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ASEM IN ITS TENTH YEAR
LOOKING BACK, LOOKING FORWARD

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

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ASEM IN ITS TENTH YEAR – LOOKING BACK, LOOKING FORWARD

Introduction and Background to the Report

The Asia-Europe Meeting (ASEM) was launched in March 1996 with an inaugural summit of leaders from ASEAN, China, Japan and Korea and from the EU member states and the European Commission. A constellation of factors led to the realization of this summit-level dialogue forum. The

at a crossroads. Externally, the global and regional environment in which

Internally, ASEM's success in initiating dialogue and cooperation between

With all these changes and challenges, it was felt that the time is ripe for

The two research teams set out to conduct research in their own respective regions from August 2005. The Asian team was led by Mr Tadashi Yamamoto, President of the Japan Center for International Exchange and researcher Dr Yeo Lay Hwee, Executive Director of the Singapore Institute of International Studies. The European team was led by Dr J. K. S. Chan, Director of the European Studies and Dr Timo Kivimäki, Senior Researcher at the Nordic Institute of Asian Studies, and researchers Dr Bart Gaens and M.Soc.Sc. Silja Keva from the University of Helsinki.

The two teams conducted major consultations, one in Helsinki (September) and the other in Tokyo (October). The main analysis and recommendations of the two studies should be presented in a joint report to be published in Vienna.

The report and the European Background Study. It begins with a short historical overview of the factors leading to the launch of ASEM, followed by an explanation of the key principles of ASEM, its structure and mechanisms. It also provides an overview of major regional and global events that have impacted the operating environment of ASEM and that necessitate a re-evaluation of its original principles and mechanisms. The second part of the report analyzes ASEM's overall workings and assesses progress and challenges under the three pillars of cooperation. The third part of the report provides key recommendations in order to revitalize ASEM and move the process forward.

PART I - ASEM'S GOALS AND PRINCIPLES

1.1 Why ASEM? The Historical Background

A number of developments and trends in the early 1990s contributed to Europe's rediscovery of Asia and Asia's proactive approach to engage Europe.

- ⊗ An economically dynamic East Asia
- ⊗ Deepening European integration
- ⊗ The development of APEC
- ⊗ Economic Competition, the end of the Cold War and the US response
- ⊗ The growing interdependence between Europe and Asia
- ⊗ The specter of an increasingly unilateral America
- ⊗ The aspiration to engage China into the international system

All these factors provided the underlying reasons that led to the birth of ASEM. The strategic rationale behind ASEM openly presented was the concept of closing the triangle—balancing the relations between the three engines of the global economy—America, Europe and East Asia. According to the line of reasoning, strong transatlantic ties existed between Europe and other bilateral ties between the US and its various Asian partners. Asia-Europe relations, however, were much weaker, and revealed the need to create a forum under which linkages can be built and ties strengthened.

The overall strategic rationale of completing the triangle was the accepted *raison d'être* perceptions lay beneath this broad strategic motivation. Hence, when the inaugural ASEM summit took place in 1996, the objective for ASEM was “Meeting recognized the need to strive for a common goal of maintaining and enhancing peace and stability, as well as creating conditions conducive for economic and social development.”

1.2 ASEM's Key Principles

From the historical conditions ASEM developed a certain set of principles and priorities for its workings. ASEM's partnership structure is, however, not the only structure of cooperation uniting Europe and Asia, and its principles are not the only principles regulating cooperation

part of cooperation which is characterized by informality and lack of legal structure. ASEM has developed into a political framework for diverse activities rather than into a unitary structure of cooperation.

The key principles and objectives enunciated in the Asia-Europe Meeting (ASEM) and amended by ASEM3—noted that the ASEM process should:

- be conducted on a basis of equal partnership, mutual respect and
- be an open and evolutionary process—enlargement should be conducted on the basis of consensus by the heads of state/
- enhance mutual understanding and awareness through a process of
- carry forward the three key dimensions of ASEM with the same impetus—to foster political dialogue, reinforce economic cooperation
- go beyond governments in order to promote dialogue and cooperation between the business/private sectors of the two regions and, no less

The biennial summit of the Heads of States and Governments is at the pinnacle of the ASEM structure. The summit is in itself a culmination of ... for the overall coordination of ASEM. They are supported by the regional coordinators, which in Europe consist of the Commission and the Council Presidency and in Asia of one member state representing ASEAN and another representing the three Northeast Asian partners. The strongest institutional embodiment of ASEM is the Asia-Europe Foundation (AEF) which—instead of an intergovernmental body—takes the form of a non- ... and people-to-people exchanges between Asia and Europe.

1.3 The Changing Environment

Much has changed in the external environment in which ASEM operates. ASEM was conceived in the mid-1990s when there was much euphoria international cooperation and multilateralism as the way forward in creating a new emerging global order that is more multi-polar in nature. Today, however, we are seemingly confronted with increasing unilateralism, and a much more contentious and fractious world. Increasing interdependence and the sense of vulnerability it generates requires more international cooperation, more rules and procedures. Yet, the international norms and institutions built in the twentieth century are under stress, and seemingly unable to cope with the increasing demands and insecurity of the twenty-

First, the events that have impacted regional and global developments. ASEM meetings and the respective declarations issued. For example, in response to a series of initiatives on counter-terrorism and dialogue to engender

Asians with regard to regionalism. Despite its essentially reactive nature, impressive progress has been made in developing East Asian regionalism in recent years. At the political and policy level, the ASEAN + 3 process momentum. A common feeling is also emerging among many political, business and intellectual leaders in East Asia that they share joint interests and responsibilities for the creation of a more stable and constructive regional order and that they are at the threshold of building an East Asian voice can strengthen the ASEM process and have a profound impact on its functioning.

At the same time the globally unprecedented integration of the European Union has advanced rapidly. The introduction of the Euro and the form of regionalism and also signify the EU's enhanced role as a global actor.

This regional integration process has triggered fears in Asia and elsewhere

With all these tremendous changes, it is therefore timely to review whether the existing ASEM framework can be sustainable in the long run. Are the original principles and objectives of ASEM and its management and coordination methods still appropriate, and if not, what needs to be done to ensure the continued relevance of ASEM in an increasingly interdependent world?

PART II - ASSESSMENT OF ASEM - CHALLENGES AND PROSPECTS

2.1 Overall Assessment

that while progress has been made in improving dialogue between Asia and Europe on a wide range of issues, the dialogue while broad has not been deep. The dialogue process has furthermore stayed at information-sharing level and has not moved into substantive cooperation.

* years of ASEM, the subsequent development of the relationship has been regarded by many as leaving much to be desired. It is seen that the dialogue forum has not entirely lived up to the initial expectations and has not been exploited to the full. Most importantly, ASEM has been lagging behind in concrete achievements. The paucity of tangible results is apparent in key consolidate political stability and international security, the reinforcement of economic ties aimed at increasing trade and investments between the two regions, and the strengthening of cultural, intellectual and people-to-people links to generate greater awareness and understanding.

Also ASEM's relevance in the broader international context has been questioned. ASEM has not been able to enhance the balance of power in the triangle remarkably. Nor has it been successful in coordinating international organizations and bodies.

ASEM should be viewed in a long-term perspective. Dialogue in various are building blocks towards greater partnership. At the same time it is also media and arouse public interest. Increasing public awareness of the process

necessary for the support for and commitment to the ASEM process.

The inability to approach political issues and prepare for focused and
Though most would not want to refute the value of dialogue in itself, clearly
a desire exists to achieve something more tangible. In order to move the
focus on those issues in which ASEM can add value. More can also be done

Much of the criticism regarding the lack of concrete achievements within
the ASEM process is related to the issues of principles and objectives, and
constrained by problems relating to its management and coordination.

2.2 Principles and Objectives

There seems to exist no overall consensus on whether ASEM should
be developed as a state-to-state or a region-to-region structure. When
state forum. However, over the years the process has adopted features of
a region-to-region dialogue because of its intraregional coordination and
deepening integration in both areas. This ambiguity is a problem that

ASEM's ambiguous character is also seen in the way it is framed. ASEM
dialogue is supposed to be "informal, loose and non-binding, and not
intended to produce new agreements, treaties or contracts". Yet, there is also
the expressed desire to achieve "concrete and substantial results". This lack
priorities hamper the ability to prioritize and to deepen dialogue to generate
concrete policy cooperation. This in turn contributed to the proliferation
conferences, workshops and meetings under the three pillars.

2.3 Assessment of Achievements in the Three Pillars

ASEM's ambiguous basic principles as well as its lack of clear objectives
inevitably place limitations on the achievement of tangible results.
Focusing on informal dialogue to facilitate greater understanding, promote

transparency and enhance knowledge between the two regions, ASEM's three pillars have yielded modest concrete outcomes.

Political Pillar

Considering the relatively low initial expectations placed on the political pillar, the dialogue has broadened to become a central element of the ASEM process. Positive developments include the opening of an informal, regular dialogue on human rights, and the emerging security dialogue not only on terrorism, but other global threats, and the expanding dialogue on environmental questions.

While espousing the need to strengthen multilateralism, the ASEM partnership has not yet achieved its potential of acting as a rationalizing, *vis-à-vis* international institutions. Rather than contributing proactively, ASEM has merely paid deference to multilateral institutions such as the United Nations and the WTO.

with regard to various global and regional issues ranging from peace on Myanmar can turn into a perennial problem jeopardizing the ASEM process.

in Asian and European approaches to agenda-building have resulted in numerous lost opportunities. The European inability to systematically utilize the opportunities in Track-II diplomacy in Asia and the Asian lack of European-type institutional mechanisms of agenda preparation have hampered the ability to address sensitive issues.

Economic Pillar

progress achieved under the Economic Pillar. But the prevailing Asian perception is that progress in the economic pillar leaves much to be desired, in part, perhaps due to too much focus on political dialogue.

Research on the European side also shared the perception that accomplishments in the economic pillar have remained below expectations. priority areas of concerted action in the Trade Facilitation Action Plan (TFAP), Investment Promotion Action Plan (IPAP), and customs cooperation

complement ongoing work in other bilateral and multilateral frameworks. Moreover, although two-way trade between the EU and Asian ASEM countries with Asia has also grown, and outward FDI into Asia as well as the relative share of East Asia in the total of EU's exports have actually decreased. The of ASEM-related websites aimed at enhancing business networking and information-access are also symptomatic of the less than ideal running of the economic pillar. On the whole, it is agreed that much more should be done in the economic arena if interest in the ASEM process is to be sustained.

Socio-cultural Pillar

number of activities which produced results, including the establishment of the Asia-Europe Foundation (ASEF), educational exchanges through the ASEM DUO programs and the creation of a network of educational hubs.

Furthermore, ASEM-initiated endeavors to address cultural issues, such as the Conference on Cultures and Civilizations and the Interfaith Dialogue,

In the socio-cultural pillar, ASEM and also ASEF have been challenged by the civil society, in particular the NGO-initiated Asia-Europe People's Forum (AEPF), to make the ASEM process more participatory and democratic and to include more social issues in the agenda. Engaging civil society and social issues in a meaningful way will be a key challenge for the ASEM process. ASEF has taken some steps in this direction with its informal civil society consultation in Barcelona 2004. However, it is crucial that the In addition the European study pointed out that ASEM has lacked a clear, accountable relation to the national parliaments of ASEM partners and to the European Parliament.

In the area of intellectual exchange, an initiative supported by the Japanese Foreign Ministry was the establishment of the Council for Asia-Europe Cooperation (CAEC) comprising a network of twelve Asian and European think-tanks. CAEC's activities were driven and coordinated largely by the Japan Center for International Exchange (JCIE). ASEM's failure to tap the various works and research done by CAEC is a pity, but the network and are useful in its own way.

ASEM has also stimulated civil society organizations in Asia and Europe to create their own networks and linkages as seen in the work of the Asia-Europe People's Forum (AEPF). Unfortunately, their work has not been fully agenda and generate concrete deliverables that could have mitigated some

Cross-pillar Issues

In addition to the issues that fall under the above three pillars, it is felt that some central themes require a cross-pillar approach. Many of the issues and challenges are multi-dimensional and multi-faceted. They do not fall neatly into one category or pillar and require a cross-pillar approach.

the more military US-lead approach if the instruments of socio-cultural pillar cooperation could be more systematically employed for political Dialogues between Cultures and Civilizations and the Inter-faith dialogue hold great potential in this direction.

2.4 Management and Coordination

between the two regions in their respective degree of integration. For the European partners, coordination is to a large extent carried out through the EU mechanisms which provide the basis for the EU's Asia policies in many other contexts. However, elements of coordination and integration are much less developed among the Asian partners.

But even on the European side, many of the ASEM challenges seem to be linked with the ambiguous role it takes in the EU system. As an informal and basically state-to-state structure, ASEM does not take a role in relations. Despite being close to the ordinary policy-making process, ASEM challenges the division of power among the Union's institutions status and functioning of ASEM as well as its legitimacy and visibility.

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% problem for ASEM as awareness in the media and among the wider public

media coverage of events suggested that ASEM is mostly the concern of civil society, the business sector and the parliaments. The ambiguous position ASEM takes in the EU further compounds the issue in Europe.

The Asian Overview Report pointed out that ASEM is also lacking an identity and visibility as a larger problem related to ASEM's lack of substance or relevance, which can be solved by developing ASEM into a more effective dialogue forum.

PART III - RECOMMENDATIONS

international terrorism to the Iraq war. Yet, the truth is that while dialogue served well the building of symbolic and diplomatic ties, this has yet to translate into a coherent strategy for long term cooperation. The consensus from the study is that despite the various criticisms and challenges, ASEM as a unique dialogue forum that links East Asia and Europe is still needed and has its usefulness. Its principles and modus operandi, however, require re-evaluation for the next decade. ASEM's ambiguities must be solved and objectives of close interregional cooperation.

3.1 Principles and Objectives

Taking into account the challenges posed by the ambiguous character of region-to-region dialogue and cooperation framework that partakes in East Asia and Europe are growing in importance as they each acquire increasingly a sense of regional identity.

The partners should encourage the growing economic integration in both
Hanoi summit, and to strengthen the open and rule-based multilateral
trading system.

With the long-term view of a future progressive establishment of an ASEM
Free Trade Area, the means to ensure follow-up of initiatives and create
avenues for binding legal instruments needs to be developed in order
to move the process beyond dialogue into an action-oriented, region-to-
region economic partnership.

Socio-cultural Pillar

In order to develop ASEM into a democratic, participatory process, its
role and function *vis-à-vis* initiatives such as the Asia-Europe People's Forum should be welcomed
and harnessed. Spontaneous networks of scholars, students and alumni of
ASEF activities should also be encouraged.

Developing ASEM into a more typical component of EU's external
relations would directly engage the European Parliament and the national
would enhance ASEM's legitimacy, transparency and visibility in Europe.

Cross-pillar Issues and Clusters Approach

To encourage a cross-pillar approach in addressing some of the
pressing issues that require a comprehensive approach, ASEM should
seek to address clusters of issues/projects in which cooperation at the
cross-dimensional linkages between political, economic and social/cultural
issues need to be developed in the core areas of substantial cooperation. In
particular, advantages can be achieved in non-traditional security issues
and sustainable development.

challenges confronting the two regions.

- ⊗ Non-traditional security issues and global threats of common concern
(including terrorism, human pandemics and infectious diseases)

The economic losses sustained by the Asian economies and excessive
impact on regional trade and travel during the SARS outbreak in 2003,
pandemics and infectious diseases. The dangers have increased with

greater interdependence and increasing movement of people and goods across national borders. It is imperative, therefore, to deal with these issues through closer regional, interregional and cross-sectoral cooperation.

☉ Energy cooperation

At the same time, there is enough shared interest to engender cooperation. As most East Asian and EU member states are energy-importing countries, can be achieved in technology transfer, capacity building and innovation in

☉ Environment and sustainable development

Global warming and environmental degradation are beginning to threaten the biodiversity of our planet and the quality and sustainability of human on the Kyoto Protocol, and help persuade developing countries to gradually phase themselves into a re-negotiated protocol. Other areas for cooperation include the development of common initiatives for the management of common resources such as food and water.

☉ Globalization, economic competitiveness and education

Globalization, new technologies and the rise of China and India as central players in the global economy have brought about increasing economic competition on a global scale. Countries in this new economic landscape have no choice but to adapt and adjust to these new pressures. Structural adjustments are necessary, and societies need to re-examine the education and training of their citizens to be able to plug into the fast-changing world.

☉ Dialogue between cultures and civilizations

to acute questions by launching a dialogue process on problems related to peaceful inter-cultural co-existence. In addition, further ways to manage in the regions should be found.

For ASEM or any international process or institution to move forward, leadership is important. Since ASEM is a forum of equal partners and decision-making is by consensus, leadership must be issue- and interest-based and not power-based. Clusters of countries can take the lead in clusters of issues in which they have particular interest and expertise, and are willing to commit time and resources to drive projects and work in

The Burma/Myanmar Issue

Burma/Myanmar in ASEM summits and meetings, particularly those for the European leaders to participate in meetings involving the Burma/Myanmar government. At the same time, the Asian ASEM partners cannot compromise on the principles of equality and non-interference in domestic

3.3 Management and Coordination

Regional mechanisms of management and coordination must be taken as the starting point when the functioning of ASEM is enhanced.

The Asian side with its current rotating coordinating mechanism may understand possible constraints and some reluctance to create another structure and institution at this point of time, the creation of an Asian ASEM Secretariat situated within an existing institution is recommended. An Asian ASEM Secretariat will enhance the coordination process within the Asian partners, and also foster further regional integration within Asia. This in turn corresponds to the proposal to move ASEM towards a more

Asian ASEM Secretariat can be situated within the ASEAN Secretariat by enhancing the capacity of the ASEAN + 3 desk already in place.

On the European side it was felt that coordination mechanisms must develop in congruence with the overall direction of the process towards a region-to-region cooperation framework. The possibilities and implications of the normalization of ASEM's role in the EU's external relations must be the coordination and representation of ASEM issues needs to be with the standard external relations mechanisms of the EU. The EU should examine how the Commission's involvement in ASEM could be enhanced, and

which might add to the legitimacy and visibility of ASEM—can reinforce links between ASEM and other EU-Asia frameworks. It also needs to address that question whether the Troika format of representation could be maintained. From a European perspective it is evident that ASEM’s management—including its general functioning as well as its legitimacy and visibility—could best be enhanced through the existing EU mechanisms.

Structure and Format of Leaders Summit and Ministerial Meetings

There is a continuous need for leaders from Asia and Europe to meet and get acquainted not in the least because leaders come and go with political renewal and changes. In the process, leaders also acquire additional and updated knowledge about the developments in Asia and Europe. It is also a strong demand to see that the dialogue is translated into concrete actions.

ASEM can continue to be an informal dialogue forum to create collegiality amongst Asian and European leaders, and at the same time move towards more functional cooperation. First, the Leaders Summit should be kept informal and interactive, without prepared statements. At the end of each meeting there should be a summary of issues discussed and positions and decisions taken. The Summit should continue to be held biennially with ample time for frank exchange of views on regional and global developments, and with opportunities for bilateral and sub-regional meetings in the sidelines.

Second, as ASEM moves towards concrete functional cooperation Ministerial meetings should be organized along the cluster of issues. Ministers from relevant ministries should meet to set direction and receive review of ongoing projects and initiatives. If need be, the meeting can be held at the level of senior officials.

There is a need to address the communication strategy for ASEM.

An overall communication strategy is absent.

According to the Asian view, the problem may be partly mitigated if there is an ASEM Secretariat that is consciously aware of the need to coordinate the communication strategy.

up or structure of a Secretariat is to have a small Task Force to look into

According to the European point of view, however, visibility and awareness of ASEM are not merely tackled by way of enhanced media strategies, but

3.5 Enlargement

Disagreements over ASEM enlargement have recently posed a challenge to the partnership. The dilemma is centered on the automatic participation of new EU Member States, required by the European side, and the Asian view, which holds that symmetry must exist between the regions.

In the long term the partners must aim for a solution, which will keep the ASEM process open for new entries on both sides. Developing ASEM to a region-to-region process could facilitate the enlargement issue, as

In addition ad hoc cooperation with non-member Asian or European countries should be enabled in order to deepen Asia-European cooperation in key issues (for example, broad security questions including the threat of terrorism, energy issues and environment).

Finally, the appropriateness of the ASEM enlargement guidelines, laid out in AECF2000, should be carefully contemplated as they currently do not necessarily correspond to the regional political realities.

CONCLUDING REMARKS

Tangible results are indispensable if international cooperation is to survive in the long run. Nation states are not willing to put resources into ... is the key internal challenge and expectation with regard to ASEM that need to be managed.

At the same time, the research teams understand and recognize the perspectives, interests and expectations among its thirty-nine members. The modest recommendations above propose piecemeal changes to answer The overall objective is to retain ASEM's informality and its main function projects that can lead to tangible results to ensure ASEM's momentum and relevance. The idea of issue-based leadership is also to engender a sense ASEM process can be maintained.

The Chairman's Statement of the seventh Foreign Ministers Meeting in Kyoto noted that cooperation among the ASEM partners, which now Asia-Europe cooperation is no longer a luxury but a necessity. Asia and Europe therefore need to use whatever frameworks available to deepen their cooperation and share the burdens of global responsibility. The ASEM process is one such framework, and several issues such as those highlighted in the recommendation need to be addressed with urgency and tenacity.

In the long run, as Asia and Europe become more integrated, ASEM could and cooperation framework to build sustainable peace, prosperity and stability.