members would require some time to nurture.

V. Conclusion

This report assesses the relevance of the ASEM process in improving ties between Asia and Europe. The ASEM process has seen some modest advances in enhancing dialogue and cooperation among its members. It also has been a valuable diplomatic tool to socialise member states from two vastly different regions.

Against the rapid changes in the global environment that have brought on new challenges to states and societies across continents, the existing informal framework of ASEM has been shown to be inadequate. Making ASEM relevant requires us to look beyond its current modality as merely a forum for the exchange of views. At this critical juncture, ASEM has to face up to the necessity for action and cooperation. To this end, we hope that the recommendations in this report can be a helpful starting point for introspection and robust debate.

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10 Years of ASEM
Thailand's Experience

Introduction

As the host of the first ASEM meeting, Thailand has a privileged place in the history of the forum. But the subsequent development of the relationship leaves much to be desired, and it is instructive to examine the experience of Thailand in ASEM to see what lessons can be learned about the nature of Asia-Europe relations and the specific form that it takes under the framework of ASEM.

It should be noted that ASEM is a part of overall Thailand-EU relations, which have other aspects, namely bilateral and regional, in the form of the EU-Thai relations and EU-ASEAN relations.

The Thai government recognized the importance of promoting closer relations with the EU, and it has supported the activities of the Centre for European Studies (CES) at Chulalongkorn University by funding from the government to enable it to function as the national hub for European studies.

The assessment is based partly on a seminar that CES organized in cooperation with the Thai Ministry of Foreign Affairs in November 2005. It featured the participation of officials and partners involved in various ASEM-supported projects (see list of participants in the appendix).

Section 2: Assessment of ASEM and the state of the relationship between Asia and Europe ten years after ASEM

What is the elite perception of the ASEM process now? Has this changed over the years? (interviews with policy makers, politicians and opinion makers, survey of policy statements)

The seminar participants compared the progress of ASEM with APEC and found that ASEM was lagging behind in terms of concrete achievements, even though the coverage of ASEM was broader. APEC focuses on trade and economic relations while ASEM covers political and cultural issues as well as economic relations. As a participant from the Thai Ministry of Foreign Affairs (MOFA) remarked, the EU and ASEAN have different agendas. EU is more interested in political and security issues while ASEAN, including Thailand, focus more on "economic

matters." In this regard, it is not surprising that the view toward APEC seems to be more favourable.

What is the public perception of the ASEM process? (opinion polls, survey of major writings on ASEM)

Public perception of ASEM may be gauged from press coverage. First, news of ASEM Summits are reported mainly in the English language press and only in passing in the Thai language press.

This suggests that ASEM is not the main focus of public interest among the Thai public. In this regard, it may not differ from other countries where ASEM as such is mostly the concern of officials and leaders, and not so much the concern of the average citizen.

However, the reason behind the seeming lack of interest should be investigated. As far as economic issues are concerned, the EU ranks behind ASEAN, other Asian neighbors and the United States. News coverage on relations with the EU is mainly focused on trade problems, particularly of specific cases where Thai exports encounter obstacles in accessing the EU market. While in reality these trade issues concern a limited range of products, where regulations are somewhat stringent, they have been reported widely as though they are typical of the entire range of trade relations with the EU.

With this preoccupation with trade "irritants," leaders who go to the ASEM Summit are expected to bring them up at the Summit. However, it is not quite the right place for discussion of such issues. This suggests that in the field of Thailand and ASEAN relations with the EU, public perception is rather superficial and dominated by the "fortress Europe" stereotype, which is not in fact the case for the majority of traded products.

Media perception of the ASEM process. Has coverage of ASEM meetings and events gone down? (media coverage of ASEM meetings and events; editorial substance and tone)

Media coverage of the ASEM process in Thailand is sporadic. When an ASEM event takes place within the country, there is greater coverage than if the event were to take place elsewhere. In the latter case, it would be treated as foreign news. Since only leaders attend the meetings, and there are usually no major controversial issues in relations between EU and Asian participants in ASEM, the newsworthiness of the event is somewhat less.

Editorial substance and tone are on the whole congratulatory, reflecting the generally harmonious nature of EU-Asian relations. It could be a reflection of the roles both of EU and

Asian countries in the global arena. Both sides are not always the major players during the period of ASEM.

The most significant event in ASEM's history may be ASEM2 in London in the aftermath of the Asian financial crisis. Asian members of ASEM were in need of financial support to deal with the financial and economic chaos that ensued. The ASEM Summit indeed produced measures that may be viewed as gestures of cooperation by the EU. However, the crisis was a more global concern than an interregional one, and it was probably correct for the EU to rely on multilateral efforts to deal with the situation rather than treating it interregionally. As a result, the support given through ASEM was regarded as disappointing by some.

What is the status and impact of the various ASEM initiatives (TFAP, IPAP, AEBF, ASEM Informal Dialogue on Human Rights, ASEM Trust Fund, ASEM Meetings on Child Welfare, etc)

On the whole, Thailand's experience with the various ASEM initiatives is favourable, though there were also some critical remarks. It was noted that in some case (see the note on the SCA), participation of member countries was less than enthusiastic.

On the AEBF, the view of the Thai participant was quite strong. It was pointed out that while the private sector had high expectations for being listened to seriously, the ASEM Summit did not appear to give it as much attention as it thought it deserved.

The Asia-Europe Environmental Technology Centre was citied as an example of one case of Asia-Europe cooperation that did not survive, though the Thai government found that it brought several benefits. It was noted that there were many initiatives in the environmental area where Asian members took the initiative—China and the Philippines were active on forest issues, for example.

Has trade and investment increased or decreased over the years?

In the case of Thailand, trade and investment were strongly affected by the financial crisis of 1997 and it took years to recover. Thai trade and investment has also been affected by the rise of China as a major trading nation. In the immediate aftermath of the financial crisis, many Thai financial concerns were taken over by foreign concerns including European firms. However, in more recent years, the rise of China has been a major factor, attracting both trade and investment away from the ASEAN region as a whole. Thailand has also been caught up in this trend.

Have visits by government leaders, policymakers and officials to each other's regions increased or decreased over the years?

There has been perceived decrease in the frequency of visits by high level officials. This could be part of the rise of China;, however, and it may reflect a shift in the relative attractiveness of the different countries in Asia.

Has there been more academic and scientific cooperation and joint research?

In contrast to commercial relations, there has been an active increase in the level of academic cooperation stimulated by the ASIA-LINK and the ASEAN-EU University Network programmes of the European Commission. Many Asian universities and ASEAN higher education institutions are involved in various cooperation projects within the framework of these two programmes. While they are not directly associated with ASEM, the increased level of contact at the professional and academic levels should stimulate higher interest in European affairs among these groups who would otherwise be oriented toward non-European partners. These projects have enabled Asians to meet each other. Without the programmes, it is unlikely that such intra-Asian links could have been established.

The same cannot be said about scientific cooperation. The case of the Asia-Europe Environmental Technology Centre may serve as a useful example. There is a need to blend the research cultures of the two regions, and the ASEM process may need more time to allow this to happen.

A more successful case is the Asia-Europe Foundation (ASEF) which concentrates on cultural and intellectual exchanges. It seems that both sides can meet and work together in fruitful ways more easily through institutions such as ASEF.

Has there been an increase in the number of students studying in each other's regions?

In terms of full-time students, there is still an imbalance; more students from Asia go to Europe than the number coming from Europe to Asia. But this should not be a surprize given the quality of education offered in Europe as compared to Asia. In addition, the fact that higher education in Europe is socialized means that if European students to come to Asia, tuition expenses are higher. High cost is also a factor that limits the number of Asian students going to Europe, though Asian students may be able to call upon more family support for education.

Are European and Asian studies gaining greater prominence and interest among academics and students?

In Thailand, there is increasing interest in European Studies. The MA in European Studies Programme offered by Chulalongkorn University Graduate School is oversubscribed and is successful financially, with a graduate class of twenty-five students each year. At the undergraduate level, a general education course, "Introduction to the European Union," is running at the university. It attracts students from all faculties in high numbers. Classes range from fifty to seventy students, relatively high for such courses at a university where students usually concentrate on their majors rather than taking extra-disciplinary subjects.

At the more general level, activities organized by the CES are generally well-attended and appreciated by the public, though numbers vary according to the subject matter at hand. CES runs a training course for social science teachers to update participants' knowledge of current European issues, and these courses are usually well received. CES publications also have a ready market among the Thai readership.

Have there been increased consultations between Asia and Europe prior to other multilateral or global forums such as UN meetings, WTO, G8?

The advent of FTA negotiations in Thailand is raising the public's awareness of these international trade issues. However, concern is focused more on the multilateral or bilateral levels. Among academics, there has not been specific cooperation with European colleagues. Some European NGOs are active in specific social areas such as women and children and natural resource issues. But on the whole, activities are rather sporadic and scattered.

In summary, Thailand's experience with ASEM is limited to mostly official contacts with a small amount of cultural and professional exchanges. Where such contacts take place, they are considered to be useful and beneficial to the participants and could have wider impact.

Section 3: ASEM in the regional and global contexts

What are some of the important changes in the regional and global environment since the launch of ASEM (9/11 and the war on terror, invasion of Iraq, EU enlargement, the EU's recent constitutional crisis, an emerging East Asian community, leadership competition between Japan and China)

For Thailand, the most important change in the above list could be the situation between China and Japan. Both are important players in the Asian region and are important for ASEAN at the regional level. This is recognized by ASEAN in the form the ASEAN+3 arrangements. However, there are also problems in the relationships among the North Asian parties. Hence, ASEAN has formulated the ASEAN+1 arrangement, which includes the ASEAN-China FTA. The East Asia Summit of 2005 created a current of interest, though there are also doubts as to what such an arrangement can achieve against the background of strong national interests and feelings among the big players of the so-called Community.

How do these changes impact the functioning and focus of ASEM?

Though it may be politically incorrect to say so, these changes are likely to have a strong negative impact on the functioning of ASEM. This is because the divergent stands of Asian members of ASEM make it more difficult to find common grounds and address issues where there is common interest.

Section 4: Re-inventing ASEM—how should ASEM respond to external changes in the regional and global environment and its own internal challenges to enlargement, lack of institutional infrastructure and support

Review of working methods (is current summit-driven working method tenable; should ASEM be more project-driven rather than meeting-driven? How should the various initiatives be linked to ensure coherence and continuity and not unnecessary duplication and waste?)

ASEM Summits are necessary because they drive the process. What is needed is backup to maintain momentum between the Summits. For this purpose, more resources may be necessary to provide such interim work along the lines of APEC financing ongoing study centers and projects. There may be room for focusing on themes such as human resources development that

would meet the needs of the Asian partners, where Europe has a clear advantage or is more advanced than the Asians.

Format and regularity of meetings (there is still need for meetings but what format—retreat style, representation and how often?)

ASEM has stressed informality. This may be a strong point at the leaders level. But the implementation of projects and activities should meet the standard of best professional practices.

Management of the whole ASEM process (the need for political leadership, the role of coordinators, is there need for a secretariat?)

The management of the ASEM process seems to require more formal organization, and more resources should be made available to the organizer.

Visibility and public awareness of ASEM (how to engage the media, who should be the "champions" of ASEM, e.g. politicians, business, academics, civil society?)

Visibility will increase over time if ASEM's initiatives are high-profile and engage the public.

What should ASEM's focus be? What is ASEM's added value and where does its strength lie?

If the shortcomings in the organization of the process are addressed, the effectiveness of ASEM should increase and the objectives would be met. In itself, ASEM is already valuable.

Appendix

Summary report of

The workshop on "10 Years of ASEM"

Held on October 21, 2005

at The Ministry of Foreign Affairs, the Kingdom of Thailand

Organized by the Centre for European Studies,

with the support of the Japan Center for International Exchange and the

Asia-Europe Foundation

Historical Background and Overview

In the age of globalization, most of nations tend to be more cooperative on political, economic and social issues in order to maximize their national interests and maintain the prestige of state sovereignty. Therefore, the regional groupings have been constantly established in search of political stability and economic prosperity. Each state seeks cooperation in order to attain more of bargaining power in global trade competition. In this sense, it is believed that the economic area becomes the common ground for cooperation in all fields. In North America, NAFTA is the common ground. In Europe, the EU is the common ground. In Asia Pacific, APEC is the common ground. At the global level, all of these regional groupings are interconnected but one connection is missing: Europe and Asia. ASEM was set up to bridge this missing link.

The idea behind ASEM

ASEM was originally comprised of ten ASEAN member countries plus fifteen EU countries. Although ASEM has existed for 10 years, its achievements seem to be intangible. Its achievements cannot compare with APEC.

The driving force and key players

At the workshop, there were many government agencies and the private sector participated in the seminar:

- Ministry of Foreign Affairs
- Ministry of Commerce
- Ministry of Finance
- Ministry of Labor
- Ministry of Information and Community Technology
- Ministry of Science and Technology
- Ministry of Natural Resources and Environment
- Bank of Thailand
- The World Bank
- The Commission on Higher Education
- Thai Industrial Standards Institute (TISI)
- Thailand International Development Cooperation Agency
- National Intelligence Agency (NIA)
- The Federation of Thai Industries

Public and Elite Perception of ASEM

The majority of representatives from all sectors commented and presented the following:

The Ministry of Foreign Affairs

The representative commented that ASEM is behind APEC in that the latter has developed and its member countries seem to be more compromising and cooperative. The frameworks of ASEM are well-defined. It has three main areas of cooperation: political, economic and social. The representative vigorously believed that the three pillars would drive ASEM to develop more in the future.

He the Chairman's statement from the first ASEM Summit in Thailand: ASEM would create peace and security, equal partnership and better understanding of the people in the two regions. He also pointed out that the focal points between ASEAN and Europe are different. ASEAN focuses on economics while the EU pays special attention to politics and security. In terms of political cooperation, Thai government agencies such as the Ministry of Interior, the Ministry of Foreign Affairs, the Royal Thai Police and the Office of National Security Council are encouraged by the government to work closely in this area. They are especially encouraged to work on controversial matters at the present time such as human rights, the Korean peninsula and democracy in Burma.

Office of National Security Council

The representative for the Office of National Security Council, Mr. Surachai Pira, mentioned the government's policy statement on the strategic partnership declared to the parliament. Everything changed since the tragedy of the September 11, 2001. Thai foreign policy should proceed with extreme caution in order to avoid being targeted by terrorist networks. Thus, Thai government policy should be devised under a principal of international cooperation according to the following:

- Eradication of terrorist networks
- Development of mechanisms to prevent threats from terrorists
- Adopting an omnidirectional foreign policy

In the scope of ASEM cooperation, there is an ASEM anti-money laundering project framework that the Office of National Security Council participated in. It determined through the project that European terrorist prevention mechanisms are more standardized than ASEAN ones. ASEAN mostly deals with an exchange of information rather than in-depth cooperation. In addition, ASEM should encourage its member countries not to give support to terrorist groups. The Thai government should also seek the support from major powers in providing training services to Thai government agencies to upgrade anti-terrorism mechanisms. In Thai-Europe cooperation, interchange of information needs to be intensified more in order so that cooperation can become more concrete and tangible.

The Ministry of Commerce

The representative from the Ministry of Commerce, Ms. Kedpirun, suggested that cooperation in the field of energy should be taken into account as high-profile international cooperation. Thai government agencies should propose issues and comments for the approaching meeting.

At the Asia-Europe Economic Ministers' Meeting (EMM) in the Netherlands, one problem was EU enlargement. The EU requested ASEM to accept those new countries as ASEM members as well. ASEAN demanded that if ASEM accepted those countries, ASEM would need to accept ten ASEAN members also. Another problem occurred when the EU did not issue visas for Burmese officials for meetings in Europe; thus, at the EMM meeting, most ASEAN members did not send the high ranking-officials to attend to the meeting but officers instead. At this point, ASEAN and the EU must cooperate on this issue very carefully and separate economics from politics.

Concerning the ASEM 2 Summit it was agreed that the Trade Facilitation Action Plan (TFAP) should proceed accordingly in an attempt to diminish Non-Tariff Barrier (NTBs) and promote bilateral trade between ASEAN and the EU. A 2002—2004 TFAP action plan had six areas of cooperation. Thailand was assigned to be the coordinator in three areas: Standard and Conformity Assessment (SCA), Quarantine and SPS Procedures (SPS) and Intellectual Property Right (IPRs).

Assessment of cooperation

- Standard and Conformity Assessment (SCA)
  The role of Thailand is to assist and facilitate organizing the seminars for the working group of Quarantine and SPA procedures with an aim to generate close cooperation and exchange of information. Thailand also acted as the focal point for the ASEAN side in ASEM. Since the SPS wrap-up seminar in Netherlands in July, 2002, it was found that cooperation in this area has developed less because the number of ASEM member countries that attended the meeting was less than expected.
- Standard and Conformity Assessment (SCA)
  The role of Thailand is to facilitate hosting seminars for the working group of ASEM/TFAP/SCA in order to create an academic interchange between ASEM member countries as well as to cooperate with the EU on writing the summary report. At the 9th SCA meeting, Thailand proposed a Sustainable Forest Management project.

- Intellectual Property Right (IPRs)
  The role of Thailand is to assist and facilitate organizing seminars for working groups and to act as a focal point for information exchange among counterparts. This includes the enforcement of laws and regulation to crack down on violations of property rights. In this connection, member countries agreed, upon a voluntary basis, to Geographical Indication (GI).

The Federation of Thai Industries

The representative from the Federation of Thai Industries, Mr. Sayan, stated that the EU is a fragmented market in the eyes of the Thai private sector. It is quite difficult to trade with EU countries because each country has different demands on imports. The EU has been named as the "land of innovation" on NTBs because it has set up many non-tariff barriers to many trade partners, especially in chemical products. In early 2008, the EU will fully enforce its laws and regulations to upgrade its standard requirements. That is, all imports must be approved by authorized representatives from the EU. It is pivotal for the Thai government to establish an organization to follow this matter.

From the private sector's viewpoints, ASEM was set up to counterbalance APEC since the latter is comprised of major powers like the United States but not the EU. Unfortunately, ASEM is a consultative forum and most of its mechanisms are less concentrated on economic matters. Moreover, the majority of member countries have not fully made efforts to discuss economics.

EU countries have requested that ASEAN speed up customs procedures with an aim to stimulate trade interaction between the two sides and to reduce the troublesome procedures. Thailand could take this opportunity to play a leading role in convincing ASEAN members to endorse this proposal and present it to ASEM.

The Ministry of Finance

The representative from the Ministry of Finance, Ms. Kedsuda, explained that since ASEM was found, the Finance Ministers' Meeting has been organized six times. It first took place in Thailand in 1997 during the economic crisis in Asia. The latest meeting in 2005 in China highlighted the need to promote sustainable development in Asia in order to reach the Millennium Development Goals.

The World Bank

The representative from the World Bank in Thailand, Ms. Kanita, noted that her duties involve working with the Asian Trust Fund as well as hosting a Monitoring Review in 2004 and 2005. The Bank cooperates with government agencies to create development partnerships. All of the work procedures are based on the national agenda. The CDP program received funding from ASEM for projects in two areas: financial and social.

The Commission on Higher Education

The representative from the Commission on Higher Education emphasized that in the ASEM frameworks there are two programs concerning educational affairs: the Education and Research Network Education Hub and the ASEM Duo Fellowship Program. The Education and Research Network Education Hub is designed to promote exchange of the university professors and students among ASEM member countries. The ASEM Duo Fellowship Program was designed to create bilateral exchange between universities of ASEM member countries. Those exchanges will help upgrade educational standards in Thailand.

Ministry of Natural Resources and the Environment

The representative from the Ministry of Natural Resources and the Environment said that after the first ASEM Summit in Thailand, it proposed establishing an Asia-Europe Environmental Technology Center as a pilot project. At the first ASEM Ministerial Meeting on environment in At the second ASEM Ministerial Meeting in Italy, the need to follow up on the Millenium Development Goals was highlighted. The Ministry of Natural Resources and the Environment has adopted ASEM policy to Ministry strategies. Thailand designed a Land Map of countries in Mekong Delta region. The EU gave support to the ASEAN-EU Diversity Center in the Philippines for a partnership program.

Ministry of Labor

The representative from the Ministry of Labor, Mr. Kamjohn, reported that the Ministry participated in the ASEM Lifelong Learning (LLL) for Employability project with financial support from Finland. In the same year, the Ministry wrote a report on behalf of the Thai government covering the following items:

- Ensuring Basic Skills for All
- Integrated Approaches to Lifelong Learning and Recognition of Skills
- Policies and Incentives to Promote Access to Lifelong Learning

In the future, the Ministry would like closer cooperation to facilitate Thai workers access to European markets. At this moment, the Ministry is planning to send some government officers to Berlin to help Thai workers seek opportunities for work in Europe.

Ministry of Culture

The representative from the Ministry of Culture, Ms. Jansuda, noted that the ASEM framework has four main areas of cooperation: academic, people, cultural and public. This includes cultural heritage exchange, training seminars, young drawing competitions, music and tourism. There have been two ASEM Culture Ministers Meetings, in China and France. Financial support is a significant problem.

Ministry of Information and Communication Technology (ICT)

The representative from the Ministry of Information and Communication Technology (ICT), Ms. Anchalaporn, mentioned that areas of cooperation are intangible. Cooperation between Thailand and Finland existed through a joint venture called the Finland-Thailand Technology Fund. After the tsunami of 2005, the Finnish government offered to help create an early-warning system.

ICT has also cooperated on cyber crime prevention and law enforcement as well as capacity building in telecommunications, especially for mobile phone security.

Thailand International Development Cooperation Agency

The representative from the Thailand International Development Cooperation Agency noted that from his perspective, the political will of EU member countries differ. He referred to cooperation in several areas including transnational crime, drug trafficking control, and avian flu.

Topic:	Workshop on Ten Years of ASEM
Venue:	Ministry of Foreign Affairs, the Kingdom of Thailand
Participants:	Thirty persons from governmental agencies, state enterprises, academic institutions and the private sector
Date:	October 21, 2005