

PUBLICATIONS OF THE MINISTRY FOR FOREIGN AFFAIRS

ASEM IN ITS TENTH YEAR
LOOKING BACK, LOOKING FORWARD

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

Prepared by:

Japan Center for
International Exchange

University of Helsinki
Network for European Studies

March 2006

This report and its background studies were co-financed by:
Prime Minister's Office: Secretariat for Finland's EU Presidency
Ministry for Foreign Affairs of Finland: ASEM6 Secretariat, Unit for Policy Planning and Research
Ministry of Foreign Affairs of Japan: Asia-Europe Cooperation Division

ISSN 0358-1489

ISBN 951-724-545-9

EDITA PRIMA OY HELSINKI 2006

ASEM IN ITS TENTH YEAR – LOOKING BACK, LOOKING FORWARD

Introduction and Background to the Report	5
Part I – ASEM’s Goals and Principles	7
1.1 Why ASEM? The Historical Background	7
1.2 ASEM’s Key Principles	7
1.3 The Changing Environment.....	9
Part II – Assessment of ASEM—Challenges and Prospects	10
2.1 Overall Assessment	10
2.2 Principles and Objectives	11
2.3 Assessment of Achievements in the Three Pillars	11
2.4 Management and Coordination	14
2.5 Visibility and Profile of ASEM.....	14
Part III – Recommendations	15
3.1 Principles and Objectives	15
3.2 Improving the ASEM Dialogue.....	16
3.3 Management and Coordination	19
3.4 Visibility and Profile of ASEM.....	20
3.5 Enlargement.....	21
Concluding Remarks	22

This report is based on the European Background Study and the Asian Country Reports, which are available at the ASEM6-website (<http://www.asem6.fi>)



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 confidence of the Asian countries, the reaction to APEC in the case of Europe and to NAFTA on the part of the Asians, and fears of a fortress Europe provided the backdrop to the conception and launch of ASEM.

A decade down the road with five summits held in Bangkok (1996), London (1998), Seoul (2000), Copenhagen (2002) and Hanoi (2004), ASEM finds itself at a crossroads. Externally, the global and regional environment in which ASEM operates has changed significantly compared to ten years ago. The twenty-first century has brought about greater uncertainty and challenges. The general mood, particularly after the spate of anti-globalization movements following the failure of the 1999 WTO meeting in Seattle and the collapse of the Twin Towers in New York, differs greatly from the initial sense of euphoria and optimism following the end of the Cold War and the rise of globalization which characterized the early to mid-1990s. Furthermore, the rise of China and an emerging India are viewed both with apprehension and appreciation. The optimists see the opportunities that these will bring, the pessimists worry about the challenges that the awakening of these giants will pose. Challenges or opportunities, the reality is that not only countries in the region, but other players in the global system will have to adapt and adjust to the changing constellation of power.

Internally, ASEM's success in initiating dialogue and cooperation between Asia and Europe in economic, political and socio-cultural fields, reflected in a plethora of meetings, conferences, seminars and activities, has created its own challenges and expectations. The enlargement of ASEM from twenty-six to thirty-nine partners also points to a need to review its working methods and coordination mechanisms in order to ensure that the dialogue remains meaningful and sustainable.

With all these changes and challenges, it was felt that the time is ripe for an objective evaluation of ASEM in its first decade and review of the future possibilities of the ASEM process. Therefore the seventh ASEM Foreign Ministers Meeting in Kyoto tasked Japan and Finland to jointly produce an objective think-tank report to assess ASEM achievements and ascertain the future way forward.

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 Affairs. The Finnish team consisted of project leaders Dr Teija Tiilikainen, Director of the University of Helsinki Network for European Studies and Dr Timo Kivimäki, Senior Researcher at the Nordic Institute of Asian Studies, and researchers Dr Bart Gaens and M.Soc.Sc. Silja Keva from the University of Helsinki.

The two research teams took slightly different approaches in their research and consultations, but after a few months of study and two major consultations, one in Helsinki (September) and the other in Tokyo (December), it has been decided that a joint report to synthesize and reflect the main analysis and recommendations of the two studies should be drafted for submission to the next ASEM Senior Officials Meeting (SOM) in Vienna.

The present report draws on the main findings of the Asian Overview 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 the US, and transpacific ties were also increasingly dense because of APEC 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* of ASEM. But slightly different interest calculations and perceptions lay beneath this broad strategic motivation. Hence, when the inaugural ASEM summit took place in 1996, the objective for ASEM was couched in the broadest terms, reflected in the Chairman's statement that the "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 between them. Asia-Europe dialogue was developed into a very specific

part of cooperation which is characterized by informality and lack of legal instruments. With the different types of functions and bodies it covers, 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 Cooperation Framework (AECF)—the political charter first adopted in ASEM2 and amended by ASEM3—noted that the ASEM process should:

- be conducted on a basis of equal partnership, mutual respect and mutual benefit;
- be an open and evolutionary process—enlargement should be conducted on the basis of consensus by the heads of state/government;
- enhance mutual understanding and awareness through a process of dialogue and lead to cooperation on the identification of priorities for concerted and supportive action;
- carry forward the three key dimensions of ASEM with the same impetus—to foster political dialogue, reinforce economic cooperation and promote cooperation in other areas;
- not be institutionalized; as an informal process, ASEM should stimulate and facilitate progress in other fora; and
- go beyond governments in order to promote dialogue and cooperation between the business/private sectors of the two regions and, no less importantly, between the peoples of the two regions; ASEM should also encourage the cooperative activities of think-tanks and research groups of both regions.

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 working meetings of ministers and senior officials. Ministers for Foreign Affairs, Economy and Trade, and Finance also meet regularly. Foreign ministers assisted by Senior Officials' Meetings (SOM) are responsible 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 (ASEF) which—instead of an intergovernmental body—takes the form of a non-profit foundation. ASEF's key purpose is to promote cultural, intellectual 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 about the benefits of globalization and more optimism with regard to 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 century.

The Asian financial crisis, the wave of anti-globalization movements that followed, and then the September 11 terrorist attacks are some of the key events that have impacted regional and global developments. ASEM has responded to these events as reflected in the agenda of the official meetings and the respective declarations issued. For example, in response to the Asian financial crisis, the London Summit in 1998 issued the ASEM2 Financial Statement and an ASEM Trust Fund was set up to help Asian ASEM countries affected by the crisis. And the events of September 11 led to a series of initiatives on counter-terrorism and dialogue to engender understanding between different cultures and different faiths.

There are also significant developments in the two regions that have direct impact on how ASEM should evolve. The Asian financial crisis had the salutary effect of stimulating new thinking on the part of East 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 that began in earnest after the Asian financial crisis has gained a certain 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 community. There is no doubt that an integrated East Asia with a unified 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 enlargement from fifteen to twenty-five Member States denote a unique 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 that self-absorption may shift the EU's attention away from ASEM.

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

The common assessment as reflected in the research by both teams is 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.

While high hopes and a mood of optimism prevailed during the first two 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 priority aims such as the intensification of the political dialogue intended to 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 or harmonizing the interests of its partners efficiently *vis-à-vis* larger international organizations and bodies.

ASEM should be viewed in a long-term perspective. Dialogue in various areas from the official summits to all the different conferences and workshops are building blocks towards greater partnership. At the same time it is also necessary to deliver on tangible achievements that could be profiled in the media and arouse public interest. Increasing public awareness of the process

and its benefits and value-added—tangible and intangible—would be necessary for the support for and commitment to the ASEM process.

The inability to approach political issues and prepare for focused and concrete agendas has led to perceived “disaffection” and “forum fatigue”. 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 ASEM process forward, much more needs to be done in setting the right focus on those issues in which ASEM can add value. More can also be done to raise the profile of ASEM in the public arena.

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 ASEM was first conceived, it was seen as an intergovernmental, state-to-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 reflects itself in many contexts of ASEM.

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 of clarity in its overall principle, and the lack of clearly defined objectives gave rise to different expectations and unrealized potential. Thus far ASEM’s objectives have been couched in the broadest of terms as reflected in the Asia-Europe Cooperation Framework 2000. Differences in perspectives and priorities hamper the ability to prioritize and to deepen dialogue to generate concrete policy cooperation. This in turn contributed to the proliferation of a wide range of initiatives as reflected in the vast assortment of projects, 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, agenda-setting actor *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.

Useful exchanges of information and clarifications of positions occurred with regard to various global and regional issues ranging from peace on the Korean Peninsula to War in Iraq. However, differences over Burma/Myanmar can turn into a perennial problem jeopardizing the ASEM process.

Furthermore, in the preparation of the political agenda, the differences 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

There are some slight differences in perceptions with regard to the 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. Significant progress has certainly been achieved in the identification of priority areas of concerted action in the Trade Facilitation Action Plan (TFAP), Investment Promotion Action Plan (IPAP), and customs cooperation areas. Concrete results, however, are generally deemed insufficient. ASEM has shown limited efficacy as a rationalizing tool to build consensus for and

complement ongoing work in other bilateral and multilateral frameworks. Moreover, although two-way trade between the EU and Asian ASEM countries has increased substantially compared to ten years ago, EU's trade deficit with Asia has also grown, and outward FDI into Asia as well as the relative share of East Asia in the total of EU's exports have actually decreased. The waning interest of the business community and the insufficient functioning of ASEM-related websites aimed at enhancing business networking and information-access are also symptomatic of the less than ideal running of the economic pillar. 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

There is a general perception that progress has been most significant in the areas of socio-cultural and intellectual exchange. This is reflected in a 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, have a crucial importance in developing "ASEM soft power". These issues are entrenched in the sphere of soft security, and with a view to the future, are doubtlessly the pre-eminent fields that can display "ASEM's added-value".

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 linkages to civil society are further developed and officially acknowledged. 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 linkages among different groups of researchers and intellectuals created 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 appreciated and effectively harnessed to complement the official ASEM agenda and generate concrete deliverables that could have mitigated some of the criticisms concerning the official ASEM process.

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 Asian-European effort holds great potential to balance and complement the more military US-lead approach if the instruments of socio-cultural pillar cooperation could be more systematically employed for political purposes to develop soft-security measures against terrorism. The Dialogues between Cultures and Civilizations and the Inter-faith dialogue hold great potential in this direction.

2.4 Management and Coordination

ASEM's management and coordination is affected by the differences 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 the Union's external relations equivalent to the formal fields of EU-Asia relations. Despite being close to the ordinary policy-making process, ASEM challenges the division of power among the Union's institutions and excludes parliamentary participation. These defects are reflected in the status and functioning of ASEM as well as its legitimacy and visibility.

2.5 Visibility and Profile of ASEM

Research indicates that the lack of visibility and public profile is a major problem for ASEM as awareness in the media and among the wider public

remains low. Hence, even after ten years of ASEM, in a survey of tertiary students in Beijing, 68.6% of respondents “do not know ASEM”. Asian media coverage of events suggested that ASEM is mostly the concern of officials and leaders, and not so much the concern of the average citizens.

From the European point of view, these problems stem from unfocused agenda-setting, the inability to prioritize, the lack of concrete results, as well as the low levels of commitment and limited engagement of different actors from civil society, the business sector and the parliaments. The ambiguous position ASEM takes in the EU further compounds the issue in Europe.

The Asian Overview Report pointed out that ASEM is also lacking an overall communication strategy. Some Asian reports see the lack of profile 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 substantive forum. But most think a more concerted and proactive effort to address the issue is required.

PART III - RECOMMENDATIONS

After a decade, ASEM remains essentially a dialogue forum. Political dialogue has widened as ASEM responded to the different crises and challenges that appeared over the years – from the Asian financial crisis to international terrorism to the Iraq war. Yet, the truth is that while dialogue has widened, it has not deepened significantly. Although the dialogue has 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 its identity clarified in order to bring it more in line with the ideal and objectives of close interregional cooperation.

3.1 Principles and Objectives

Taking into account the challenges posed by the ambiguous character of ASEM, the partners should develop ASEM in the direction of an effective region-to-region dialogue and cooperation framework that partakes in norms-setting and regime creation to help shape the international system. This is because East Asia and Europe are growing in importance as they each acquire increasingly a sense of regional identity.

ASEM has contributed to the reinforcement of regional identities and processes of community-building. Developing ASEM further into a region-to-region dialogue recognizes and supports the processes of community building which are currently going on among the EU partners as well as among the Asian partners. However, the different capacities of Asia and Europe to engage themselves in ASEM as regions must be appreciated.

While this should be the broad overall principle that will guide ASEM's future activities, there is also the need to set more specific objectives and concrete deliverables as benchmarks of progress. This should focus on niches for cooperation in which the ASEM framework can add value to the plethora of bilateral and multilateral frameworks already in existence. ASEM should make full use of its multidimensional framework, one of its founding principles, to realize the potential of clustered aims and objectives in order to address global challenges.

One step towards this direction was already taken by the Kyoto FMM7, which outlined the key areas for substantive cooperation: strengthening multilateralism and addressing security threats and challenges; human-centered and sustainable development; and dialogue among cultures and civilizations. These broad themes offer the overarching framework in which focused clusters of issues fitting the ASEM mould can be framed. It is in these clusters of issues that the ASEM partnership can make a true difference.

3.2 Improving the ASEM Dialogue

Political Pillar

The effectiveness of the political dialogue in promotion of multilateralism and global institutions need to be strengthened through closer coordination and more focused agenda-setting. The partners can develop ASEM's capacity to become a clearing-house for global multilateral meetings by jointly agreeing on agendas, objectives and common positions. ASEM should also utilize the Track-II channel to help in the preparation of issues particularly in sensitive fields such as human rights and democracy. In addition, the partners should make further use of their respective competencies in addressing global threats.

Economic Pillar

The revitalization of the economic pillar is an essential component for reviving interest in the ASEM process. ASEM partners must build on the groundwork done in the TFAP and IPAP, and through the recommendations of the AEBF and the Task Force for Closer Economic Partnership between Asia and Europe.

The partners should encourage the growing economic integration in both regions. At the same time, efforts should be continued to achieve the Closer ASEM Economic Partnership in line with WTO rules, as specified by the 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* civil society needs to be clarified. Bottom-up 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 parliaments of the EU Member States in the official ASEM process. This 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 interregional level will lead to significant benefits for both regions. 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.

The clusters of issues identified below are some of the most pressing 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, and the current spread of avian flu, highlighted the dangers of human 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

The competition for energy sources has the potential to generate conflict. At the same time, there is enough shared interest to engender cooperation. As most East Asian and EU member states are energy-importing countries, this is an area in which the benefits for cooperation are tremendous. Much can be achieved in technology transfer, capacity building and innovation in nuclear energy and better natural resource management.

➤ 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 development. ASEM countries can first work towards a common position 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

The partners could take up issue-specific actions, which allow them to react to acute questions by launching a dialogue process on problems related to peaceful inter-cultural co-existence. In addition, further ways to manage the rise of extremism and prejudice within the different communities 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 order to produce tangible benefits for all.

The Burma/Myanmar Issue

A pressing issue that requires attention is the participation of Burma/Myanmar in ASEM summits and meetings, particularly those organized in Europe. The European political realities make it difficult 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 affairs. Steps toward a constructive solution to this dilemma could be made at the Helsinki Summit in September 2006.

3.3 Management and Coordination

Better Coordinating Mechanisms and Institutional Support

Regional mechanisms of management and coordination must be taken as the starting point when the functioning of ASEM is enhanced. The efficacy, legitimacy and visibility of ASEM are essentially dependent on its regional management.

The Asian side with its current rotating coordinating mechanism may not be the most ideal as reflected in the research and discussions. There is therefore a strong desire reflected in the Asian papers for a small professional Secretariat to be established. The debates on having a Secretariat have been ongoing for some time, and the consensus is so far for a virtual Secretariat. Understanding 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 effective region-to-region dialogue. To be cost-effective and efficient, the 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 considered. The more binding results are sought after, the more compatible 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 consider whether a better involvement of the Council and Parliament —

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 make ASEM more efficient and create better synergies between ASEM and other frameworks of EU-Asia cooperation. 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

The informality, networking and flexibility aspect of ASEM should not be lost as we move forward. 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 and progress in each other's regions. But after ten years of dialogue there is also a strong demand to see that the dialogue is translated into concrete cooperation and specific projects.

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 of projects identified above. Depending on the issues to be discussed, ministers from relevant ministries should meet to set direction and receive review of ongoing projects and initiatives. If need be, the meeting can involve representatives from different ministries.

3.4 Visibility and Profile of ASEM

Research indicates that the lack of profile and visibility is a major problem 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 profile all ASEM activities and meetings. What should be done in the

immediate terms as officials and leaders further discuss the possible set-up or structure of a Secretariat is to have a small Task Force to look into drafting a comprehensive communications strategy to profile ASEM. The Task Force should comprise the ASEF Director of Public Affairs, one or two professionals in public communications, an expert on ASEM matters, and two government representatives (one from Asia and one from Europe).

According to the European point of view, however, visibility and awareness of ASEM are not merely tackled by way of enhanced media strategies, but also through closer involvement of different civil society actors, business sector and parliaments. The integration of these actors will greatly contribute to a stronger feeling of ownership. In addition, the standardization of ASEM within the EU's external relations will furthermore significantly enhance visibility and awareness of ASEM among the wider public.

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. While the European side as well is committed to the idea of symmetry in ASEM, the EU enlargement is an on-going process and as new states enter the EU they become full-fledged members with equal rights to participate in the common policy-making, also in the field of Euro-Asian relations.

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 partnership in ASEM would be defined by the regional frameworks and their respective development. The emerging Asian rapprochement, the recent East Asian Summit (2005) being a visible example, could provide new possibilities for the Asian ASEM partnership.

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 meetings and fora without at some stage reaping some of the benefits. This 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 fundamental reality and the constraints of having to accommodate different perspectives, interests and expectations among its thirty-nine members. The modest recommendations above propose piecemeal changes to answer some of the main criticisms and challenges identified during the research. The overall objective is to retain ASEM's informality and its main function as a dialogue forum but at the same time to profile some concrete functional 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 of ownership among the different ASEM partners so that interest in the 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 represent about 40% of the earth's population, 50% of global GDP and 60% of world trade, is becoming increasingly important in addressing key global issues the international community is facing. With such figures, 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 become an important and highly effective region-to-region dialogue and cooperation framework to build sustainable peace, prosperity and stability.