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**EUROPE-ASIE :
RENFORCER LE DIALOGUE INFORMEL**

**EUROPE-ASIA: STRENGTHENING
THE INFORMAL DIALOGUE**

Première réunion plénière
du Conseil pour la coopération Europe-Asie

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for Asia-Europe Cooperation (CAEC)

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EUROPE-ASIE : RENFORCER LE DIALOGUE INFORMEL

Hervé de Charette *

Actes du séminaire
Paris, Ifri, 5-6 novembre 1996

Avant-propos

Recevant, le 6 novembre 1996, les participants du colloque dont les actes sont à présent publiés par l'Institut français des relations internationales, j'avais insisté sur l'importance que j'attache au dialogue des cultures et des civilisations. J'avais souligné le fait que, même si les gouvernements européens et asiatiques se rencontrent et se parlent régulièrement, dans un climat toujours plus confiant, rien ne pourrait se faire sans un échange approfondi entre les sociétés civiles des deux régions.

Les visites que j'ai effectuées en Asie et les nombreux visiteurs asiatiques que je reçois à Paris m'ont convaincu de l'importance que revêt la constitution d'une relation triangulaire entre l'Europe, l'Asie et les Etats-Unis. Dans ce triangle, dont tous les acteurs doivent être également importants, le côté reliant l'Europe à l'Asie est longtemps resté « mal dessiné » et j'ai, à maintes reprises, recueilli chez mes interlocuteurs le souhait de le voir mieux tracé. Au moment où l'Union européenne entre dans une phase cruciale de sa

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construction, elle se doit de définir une relation forte avec l'Asie, impliquant toutes ses forces vives.

Le renforcement de ce « dialogue informel », que le président Chirac appelait de ses vœux lors de sa visite à Singapour en 1996 et dont le thème était repris quelques jours plus tard lors du premier sommet de l'ASEM à Bangkok, trouve sa justification dans le constat d'une trop grande méconnaissance mutuelle. Serait-il encore admissible, en cette fin de siècle marquée par l'explosion des moyens d'information, que les jeunes Européens n'aient de l'Asie qu'une image confuse et qu'ils n'aient pas davantage la possibilité et le goût d'étudier les langues et les civilisations de cette région ? Ne serait-il pas normal que les universités européennes attirent davantage d'étudiants venus d'Asie ? Nous disposons, de part et d'autre, de réservoirs culturels considérables auxquels il ne manque que les connexions qui les rendront mutuellement perméables. L'idée d'une coopération euro-asiatique en matière d'échanges intellectuels a fait son chemin depuis Bangkok et je me réjouis particulièrement de la création, en février 1997 à Singapour (à l'occasion de la réunion des ministres des Affaires étrangères de l'ASEM), de la Fondation euro-asiatique. Celle-ci aura pour objectif de fédérer les initiatives, dans un domaine que nous ne pouvons nous permettre de négliger. Les réseaux intellectuels, les liens existant déjà entre instituts, fondations, centres de recherche, donneront corps à ce projet. Le séminaire organisé à l'Ifri s'inscrivait donc parfaitement dans un tel processus. Ce dialogue des cultures, basé sur le partage d'un patrimoine intellectuel d'une richesse considérable, est souhaité de part et d'autre. Nous sentons tous à quel point, dans un monde de plus en plus ouvert, il convient de ne pas limiter nos perceptions mutuelles au simple constat de nos différences mais, au contraire, d'en exploiter les richesses et les enseignements. Au-delà des concurrences économiques, s'affirment des convergences et des solidarités qui ne pourront se développer que si nous nous connaissons mieux. Et la libéralisation des échanges facilite, aujourd'hui, non seulement la circulation des biens et des services, mais aussi des idées. C'est là un des effets très positifs de la mondialisation tant décriée par les esprits chagrins. Une meilleure connaissance mutuelle de nos sociétés nous permettra ainsi d'écarter un peu plus l'idée fautive selon laquelle, au nom de valeurs prétendument occidentales, asiatiques, ou autres, les civilisations porteraient en elles, de par leurs dif-

férences, le germe des conflits de demain. Je crois, pour ma part, que seule l'ignorance est facteur de risque. Déjà, certaines images, qui tenaient du fantasme, tendent à s'estomper : l'Europe n'est plus perçue comme une « forteresse », ni l'Asie comme une *terra incognita*.

L'Europe est engagée avec l'Asie dans un dialogue n'excluant aucun format ni sujet, comme l'a démontré ce séminaire : les équilibres géopolitiques, les questions de sécurité, le dialogue politique, l'économie, les problèmes sociaux, les échanges culturels sont autant de thèmes qui, loin d'être monopolisés par les gouvernements, doivent être débattus, en toute liberté, par les représentants de la société civile, dont l'approche « informelle » constitue une « aide à la décision » essentielle. Bien souvent, ces acteurs non institutionnels sont les précurseurs qui permettent ensuite aux gouvernements d'harmoniser leurs positions sur les sujets les plus délicats et d'élaborer des projets communs. C'est ainsi, notamment, que se construit l'ASEM, comme en témoignait, à Paris en octobre 1996, la réunion d'un Forum des hommes d'affaires des pays membres de l'ASEM. C'est également ainsi que se développe la confiance au sein de l'ARF, comme le démontrait la tenue, toujours à Paris, en novembre 1996, d'un séminaire informel sur la sécurité régionale. C'est, enfin, cette même volonté de préparer l'avenir des relations entre les deux ensembles régionaux qui guidait les participants et les organisateurs de ce séminaire à l'Ifri – initiative qui, j'en suis persuadé, sera reproduite ailleurs, en Europe et en Asie.

EUROPE-ASIA: STRENGTHENING THE INFORMAL DIALOGUE

Hervé de Charette *

Proceedings
Paris, Ifri, 5-6 novembre 1996

Introductory message

On welcoming, on 6 November 1996, the participants in the seminar whose proceedings are published today by the Institut français des relations internationales – Ifri (French Institute of International Relations), I had insisted on the importance I attach to dialogue between cultures and civilizations. I had stressed the fact that, even if European and Asian governments meet and talk to one another on a regular basis in an ever more trustful climate, nothing could be achieved without in-depth exchanges between the civil societies of both regions.

The visits I have made to Asia and the many Asian visitors I receive in Paris have convinced me of the importance pertaining to the establishment of a triangular relationship between Europe, Asia and the United States. In that triangle, all players of which must be of equal importance, the side linking Europe to Asia has long remained « hazy » and on many occasions my interlocutors have expressed the wish that it should be drawn more sharply. At

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a time when the European Union is entering a crucial stage in its construction, it needs to shape a strong relationship with Asia by drawing fully on its living strength.

The strengthening of this « informal » dialogue which President Chirac called for on his visit to Singapore in 1996 and which again provided a theme for discussion a few days later at the First ASEM in Bangkok, is vindicated by the acknowledgement of too great a lack of mutual understanding. Is it still possible for us to accept that, whereas the end of this century is witnessing a boom in information technology, European youth should have only a vague idea of Asia and not be given further opportunity and the urge to study the languages and civilizations of that region? Would it not be normal for European universities to attract more Asian students? We have, in both these parts of the world, a wealth of cultures with sufficient bridges between them for them to be able to interact. The idea of Asia-Europe co-operation in intellectual exchanges has gained ground since the Bangkok summit, and I welcome, in particular, the setting-up of the Asia-Europe Foundation in February 1997 in Singapore, on the occasion of the Meeting of ASEM foreign ministers. The Foundation's aim will be to pool initiatives in an area we cannot afford to disregard. Networks of think-tanks, existing ties between institutes, foundations and research centres will give substance to that project. The Ifri seminar thus fitted in perfectly with such a process.

Both regions are calling for such a dialogue between cultures which relies on sharing an extremely rich intellectual heritage. All of us are aware of just how important it is, in an ever more open world, not to allow our mutual perceptions to focus solely on our differences but, on the contrary, to tap their treasures and their teachings. Beyond economic competition, convergences and solidarity have established themselves but will only be able to grow provided we gain greater mutual understanding. Today, the movement of goods and services, as well as of ideas, is made easier owing to trade liberalization. This is one of the very positive effects of the globalization decried by disgruntled people. Enhanced mutual understanding between our societies will thus enable us to drive back yet further misconceptions whe-

reby, in the name of supposedly Western, Asian or other values, differences inherent in civilizations lie at the root of the conflicts of tomorrow. For my part, I believe that ignorance alone is a risk factor. Already, certain images that smacked of fantasy tend to become hazier: Europe is no longer perceived as a « fortress », nor Asia as a *terra incognita*. As demonstrated by this seminar, Europe has started with Asia a dialogue setting aside no format nor subject: geopolitical balance, security issues, political dialogue, economics, social problems, cultural exchanges are all themes which, far from being monopolized by governments, must be freely debated by representatives of civil society whose « informal » approach is a vital « decision-making aid ». Very often, these non-institutional players are the forerunners who then enable governments to harmonize their positions on the most tricky subjects and to work out joint projects. This is the way in which ASEM is being constructed, as shown by the Euro-Asian Business Forum of ASEM member countries that took place in Paris in October 1996. This is also how confidence-building is being fostered within the ARF, as demonstrated by the holding in 1996, again in Paris, of an informal seminar on regional security. Finally, it is this same determination to lay the groundwork for the future of relations between both regional entities which guided the participants and organizers of this Ifri seminar, an initiative which, I am convinced, will be repeated elsewhere, in Europe and in Asia.

Résumé des débats

La conférence « Europe-Asie : renforcer le dialogue informel » a réuni à Paris, les 5 et 6 novembre 1996, 75 participants venus de 18 pays d'Asie et d'Europe. Soutenue par le Centre d'analyse et de prévision du ministère des Affaires étrangères et par le ministère des Affaires étrangères japonais, cette conférence a été conçue comme un débat aussi ouvert que possible sur des questions essentielles pour l'avenir de l'Europe et de l'Asie. Elle a également été l'occasion de la première réunion plénière du Conseil pour la coopération Europe-Asie (CAEC), qui regroupe des instituts de recherche asiatiques et européens se donnant pour objectif de contribuer à l'essor de la coopération entre les deux régions dans tous les domaines. Le CAEC a été fondé en juin 1996, au lendemain du premier sommet euro-asiatique des chefs d'Etats (ASEM), tenu à Bangkok au mois de mars précédent.

Le large dialogue instauré au cours de cette conférence, dépassant de beaucoup l'agenda du CAEC, lui-même encore en chantier et qui se précisera lors des prochaines réunions (Londres en mars 1997 et Tokyo en novembre 1997), donne idée de l'intérêt de développer un programme plus ambitieux de coopération intellectuelle entre les deux régions. Le projet de Fondation Europe-Asie, en cours d'établissement à Singapour, et l'implantation dans chaque pays d'Asie et d'Europe de centres d'échanges multidisciplinaires interrégionaux, proposée lors de la conférence de Paris, pourront contribuer à renforcer la coopération intellectuelle entre l'Europe et l'Asie.

Le compte rendu de cette réunion commence par une synthèse des principales orientations envisageables de la coopération Europe-Asie, dénominateur commun des discussions, et se poursuit par une exposition des principaux éléments du débat, volontairement étendu à des thèmes variés, mais participant tous de préoccupations communes à l'Europe et à l'Asie.

Orientations de la coopération Europe-Asie

La coopération Europe-Asie, rapprochement de deux grands acteurs mondiaux

Renforcer le côté faible du triangle

Etats-Unis, Europe et Asie constituent d'ores et déjà les *trois pôles fondamentaux de l'ordre international*, et cette physionomie perdurera dans le XXI^e siècle. Mais si les relations Etats-Unis-Europe et Etats-Unis-Asie se structurent avec force autour des héritages historiques atlantique et pacifique, et autour d'institutions désormais reconnues dans les deux cas, *le lien Europe-Asie*, que les flux économiques renforcent jour après jour, est encore *dépourvu du soubassement politique* qui équilibrerait le triangle mondial. La coopération Europe-Asie doit donc, dans ce contexte, se développer en l'absence des Etats-Unis, ce qui ne signifie pas que la présence de ces derniers dans les deux zones doive être remise en cause, ou que le processus ASEM soit dirigé contre eux, mais que cette coopération doit permettre de renforcer le côté faible du triangle et ainsi *améliorer l'équilibre général* qui s'exprime dans les organisations à vocation mondiale.

Européens et Asiatiques ont en effet intérêt à disposer d'un lieu de concertation qui leur donne la possibilité de *maximiser leurs relations avec les Etats-Unis* en introduisant une saine concurrence. L'Europe pourrait ainsi mobiliser le soutien de partenaires asiatiques face à l'unilatéralisme commercial américain, exprimé récemment par les lois Helms-Burton ou D'Amato-Kennedy. L'Asie gagnerait aussi d'un lien euro-asiatique fort la possibilité de négocier avec son partenaire d'outre-Pacifique un engagement stratégique moins entaché d'incertitudes et moins coûteux en concessions économiques. De même que la constitution de l'APEC – qui réunit autour d'objectifs de libéralisation commerciale souple les deux rives du Pacifique – a été facilitée par les craintes de voir l'Europe se faire forteresse, une coopération euro-asiatique solide assurerait les deux partenaires *contre les tentations d'édification de blocs commerciaux* fermés les uns aux autres. Les Européens s'inquiètent en effet d'une éventuelle évolution de l'APEC vers une forme de régionalisme fermé.

La présence des Etats-Unis reste indispensable à la sécurité des Européens comme de celle des Asiatiques, et il paraît illusoire de vouloir aujourd'hui substituer à l'assurance américaine une hypothétique alliance euro-asiatique de sécurité. Néanmoins, le renforcement du côté faible du triangle offre aux deux régions de nouveaux atouts pour la gestion de la présence sur leur territoire de cet intervenant extérieur.

Donner du sens à la présence européenne en Asie

En dépit de la faiblesse institutionnelle et politique de la relation euro-asiatique, il existe d'ores et déjà un lien fort entre les deux régions. Ainsi, *les exportations européennes vers l'Asie sont supérieures aux exportations américaines*, et la balance commerciale européenne à l'égard de l'Asie un peu moins déficitaire que celle des Etats-Unis. Les flux d'investissements directs européens en Asie, encore modestes, croissent rapidement. Mais la présence européenne en Asie n'est pas qu'économique : dans le domaine de la sécurité, l'Europe a occupé une place importante dans le règlement du conflit cambodgien, a pris, après hésitations, la décision de principe de participer au financement de la KEDO (consortium chargé de fournir à la Corée du Nord des réacteurs nucléaires civils non proliférants) *et les Européens sont finalement présents de facto dans le domaine de la sécurité*, ne serait-ce que par leurs ventes d'armes, presque toujours accompagnées d'échanges de techniques de combat, de doctrines d'emploi, et de formation de personnel militaire.

Pourtant, la réalité de cette présence n'est pas parvenue à s'imposer dans les consciences. Les Européens se sont jusqu'à présent à tout le mieux comportés comme des Etats commerçants sur le marché asiatique. Une coopération euro-asiatique renforcée doit permettre de donner un sens politique à la réalité du lien entre les deux régions, et elle peut *s'appuyer sans complexe sur ce lien*.

Aborder ensemble les enjeux communs

L'Europe et l'Asie se trouvent confrontées à un certain nombre de défis communs. Le développement rapide de l'Extrême-Orient pose ainsi des questions de société très proches de celles auxquelles le Vieux Continent tente de répondre actuellement. Les deux régions, avec un décalage dans le temps, doivent faire face à une révolution postindustrielle démographique et

technologique qui remet en cause les fondements sociaux et économiques traditionnels : il s'agit, sinon de chercher ensemble les voies de passage d'une forme d'organisation à l'autre, du moins *de profiter des expériences réciproques de traitement des enjeux communs*¹.

Dans le domaine des relations internationales, *l'Europe et l'Asie partagent le dessein de construire un ordre régional* capable de leur donner voix et autorité sur la scène mondiale. A l'évidence, les deux régions n'ont pas atteint le même état d'avancement dans ce projet, et la réalité de l'émergence d'une identité régionale asiatique suscite débat². Mais ce dessein commun constitue un motif d'échange et de partage des expériences. C'est d'autant plus vrai que *le contexte de la mondialisation s'impose aussi aux deux régions*. Pour se donner les moyens de la gérer de façon profitable, l'Europe et l'Asie peuvent avoir intérêt à se rassembler pour *mettre au point des positions communes* et les faire valoir au sein des organisations internationales compétentes. L'ASEM a ainsi décidé d'une concertation avant le sommet de l'OMC à Singapour en décembre 1996.

Enfin, mettre l'accent sur les points communs ne doit pas conduire à ignorer les différends. Les zones de dissension doivent aussi faire partie de l'agenda de la coopération euro-asiatique, et une partie de l'utilité de celle-ci consiste précisément à « combler le fossé », ou au moins à *confronter des points de vue européens et asiatiques divergents* sur les formes de gouvernement, les règles du travail et la question du dumping social ou encore les restrictions à l'investissement étranger.

Une coopération renforcée Europe-Asie doit donc permettre d'aborder non seulement les problèmes bilatéraux, mais aussi l'ensemble des questions posées conjointement aux deux régions et qui peuvent bénéficier d'un traitement concerté.

1. C'est le sens, par exemple, des discussions autour des interventions de Bernard Brunhes (sur l'évolution des sociétés européennes) ou de Kwak Sang-Kyung, professeur à l'Université de Corée (sur le rôle des Etats dans la croissance économique).

2. Ce débat a eu lieu à l'occasion de l'intervention de Carolina Hernandez, présidente de l'Institute for Strategic and Development Studies (Philippines), sur la mondialisation et l'identité régionale en Asie.

Organiser le dialogue informel entre deux centres de gravité

Europe et Asie : rencontre de deux régionalismes en construction

La coopération euro-asiatique ne peut pas prendre, dans l'état actuel d'avancement des deux constructions régionales, la forme de négociations d'ensemble qui se situeraient au-dessus des rapports bilatéraux entre les Etats. Pourtant, l'expérience du premier sommet ASEM montre que des *formules intermédiaires entre bilatéralisme et multilatéralisme* purs peuvent voir le jour. Ainsi, du côté européen, l'Union européenne était-elle représentée concurremment avec les Etats-membres. Afin d'éviter les perspectives d'immobilité que comportent à la fois l'approche entre deux régions, qui risque de promouvoir l'inaction en cas de dissensions à l'intérieur des groupes, et l'approche multilatérale, avec quarante participants individuels potentiels et un émiettement des initiatives, peut-être est-il souhaitable de voir émerger un concert des puissances les plus intéressées à l'entreprise, permettant de dégager des priorités et de générer une dynamique. Il faut en effet constater qu'il n'existe pas, pour l'instant, de politique asiatique commune aux pays de l'UE, en dehors d'un accord minimal et récent sur l'importance qui doit être attachée aux relations avec cette région.

Mais du côté asiatique, la réunion de Bangkok et la perspective des prochaines réunions ASEM constituent en revanche l'occasion de l'émergence d'un embryon de régionalisme : en effet, au contraire de la pratique qui prévaut dans l'APEC, les Etats asiatiques participant à l'ASEM ont décidé de se concerter avant les réunions et de confier un rôle de coordination du processus à un pays de l'ASEAN et à un pays non membre de l'ASEAN pour la préparation des prochaines activités (Singapour et le Japon pour le sommet de Londres en 1998). La nouvelle coopération euro-asiatique offre finalement un lieu unique de construction d'une identité régionale asiatique. Reste cependant en suspens, avec là aussi des perspectives d'évolution, la question de la participation au processus de coopération euro-asiatique de pays du bassin Pacifique comme l'Australie, et des pays d'Asie du Sud, tous pour l'instant maintenus en dehors du dialogue officiel.

Une coopération informelle n'excluant pas l'institutionnalisation

Le caractère évolutif de l'identité de chacun des partenaires, l'expérience des enceintes régionales préexistantes comme l'APEC ou l'ARF incitent à ne pas exprimer dès l'abord de trop grandes ambitions institutionnelles. *Les gouvernements asiatiques, en particulier, préfèrent une approche informelle* qui dispense d'engagements trop précoces et trop contraignants. Ce type d'approche n'exclut cependant pas la définition d'objectifs précis, de projets concrets et de plans d'action nationaux concertés. Il n'interdit pas non plus d'envisager à terme une institutionnalisation accrue du processus de coopération.

Dans le cadre informel qui prévaut actuellement, il convient de faire le meilleur usage de la « seconde voie » (*track two*) par laquelle instituts de recherches et *think-tanks* prennent l'initiative, avec le soutien de leurs gouvernements, de projets de coopération principalement non gouvernementaux. *L'exploitation systématique de la seconde voie est une caractéristique de la diplomatie asiatique* et joue un rôle positif là où les gouvernements sont réticents à intervenir directement : il en est ainsi de la Commission trilatérale (Europe-Japon-Etats-Unis), du PECC, précurseur de l'APEC ou du CSCAP, précurseur du dialogue asiatique de sécurité. Le CAEC a pour ambition de jouer le rôle de leader de la seconde voie dans le processus de coopération euro-asiatique, à côté d'éventuels autres acteurs non directement gouvernementaux comme la Fondation Europe-Asie, en voie de constitution à Singapour.

Propositions pour la coopération Europe-Asie

Même si la liste de propositions diverses adoptée à l'issue du sommet de Bangkok (et raillée sous l'appellation de « liste de courses ») présente l'intérêt de lancer des projets d'action concrets, il apparaît nécessaire de *concentrer les efforts de la coopération euro-asiatique sur quelques thèmes bien choisis*, pour lesquels la forme du dialogue entre les deux régions est la plus susceptible d'apporter des améliorations réelles. Le CAEC s'emploie à définir une approche rationnelle et efficace des domaines de compétence possibles de la coopération euro-asiatique, et les débats de la conférence de Paris ont permis de dégager des priorités.

Renforcer le lien économique

Le domaine économique est caractérisé par l'existence d'une relation commerciale déjà vigoureuse, essentiellement issue du niveau des relations interentreprises. Mais *de nombreux besoins restent mal satisfaits et de nombreuses opportunités inexploitées* de part et d'autre. L'Europe a ainsi besoin d'affirmer et d'élargir encore son accès au réservoir de croissance asiatique, et l'Asie souhaite acquérir technologies ou méthodes de gestion qui lui font défaut. Par ailleurs, les deux partenaires ne profitent encore que très partiellement des possibilités d'investissement direct à l'étranger qui s'offrent aux acteurs économiques et leur permettent d'améliorer leurs conditions de développement, de production et de commercialisation.

Dans la phase présente des rapports économiques euro-asiatiques, des initiatives gouvernementales deviennent indispensables pour créer les conditions d'un approfondissement des échanges. En effet, si les entreprises multinationales disposent de moyens en propre pour pratiquer les échanges entre les deux zones, les PME, qui constituent la base des réseaux économiques en Europe comme en Asie, se heurtent à des obstacles (accès à l'information, couverture des risques...) que des programmes concertés lancés dans le cadre de la coopération euro-asiatique pourraient lever. L'effort intergouvernemental euro-asiatique doit donc viser à *faciliter l'accès de l'Europe et de l'Asie aux petites et moyennes entreprises des deux zones*, aux fins de production, d'investissement, de partenariat, d'échanges commerciaux et technologiques.

L'amélioration de l'accès aux économies d'Europe et d'Asie pour les acteurs de chacune des régions suppose, outre la diffusion de l'information stratégique au plus grand nombre de ceux-ci, un *mécanisme de libéralisation commerciale et financière* que la coopération Europe-Asie pourrait prendre en charge. Il s'agirait, d'une part, de coopérer dans le cadre de l'OMC à une libéralisation à l'échelle mondiale, et d'autre part d'étendre aux pays de la coopération euro-asiatique les bénéfices d'aménagement des régimes commerciaux et d'investissement de l'Union européenne et les mesures de libéralisation adoptées dans le cadre de l'APEC. La coopération euro-asiatique dispose à cet égard de toute latitude pour choisir des formules souples de progression vers la libéralisation, à l'image de l'APEC qui a fixé des objectifs et procède sur le mode de l'« unilatéralisme volontaire concerté » (absence d'accords contraignants, chaque

partie s'engageant à faire d'elle-même les concessions nécessaires à la progression vers une libéralisation du commerce). Des participants à la conférence de Paris s'interrogent même sur l'opportunité de constituer dès à présent un lien entre le processus APEC et celui des sommets euro-asiatiques.

Participer à la sécurité de l'Asie

Personne ne remet en cause le rôle prépondérant des Etats-Unis dans la sécurité de l'Asie, et il est même souhaitable de le voir se renforcer, en particulier grâce à une plus grande autonomie de sécurité de l'Europe qui permettrait de reporter une partie de l'engagement américain vers les zones de conflits d'Extrême-Orient. Néanmoins, *la dimension de sécurité et la dimension militaire font partie de l'ordre des relations Europe-Asie* : parce que le commerce des armes européennes en Asie ou la participation à des opérations de maintien de la paix type APRONUC créent des liens de cet ordre entre les deux régions ; parce que les logiques bilatérales qui forment le soubassement du dialogue euro-asiatique comprennent elles-mêmes un contenu de sécurité, particulièrement développé pour certains, comme la Grande-Bretagne, liée par un traité de sécurité au sultanat de Brunei et par l'arrangement dit des Cinq puissances (FPDA) avec l'Australie, la Nouvelle-Zélande, Singapour et la Malaisie ; et enfin parce que, dans certains conflits asiatiques, et dans l'éventualité d'engagements militaires, la question se poserait de la participation opérationnelle des pays européens, à l'appui des Etats-Unis.

Il apparaît par conséquent que *l'Europe doit adopter une posture plus volontariste dans la sécurité asiatique*, au moins pour mettre ses logiques politiques en cohérence avec son engagement de fait. Il s'agit ainsi de penser dès aujourd'hui les formes de participation aux conflits potentiels d'Asie, et de s'y préparer de façon opérationnelle, par exemple en associant les Européens aux exercices militaires plurinationaux qui se déroulent dans la zone (par exemple RimPac, comme le proposent certains). Le cadre de la coopération euro-asiatique pourrait aussi permettre d'harmoniser les relations bilatérales de sécurité entre les Européens les plus actifs en la matière (France, Royaume-Uni, Allemagne) et leurs partenaires asiatiques, et d'étendre ces relations à des thèmes relevant de la sécurité au sens large, comme la piraterie, les migrations, le crime international ou le trafic de drogue. Il est encore en-

visageable d'utiliser la coopération euro-asiatique aux fins de contribution au renforcement du système global de non-prolifération nucléaire.

L'ASEM semble en outre constituer une enceinte pertinente pour *l'échange d'expérience, de connaissance, de pratique dans le domaine de la sécurité*. C'est le cas pour l'expérience européenne de la sécurité collective, de la diplomatie préventive, de la résolution des conflits et des mesures de confiance et de sécurité : l'architecture européenne de sécurité, en dépit de ses lacunes, peut en effet apparaître aux yeux des Asiatiques, comme un réservoir d'exemples et de contre-exemples historiques capable d'aider à répondre aux besoins de sécurité d'une région complexe, traversée de tensions et d'oppositions.

Mais cette concertation peut s'étendre aussi à un dialogue sur la sécurité mondiale et la maintien de la paix, dans lequel les expériences européennes et asiatiques gagneraient à être partagées. En jouant un rôle dans une participation plus active des pays asiatiques aux opérations de l'ONU, en allant jusqu'à la mise sur pied d'entraînements en communs ou de programmes d'équipement concertés, l'ASEM se doterait effectivement d'une dimension politique, inscrite dans la déclaration finale du sommet de Bangkok et qui fait défaut à l'APEC.

Le triangle global

L'ASEM existe en partie du fait de la nécessité de renforcer le côté jusqu'alors faible du triangle de puissance planétaire. La légitimation du processus de coopération euro-asiatique passe donc par sa mise en œuvre lorsque le troisième pôle de puissance, les Etats-Unis, adopte une attitude qui met à mal les règles du multilatéralisme que s'impose la communauté internationale. Aux yeux de certains, *la coopération euro-asiatique représente une incitation pour les Etats-Unis à conserver une attitude ouverte et honnêtement internationale* ; il faut donc l'utiliser sans complexe dans cet emploi, non pas sous une forme générale et absolue mais à chaque fois que les intérêts européens et asiatiques peuvent être coordonnés pour contrer l'unilatéralisme américain. Cela pourrait ainsi être le cas au sein de l'OMC, où au-delà de la position concertée qui pourrait être adoptée ponctuellement face aux législations abusant des sanctions unilatérales, des mises au point communes préalables aux échéances de l'Organisation permettraient d'influer positivement sur les négociations face à

un membre américain tenté par un nationalisme protecteur. La perspective d'un tel niveau de coopération ne doit bien entendu pas masquer l'existence de différends en matière commerciale entre l'Europe et l'Asie : règles antidumping largement interprétées ou prolifération des accords préférentiels, pour l'Europe ; restrictions à l'investissement ou abus des dérogations PVD, pour l'Asie. Mais le cadre ASEM représente aussi une bonne enceinte de négociations sur ces matières. Dans un autre domaine de l'activité internationale, la réforme de l'ONU gagnerait à être discutée et promue par la coopération euro-asiatique, alors que les Etats-Unis semblent y poser des obstacles difficilement surmontables par un seul autre pôle.

L'Asie, acteur économique majeur, souffre d'un déficit relatif de présence politique sur la scène mondiale. Le processus ASEM doit pouvoir être un encouragement à *une participation asiatique plus affirmée dans les affaires internationales*, par exemple par le biais de la coopération en matière d'opérations de maintien de la paix, à travers lesquelles le Japon et la Chine peuvent trouver un emploi légitime pour leurs forces armées, et par lesquelles les pays de l'ASEAN peuvent acquérir la dimension globale qui leur fait défaut. Réforme des Nations unies, fonctionnement de l'OMC, dialogue de sécurité y compris non militaire (qui peut s'étendre, dans une vision de long terme, jusqu'à la prospective commune en matière de demande d'énergie ou de protection de l'environnement), l'exploration du champ des enjeux et des intérêts communs à l'Europe et à l'Asie illustre que peut naître de leur coopération un partenariat à l'échelle mondiale.

Encourager la connaissance réciproque

Le sommet de Bangkok reconnaît, dans sa déclaration finale, la priorité que constitue le développement des échanges intellectuels entre les deux régions. L'Asie, arrivée à ce point de son évolution historique, pourrait mettre à profit les expériences européennes dans le domaine de la transition politique, des modalités de long terme de la démocratie, des voies de la coexistence d'identités nationales et supranationales régionales, de l'aménagement des relations entre Etats dans une même région. Les participants à la conférence de Paris ont manifesté leur intérêt pour l'expérience de l'OSCE, alors que le président philippin s'intéresse au modèle EURATOM. Mais le constat est fait de la pau-

vreté des recherches asiatiques sur l'Europe contemporaine, et en particulier sur les thèmes présentant un intérêt direct pour la pratique politique³. Il faut donc que *l'Europe rende accessible son corpus d'expériences historiques*, afin de permettre aux asiatiques d'y puiser des éléments de réponse aux problèmes que leur développement, leur intégration régionale et internationale suscitent.

L'Europe, quant à elle, a un fort besoin de développement de ses connaissances sur l'Asie, parce que cette extension constitue la clef d'un approfondissement des échanges au niveau politique, certes, mais surtout au niveau des acteurs économiques. Les Européens sont aujourd'hui dotés d'outils de connaissance de l'Asie émiétés, auxquels il manque un réseau de coordination ou simplement d'information, tournés vers le passé, préoccupés plus de particularismes locaux dans les différents pays d'Asie que des évolutions de l'ensemble régional et, là aussi, répondant mal aux questions que soulève l'action politique concrète⁴.

Seuls les gouvernements, dans le cadre de la coopération euro-asiatique, disposent des moyens *pour renforcer la présence académique européenne en Asie, développer le financement des recherches asiatiques en Europe, encourager le développement de liens entre scientifiques des deux régions dans toutes les disciplines*.

Eléments du débat

La mondialisation en Europe et en Asie

L'Europe vers une révolution sociale⁵ ?

L'Europe vit une fin de siècle difficile. Son modèle social, mis au point après la Seconde Guerre mondiale, ne résiste pas à la révolution des technologies de

3. Résultats préliminaires d'une enquête réalisée dans le cadre du CAEC par Tadashi Yamamoto, directeur du Japan Center for International Exchange, et Gerald Segal, directeur du « programme Asie » à l'International Institute for Strategic Studies (Londres).

4. Intervention de Wim Stokhof, directeur de l'International Institute for Asian Studies (Pays-Bas).

5. Contribution de Bernard Brunhes, consultant ; commentaires de Kwa Chong Guan, directeur adjoint, Singapore Institute of International Affairs, et Zhou Hong, directrice adjointe, Institut d'études européennes, Académie chinoise des sciences sociales.

l'information et au développement des services. La mondialisation économique et la nécessité de répondre instantanément à la demande du consommateur ont entraîné un bouleversement des modes de production et, dans son sillage, de la pratique du travail. Flexibilité du temps de travail, des salaires, des qualifications, des carrières, alternance travail/formation ont modifié profondément les conditions du contrat social, désormais mal adapté aux nouvelles réalités. Le développement des services (production de l'innovation et services aux personnes) s'est heurté en Europe à des structures obsolètes, incapables de financer les nouveaux besoins.

Le passage d'un monde à l'autre est ardu. Il faut réformer radicalement les systèmes en vigueur, et auxquels sont attachées les sociétés de redistribution, de taxation, de protection sociale, afin de les rendre compatibles avec le nouvel environnement de l'activité économique. Dans la phase de transition, de nouvelles inégalités apparaissent, et la pauvreté se développe, contribuant à déstabiliser le système. Et en Europe de l'Est, qui a plus de chemin à parcourir, la transition est plus douloureuse encore. Il s'agit de savoir comment l'Europe pourra échapper à son système du « bol de riz en fer » (expression qui décrit la protection des employés d'Etat en Chine populaire)⁶.

L'Europe, pleine de potentialités, n'est pourtant pas vouée à la décadence, car la révolution technologique n'est pas destructrice de travail⁷. Mais les peuples sont inconscients de leurs capacités et les créations d'emplois qui compensent les pertes dans les secteurs en déclin sont invisibles pour la société. Le passage d'un monde à l'autre exige quoi qu'il en soit une réforme de l'organisation sociale, que les nouvelles attitudes adoptées par la jeunesse européenne, déjà consciente du caractère inévitable de la flexibilité de l'emploi, contribueront à rendre possible⁸.

Cette réforme, cependant, se heurte aujourd'hui aux conservatismes, et n'a abouti pour l'heure que sur très peu de changements, comme l'illustrent les difficultés qu'opposent les bureaucraties européennes à la création de nouvelles formes d'emploi, ou la pérennité de gouvernements corrompus. Les ré-

6. Zhou Hong.

7. Thierry de Montbrial.

8. Bernard Brunhes.

sistances proviennent de tous les bénéficiaires actuels des modes d'organisation à réformer. Ainsi en France, d'incessants mouvements de grève rassemblent les fonctionnaires pour la défense de leurs salaires ou les cheminots pour celle d'une compagnie ferroviaire obsolète. Quant aux jeunes diplômés, ils paraissent encore, comme leurs aînés, plus enclins à s'installer dans des positions stables dans les grands groupes qu'à s'aventurer dans la création d'entreprise⁹.

L'indispensable rénovation du contrat social pose trois questions fondamentales : celle des niveaux respectifs souhaitables de flexibilité et de protection sociale, celle de la justification de ce nouveau contrat (le fondement doit-il être la solidarité, la citoyenneté ou les droits de l'homme ?) et celle de sa faisabilité et des moyens de sa mise en œuvre¹⁰. L'Asie partage nombre de ces enjeux avec l'Europe : mondialisation, changements technologiques, accommodement d'un modèle post-industriel, post-moderne de société paraissent pouvoir remettre en cause jusqu'aux fondements individualistes de la démocratie dans son acception occidentale et privilégier l'invention d'une forme de régime politique ayant la communauté pour base¹¹. Cela dit, la mise en avant d'une nouvelle forme, communautaire, de démocratie à l'asiatique sur les décombres d'un modèle politique occidental considéré comme révolu, ne fait pas l'unanimité ; et l'exercice d'un communautarisme de tradition asiatique paraît aussi compatible avec les principes de la démocratie libérale et individualiste, moins oppressante que le système singapourien¹².

Les risques, finalement, sont les mêmes pour les deux régions, d'un repli sur soi et d'une fuite dans l'extrémisme, les périodes de transition radicale mettant rudement à l'épreuve la légitimité des régimes politiques qui les conduisent¹³.

Mondialisation et changement social en Asie¹⁴

Le processus de mondialisation, qui touche l'Asie orientale en même temps

9. Jean-Pierre Lehmann.

10. Zhou Hong.

11. Kwa Chong Guan.

12. Bharat Wariavwalla.

13. Stuart Harris.

14. Contribution de Carolina Hernandez, présidente de l'Institute for Strategic and Development Studies (Philippines), commentaires de David Camroux, directeur des Etudes et de la Recherche, CHEAM, et Karl Kaiser, directeur, Institut allemand de politique contemporaine.

qu'un fort mouvement de développement économique, d'ailleurs indissociable de la mondialisation elle-même, a des répercussions profondes sur l'économie, les sociétés, les cultures et les systèmes politiques des nations extrême-orientales. Les modifications des modes de consommation liées à l'émergence d'une classe moyenne et de « nouveaux riches », que ce soit dans le contexte urbain ou, pour les pays les plus avancés, à la ville et à la campagne, font désormais de la croissance et de la prospérité économique un élément de la légitimité des gouvernements, à la recherche des voies d'une croissance soutenable sur le long terme.

La société profite de la hausse moyenne du niveau de vie, mais souffre, dans la transition, de répartitions plus inégalitaires des revenus, des atteintes à l'environnement que cause une croissance rapide, et de la destruction, par l'accroissement de la mobilité, de la cellule familiale traditionnelle. Par ailleurs, l'enjeu de la gestion des problèmes posés d'ores et déjà par le vieillissement de la population fait clairement participer l'Asie à une tendance globale. L'absorption de la culture occidentale, décriée par certains dirigeants, pose paradoxalement les bases d'une unité culturelle asiatique jusqu'alors incertaine, parallèlement à des migrations internes à la région, sources elles aussi d'évolutions pas toujours souhaitées.

Les nouvelles tendances économiques et sociales décrites pèsent dans le sens d'une participation croissante des peuples, et spécifiquement des classes moyennes, à la vie politique. Sans même se borner aux exemples de Taïwan ou de la Corée, où les démocratisations ont été précédées d'acculturations occidentales profondes¹⁵, l'ouverture des sociétés sur l'extérieur provoque à coup sûr des exigences accrues en matière de droits de l'homme et de démocratie¹⁶, même si la démocratie peut prendre des formes adaptées au terrain social asiatique.

La mondialisation, qui plonge les sociétés dans un environnement international qui les dépasse, suscite des réponses diverses d'un pays à l'autre, et même des résurgences de localisme ou de tribalisme qui constituent des modes de protection contre ce qui apparaît comme des atteintes extérieures¹⁷. Mais en

15. Carolina Hernandez.

16. Karl Kaiser.

17. David Camroux.

érodant les souverainetés nationales, en Asie comme ailleurs, la mondialisation incite aussi à chercher dans la concertation internationale des moyens de contenir ses effets indésirables.

Emergence d'une identité régionale en Asie du Sud-Est

Les pays de l'ASEAN sont collectivement à la recherche, dans le monde de l'après-guerre froide, d'un espace sur la scène internationale que leur taille individuelle ne leur permet pas d'occuper. Les plus actifs dans cette recherche ont d'ailleurs symptomatiquement été les plus petits Etats, soucieux de dépasser leur handicap grâce à la mise en commun des moyens d'action internationaux¹⁸. Pour certains, plus qu'un simple outil de politique internationale, la construction régionale de l'ASEAN constitue un moyen de lutter contre la poursuite de l'occidentalisation, qui menace les Etats asiatiques isolés, et d'imposer sur le plan culturel une véritable renaissance de l'Asie¹⁹. L'intégration européenne fut motivée par la peur du conflit, l'ASEAN par la peur de la contamination communiste²⁰, mais aussi peut-être par la peur de la contamination occidentale.

La volonté de faire émerger une identité régionale – *une Asie du Sud-Est (One Southeast Asia)* dans le vocabulaire de l'ASEAN – s'appuie sur des efforts de création, d'invention d'une histoire commune (colonisation, ancienneté du commerce intrarégional...), de héros communs, de traditions partagées par les dix Etats ayant vocation à rejoindre l'Association. L'anglais sert paradoxalement, mais sans surprise, de langage commun, et la presse à vocation régionale (*Far Eastern Economic Review*, ou le récemment apparu *Asia Times*), comme la pratique d'Internet ou la télévision régionale par satellite confirment son usage véhiculaire.

Mais l'identité de l'Asie du Sud-Est s'affirme aussi par opposition, parfois aux Occidentaux, en particulier aux yeux de certains de ses leaders comme le Dr Mahathir, et dans certaines de ses manifestations institutionnelles comme l'East Asian Economic Caucus (EAEC), tourné contre le NAFTA à

18. David Camroux.

19. Kwa Chong Guan.

20. Stuart Harris.

l'intérieur même de l'APEC, et parfois par opposition à la Chine, dont les ambitions de puissance régionale et l'inquiétude qu'elle suscite sous-tendent la cohésion de l'ASEAN.

Pourtant, une Asie du Sud-Est fondée sur le partage d'une confiance en soi, ou de succès économiques qualifiés de miracles, ne s'impose pas nécessairement à ses propres peuples, restés plus nationalistes, voire régionalistes (au sens des régions à l'intérieur des Etats), qu'internationalistes²¹. L'ASEAN s'efforce d'ailleurs de réunir des assemblées transnationales de professionnels, d'établir des centres de recherches se préoccupant des questions posées à l'échelle de l'Association ou encore de rapprocher les universités de la zone en réseau académique. Reste que l'ASEAN n'est pas exempte de tensions internes et de risques d'éclatement. Economiquement et commercialement, elle est d'ailleurs fort peu intégrée²². En outre, il lui faut faire le choix, dans le cours de sa construction identitaire, entre l'option d'une identité sud-est asiatique exclusive et fermée, et celle d'une identité libérale et ouverte sur l'extérieur²³.

La sécurité de l'Asie et le rôle des partenaires extérieurs²⁴

Le rôle des Etats-Unis

Personne ne remet en cause le rôle des Etats-Unis comme facteur indispensable à la sécurité de l'Asie. Leur présence au cœur de l'équilibre stratégique régional est fondé sur des alliances bilatérales avec des pays d'Asie. Ces alliances sont en cours de rénovation, et même si la Chine manifeste son mécontentement sur le contenu des récents accords Clinton-Hashimoto, elle accepte dans les principes la présence américaine sous cette forme. Il est à noter que les Etats-Unis et l'Asie n'ont pas mis sur pied d'organisation internationale qui multilatéralise le rôle américain : les Etats-Unis partici-

21. David Camroux.

22. Karl Kaiser.

23. François Godement.

24. Contributions de Jusuf Wanandi, directeur, Center for Strategic and International Studies (Indonésie), et de Gerald Segal, directeur du programme Pacific Asia Initiative, International Institute for Strategic Studies (Londres) ; commentaires de Marta Dassu, chercheur, Centro Studi di Politica Internazionale (Italie), Michael Leifer, professeur, London School of Economics, Pran Chopra, professeur, Centre for Policy Research (Inde) et Mohamed Jawhar Hassan, directeur général adjoint, Institute of Strategic and International Studies (Malaisie).

pent, mais aux côtés de l'Europe ou de la Russie, au Forum régional de l'ASEAN (ARF), et l'APEC, organisation trans-Pacifique, ne s'est pas dotée de compétence politique ou de sécurité.

Des interrogations se font cependant jour sur la qualité de l'engagement américain dans la zone. Apparaissant parfois comme une source d'incertitude autant que de sécurité²⁵, en raison des incohérences d'une politique extérieure soumise à de fortes pressions internes²⁶ au point de provoquer, aux yeux de certains, des sur-réactions dangereuses²⁷, les Etats-Unis sont aussi accusés de faire payer au prix fort, en termes de distorsions de concurrence à leur profit, la fourniture à l'Asie de leur garantie hégémonique de sécurité²⁸. On peut leur concéder que les pressions internes auxquelles est précisément soumise l'administration rend difficile la tâche de la diplomatie américaine, et que des facteurs temporaires, qu'il convient de prendre en compte, pèsent donc à court terme sur la posture des Etats-Unis en Asie, ou plus généralement sur le niveau de leur concours à l'égard des organisations multilatérales mondiales²⁹, mais il n'en reste pas moins que certains Asiatiques envisagent déjà la construction régionale de sécurité en cours comme un moyen pour l'Asie d'assumer à terme la prise en charge totale de sa sécurité³⁰. Il s'agit en effet, pour Thierry de Montbrial, de préparer dès maintenant un monde post-américain.

Le facteur chinois

La réalité de la menace chinoise reste au centre des discussions sur la sécurité de l'Extrême-Orient. Le point de vue flegmatique se fonde sur l'histoire d'une Chine plutôt tournée vers l'intérieur, qui dans les cent dernières années a perdu du terrain sur la scène internationale et qui n'a pas choisi la voix agressive, contrairement au Japon. La Chine serait même militairement faible³¹, ou du moins sa pratique de la puissance dans la région utiliserait moins l'outil mili-

25. Hadi Soesastro.

26. Marta Dassu.

27. L'intervention dans le détroit de Taiwan en mars 1996, pour Mohamed Jawhar Hassan.

28. Christian Lechervy.

29. Shinya Nagai.

30. Jusuf Wanandi.

31. Fan Gang.

taire que les pressions politiques et économiques³². La bonne intégration de la Chine dans le processus de l'ARF, où elle participe aux mesures de confiance et de sécurité, par exemple en publiant un livre blanc sur la défense, et où elle co-préside depuis la réunion de Jakarta le groupe de travail sur les MCS, enfin son adhésion au CSCAP en décembre 1996 et accessoirement, sa participation aisée à l'ONU ou au traité d'interdiction des essais nucléaires, viennent renforcer la vision d'un pays pacifique.

Pourtant, elle est encore rangée par beaucoup au premier rang des menaces qui pèsent sur la région. La spécificité de celle qui a été présentée comme la seule candidate asiatique à l'hégémonie³³, incite les observateurs à souhaiter que le facteur chinois soit internalisé dans un ordre asiatique de sécurité et la menace chinoise semble à certains constituer à elle seule le moteur du mouvement de dialogue politique et de sécurité lancé par l'ASEAN. Il est en outre soutenu que sa participation à un forum informel de discussion sur la sécurité comme le CSCAP ne modifie pas fondamentalement la menace qu'elle représente, et qu'au sein de l'ARF, elle s'est opposée à l'établissement d'un mécanisme de règlement des conflits³⁴. La Chine s'en tient en effet pour l'instant au principe du règlement des conflits par les seules parties à ces conflits, sans intervention extérieure³⁵.

Une architecture asiatique de sécurité, de l'équilibre de puissances à la sécurité collective

D'économiques d'abord, les objectifs de la construction régionale lancée par l'ASEAN se sont étendus au politique et à la sécurité, avec pour ambition de seconder le facteur américain de stabilité. A long terme, il paraît même envisageable pour un ordre asiatique de sécurité de jouer le rôle d'institution régionale au sens du chapitre VIII de la Charte des Nations unies. Un groupe de travail de l'ARF est d'ailleurs déjà consacré aux questions de maintien de la paix³⁶.

32. Stuart Harris.

33. Marta Dassu.

34. Michael Leifer.

35. Zhou Hong.

36. Jusuf Wanandi.

La question des limites géographiques de cette construction régionale renvoie au dilemme approfondissement contre élargissement. Les arguments en faveur de l'extension à l'Inde³⁷, voire à l'ensemble de l'Asie du Sud, jusqu'à l'Iran, et à l'Asie centrale³⁸, reposent sur des critères géographiques ou d'opportunité (ne pas envoyer à ces pays un message d'exclusion). Ceux qui sont favorables au statu quo posent les conditions d'une adhésion future (stabilité politique intérieure et participation accrue à l'économie régionale³⁹), ou mobilisent le concept d'une Asie-Pacifique stratégique, dont l'Inde est exclue pour le moment⁴⁰.

La forme que doit prendre le futur ordre régional suscite aussi débat. Si la situation de départ est volontiers analysée comme un équilibre de puissances, l'allure générale de la construction pourrait être celle d'un concert de puissances (le glissement paraît relativement aisé à partir de la situation actuelle⁴¹), qui ne semble pourtant pas, pour l'heure, attirer particulièrement les gouvernements asiatiques⁴² et fait mal suite au processus engagé sous l'égide de l'ASEAN, d'ailleurs grâce à des dynamiques indépendantes de la taille ou de la puissance des Etats. En effet, la forme de la construction régionale telle qu'elle débute avec l'ARF et le CSCAP annonce plutôt un modèle de communauté souple de nations, engagées dans une marche vers la sécurité coopérative et, finalement, la sécurité collective : l'OSCE pourrait y servir de modèle⁴³. L'ASEAN semble en outre vouée à conserver pendant un certain temps son rôle de gestionnaire du processus, en l'absence d'une grande puissance capable de recueillir dans cet emploi la confiance de l'ensemble des pays de la région⁴⁴.

Les obstacles au régionalisme politique et de sécurité en Asie restent néanmoins nombreux. L'identité asiatique pose problème : la place du Japon, et son acceptation par les autres Etats de la région⁴⁵, celle de la Chine, sous-tendent l'inconfort identitaire extrême-oriental. La région manque d'homogénéité, et

37. Jean-Pierre Lehmann.

38. Pran Chopra.

39. Jusuf Wanandi.

40. Mohamed Jawhar Hassan.

41. Han Sung-Joo.

42. Michael Leifer.

43. Marta Dassu.

44. Jusuf Wanandi.

45. Mohamed Jawhar Hassan.

la nécessaire réconciliation historique, sur le modèle européen, n'a été réalisée qu'entre membres de l'ASEAN, et pas avec la Chine ni le Japon. Sur un plan plus directement opérationnel, les pays de la région ne partagent pas de perspective stratégique commune⁴⁶, et les risques ethniques ou d'instabilité politique qui fondent les menaces majeures de la zone ont peu de capacité à jouer le rôle de points de focalisation d'une coopération à l'échelle régionale⁴⁷. Si le processus en cours devait se heurter sérieusement à ces obstacles, l'ambition de sécurité collective pourrait ne déboucher que sur un dialogue de sécurité, dénué de mécanismes de sanctions ou de règlement des conflits⁴⁸. Mais la prudence et l'habitude de la diplomatie informelle conduisent certains Asiatiques à considérer que dialoguer et instaurer la transparence, à condition que toutes les sources d'incertitudes (Chine, Etats-Unis...) participent au mouvement, est en soi un acquis non négligeable⁴⁹.

Le rôle de l'Europe dans la sécurité de l'Asie

L'Europe est d'ores et déjà partie prenante de la sécurité de l'Asie : elle y exporte des systèmes d'armes, et transfère doctrines d'emploi et connaissances techniques afférentes ; les relations bilatérales entre Etats membres de l'Union européenne et Etats extrême-orientaux comportent des volets politiques et de sécurité⁵⁰ ; certains Européens participent d'ailleurs activement à l'équilibre militaire actuel, par exemple le Royaume-Uni, qui a signé un traité de sécurité avec Brunei et qui est membre de l'arrangement des Cinq puissances (avec la Malaisie, Singapour, l'Australie et la Nouvelle -Zélande)⁵¹. L'Europe est, en second lieu, un participant potentiel à des conflits armés en Asie, à l'appui de l'acteur principal américain, comme cela s'est déjà produit en Corée et plus récemment au Cambodge⁵². Enfin, l'Europe dispose en tant qu'organisation de voies de dialogue avec l'Asie, inaugurées avec le dialogue ASEAN-CEE, qui

46. Michael Leifer.

47. Marta Dassu.

48. Michael Leifer.

49. Hadi Soesastro.

50. Christian Lechervy.

51. Abdul Baginda.

52. James Eberley.

se poursuit avec la participation de l'UE à l'ARF et avec l'inscription à l'agenda de l'ASEM des questions politiques et de sécurité⁵³.

Les perspectives de coopération euro-asiatique dans ce domaine reposent donc sur cet acquis, et sur une posture différente de celle des Etats-Unis : sans intérêt stratégique direct dans la région, et peut-être plus sensible aux susceptibilités asiatiques⁵⁴, l'Europe peut y jouer un rôle de modérateur de tensions, en particulier lorsque celles-ci ont les Etats-Unis pour acteur direct ou indirect (Taiwan/Chine, Etats-Unis/Chine sur les questions des droits de l'homme et de l'adhésion chinoise à l'OMC)⁵⁵. Par ailleurs, si l'Europe n'a pas les moyens de remplacer les Etats-Unis dans leur rôle asiatique, elle peut cependant promouvoir grâce à l'action diplomatique la mise au point de règles de conduite internationales par le biais de structures multilatérales de sécurité du type ARF⁵⁶, rendre accessible aux Asiatiques l'expérience européenne de sécurité collective, avec la possibilité d'un choix « à la carte » parmi les mécanismes mis en œuvre sur le Vieux Continent, et collaborer avec l'Asie dans le domaine de la sécurité non militaire (piraterie, crime économique, trafic de drogue...). Enfin, la coopération euro-asiatique de sécurité peut s'étendre aux questions globales comme la réforme de l'ONU, la non-prolifération nucléaire ou le maintien de la paix. Au-delà d'une conception de l'Europe comme « honnête courtier » dans la sécurité asiatique, se dégage aussi une conception qui réclame du Vieux Continent un apport plus direct. Celui-ci consisterait en particulier en une réflexion sur les modes possibles de réaction des Européens en cas de conflit en Asie, sur une éventuelle participation de ceux-ci à des exercices internationaux du type RimPac ou sur des éléments d'une « politique extérieure et de sécurité commune » mise au point entre Etats européens et asiatiques intéressés⁵⁷.

La perspective de développer une coopération de sécurité euro-asiatique ne va pas sans susciter un certain scepticisme. Ainsi, l'ambition d'un dialogue de continent à continent se heurte-t-elle au défaut d'unité de chacune des

53. Jusuf Wanandi.

54. Pran Chopra.

55. Mohamed Jawhar Hassan.

56. Michael Leifer.

57. Gerald Segal.

deux régions. Les Européens, envisagés en tant que fournisseurs de sécurité, n'ont pas de politique asiatique commune⁵⁸, ce qui peut déboucher soit sur un appel au volontarisme unitaire, et sur la critique des gouvernements français et britannique qui cherchent à adhérer à l'ARF à côté de l'Union européenne⁵⁹, soit sur le constat que, pour l'heure, certaines questions relevant de la coopération euro-asiatique sont mieux traitées au niveau des Etats qu'au niveau de l'UE⁶⁰. Le courant sceptique s'appuie encore sur l'argument de l'incapacité de l'Europe à fournir à l'Asie un bien dont elle ne dispose pas elle-même : elle n'a pas d'unité politique, elle a ses problèmes ethniques, ne parvient pas à les résoudre et prétend régler ceux des autres⁶¹, elle voudrait utiliser la coopération euro-asiatique pour inciter Etats-Unis et Etats asiatiques à respecter les règles d'un internationalisme honnête, sans certitude qu'elle les respecte elle-même⁶². Est exposé enfin l'argument selon lequel, si l'Europe a en Asie des intérêts principalement économiques, il n'y a pas de raison pour qu'elle y prenne des risques politiques et militaires⁶³.

Economies d'Europe et d'Asie

*Les nouveaux enjeux de l'OMC, l'Europe et l'Asie*⁶⁴

L'OMC a, par rapport au GATT, fait franchir une étape dans le processus de libéralisation du commerce international. La nouvelle organisation impose ainsi toutes ses règles à tous les membres, sans possibilité de choix, elle comprend une procédure de règlement des différends et a institué une surveillance des barrières commerciales par notification. Mais il existe aujourd'hui un risque d'érosion de sa dynamique politique : les Etats-Unis, enclins au repli et à l'unilatéralisme, et l'Europe, préoccupée d'union moné-

58. François Godement.

59. Marta Dassu.

60. Gerald Segal.

61. Stuart Harris.

62. Hanns Maull.

63. Kay Möller.

64. Contribution de Patrick Messerlin, professeur à l'Institut d'études politiques de Paris ainsi que les débats sur sa présentation.

taire et d'élargissement à l'Est, pourraient finalement laisser le Japon seul défenseur d'un développement de l'activité de l'OMC.

Enjeux commerciaux traditionnels dans l'OMC

Contrairement à une illusion répandue, les barrières tarifaires et non tarifaires ne sont pas tombées, et en particulier pas dans le cadre des relations commerciales Europe-Asie. La moyenne des tarifs douaniers sur les importations de l'OCDE, 3 ou 4 % à l'horizon 2000, ne prend en compte que le commerce réalisé (excluant donc les produits pour lesquels le niveau élevé des tarifs dissuade les exportateurs : une moyenne non pondérée montre une protection d'environ 13 % à l'entrée de l'UE), ignore les barrières non tarifaires (taxes antidumping, quotas dans le textile, l'habillement etc.) et ne rend pas compte de la diversité des taux par produits. Sur les produits agricoles et les produits manufacturés, de nombreuses barrières tarifaires demeurent donc, pérennisées par des arrangements commerciaux préférentiels régionaux dont, en Asie, l'*ASEAN Free Trade Area* (AFTA) et l'APEC, qui peuvent faire craindre de donner l'occasion à leurs participants de différer les concessions tarifaires aux Européens. L'enjeu d'un régionalisme ouvert ou fermé domine les problématiques liées aux arrangements commerciaux et aux constructions régionales en Asie. Les Asiatiques démentent cependant la réalité de ces craintes, insistant que, dans le cas de l'Indonésie par exemple, les réductions de tarifs adoptées dans le cadre AFTA sont rapidement étendues par la voie de la clause de la nation la plus favorisée⁶⁵. En outre, les obstacles non tarifaires se sont multipliés ces dernières années, en particulier en Europe, sous forme de clauses de sauvegarde (quotas sur l'automobile, le textile...), ou de mesures antidumping.

Sur ces questions, il existe un espace de concessions réciproques pour l'Europe et l'Asie, la première sur ses barrières non tarifaires, ses clauses sociales en particulier, la seconde sur les niveaux de ses taxes douanières sur les produits manufacturés. L'ASEM constitue une enceinte adaptée à la négociation de ces concessions. Exemple peut être pris sur la formule souple de concessions unilatérales concertées adoptée par l'APEC.

65. Hadi Soesastro.

Nouvelles formulations d'enjeux traditionnels

L'érection en barrières commerciales de normes imposées par les gouvernements et de standards nationaux imposés par les entreprises constitue un nouveau terrain de lutte pour la libéralisation. Pour les surmonter, il faut encourager européens et asiatiques à mettre au point des accords de reconnaissance mutuelle des normes, difficiles à obtenir car nécessitant une forte confiance entre les parties.

Les règles d'origines, par lesquelles est déterminée la nationalité d'un produit et donc son régime douanier, deviennent complexes et tendent à se durcir, dans l'Union européenne, de sorte que l'origine européenne est de moins en moins reconnue à des produits incorporant une forte proportion d'éléments d'importation. Cette évolution a en réalité pour effet de pénaliser les Européens investissant à l'étranger pour y réaliser une partie de leur production. Elle tend donc à diminuer les flux d'investissements directs vers l'Asie et le reste du monde.

Européens et Asiatiques doivent pouvoir travailler à la définition de disciplines normatives et de règles d'origine moins discriminatoires pour leurs produits et leurs entreprises respectifs.

Nouveaux enjeux

L'accord général sur les services (GATS), beaucoup moins contraignant que le GATT, repose essentiellement sur la bonne volonté des Etats et sur la pratique d'accords sectoriels n'incitant pas les négociateurs à des concessions croisées. Sa pratique est pour l'instant un échec, et l'on assiste depuis deux ans à un accroissement des barrières non tarifaires et des subventions sur les marchés nationaux de services. Les réglementations de marché introduites de plus en plus fréquemment contribuent aussi à pénaliser la concurrence et renforcent les positions acquises monopolistiques et oligopolistiques. Face à cette situation, l'OMC doit trouver un accord sur la liberté des investissements étrangers dans le secteur des services, seul à même d'entamer les positions dominantes consolidées de longue date sur les marchés.

La relation entre commerce, travail et salaire, poussée sur l'agenda par le niveau du chômage en Europe et le thème protectionniste du dumping social, constitue un nouvel enjeu pour l'OMC. Or les études empiriques montrent

que le commerce ne crée pas plus d'emploi, mais permet seulement de rémunérer mieux les emplois existants. L'OMC est par conséquent un mauvais endroit pour discuter des normes du travail, alors même que l'OIT, par sa composition adéquate, peut remplir cette fonction⁶⁶.

L'Europe et l'Asie ont, sur ces nouveaux enjeux, des intérêts communs : les Asiatiques à ouvrir leurs marchés des services, quand les pays les plus avancés de la région auront mieux perçu leur avantage comparatif dans ce secteur ; les Européens à adopter un profil bas sur la question du travail, avec la conviction que la flexibilité est nécessaire et bénéfique pour eux-mêmes⁶⁷.

Accession de la Chine et de Taiwan à l'OMC

L'adhésion de Taiwan, si elle pose des problèmes politiques, ne pose pas de difficultés techniques : Taiwan a déjà adopté de facto la discipline de l'OMC, et l'absence de ce que représente Taiwan en termes de PIB et d'investissements directs à l'étranger est un handicap pour l'Organisation.

La Chine dispose d'un potentiel économique considérable et d'un taux de croissance élevé. En revanche, au regard des règles de l'OMC, son manque d'intégration nationale (variabilité de l'ordre juridique d'une province à l'autre, barrières commerciales internes) et sa participation à une « zone économique chinoise », accord commercial régional informel entre la Chine, Taiwan et Hong-Kong, constituent des obstacles à son adhésion. Deux positions peuvent cependant être adoptées à cet égard : on peut considérer que la Chine doit d'abord travailler pour mettre en application *de jure* les disciplines de l'OMC ; on peut juger néanmoins que, sur le fondement d'un grand nombre d'exemptions de facto aux barrières commerciales officielles et d'un mouvement de renforcement du système légal national, une admission à l'OMC jouerait un rôle positif et dynamisant pour la participation chinoise au commerce mondial. Cette dernière option suppose cependant la définition d'un minimum de règles à respecter avant l'adhésion et elle ne doit pas conduire à l'imposition à la Chine de contraintes informelles du type de celles imposées au Japon lors de son adhésion au GATT (essentiellement des restrictions volontaires d'exporta-

66. Patrick Messerlin.

67. *Ibid.*

tion) et qui, encore en vigueur quarante ans après, ont introduit des distorsions durables et retardé la nécessaire adaptation des économies occidentales. L'adhésion chinoise à l'OMC aurait d'ailleurs pu faire l'objet d'une prise de position volontariste de l'Union européenne⁶⁸.

*Rôle de l'Etat dans la croissance économique*⁶⁹

Les Etats se sont vu attribuer un rôle fondamental dans le développement et la croissance économique après la Seconde Guerre mondiale. Aujourd'hui, après l'effondrement des économies socialistes, le marché conserve certes sa prééminence comme fournisseur de prospérité, mais c'est sur le degré souhaitable d'interventionnisme gouvernemental pour offrir à ces marchés le meilleur environnement possible que porte le débat. Par exemple, il peut s'agir pour l'Etat de promouvoir des évolutions culturelles qui rendent les traditions d'un pays compatibles avec la croissance économique, ce qui est plus ou moins le cas d'une culture à l'autre⁷⁰. De façon générale, la politique économique doit viser à optimiser l'utilisation des facteurs de production (l'éducation, moyen d'améliorer la productivité du travail, y concourt) et à fournir aux acteurs privés un contexte social et macroéconomique stable et favorable.

Dans les différentes étapes du développement, au sens de Rostow, l'Etat a un rôle différent à jouer pour maximiser la croissance : interventionnisme fort pour lancer le développement en brisant le cercle vicieux de la pauvreté, puis retrait progressif au profit des forces du marché et interventions plus qualitatives que quantitatives au fur et à mesure du développement. Mais tant qu'un certain degré de développement n'a pas été atteint, il est nécessaire de privilégier la fonction d'efficacité économique de l'Etat par rapport à des objectifs de développement ou de justice politique qui peuvent entrer en contradiction avec l'amélioration du bien-être matériel⁷¹.

68. Jacques Pelkmans.

69. Contribution de Sang-Kyung Kwak, professeur, Université de Corée. Commentaires de Stefan Collignon, président, Association pour l'Union monétaire de l'Europe, et de Jean-Pierre Lehmann, directeur, European Institute for Japanese Studies (Stockholm).

70. Sang-Kyung Kwak.

71. *Ibid.*

L'ensemble de ces thèses a suscité un vif débat. Quant aux mérites respectifs de l'Etat et du marché dans la croissance économique, il reste en effet possible de penser que le Japon, par exemple, s'est développé soit grâce à, soit au contraire en dépit de la forte présence de l'Etat dans le système économique⁷². L'Etat peut ainsi être envisagé dans son rôle contre-productif : trop fort, il étouffe toute possibilité de développement (à l'exemple de la Birmanie) ; trop nationaliste, il se fourvoie dans un nationalisme économique contraire aux intérêts de l'économie (voir la guerre des « automobiles » nationales en Asie, ou les obstacles que pose la Corée du Sud aux investissements étrangers) ; trop impliqué dans l'économie, il devient corrompu⁷³. Mais l'observation du niveau d'implication ne suffit encore pas ; il faut juger de la qualité de cette implication, qui doit en particulier induire le maintien de la stabilité de la monnaie et d'une dette publique à bas niveau⁷⁴. Au surplus, prescrire un niveau optimal d'implication en fonction de la seule théorie des étapes du développement conduit à ignorer qu'il n'existe pas de forme universelle et inévitable du cheminement vers le développement⁷⁵, même si, par ailleurs, l'approche culturaliste qui attribue aux civilisations la responsabilité de l'efficacité ou de l'inefficacité économique se heurte à des résistances⁷⁶.

L'Etat efficace est aussi celui qui protège bien les droits et les libertés fondamentales, conditions nécessaires de la croissance saine et non pas entraves à celle-ci⁷⁷ : l'exemple indien illustre à cet égard que le développement politique n'est pas nécessairement postérieur au développement économique⁷⁸. Il faut se garder, au reste, de juger de l'efficacité économique des gouvernements sur la seule lecture des indicateurs courants : car, en effet, la valeur du produit intérieur brut ou de l'excédent commercial sont de mauvais indicateurs de bien-être. Enfin on peut constater qu'il n'existe pas, en matière de rôle de l'Etat dans l'économie, un seul modèle asiatique ni un seul modèle européen. Il existe des modèles divers, que l'on peut par exemple regrouper

72. Jean-Pierre Lehmann.

73. Stefan Collignon et Jean-Pierre Lehmann.

74. Stefan Collignon.

75. Bruce Koppel.

76. Jean-Luc Racine.

77. Stefan Collignon.

78. Pran Chopra.

en catégories du type : Etat comme référence (Royaume-Uni, Hong-Kong), Etat comme gestionnaire (France, Espagne, Corée du Sud, Taiwan) et un entre-deux pour l'Etat japonais. Ces catégories ne désignent pas, en tout état de cause, les modèles efficaces et les autres et, en l'absence de conclusion claire, le travail de recherche sur la question mérite de se poursuivre⁷⁹.

Coopération intellectuelle Europe-Asie : besoin de réseaux⁸⁰

Etudes européennes en Asie

Les membres du CAEC ont lancé une enquête visant à identifier les centres de connaissance réciproque implantés en Europe et en Asie. Les résultats préliminaires en Asie montrent que l'Europe est peu présente dans les préoccupations universitaires de la région, et que, lorsque c'est cependant le cas, l'histoire ancienne, la littérature et les arts se taillent la meilleure part au détriment d'études plus contemporaines et plus tournées vers la pratique politique et sociale. On recense en Asie peu de départements d'universités consacrés à l'Europe, et encore moins de centres de recherches. En Chine, par exemple, les études européennes, inaugurées il y a une dizaine d'années, ne se développent qu'avec des ressources limitées et c'est grâce à un accord avec l'UE que six instituts de recherches pourront voir le jour en 1997⁸¹. On note enfin que dans les domaines de la sécurité régionale, de l'environnement ou des migrations, les plus étudiés au Japon parmi les travaux relatifs à l'Europe contemporaine, l'accent est mis sur une vision de l'ensemble européen, plus que sur des études par pays.

Etudes asiatiques en Europe

De façon assez symétrique à la situation des études européennes en Asie, les études asiatiques en Europe apparaissent tournées vers le passé, avec une orientation disciplinaire marquée vers la linguistique, la culture, l'histoire et

79. Jean-Pierre Lehmann.

80. Contributions de Tadashi Yamamoto, directeur, Japan Centre for International Exchange, de Simon Nuttal, professeur, London School of Economics, et de Wim Stokhof, directeur, International Institute for Asian Studies (Pays-Bas) ; commentaires de Pansak Vinyaratn, directeur, *Asia Times*.

81. Zhou Hong.

les sciences sociales. La diversité et le morcellement des approches d'un pays européen à l'autre, ou même à l'intérieur de chaque pays, ou encore entre les spécialistes de domaines géographiques asiatiques différents exigent l'établissement d'un réseau européen de spécialistes de l'Asie, qui fait défaut actuellement (en dépit des efforts en ce sens du Nordic Institute of Asian Studies du Danemark). Les recherches asiatiques en Europe apparaissent ainsi riches, mais les capacités sont sous-utilisées et pâtissent du manque de synergie entre acteurs de cette recherche⁸². Les études asiatiques, jusqu'alors paradoxalement plus développées en Europe qu'en Asie même⁸³, en l'absence d'actions de soutien au niveau européen, se déplacent progressivement vers l'Extrême-Orient et risquent de laisser l'Europe démunie de moyens de connaissance dans ce domaine. Aux fins de bilan, l'European Science Foundation prépare actuellement un rapport sur les recherches asiatiques en Europe à l'horizon 2010.

Voies de la coopération intellectuelle

Une solution envisageable au déficit de connaissance mutuelle consiste, pour l'Europe, à mettre en place dans chaque pays asiatique au moins un centre européen qui servirait de support aux politiques de stimulation des relations culturelles, scientifiques et commerciales et d'infrastructure pour la réalisation de programmes conjoints de recherche euro-asiatiques. L'Asie pourrait procéder de même en Europe.

Le CAEC se fixe quant à lui l'objectif de contribuer à « combler le fossé culturel » en allant à la recherche, non pas de positions communes européennes, asiatiques ou euro-asiatiques, mais de points de vue, d'arguments différents sur des questions intéressant les deux régions, pas nécessairement d'ailleurs sous l'angle de la pratique politique de court terme. Se mettant au service de l'ASEM, il se veut cependant distinct des ministères des Affaires étrangères, ouvert à des contributions plus libres et plus vastes, intégrant aussi les points de vue de pays asiatiques extérieurs à l'ASEM. Le CAEC, qui organise ses prochaines rencontres à Londres, en mai 1997, et à

82. Arnaud d'Andurain.

83. Mahizhnan Arun.

Tokyo, en novembre 1997, répartit d'ici là ses efforts entre cinq secteurs de réflexion : géopolitique et cadre institutionnel de la coopération euro-asiatique, institutions et politique, sécurité, économie, sociétés et cultures.

An Informal Summary

The conference entitled "*Europe-Asia: Strengthening the Informal Dialogue*" brought together in Paris, on November 5-6, 1996, 75 participants from 18 Asian and European countries. Backed by the Policy Planning Staff of the French Foreign Affairs Ministry and by the Japanese Foreign Affairs Ministry, this conference was designed to be a very open debate on questions essential to the future of Europe and Asia. It also marked the occasion of the first plenary meeting of the Council for Asia-Europe Cooperation (CAEC), which brings together Asian and European research institutes striving to contribute to the upsurge in cooperation between the two regions in all fields. The CAEC was founded in June 1996, immediately following the first Euro-Asian Summit of Heads of State (ASEM), held in Bangkok in March 1996.

The broad dialogue launched during this conference, which goes far beyond the agenda of the CAEC, still in process and due to be finalized at upcoming meetings (London in March 1997 and Tokyo in November 1997), gives an idea of the usefulness of developing a more ambitious programme of intellectual cooperation between the two regions. The project involving the Europe-Asia Foundation, which is in the process of being set up in Singapore, and the establishment in all Asian and European countries of interregional centres for multidisciplinary exchange, proposed at the Paris conference, could help to reinforce intellectual cooperation between Europe and Asia.

The summary of this meeting begins with a synthesis of the conceivable main orientations for Euro-Asian cooperation – the common denominator of the discussions – and continues with a presentation of the principal elements of the debate, voluntarily broadened to include topics which, albeit varied, all related to concerns shared by Europe and Asia.

Orientations of Euro-Asian Cooperation

Euro-Asian Cooperation – Bringing two Major World Actors Closer Together

Strengthening the Weak Leg of the Triangle

The US, Europe and Asia now form the *three fundamental poles of the international order*, and this physiognomy will last on into the 21st century. However, even though US-European and US-Asian relations have developed a solid structure around historic Atlantic and Pacific heritages and around institutions henceforth recognized in both cases, the *Euro-Asian linkage*, which is reinforced day after day by economic flows, *still lacks a political base* which would balance the world triangle. Euro-Asian cooperation must therefore in this context develop in the absence of the US, which does not imply that the presence of the US in the two zones must be thrown back into question or that the ASEM process is directed against it, but rather that this cooperation must make it possible to strengthen the weak leg of the triangle and thus *improve the overall balance* which expresses itself in organizations with a world calling.

It is indeed in the interests of Europeans and Asians to have a forum for dialogue enabling them to *maximize their relations with the United States* by injecting a healthy dose of competition. If this were the case, Europe could mobilize the support of Asian partners to counter the American trade unilateralism expressed recently by the Helms-Burton and the D'Amato-Kennedy laws. Moreover, a strong Euro-Asian link would give Asia an opportunity to negotiate with its partner across the Pacific a strategic commitment less marred by uncertainties and less costly in terms of economic concessions. Just as the setting-up of APEC, which brings together the two shores of the Pacific for purposes of flexible trade liberalization, has been facilitated by fears that "fortress Europe" might become a reality, solid Euro-Asian cooperation would protect both partners *against temptations to build mutually exclusive trading blocs*. Europeans are worried indeed about the possibility that APEC might evolve into a form of closed regionalism.

The presence of the US remains essential to the security of Europeans and Asians alike, and it seems illusory to aim today to replace the US umbrella

by a hypothetical Euro-Asian security alliance. Nevertheless, strengthening the weak leg of the triangle would make it easier for both regions to manage the presence of this outside player on their territory.

Giving Meaning to the European Presence in Asia

Despite the institutional and political weakness of the Euro-Asian relationship, a strong linkage already exists between the two regions. *The volume of European exports to Asia is slightly larger than that of US exports*, while Europe's trade deficit with Asia is slightly smaller than America's. The flow of direct European investments in Asia, albeit still modest, is growing rapidly. Yet Europe's presence in Asia is not merely economic: in the field of security, Europe has been instrumental in the settlement of the Cambodian conflict and took – after hesitating – a decision of principle to participate in the financing of KEDO (a consortium to supply North Korea with non-proliferating civilian nuclear reactors). Finally, *the Europeans are present on a de facto basis in the field of security*, be it only through their arms sales, virtually always accompanied by exchanges of combat technologies, doctrines of use and military staff training. Yet the reality of this presence has not managed to impinge on awareness. To date, the Europeans have at best behaved like merchant States on the Asian market. Reinforced Euro-Asian cooperation should make it possible to give political meaning to the reality of the linkage between the two regions, and it can *rely without hesitation on this linkage*.

Tackling Common Challenges Together

Europe and Asia both face a number of common challenges. For example, the rapid development of the Far East poses societal questions which are very close to those which Europe is trying to answer at present. The two regions, separated by a time-lag, must cope with a post-industrial demographic and technological revolution which throws traditional social and economic foundations back into question: the goal is, if not to seek together means of changing over from one organizational form to another, at least *to take advantage of mutual experience in dealing with common challenges*¹.

1. This is the thrust, for example, of the discussions concerning the addresses by Bernard Brunhes (on the changing European societies) and Sang-Kyung Kwak, Professor at the University of Korea (on the role of States in economic growth).

In the field of international relations, *Europe and Asia both intend to build a regional order* capable of giving them a voice and authority on the world scene. Clearly, the two regions are not at the same stage as far as this plan is concerned, and the reality of the emergence of an Asian regional identity is giving rise to debate². Yet this shared intention constitutes grounds for exchanging and sharing experiences. This is all the more valid since *the content of globalization is also vital for both regions*. In order to give themselves the means to manage this globalization advantageously, it could be in the interests of Europe and Asia to join forces to *work out common positions* and assert them within the competent international organizations. Accordingly, ASEM has decided to meet for consultations before the December 1996 WTO summit in Singapore.

Lastly, the emphasis on common positions should not imply that differences of opinion are papered over. Areas of dissension should also be included on the agenda of Euro-Asian cooperation, and part of the value of such cooperation is precisely that it "fills the gap", or at least *contrasts the divergent European and Asian points of view* with regard to forms of government, labour laws, social dumping or restrictions on foreign investment.

Reinforced Euro-Asian cooperation should therefore make it possible to take up not only bilateral problems but also the body of questions which both regions must resolve and whose solution could be facilitated if they were tackled together.

Organizing Informal Dialogue Between Two Centres of Gravity

Europe and Asia: the Junction of two Regionalisms under Construction

At the present stage in building the two regional constructions, Euro-Asian cooperation cannot take the form of comprehensive negotiations situated above bilateral relations between States. However, the experience of the first ASEM summit shows that intermediary *arrangements between pure bilate-*

2. This debate was held on the occasion of the address by Carolina Hernandez, President of the Institute for Strategic and Development Studies (Philippines), on globalization and regional identity in Asia.

ralism and multilateralism can come into being. Thus, on the European side, the European Union was represented concurrently with the Member States. In order to avoid the prospects for immobility entailed by both the approach between two regions, which could tend to promote inaction in case of dissension within groups, and the multilateral approach, with forty potential individual participants and a dispersion of initiatives, it could be beneficial if an *entente* were to emerge between the powers most interested by the undertaking, making it possible to identify priorities and generate a dynamic current. There is no gainsaying that, for the time being, the EU States have no common Asian policy, apart from a recent minimal agreement on the importance which should be given to relations with this region.

On the Asian side, however, the Bangkok meeting and the prospects of future ASEM meetings constitute an opportunity for an embryo of regionalism to emerge: contrary to prevailing practice within APEC, the Asian countries participating in ASEM have decided to consult each other prior to meetings and to entrust one ASEAN member country with the role of coordinating the process and ask one ASEAN non-member country to prepare future activities (Singapore and Japan for the 1998 London summit). Lastly, the new Euro-Asian cooperation offers *a unique forum for building an Asian regional identity*. However, one question which remains in abeyance and which can also evolve is whether or not Pacific Rim countries like Australia, and the Southeast Asian countries, all of which are for the moment kept outside the official dialogue, will participate in the Euro-Asian cooperation process.

Informal Cooperation which does not Rule out Institutionalization

The evolutionary character of the identity of each of the partners and experiences with pre-existing regional bodies such as APEC or the ARF, make one hesitate to voice excessive institutional ambitions straight away. *Asian governments, in particular, prefer an informal approach* which does without premature, overly binding commitments. However, this type of approach does not exclude the defining of precise goals, concrete projects and coordinated national action plans. Nor does it preclude envisaging increased institutionalization of the cooperation process over time.

In the present informal framework, it is necessary to make the best possible use of "track two" by which research institutes and think tanks take the initiative, with the support of their governments, for primarily non-governmental cooperation projects. *Systematic exploitation of track two is a characteristic of Asian diplomacy* and plays a positive role wherever governments are reluctant to intervene directly: this is the case with the Trilateral Commission (Europe-Japan-US), the PECC, the precursor of APEC, or the CSCAP, the precursor of the Asian security dialogue. The CAEC has the ambition of playing the role of the leader of track two in the process of Euro-Asian security, alongside other possible, not directly governmental actors such as the Europe-Asia Foundation, which is being established in Singapore.

Proposals for Euro-Asian cooperation

Even though the list of various proposals adopted at the close of the Bangkok summit (and mockingly referred to as a "shopping list") is useful because it launches concrete action projects, it appears necessary *to concentrate Euro-Asian cooperation efforts on a few well-chosen topics* for which the form of dialogue between the two regions is most likely to bring real improvements. The CAEC is striving to define a rational, effective approach in relation to the possible fields of competence for Euro-Asian cooperation, and the discussions at the Paris conference made it possible to identify priorities in this respect.

Reinforcing the Economic Link

The economic field is characterized by the existence of already vigorous trade relations, primarily arising from intercompany ties. However, *many needs are only partly satisfied and many opportunities are left unexploited* on both sides. Europe needs to assert and further enlarge its access to the reservoir of Asian growth, while Asia wishes to acquire the technologies or management methods it lacks. Moreover, for the time being, both partners only benefit to a very limited extent from the direct foreign investment opportunities which are available to economic actors and enable them to improve their conditions of development, production and marketing.

In the present phase of Euro-Asian economic relations, governmental initiatives have come to play a vital role in creating the conditions for deepening ex-

changes. Although multinational corporations have their own means to engage in trade between the two zones, SMEs, which form the basis of economic networks in Europe and Asia alike, run into obstacles (information access, risk coverage, etc.) which could be eliminated by concerted programmes launched within the framework of Euro-Asian cooperation. Accordingly, Euro-Asian intergovernmental efforts must aim *to facilitate Europe's and Asia's access to the small and medium-sized enterprises in both zones*, for purposes of production, investment, partnership, trade and technological exchange.

Improving access to European and Asian economies for the actors of each region presupposes, in addition to the dissemination of strategic information to as many such actors as possible, a *mechanism for trade and financial liberalization* which could be taken over by Euro-Asian cooperation. This would entail, on the one hand, cooperating within the framework of the WTO with a view to liberalization at the world level, and on the other hand, extending to the countries concerned by Euro-Asian cooperation the benefits of adjusting the trade and investment systems of the European Union and the liberalization measures adopted within the APEC framework. In this respect, Euro-Asian cooperation is at liberty to choose flexible arrangements for moving towards liberalization, like APEC which set its goals and proceeds on a basis of "concerted voluntary unilateralism" (absence of binding agreements, with each party undertaking to make itself the necessary concessions for moving towards trade liberalization). Some participants at the Paris conference even wondered if it was not appropriate to go ahead and establish a link between the APEC process and that of the Euro-Asian summits.

Sharing in the Security of Asia

No one questions the preponderant role which the US plays in Asia's security, and it is even preferable that this role be reinforced, in particular through greater security autonomy for Europe which would make it possible to shift part of the US commitment towards the conflict zones of the Far East. Nevertheless, *the security dimension and the military dimension form a part of the order of Euro-Asian relations*; because European arms sales in Asia or participation in UNTAC-style peacekeeping operations create such ties between the two regions; because the bilateral logics which form the base of the

Euro-Asian dialogue also include a security component, particularly developed for some, such as the UK, which is tied by a security treaty to the Sultanate of Brunei and by the so-called Five-Power Arrangement (FPDA) with Australia, New Zealand, Singapore and Malaysia; and lastly because, in certain Asian conflicts, given the possibility of military commitments, the question arises as to whether the European countries would participate operationally, in support of the US.

It therefore appears that *Europe must adopt a more voluntarist stance in Asian security*, at least to ensure that its political logics are consistent with its *de facto* commitment. Accordingly, thought should already be given to the forms of participation in potential Asian conflicts, and an effort should be made to prepare operationally, for example by associating the Europeans with the multinational military exercises which take place in the zone (e.g. RimPac, as some are proposing). The framework of Euro-Asian cooperation could also make it possible to harmonize bilateral security relations between the Europeans most active in the field (France, United Kingdom, Germany) and their Asian partners and extend these relations to topics pertaining to security in the broad sense of the term, such as piracy, migration, international crime or drug trafficking. It is also conceivable that Euro-Asian cooperation could be used to help reinforce the global system of nuclear non-proliferation.

ASEM further seems to constitute a relevant forum for *the exchange of experience, knowledge and practice in the field of security*. This is the case for Europe's experience with collective security, preventive diplomacy, conflict settlement and confidence- and security-building measures: the European security architecture, despite its shortcomings, can indeed seem in the eyes of the Asians to be a reservoir of historical examples and counter-examples capable of helping to meet the security needs of a complex region undergoing tensions and oppositions.

Yet this consultation can also be extended to a dialogue on world security and peacekeeping, in which both Europe and Asia would stand to gain by sharing their experiences. By encouraging Asian countries to participate more actively in UN operations and by going so far as to arrange for joint training or coordinated equipment programmes, ASEM would effectively gain a political di-

mention, which is enshrined in the final declaration of the Bangkok summit and which APEC lacks.

The Global Triangle

ASEM exists partly due to the need to reinforce the hitherto weak leg of the triangle of planetary power. Accordingly, the key to legitimizing the process of Euro-Asian cooperation is its implementation when the third pole of power, the US, adopts an attitude which flouts the rules of multilateralism that the international community imposes on itself. In the eyes of some, *Euro-Asian cooperation represents an incentive for the US to maintain an open, honestly international attitude*. This cooperation must therefore be used without hesitation for this purpose, not in a general, absolute form but whenever European and Asian interests can be coordinated to counter American unilateralism. This could also be the case within the WTO, where over and above the concerted position which could be adopted selectively to cope with legislation that misuses international sanctions, joint clarifications worked out in advance of WTO deadlines could make it possible to exercise a positive influence on negotiations when dealing with a US tempted by protective nationalism. The prospect of such a level of cooperation must not of course obscure the existence of differences of opinion over trade between Europe and Asia: broadly interpreted anti-dumping rules or proliferation of preferential agreements, for Europe; restrictions on investments or misuse of special dispensations for developing countries, for Asia. Yet the ASEM framework also represents a suitable forum for negotiations on such matters. In another field of international activity, the reform of the UN would gain from being discussed and promoted by Euro-Asian cooperation, whereas the US seems to create obstacles in this cooperation that a single other pole might have difficulty overcoming.

Asia, a major economic actor, suffers from a political presence gap on the world scene. The ASEM process should be able to encourage *more assertive Asian participation in international affairs*, for example via cooperation with regard to peacekeeping operations, through which Japan and China can find legitimate means of using their armed forces and by which the ASEAN member countries can acquire the global dimension they lack. The reform of the UN, the functioning of the WTO, the dialogue on security, including in non-

military fields (which can extend, in a long-term vision, up to joint economic forecasting with regard to energy demand or environmental protection) and exploration of the field of challenges and interests common to Europe and Asia all illustrate that a world partnership can spring from their cooperation.

Encouraging Mutual Knowledge

The final declaration of the Bangkok summit acknowledged the need to give priority to developing intellectual exchanges between the two regions. Asia, at the present stage in its historical evolution, could take advantage of Europe's experience in the field of political transition, the long-term modalities of democracy, means for the coexistence of regional national and supranational identities and the adjustment of relations between States in a given region. The participants at the Paris Conference displayed an interest in the OSCE experience, whereas the President from the Philippines expressed an interest in the EURATOM model. However, note was taken of the dearth of Asian research on modern-day Europe, and in particular on topics of direct interest for political practice³. Accordingly, *Europe must make available its body of historical experience* in order to enable the Asians to find therein elements of a response to the problems raised by their development and their regional and international integration.

Europe, for its part, truly needs to develop its knowledge of Asia, because this extension constitutes the key to deepening exchanges at the political level, but above all at the level of economic actors. Today, the Europeans have dispersed tools of knowledge on Asia, for which they lack a network of coordination or simply information; they are turned towards the past, more concerned by local particularities in the different Asian countries than by developments in the region as a whole, and here as well, have difficulty answering the questions raised by concrete political action⁴.

3. Preliminary findings from a survey conducted within the framework of the CAEC by Tadashi Yamamoto, Director of the Japan Center for International Exchange, and Gerard Segal, Director of the Asian programme at the International Institute for Strategic Studies (London).

4. Address by Wim Stokhof, Director of the International Institute for Asian Studies (Netherlands).

Only governments, within the framework of Euro-Asian cooperation, have the means to reinforce the European academic presence in Asia, develop funding for Asian research in Europe and encourage the development of ties between scientists from both regions in all disciplines.

Elements of the Debate

Globalization in Europe and Asia

*Is Europe Moving Towards a Social Revolution?*⁵

The end of the century is a difficult period for Europe. Its social model, worked out after the Second World War, is not standing up to the revolution of information technologies and the development of services. Economic globalization and the need to respond instantaneously to consumer demand have led to a disruption in production modes and, in its wake, in labour practices. Flexibility in terms of working hours, wages, skills, careers, and alternation between work and training have radically changed the terms of the social contract, which no longer fits the new realities. In Europe, the development of services (production of innovation and personal services) has come up against obsolete structures incapable of financing the new needs.

The passage from one world to another is a labourious one. There is a need for radical reform of prevailing systems, around which companies dealing with redistribution, taxation and social protection have sprung up, in order to make them compatible with the new environment of economic activity. In /the transitional phase, new inequalities are appearing and poverty is spreading, thus helping to destabilize the system. In Eastern Europe, which has a longer ways to go, the transition is even more painful. The question is determining how Europe can move away from its system of the "iron rice bowl" (an expression which describes the protection of State employees in the People's Republic of China)⁶.

5. Contribution by Bernard Brunhes, Consultant, comments by Kwa Chong Guan, Assistant Director, Singapore Institute of International Affairs, and Zhou Hong, Assistant Director, Institute of European Studies, Chinese Academy of Social Sciences.

6. Zhou Hong.

Yet Europe, which is full of potentialities, is not doomed to decadence, for the technological revolution does not destroy jobs⁷. But peoples are unaware of their capacities and the creation of jobs which offset losses in declining sectors is invisible as far as society is concerned. Be that as it may, the passage from one world to another necessitates a reform of the organizational setup, a process which will be facilitated by European youth, already mindful of the inevitable nature of job flexibility⁸.

Yet this reform now clashes with conservatism, and has for the time being led to very limited change only, as can be seen from the difficulties which are bringing European bureaucracies into conflict with the creation of new forms of work, or the durability of corrupt governments. All of the present beneficiaries of the organizational modes to be reformed are resisting. For example, in France, ceaseless strikes bring together State employees to defend their salaries or railway workers to fight for an obsolete railway company. Young people fresh out of school, like their elders, are more inclined to opt for stable jobs in large groups than to take a risk and start up a company⁹.

The sorely needed updating of the social contract poses three fundamental questions: the desirable respective levels of flexibility and social protection, the justification of this new contract (should the foundation be solidarity, citizenship or human rights?) and its feasibility and the means for its implementation¹⁰. Asia shares many of these challenges with Europe: globalization, technological change and adaptation to a post-industrial, post-modern model of society may seem capable of even calling into question the individualistic foundations of democracy as defined by the West and favouring the invention of a form of a community-based political regime¹¹. That having been said, not everyone agrees on the appropriateness of putting forward a new, community-based form of democracy, Asian-style, on the ruins of a Western political model considered outdated, and the exercise of communitarianism based on

7. Thierry de Montbrial.

8. Bernard Brunhes.

9. Jean-Pierre Lehmann.

10. Zhou Hong.

11. Kwa Chong Guan.

the Asian tradition also appears compatible with the principles of liberal, individualistic democracy, less oppressive than the Singaporean system¹².

In the final analysis, the dangers are the same for both regions, that of withdrawal into oneself and flight into extremism, as periods of radical transition sorely try the legitimacy of the political regimes which lead them¹³.

*Globalization and Social Change in Asia*¹⁴

The process of globalization, which is shaking East Asia concurrently with a strong push towards economic development, indissociable from the globalization itself, has a far-reaching impact on the economy, societies, cultures and political systems of the Far Eastern nations. Changes in consumption modes linked to the emergence of a middle class and « *nouveaux riches* », be it in the urban context or, in the most advanced countries, in town and country alike, have made growth and economic prosperity an element of the legitimacy of governments, in search of growth sustainable on a long-term basis.

Society benefits from the average rise in living standards but suffers, in the transition, from more inegalitarian distribution of income, environmental damage caused by rapid growth and the destruction of the traditional family unit owing to increased mobility. Moreover, the challenge of managing the problems already posed by the aging of the population means that Asia is clearly affected by a global trend. Paradoxically, the absorption of Western culture, decried by some leaders, poses the bases for a hitherto uncertain Asian cultural unit, parallel to internal migration within the region, also a source of oft unwelcome developments.

The foregoing new economic and social trends weigh heavy with regard to the growing involvement of peoples, and specifically the middle classes, in political life. Without stopping with the examples of Taiwan or South Korea, where democratization was preceded by deep Western acculturation¹⁵, the

12. Bharat Wariavwalla.

13. Stuart Harris.

14. Contribution by Carolina Hernandez, President of the Institute for Strategic and Development Studies (Philippines), comments by David Camroux, Director of Studies and Research, CHEAM, and Karl Kaiser, Director, DGAP.

15. Carolina Hernandez.

opening-up of societies to the outside world inevitably leads to increased demands in relation to human rights and democracy¹⁶, even if democracy can take on forms which are suited to the Asian social landscape.

Globalization, which has plunged societies into an international environment that is beyond them, arouses varied reactions from one country to another, and even triggers resurgences of localism or tribalism which constitute modes of protection against what appear to be outside attacks¹⁷. Yet by eroding national sovereignties, in Asia and elsewhere, globalization also provides an incentive to use international consultation to find means of containing its undesirable effects.

Emergence of a Regional Identity in Southeast Asia

The ASEAN countries are collectively looking, in the post-Cold War world, for a space on the international scene which their individual size prevents them from occupying. Moreover, the most active seekers have symptomatically been the smallest States, anxious to overcome their handicap by pooling international means of action¹⁸. For some, more than a simple tool of international policy, the regional construction of ASEAN constitutes a means of combatting the pursuit of Westernization, which threatens the isolated Asian States, and of imposing a veritable rebirth of Asia¹⁹ on the cultural plane. Whereas European integration was motivated by the fear of conflict, ASEAN was motivated by the fear of Communist contamination²⁰, but also perhaps by the fear of Western contamination.

The will to bring out a regional identity – *One Southeast Asia* in the vocabulary of ASEAN – relies on efforts to create, to invent a common history (colonization, long-standing intraregional trade, etc.), common heroes, traditions shared by the ten States which are cut out to be part of the Association. Paradoxically, but not surprisingly, English serves as a common language, and the regional press (*Far Eastern Economic Review*, or the recently laun-

16. Karl Kaiser.

17. David Camroux.

18. David Camroux.

19. Kwa Chong Guan.

20. Stuart Harris.

ched *Asia Times*), together with the use of Internet or regional satellite-broadcast television, confirms its role as a lingua franca. However, Southeast Asia's identity is also asserted by opposition, sometimes to Westerners, in particular in the eyes of some of its leaders, such as Dr Mahathir, and in some of its institutional manifestations such as the East Asian Economic Caucus (EAEC), turned against NAFTA within APEC itself, and sometimes by opposition to China, whose ambitions to be a regional power and the concern it arouses underlie ASEAN's cohesion.

Yet a Southeast Asia based on the sharing of self-confidence, or economic successes described as miracles, does not necessarily impose itself on its own peoples, who have remained more nationalistic, or even regionalistic (in the sense of regions within States) than internationalistic²¹. Moreover, ASEAN strives to bring together transnational assemblies of professionals, to set up research centres which deal with the questions raised at the level of the Association or to bring universities within the zone together into an academic network. Yet ASEAN is not free from internal tension and a danger of break-up. Economically and commercially speaking, it is not very integrated²². In addition, it must make a choice, as it builds its identity, between an exclusive, closed Southeast Asian identity and a liberal identity open to the outside world²³.

Asia's Security and the Role of Outside Partners²⁴

The Role of the United States

No one challenges the role of the United States as an essential factor for Asia's security. Its presence at the heart of the regional strategic balance is grounded on bilateral alliances with the countries of Asia. These alliances are being updated, and even though China voices its dissatisfaction with the

21. David Camroux.

22. Karl Kaiser.

23. François Godement.

24. Contributions by Jusuf Wanandi, Director, Center for Strategic and International Studies (Indonesia), and Gerald Segal, Director of the Pacific Asia Initiative Programme, International Institute for Strategic Studies (London); comments by Marta Dassu, Researcher, Centro Studi di Politica Internazionale (Italy), Michael Leifer, Professor, London School of Economics, Pran Chopra, Professor, Centre for Policy Research (India) and Mohamed Jawhar Hassan, Assistant General Director, Institute of Strategic and International Studies (Malaysia).

content of the recent Clinton-Hashimoto agreements, it accepts the principles of the US presence in this form. It should be noted that the US and Asia have not set up any international organization which multilateralizes America's role: the US participates – albeit alongside Europe or Russia – in the ASEAN Regional Forum (ARF), while APEC, the trans-Pacific organization, has not given itself political or security powers.

However, questions are starting to be asked as to the quality of the US commitment in the area. The US, which sometimes appears as a source of as much uncertainty as security²⁵, owing to the incoherencies of a foreign policy subjected to such strong domestic pressure²⁶ that in the eyes of some it triggers dangerous over-reactions²⁷, has also been accused of making Asia pay the highest possible price, in terms of competitive distortions which benefit the US, for America's hegemonic security guarantee²⁸. Granted, it is precisely the domestic pressures which the administration faces that make things difficult for American diplomacy, and temporary factors, which must be taken into consideration, weigh heavy in the short term with regard to the US position in Asia or, more generally, with regard to US support of world multilateral organizations²⁹. However, some Asians already consider the current process of building regional security as a means for Asia to shoulder its entire security burden over the long run³⁰. As Thierry de Montbrial sees it, the important thing is to go ahead and start preparing for a post-American world.

The Chinese Factor

The reality of the Chinese threat remains at the heart of the discussions on the security of the Far East. The phlegmatic point of view is based on the history of a China more or less turned inwards, which over the past hundred years has lost ground on the international scene and which has not taken an aggressive tack, unlike Japan. China might even be militarily weak³¹, or at

25. Hadi Soesastro.

26. Marta Dassu.

27. The intervention in the Straits of Taiwan in March 1996, for M.J. Hassan.

28. Christian Lechervy.

29. Shinya Nagai.

30. Jusuf Wanandi.

31. Fan Gang.

least its practice of power in the region might rely less on the military tool than on political and economic pressure³². The vision of a peaceful country is further reinforced by its smooth integration in the ARF process, where it participates in the confidence- and security-building measures, for example by publishing a white paper on defence, and where it has co-chaired since the Jakarta meeting the working group on MCSs, and finally, by its affiliation to CSCAP in December 1996 and secondarily, its easy participation in the UN or in the Nuclear Test Ban Treaty.

Yet many still consider it to be one of the primary threats to the region. The specificity of the country which has been presented as the sole Asian candidate for hegemony³³ leads observers to hope that the Chinese factor will be internalized in an Asian security order, while some feel that the Chinese threat is enough on its own to constitute the motor of the movement of political dialogue and security launched by ASEAN. It is also argued that China's participation in an informal discussion forum on security like the CSCAP does not fundamentally modify the threat it represents, and that within the ARF, it has been against the establishment of a conflict settlement mechanism³⁴. Indeed, China limits itself for the time being to the principle of conflict settlement solely by the parties to such conflicts, without outside intervention³⁵.

An Asian Architecture of Security, from Balance of Powers to Collective Security

The initially economic objectives of the regional construction launched by ASEAN were subsequently extended to the political and security field, with the ambition of buttressing the US stability factor. Over the long run, it even appears conceivable that an Asian security order could play the role of a regional institution as defined by Chapter VII of the United Nations Charter. Moreover, an ARF working group has already been set up to deal with questions involving peacekeeping³⁶.

32. Stuart Harris.

33. Marta Dassu.

34. Michael Leifer.

35. Zhou Hong.

36. Jusuf Wanandi.

The question of the geographical limits of this regional construction brings us back to the dilemma of deepening vs enlargement. The arguments in favour of enlargement to include India³⁷ or even all of South Asia, up to Iran, and to Central Asia³⁸, rely on criteria tied to geography or appropriateness (avoiding sending these countries a message of exclusion). Those backing the status quo pose the conditions for future affiliation (domestic political stability and increased participation in the regional economy³⁹) or mobilize the concept of a strategic Asia-Pacific, from which India is excluded for the moment⁴⁰.

The form that the future regional order should take also gives rise to debate. Although the initial situation is readily analysed as a balance of powers, the general appearance of the construction could be that of a concert of powers (this shift appears relatively easy in view of the present situation⁴¹), which however does not for the time being seem to appeal very much to the Asian governments⁴² and does not follow very well on the process launched under the aegis of ASEAN, thanks moreover to dynamics independent of the size or power of the States. Rather, the form of regional construction, as it began with the ARF and the CSCAP, points to a flexible model of community of nations, working towards cooperative security and, finally, collective security: the OSCE could serve as a model in this respect⁴³. In addition, ASEAN seems to be destined to retain for a while its role of manager of the process, in the absence of a great power capable of performing this task in such a way as to earn the trust of all countries in the region⁴⁴.

Yet many obstacles remain as far as political and security regionalism in Asia are concerned. Asian identity poses a problem: the place of Japan, and its acceptance by the other States in the region⁴⁵, together with that of China, underlie the Far East's discomfort when it comes to identity. The region lacks homo-

37. Jean-Pierre Lehmann.

38. Pran Chopra.

39. Jusuf Wanandi.

40. Mohamed Jawhar Hassan.

41. Han Sung-Joo.

42. Michael Leifer.

43. Marta Dassu.

44. Jusuf Wanandi.

45. Mohamed Jawhar Hassan.

geneity, and the necessary historical reconciliation, on the European model, has only taken place between ASEAN members, and not with China or Japan. On a more directly operational plane, the countries in the region do not share a common forward-looking strategy⁴⁶, and the ethnic dangers or risks of political instability which are the source of the main threats in the zone are ill-suited to focalizing cooperation factors at the regional level⁴⁷. If the process under way were to hit these obstacles head on, the collective security ambition could only lead to a security dialogue, devoid of mechanisms for sanctions or conflict settlement⁴⁸. Yet caution and the habit of informal diplomacy are leading some Asians to consider that engaging in dialogue and introducing transparency is a significant achievement in itself⁴⁹, provided that all other sources of uncertainty (China, US, etc.) participate in the movement.

Europe's Role in Asia's Security

Europe is already a party to Asia's security: it exports weapons systems to Asia and transfers doctrines of use and the related technological skills; the bilateral relations between EU Member States and Far Eastern States include political and security components⁵⁰. Moreover, some Europeans are actively involved in the current military equilibrium, for example the United Kingdom, which has signed a security treaty with Brunei and which is a member of the Five-Power Arrangement (along with Malaysia, Singapore, Australia and New Zealand)⁵¹. Second, Europe is a potential participant in armed conflicts in Asia, in support of the main actor, the US, as was already the case in Korea and more recently in Cambodia⁵². Finally, Europe as an organization has channels for dialogue with Asia, inaugurated with the ASEAN-EEC dialogue, which is continuing with the EU's participation in the ARF and with the inclusion of political and security-related questions in the ASEM agenda⁵³.

46. Michael Leifer.

47. Marta Dassu.

48. Michael Leifer.

49. Hadi Soesastro.

50. Christian Lechervy.

51. Abdul Baginda.

52. James Eberley.

53. Jusuf Wanandi.

Thus, the prospects for Euro-Asian cooperation in this field are based on this achievement, and on a posture different from that of the US: with no direct strategic interest in the region and with perhaps greater sensitivity to Asian susceptibilities⁵⁴, Europe can play the role of a moderator of tensions in Asia, particularly when the US is directly or indirectly involved in such tensions (Taiwan/China, US/China on human rights questions and China's affiliation to the WTO⁵⁵). Moreover, even though Europe does not have the means to replace the US in its Asian role, it can rely on diplomatic action to promote the elaboration of international rules of conduct by means of multi-lateral security structures, ARF-style⁵⁶, make its collective security experience available to the Asians, with the possibility of choosing « *à la carte* » from among the mechanisms introduced in the Old World, and work together with Asia in the field of non-military security (piracy, economic crime, drug trafficking, etc.). Lastly, Euro-Asian security-related cooperation can be broadened to global questions such as the reform of the UN, nuclear non-proliferation or peacekeeping. Over and above a concept of Europe as an "honest broker" in Asian security, a concept also shapes up which requires Europe to make a more direct input. This would consist in particular of reflection on the Europeans' possible modes of reaction in case of conflict in Asia, on the possible participation of the European countries in international exercises like RimPac or on elements of a "common foreign and security policy" worked out between the European and Asian States concerned⁵⁷.

The prospect of developing Euro-Asian security cooperation has however given rise to a certain amount of scepticism. The ambition of a continent-spanning dialogue is foundering on the lack of unity of each of the two regions. The Europeans, who are viewed as security providers, have no common Asian policy⁵⁸, a factor which can lead either to an appeal to unitarian voluntarism and criticism of the French and British governments which are seeking to join the ARF in addition to the European Union⁵⁹, or to the

54. Pran Chopra.

55. Mohamed Jawhar Hassan.

56. Michael Leifer.

57. Gerald Segal.

58. François Godement.

59. Marta Dassu.

realization that, for the time being, certain questions falling within the purview of Euro-Asian cooperation are better dealt with at the State level than the EU level⁶⁰. The sceptical current still relies to a large extent on the argument that Europe is incapable of providing Asia with a good it does not have itself: it has no political unity, it has its own ethnic problems, has not managed to resolve them yet claims to be able to settle those of others⁶¹, it would like to use Euro-Asian cooperation to convince the US and the Asian States to respect the rules of honest internationalism, without the certainty that it respects them itself⁶². Finally, there is the argument that, although Europe has primarily economic interests in Asia, there is no reason why it should take political and military risks there⁶³.

European and Asian Economies

The New Challenges for the WTO, Europe and Asia⁶⁴

Compared to the GATT, the WTO has taken things one step further as far as the process of international trade liberalization is concerned. The new organization imposes all its rules on all members without any possibility of choice; it possesses a dispute settlement procedure and has set up a system for monitoring trade barriers via notification. Today, however, there is a danger that its political dynamics might be eroded: the US, inclined towards withdrawal and unilateralism, and Europe, preoccupied by monetary union and the extension of the EU to Eastern Europe, could end up leaving Japan on its own to defend the development of the WTO's activities.

Traditional Trade Issues within the WTO

Contrary to a widespread illusion, tariff and non-tariff barriers have not fallen, particularly as far as trade relations between Europe and Asia are concerned. Average customs duties on OECD imports, estimated at 3 or 4%

60. Gerald Segal.

61. Stuart Harris.

62. Hanns Maull.

63. Kay Möller.

64. Contribution by Patrick Messerlin, Professor at the Institut d'études politiques, Paris and the debate on this contribution.

by around the year 2000, only include actual trade (and thus exclude products for which high tariff levels discourage exporters: a non-weighted average shows protection of around 13% for goods entering the EU), disregards non-tariff barriers (anti-dumping taxes, quotas for textiles, clothing, etc.) and does not properly reflect the diversity of rates by product. Thus, agricultural produce and manufactured goods remain subject to many tariff barriers, perpetuated by regional preferential trade arrangements, including, in Asia, the ASEAN Free Trade Area (AFTA) and the APEC, which can give rise to fears that they will give their participants an opportunity to defer tariff concessions to the Europeans. The issue of open or closed regionalism dominates the sets of problems linked to trade arrangements and regional constructions in Asia. Yet the Asians deny the reality of these fears, stressing that, for example in the case of Indonesia, tariff cuts adopted within the framework of the AFTA have been rapidly extended via the most-favoured nation clause⁶⁵. In addition, non-tariff barriers have multiplied in recent years, particularly in Europe, in the form of safeguard clauses (quotas for automobiles, textiles, etc.) or anti-dumping measures.

As far as these questions are concerned, there is a terrain for reciprocal concessions for Europe and Asia, the former with regard to its non-tariff barriers, in particular its social clauses, and the latter with regard to the level of its customs duties on manufactures. ASEM constitutes an appropriate forum for negotiations on such concessions. One example which could be followed is the flexible formula for concerted unilateral concessions adopted by APEC.

New Formulations of Traditional Issues

The erection of trade barriers in the form of norms imposed by governments and national standards imposed by companies constitutes a new battleground for liberalization. To overcome such barriers, Europeans and Asians will have to be encouraged to work out agreements for the mutual recognition of norms, which however are difficult to obtain because they require a great deal of trust between the parties.

65. Hadi Soesastro.

Rules of origin, which make it possible to determine a product's nationality and hence its customs treatment, have become complex and are tending to become more stringent within the European Union, as a result of which European origin is recognized less and less for products containing a large proportion of imported components. In reality, this trend ends up penalizing Europeans who invest abroad in order to realize part of their production there. Consequently, it tends to diminish direct investment flows towards Asia and the rest of the world. Europeans and Asians must be able to work together to define normative disciplines and less discriminatory rules of origin for their respective products and companies.

New Issues

The General Agreement on Trade in Services (GATS), much less constraining than the GATT, is primarily grounded on the goodwill of States and on the practice of sectoral agreements which do not encourage negotiators to make cross-concessions. For the time being, it has been a failure in practice, and the past two years have seen an increase in non-tariff barriers and subsidies on national service markets. Ever more frequent market regulations are also instrumental in penalizing competition and reinforcing acquired monopolistic and oligopolistic positions. Given this situation, the WTO must reach an agreement on freedom of foreign investment in the service sector, the only sector capable of wearing down the dominant positions which have been consolidated on markets for many years.

The relationship between trade, work and wages, pushed onto the agenda by the high unemployment level in Europe and the protectionist theme of social dumping, constitutes a new issue for the WTO. Yet empirical studies show that trade does not create more jobs but only makes it possible to pay better wages for existing jobs. Consequently, the WTO is not the right place to discuss labour norms, whereas the ILO, due to its appropriate composition, can play this role⁶⁶. Europe and Asia share common interests as far as these new challenges are concerned: the Asians have an interest in opening their

66. Patrick Messerlin.

service markets, once the most advanced countries in the region have better understood their comparative advantage in this sector, while the Europeans have an interest in adopting a low profile on the question of work, with the conviction that flexibility is necessary and beneficial for themselves⁶⁷.

Accession of China and Taiwan to the WTO

Although the accession of Taiwan poses political problems, it does not pose any technical problems. Taiwan has already adopted WTO discipline on a *de facto* basis, and the absence of what Taiwan represents in terms of GDP and direct foreign investments is a handicap for the Organization.

China has considerable economic potential and a high growth rate. On the other hand, as far as WTO rules are concerned, its lack of national integration (legislation which varies from one province to another, internal trade barriers) and its participation in a "Chinese economic zone", an informal regional trade agreement between China, Taiwan and Hong Kong, constitute obstacles to its joining. Yet two positions are possible in this respect: one can consider that China must first work to implement WTO disciplines on a *de jure* basis; one can nevertheless judge that, on the basis of a great many *de facto* exemptions to official trade barriers combined with a movement to reinforce the national legal system, admission to the WTO would play a positive, dynamizing role with regard to China's involvement in world trade. This latter option presupposes however the definition of a minimum amount of rules to be respected before affiliation, and must not lead to the imposition on China of informal constraints like the ones imposed on Japan when it joined the GATT (essentially voluntary export restraints) and which, still in force some forty years later, have introduced lasting distortions and delayed the necessary adaptation of the Western economies. China's affiliation to the WTO could moreover have provided an opportunity for the European Union to take a voluntarist stand⁶⁸.

67. *Ibid.*

68. Jacques Pelkmans.

Role of the State in Economic Growth⁶⁹

States were called to play a fundamental role in development and economic growth after the Second World War. Today, after the collapse of the socialist economies, even though the market maintains its preeminence as a provider of prosperity, the debate centres round the desirable degree of governmental interventionism to offer these markets the best possible environment. For example, the important thing for the State may be to promote cultural changes which make a country's traditions compatible with economic growth, which is more or less the case from one culture to another⁷⁰. In general, economic policy must aim to optimize use of the factors of production (education, a means of improving labour productivity, helps in this respect) and to supply private actors with a stable, favourable social and macroeconomic context.

In the different stages of development, as defined by Rostow, the State has a different role to play in maximizing growth: vigorous interventionism to launch development by breaking the vicious circle of poverty, followed by gradual withdrawal in favour of market forces and qualitative rather than quantitative interventions as development is achieved. Yet until a certain degree of development has been reached, priority must be given to the State's role of economic efficiency with regard to the goals of development or political justice that may clash with the improvement of material wellbeing⁷¹.

The body of these topics has given rise to a lively debate. As for the respective merits of the State and the market in economic growth, it is still possible to think that Japan, for example, developed either thanks to or despite the State's strong presence in the economic system⁷². Thus, the State can be envisaged in its counter-productive role: when it is too strong, it smothers any possibility of development (e.g. Burma); too nationalistic, it goes off track in economic nationalism which is contrary to the interests of the economy (cf. the war of national « automobiles » in Asia or the obstacles

69. Contribution by Sang-Kyung Kwak, Professor, University of Korea, and comments by Stefan Collignon, President, Association pour l'Union monétaire de l'Europe, and Jean-Pierre Lehmann, Director, European Institute for Japanese Studies (Stockholm).

70. Sang-Kyung Kwak.

71. *Ibid.*

72. Jean-Pierre Lehmann.

which Korea places in the way of foreign investments); too involved in the economy, it becomes corrupt⁷³. Yet observing the level of involvement is still not enough; it is necessary to assess the quality of this involvement, which must in particular make it possible to keep the currency stable and maintain the government deficit at a low level⁷⁴. Moreover, prescribing an optimum level of involvement based solely on the theory of stages of development leads one to disregard the fact that there is no universal, inevitable form for moving towards development⁷⁵ even if, in addition, the culturalist approach which attributes responsibility for economic efficiency or inefficiency to civilizations is running into resistance⁷⁶.

The efficient State is also the one which does a good job of protecting rights and fundamental freedoms, which are necessary conditions for healthy growth and not hindrances to such growth⁷⁷: the example of India illustrates in this respect how political development does not necessarily come after economic development⁷⁸. Moreover, the economic efficiency of governments should not be judged solely by current indicators: indeed, the value of Gross Domestic Product or a trade surplus are poor indicators of wellbeing. Finally, it may be noted that, as far as the State's role in the economy is concerned, there is no one Asian model nor one European model. There are various models, which may for example be grouped together into categories such as the State as reference (United Kingdom, Hong Kong), the State as manager (France, Spain, South Korea, Taiwan) and one in-between category for Japan. In any event, these categories do not designate efficient and inefficient models, and in view of the lack of a clear-cut conclusion, research on the question should be continued⁷⁹.

73. Stefan Collignon, Jean-Pierre Lehmann.

74. Stefan Collignon.

75. Bruce Koppel.

76. Jean-Luc Racine.

77. Stefan Collignon.

78. Pran Chopra.

79. Jean-Pierre Lehmann.

Euro-Asian International Cooperation: the Need for Networks⁸⁰

European Studies in Asia

The members of CAEC launched a study to identify the centres for mutual knowledge set up in Europe and Asia. The preliminary findings of the survey in Asia show that Europe is not very present in the concerns of universities in the region, and that when it is present, ancient history, literature and the arts account for the lion's share to the detriment of more contemporary studies better geared towards political and social practice. In Asia, there are few university departments devoted to Europe, and fewer still research centres. In China, for example, European studies, inaugurated some ten years ago, have developed with limited resources only, and it is thanks to an agreement with the EU that six research institutes will be set up in 1997⁸¹. Finally, it may be noted that in the fields of regional security, environment or migration – the areas most frequently studied in Japan in connection with studies relating to modern-day Europe – the emphasis is placed on a vision of Europe as a whole rather than on country studies.

Asian studies in Europe

In a way which is rather symmetrical to the situation of European studies in Asia, Asian studies in Europe appear to be turned towards the past, with a focus on linguistics, culture, history and social sciences as far as disciplines are concerned. Owing to the diversity and fragmentation of approaches from one European country to another, or even within a single country or between specialists for different Asian geographical areas, there is a need to set up a European network of Asia experts, which is lacking at present (despite the efforts made along these lines by the Nordic Institute of Asian Studies in Denmark). Asian research in Europe thus appears very rich, but capacities are underutilized and suffer from the lack of synergy between actors in this research⁸². In the absence of support measures at the European level, Asian

80. Contributions by Tadashi Yamamoto, Director, Japan Centre for International Exchange, by Simon Nuttal, Professor, London School of Economics, and Wim Stokhof, Director, International Institute for Asian Studies (Netherlands): comments by Pansak Vinyarata, Director, *Asia Times*.

81. Zhou Hong.

82. Arnaud d'Andurain.

studies, which until now were – paradoxically enough – more developed in Europe than in Asia itself⁸³, are gradually shifting towards the Far East and could well leave Europe lacking in knowledge skills in this area. In order to take stock of the situation, the European Science Foundation is preparing a report on Asian research in Europe by the year 2010 or so.

Means of International Cooperation

One conceivable solution to the mutual knowledge gap consists, as far as Europe is concerned, of setting up at least one European centre in each Asian country which would act as a medium for policies to stimulate cultural, scientific, trade and infrastructure relations for the achievement of joint Euro-Asian research programmes. Asia could do the same in Europe.

The CAEC has set itself the goal of helping to "fill the cultural gap" by seeking to identify not common European, Asian or Euro-Asian positions but rather points of view, different arguments on questions of interest to both regions, not necessarily from the angle of short-term practice of politics. Although it aims to serve the ASEM, it wishes to remain separate from the Foreign Affairs Ministries, open to freer, broader input, thus incorporating Asian viewpoints outside the ASEM. The CAEC, which will hold its next meetings in London in May 1997 and in Tokyo in November 1997, will in the meantime divide its efforts among five sectors for thought: geopolitics and the institutional framework of Euro-Asian cooperation, institutions and policy, security, economics, societies and cultures.

83. Mahizhnan Arun.

**Report on the Council
for Asia-Europe Cooperation**

Rationale for Europe-Asia Co-operation

Simon Nuttall *

The Asia-Europe Summit Meeting which took place in March 1996 in Bangkok was adjudged a surprising success. Surprising, because the comparative lack of preparation at the level of officials had led many (of the officials) to predict failure, or at least a non-event. As it turned out, the personal interest of the Heads of Government, combined with energetic chairmanship by Thailand, not only created a strongly positive atmosphere but also resulted in the adoption of specific action points. Those few Heads of Government who found an excuse to stay at home must now be regretting their absence.

The Bangkok Summit wished to avoid institutionalising itself. Nor did it want to set up straightaway a vast range of working parties of officials, mirroring the structures of APEC. But by fixing the next two meetings (in the United Kingdom in the first half of 1998, and in the Republic of Korea two years after that), it achieved a measure of self-perpetuation, if not institutionalisation. And by tasking officials with the implementation of the various initiatives put forward at the Summit, it began to create a network of contacts and activities at sub-Cabinet level which shows every sign of rapidly becoming dense. Like all the best institutions, ASEM seems fated, not to be created, but to evolve.

In practical terms, ASEM's work programme is constituted by the list of actions adopted by the Bangkok Summit, on the basis of which officials are now working. This rather disparate list reflected the contributions of individual Heads of Government, and was not a rationally thought out and consistent programme. It is none the worse for that, especially if Heads of Government maintain an interest in their own initiatives, but it contains the seeds of disintegration for the future. The Bangkok miracle will work once,

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but not twice; if the London Summit can only review the Bangkok laundry list as a collection of separate items, then it will not be adjudged a success.

What is currently lacking is an agreed rationale of the ASEM process. The participants must have a clearly articulated idea, not only of the substance of Euro-Asian co-operation, but of why the two regions should be co-operating at all. That will make it easier to see how the current programme of activities should be steered in the future.

The purpose of this discussion paper is to stimulate reflection on the rationale of the ASEM process, leading in due course to an agreed common agenda.

Rationale

To facilitate discussion, possible elements of a rationale are divided into six categories. These are reinforcing, not mutually exclusive, and the second three are to some extent the concrete manifestation of the first three.

The Historical Perspective

We can learn something by reviewing the historical origins of co-operation between Asia and Europe in the post-colonial period. Setting aside bilateral ties which were influenced, for better or for worse, by previous colonial links, Europe's post-war relationship with Asia was first expressed in the agreement with ASEAN. This was avowedly based, as far as the Europeans are concerned, on an a priori preference for dialogue between regions. The driving force behind the initiative was Germany, especially the German Foreign Minister H.-D. Genscher. The regional approach gave Germany the possibility of conducting foreign policy in ways it might have felt inhibited from doing on a purely national basis. ASEAN was chosen as the only viable regional grouping. (There was some debate at a later stage about possible links with SARC, but it was felt that this was inevitably dominated by India to be truly regional).

The origins of the ASEM process were different. Although the European participants were all members of the European Union, the Asian participants were self-selecting and did not reflect membership of any pre-existing Asian

organisation. This was not therefore a ready-made region-to-region dialogue. But since the end of the Cold War, Asian countries had been reassessing their relationship with the United States, the last remaining superpower. The feeling that it would be convenient to have a framework for regional co-operation of which the United States was not a member led to talk of an East Asian Economic Caucus, which, if it were ever to be given formal existence, would no doubt be composed of the non-European participants in ASEM. The EU, for its parts, had woken up the inadequacies of its approach towards Asia, neglected for Central and Eastern Europe following the collapse of the Communist system there. It was therefore receptive to the Asian suggestion for a Europe-Asia Summit, the more so since its attempts to secure some form of relationship with APEC had been rebuffed, principally by the non-Asian participants in that forum.

The Heads of Government themselves had not thought deeply about the reasons for their coming together, or at least chose not to express their thoughts in the Bangkok communiqué, which remains remarkably silent on the subject.

The ASEM process differs from other forms of co-operation engaged in by the participants. In the case of the European Union, it is the most developed example of a regional dialogue in which both the Union and the Member States take part on an equal footing, while using the institutions of the Union to co-ordinate their positions. It is different in nature from the transatlantic relationship, based on the twin pillars of intensive US association with the operation of the CFSP, and a dense network of governmental and non-governmental contacts in other areas. It also differs from APEC, i.e. that ASEM is a bilateral relationship between Asians and Europeans, whereas APEC is not a bilateral relationship between Asians and (North and Latin) Americans. Some observers contest this assertion, but it may be substantiated by the fact that the Asians caucus in ASEM, but not in APEC (see below).

Tripolarism

A commonplace of international rhetoric for getting on for two decades has been the need to "strengthen the weak side of the triangle". Originally referring to the relationship between Europe and Japan, it has more recently come to be applied to that between Europe and Asia as a whole. It is frequently advanced

as a justification for cooperation between Europe and Asia, this being assumed to be the weak side of the triangle, without much thought being given to precisely what is meant by that, still less desired by the participants.

For the purposes of this paper, "trilateralism" is taken to be a collective consultation and cooperation process involving three participants, in this case the United States, Asia and Western Europe. The earliest example, in the non-governmental sphere, is the Trilateral Commission, in which the Asian participant was and is Japan. It is interesting that in recent years Euro-Japanese academic forums have expanded significantly to include other Asian participants. At the governmental level, the nearest thing to a trilateral forum is the Western Economic Summit and its associated meetings, in which again Japan is the sole Asian participant, neither speaking nor claiming to speak for Asia as a whole. The trilateral nature of this forum is likely to become less pronounced as the participation of Russia is strengthened. APEC might have become a trilateral forum, had the EU's request for some form of association not been rejected.

"Tripolarism" is taken to be the situation which arises when three powers or groupings have significantly greater economic and political weight than other powers or groupings enabling each of them to play a significant part in world affairs. This is self-evidently the case with the United States (or NAFTA), Europe (the EU and its Member States) and Asia, the only question mark being over the extent to which Asia is organized as a grouping (see below). Tripolarism differs from trilateralism in that it functions through the mere existence of the three pillars, without requiring trilateral structures. It appears to describe the current global structure.

Does any of this matter? Some may seek trilateralism as an end in itself, or as an element of security in the global system. Others may fear movement towards a "global directorate", which would contain no guarantees, other than the goodwill of its participants, regarding the interests of other countries or groupings. Tripolarism would seem to be a safer bet for the rest of the world, since each of the poles would act as a check on the others. But isolated poles could in themselves be dangerous, especially since at any given moment one is likely to be stronger, or weaker, than the other two. A balance of power cannot therefore be relied upon as the inevitable outcome of tripolarism. A

safeguard would be to encourage bilateral dialogues among the polar partners. The relationship between Europe and North America is firmly established (but is undergoing a process of necessary renewal in the post-Cold War era); that between the United States and Asia, while basically unchanged in shape if not in purpose since the Cold War, seems for the time being to be adequate; while that between Europe and Asia is barely beginning. This is the "weak side of the triangle" argument. The relationship between Europe and Asia must be strengthened, not in order to form an effective directorate, but so that each pole can constitute an adequate check upon the other.

Identity

"Asia" and "Europe" (in the definitions given under 1 above) may be tempted to look to the ASEM process for existential reasons – as a way of defining a nascent identity. This can be more easily demonstrated in the case of the EU than for the Asian participants. There are two tests: the extent of institutionalisation, and the expression of "otherness" – the sense of being "Asian" or "European" rather than anything else.

The institutional development of the European Union is well documented, and has depended to a significant extent on the need to formalise its relations with third countries. For the EU, the ASEM dialogue is only the latest in a long series of external dialogues, of which that with ASEAN is one of the most noteworthy. The ASEM dialogue is significant for the EU's institutional development for two reasons: it confirms the global aspirations of the Union (not limited to regional questions), and it underlines a recent trend towards duality in the representation of the Union, in which the Member States as well as the Union *per se* play a role.

Many Asian countries explicitly reject this form of institutionalisation, and vaunt the "Asian model" of multilateral cooperation, which relies on informal practices and eschews legal or other binding commitments. The difference between Asian and European practice is perhaps not so great, as informal contacts lead to *de facto* binding behavioural patterns. A crucial development here, which distinguishes ASEM from APEC, is that the Asians meet among themselves to determine their position in advance of ASEM meetings, whereas they do not in APEC. Furthermore, an embryo directing function appears to be

emerging. The first ASEM meeting was organized by Thailand as host country; this included organizing the Asian participation. Since the host for the second meeting will be the United Kingdom, alternative arrangements have had to be made for organizing the Asian participation. This responsibility has been awarded to Singapore and Japan, on the principle that it should be divided between an ASEAN and a non-ASEAN country.

The second indicator – the expression of "otherness" – depends not on who is in, but on who is out. In other words being "Asian" or "European" depends on who is excluded. This again is easier to establish on the European side, since the membership of the European Union is finite and self-defining. It is more fluid on the Asian side. The United States and the other American participants in APEC were excluded axiomatically (see above), and there was consensus among Asians that, at least to begin with, invitations should not be extended to Australia or the countries of the Indian sub-continent.

Does this denote any spiritual or political affinity among the participating countries? The interesting thing about the "Asian values" debate is not the "values" but the "Asian". It has rightly been observed that "Asian" is not an Asian concept; will it become so by dint of discussion, assisted by the ASEM process?

If there are two values which seem to subtend ASEM, they are its civilian nature and the readiness of the participants to share sovereignty. The civilian nature of the process is self-evident: ASEM has – certainly for the time being, although see below – no aspirations to become an organisation of military security. On the contrary, it appears to favour the notion of civil society as a component of international security and stability.

The assertion that ASEM reflects a readiness to share sovereignty is no doubt more controversial. It is certainly not maintained that the ASEM participants have abandoned sovereignty in the sense of a legal transfer of powers, as is the case in certain well-defined areas of the European Community. But to engage in a process of collective discussion is to accept potential voluntary limits on freedom to manoeuvre, and to recognise that in an interdependent world there are objective limits to state power. The question here is the extent to which China, whose policies still reflect classical theories of state

power, will, as an ASEM participant, allow itself to be influenced by the phenomenon of socialisation.

Economic Benefits

It is customary to affirm that there is "a great potential for synergy between Asia and Europe on account of the economic dynamism and diversity of the two regions". The heads of government did precisely that at Bangkok. But the same could be said of many regions in the world, including North America, Latin America and even Eastern Europe. What makes the relationship between Asia and Europe special, and provides the rationale for strengthened economic ties?

The argument is the same as the one concerning tripolarism in 2 above. Both sides are anxious to give an economic underpinning to the relationship, to "strengthen the weak side of the triangle". The Europeans want to increase their presence in the dynamic Asian market, and the Asians want to hedge their bets by diversifying their trading links outside the region. More specifically, the Europeans do not want to risk being frozen out by the Americans, and the Asians are quite happy to have a backer to make their discussions with the Americans more convincing. In the economic field, as in any other, there is an interest in ensuring that no one pillar is in a position to dominate the other two.

Of course, motivations vary. Business tends to seek profits, governments occupation, and academics symmetry. But all coalesce around some version of the bipolar theme, and forward their concerns each in their own way.

ASEM governments are in some difficulty here because, with very few exceptions, they profess free market principles and are therefore largely precluded from directing business into channels which correspond to macroeconomic or macropolitical preferences. But the desired macro goal – to ensure that no one pillar is in a position to dominate the other two – is not guaranteed to result from the free play of market forces. Governments wishing to make a success of the ASEM relationship are therefore condemned to connive in some degree of public intervention, and to do so collectively on both the European and the Asian sides. The most economically productive way, of doing this is to encourage small and medium enterprises to ven-

ture into what may well be distant and forbidding markets, principally by creating structures for the circulation of information. More generally, even classical free market governments are justified in providing knowledge as a public good – knowledge as a good in itself, knowledge to remove suspicion and thus enhance security, and knowledge of the various social and economic cultures of the two regions to encourage business relations. The taxpayer's money would not be wasted in funding the rediscovery of Asia by Europe and Europe by Asia.

At the level of relations between governments ASEM participants have an interest in lowering the barriers still maintained against economic activity. These discussions have in the past taken place on a bilateral basis or in the GATT. In both cases, the culture of negotiation through reciprocal concessions has led to limited results. A more global discussion might facilitate a more radical and effective treatment of these questions, as is being attempted in APEC. ASEM provides an opportunity to leapfrog APEC in clearing the board of barriers to trade. This would require the Europeans to engage in discussions on the philosophy and practice of anti-dumping rules and the difficulties of multiple rules of origin exacerbated by the proliferation of preferential agreements. For their part, the Asians would need to discuss restrictions on investment, "developing country" derogations, and the application to other partners of measures to liberate trade within APEC.

ASEM participants have an interest in maintaining the multilateral trading system. This is not just a matter of lip-service and support in principle: they should themselves abstain from any action in contravention of WTO rules, use WTO mechanisms to resolve disputes, and actively and collectively oppose any attempts by others to secure by unilateral action outcomes especially favourable to themselves.

The ASEM participants' interest goes beyond maintaining the status quo; it extends to the future development of the multilateral trading system from its current base in sanctions to a normative function based on jurisprudence. A start could have been made on this if the discussion at Bangkok on trade and labour standards had been devoted to seeking common ground and a common approach instead of presenting the two sides' positions as irreconcilable. The Asian and European pillars, by virtue of their relative institutional and

economic weakness, are more likely to find common ground and a productive way forward on these issues than is either with the American pillar.

Political and Economic Security

It is in the interest of Asians and Europeans that their respective regions should be stable and secure, both for the sake of stability, and security and because instability would impair business confidence and endanger the growth in prosperity.

As far as the Asia-Pacific region is concerned, it is in the interest of Europeans as much as Asians that the United States should maintain its security presence. The explicit support of the ASEM forum for this would be helpful (and would demarcate it from APEC, which has not felt able to venture into these waters).

There is a difference between the two regions in this regard. If the United States were to curtail its role in Asia-Pacific, the consequences would be serious, as there is no evident successor security system in the making (the ARF being as yet too tentative to serve the purpose). The United States is the cement without which, at present, the edifice would soon crumble. In Europe, however, an effective security system has existed for some time thanks to the European Union and to NATO. If the present negotiations for the reassigning of roles within NATO succeed, it should be possible for the United States to disengage itself in the future from certain issues of specifically European concern without thereby endangering the regional security system. ASEM should support efforts to make these negotiations a success; Asian participants might reflect whether they can learn anything from the Europeans' successes — and failures — in constructing a European security system.

Whereas both sides share an interest in global security, their institutional and political development is not so far advanced that it makes sense to think of an operational role for them in support of it. The obvious conclusion is to turn this apparent failing to advantage by developing the characteristics of both sides as civilian powers. This could be a trademark contribution of the ASEM process to global security.

This would not exclude making a greatly strengthened contribution to UN peace-keeping operations, both through political and financial commitments and through actual participation. With regard to the latter, existing expertise can usefully be shared.

A further contribution would be to engage collectively in a fundamental rethink similar to that suggested for trade policy in the previous section, but this time concerning the feasibility of and conditions for total nuclear disarmament, beginning with universal acceptance of the revised nuclear test ban treaty. Indeed, it would seem that readiness to abandon nuclear testing should be a qualification for participation in the ASEM process.

Of the non-military areas of security, that which concerns Europeans and Asians in the highest degree is the demand for energy and its associated impact on the environment. Both sides need to have a shared vision of medium- and long-term scenarios for growth, forecasts of the sources of energy and the attendant foreign policy constraints and requirements, and the implications for environmental policies.

Bridging the Gap

The rationale for cooperation has been sought in shared interests. But there is another rationale of the rationale, and that is in interests not shared. If it turns out that the Asians and the Europeans differ on important points (visions of society, governance and human rights are possible examples), they share an interest in confronting their views in a common forum, even if only to accept the differences, rather than engage in megaphone diplomacy from a distance.

**Societies in Transition:
Differences or Convergences?**

Are European Societies Moving Towards a Social Revolution?

Bernard Brunhes *

Western Europe is coming to the end of this century in conditions which are both difficult and full of promise. Difficult because the social model built up after the Second World War up until the early 80s, with its Anglo-Saxon, German, Nordic and Latin variants, is having more and more difficulty coping with the effects of the technological revolution and globalization.

Full of promise because, if one believes that the future belongs to those who know how to innovate, then the combination of cultural traditions in Europe, with its capacities for organization and its high level of research and studies gives Western Europe every chance in the world competition and gives European peoples every chance to find out how to adapt.

Eastern Europe, which is experiencing a transition from the communist system and isolation to a market economy and is opening up on a large scale, will take some time to find its place in the concert of nations. Some countries are already knocking on the doors of the European Union; they will not all enter rapidly, but the model that attracts them is that of Western Europe, and ties are being established between the economies of Eastern and Western Europe, while peoples are coming closer together as borders open up.

The New European Economy

Europe's move towards a new world marked by information technologies and the emergence of new, strong economies, particularly in Asia, has obviously not been painless. And the men and women of Europe are having

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trouble dealing with the far-reaching crisis we are now experiencing as a result of these changes.

Yesterday's industry, that of the 50s, 60s and 70s, was a labour-intensive industry concentrated in big plants and run according to Taylorist and Fordist principles. Europe's strong growth during this period made it possible to achieve permanent full employment; the principles of organization, linked to the technologies of the day, were reflected by stable structures within which workers progressed automatically with great stability and hence security.

The New Information Technologies

Two simultaneous phenomena have placed a strain on this system: the introduction of information technologies in industry and the development of services. Information technologies have made possible a communications revolution which has brutally enlarged the market for each product to the planet as a whole; they have also introduced a capacity to respond extremely rapidly to demand, coupled with the possibility of offering the desired products very quickly and on a tailor-made basis.

In the 50s or 60s, consumers had to wait several months to take delivery of a standard car model with very few options. In the 90s, consumers order and receive a few days later the vehicle of their choice of a model offered in hundreds of different combinations of motors, bodies, gearboxes, conveniences, etc.: this not only constitutes a miracle of information technologies, computers, robots, electronic components, etc. but also reflects a complete change in production processes. Today's market winner will be the company which behaves reactively.

When zero stock is combined with multiple variations of a product, this requires an extremely tight production process and logistics: "lean production" and "just in time" are the key words of the new organizational structure.

Another consequence of the new production modes is that outsourcing, and specialization are reflected by new forms of relations between companies, based on quality control (quality insurance, ISO 9000 standards, etc.). Here as well, the customer places his order, and the manufacturer of the end product

reacts and turns to sub-contractors whom he subjects to very stringent and very precise constraints in terms of product, production process, quality, deadlines, etc. Industrial production is no longer handled by a single company building a product from A to Z and setting its own pace. Rather, it comes from the functioning of multiple networks of order-givers, sub-contractors and service-providers linked and regulated by clockwork mechanisms.

What about the worker in all this? He must adapt. And adapting means being flexible. Flexibility with regard to time: working hours that may change depending on production needs;

Flexibility with regard to qualifications: ongoing adaptation requires versatility, the ability to move from one job to another – during the day, during the year or throughout one's life; Flexibility throughout one's professional life: the idea of an entire career spent in the same company may well become an inaccessible dream, while the professional lives of the men and women of tomorrow will be increasingly erratic, punctuated by changes of employer, contract type and place. Geographical mobility: tomorrow's workers will have to move around more than today's.

Alternation between training and employment: initial training will no longer be sufficient. Contracts of indeterminate length will give way to contracts which we now call "atypical". Part-time contracts will proliferate, and telecommuting will become widespread.

Lastly, flexibility with regard to pay: in recent years, work was primarily remunerated in terms of time spent. In the future, pay will depend more and more on results and performance, so much so that some specialists are predicting the end of the wage-earning class.

The introduction of the new information technologies is reflected by heavy workforce cuts in industry, due to both productivity gains and outsourcing of part of added value to service companies. With every passing day in Western Europe, newspapers announce redundancies in industry, plant closures or the introduction of new working conditions which, as part of a push to enhance flexibility, are taking away the security to which workers had become accustomed after thirty years of industrial growth.

The Development of Services

In addition, services are being created through two trends: innovation on the one hand, and demand for personal services on the other. The future of the European economies will be determined by their capacity for innovation. Yet technical innovation no longer suffices: technology must correspond to a need, and the researcher must match up with the consumer. In the future, powerful technological research centres will account for less of this innovation. Rather, it will primarily come from operation as a network, meetings of ideas and information, through real or virtual networks. Small, dispersed yet linked units will generate more creativity than major industrial structures. Even when they belong to major financial groups, small, free and decentralized units will write the future. And that is where jobs will be created.

Demand for personal services is a strong characteristic of Western industrialized societies. As a result of urbanization, the constraints and dehumanization of urban life, lengthening of life expectancy, new types of family units, modern forms of delinquency, the growing complexity of laws and the spread of leisure activities, the men and women of our day feel a growing need for services, advice, assistance, security, care, etc. The financing of these services poses difficult political problems. Although some of these services have traditionally been provided on a commercial basis, many are or were in previous decades paid for by the community. Their development, at a time when all States are striving to scale back public spending, implies changes or redistribution which will generate resistance.

The services which are expanding rapidly – whether they are innovation-driven services or personal services – have one characteristic in common: they are produced by small, flexible companies. On the other hand, traditional, bureaucratically-structured services which employ very large numbers are going the same way as industry: banks, insurance companies and social security services are automating or will automate everything possible and will operate on an increasingly decentralized, fragmented basis.

Clearly, the terms of employment for the new services cannot fit into the legal and contractual framework of the traditional company. Fixed-term contracts, promotions based on seniority, fixed pay, stable jobs – all these

principles of labour law will become outdated. Deeply entrenched trade unionism, an indispensable partner in the traditional industrial enterprise, will have trouble adapting to the small service unit.

Social Difficulties Due to Change

This transition from one world to another will not be painless: staffing cuts in a plant or its closure provide spectacular examples of mass redundancies of workers or employers, while the creation of small service units continues on a scattered, invisible basis. Steady, lasting and secure jobs are being swapped for flexible, insecure and mobile jobs. The workers sought by the services sector are not necessarily those being laid off by the industry. And the necessary technological, psychological and cultural adaptation is impossible or extremely difficult. In ten years, California has created as many jobs in the leisure sector (especially in Hollywood) as it has eliminated in the defence sector. Europe is travelling down the same road. This is reassuring for the future, but hardly so for the defence workers who lose their jobs and cannot find work in amusement parks or the cinema!

The Western European countries are reacting in different ways to the social crisis brought about by this change. Widespread unemployment has resulted in social policies or remedial measures which vary from one country to another. With the exception of Great Britain, which has opted for very strong liberalization of the labour market and therefore has fewer unemployed but many in insecure, poorly-paid jobs, the policies applied are all designed to reduce the number of job-seekers by improving the rules of the labour market game, making training more suitable and helping young people or the long-term unemployed enter or re-enter the job market. They are also designed to provide financial assistance to persons in difficulty through unemployment benefits and income support systems.

Yet all States and all economic and political actors are aware that the solution to the crisis is a more radical change in the conditions of economic life, i.e. taxation, redistribution of income and social protection.

Social protection has developed considerably since the Second World War. The Western European countries have all established social security systems

covering retirement pensions, health, industrial injury and unemployment. All have been built on the combination of the principle of solidarity and the principle of insurance. They are run by public institutions and funded by large contributions paid by those insured. Over and above these general criteria, several models coexist inspired by somewhat different principles, ranging from Bismark to Beveridge and from the Scandinavian to the Italian variants. The construction of the European Union, without leading to a single system or even a systematic harmonization of national variants, has gradually brought the social protection systems of the member countries closer together. A similar trend can be seen with the social security systems of the former East bloc countries, following the destruction of the previous organizational structure which offered all citizens extremely comprehensive protection but at a low level.

In Western Europe, retirement pensions, following the creation of compulsory systems which then gradually came up to speed in the 80s, are now coming up against financial constraints which in turn make it necessary to pose some very difficult questions: the lengthening of life expectancy and the lowering of retirement age (due to unemployment) during the 80s have combined with the arithmetical consequences of the demographic jolts of the past half-century to completely destabilize retirement systems. In most countries, it has been or will be necessary to cut pensions, whereas pension funds – more inegalitarian by nature – have proliferated.

The fact that the majority of the EU Member States now cover the bulk of health care expenditure is being called into question. Health-related spending is increasing steadily as technology evolves, life expectancy grows, consumer habits change and men and women attach greater importance to security and comfort. Government revenue cannot keep pace in slower-growing economies. One after the other, the Western European countries are cutting back on health care expenditure.

Unemployment benefits and the introduction of a social safety net in the form of a minimum income also represent ever-growing expenses. The very principles of this general aid to the neediest are often called into question: some, among the supporters of liberal ideology, see this as a work disincentive; all see it as an excessive burden on public budgets. Policies to help

persons enter the job market and work incentives for the unemployed receiving benefits are not enough to resolve the financial equation.

Thus, the bases for the social protection system, which gradually became the rule during the 50s, 60s and 70s, are being challenged. For the first time in the history of Europe, the community had insured everyone against sickness, poverty and old age. Will it prove necessary to move backwards, precisely at a time when workers can only count on precarious, unstable jobs perhaps interrupted with periods of unemployment? This question, which is rarely posed so acutely, is at the heart of the debate. Company directors energetically advocate lower levels of social protection in order to make it possible to reduce taxes and social contributions. Wage-earners who are best protected by generous statutes or collective wage agreements defend their share of the cake. The medical professions are concerned by the regression of health insurance. All these factors combine to make any political debate difficult.

New Inequalities

Thus, the citizens of Western Europe feel threatened on two levels: job security and social protection entitlements. The reappearance of poverty in the streets of the major Western cities – from which it had disappeared –, the high unemployment level and challenges to social protection entitlements are all perceived as a grave crisis, which the absence of clear economic prospects renders unbearable.

New inequalities are appearing. As in all periods of technological revolution, inequality is growing on a virtually irresistible basis between those who situate themselves in the new niches and can make a great deal of money and those who have been left by the wayside by the train of progress – the victims of redundancies or salary cuts in sectors in difficulty.

Economic history shows that, once these periods of technological change have ended, a new income distribution structure emerges. Yet this prospect is not enough to console and alleviate those who are suffering today.

Some countries are more conservative than others; the clout of organized wage-earners in large companies or public services varies; finally, laws may

be more or less protective depending on the State. Thus, there are different rhythms for the inevitable changes, and their impact on social and political equilibrium differs from one country to another. Yet no Western European country has avoided being destabilized by the new inequalities, the new forms of insecurity and the new forms of poverty.

The Transition of Central and Eastern Europe

Eastern Europe has been even harder hit by these changes. The socialist and Soviet regimes were characterized by permanent, comprehensive social protection: no unemployment, guaranteed retirement pensions, free health care and social assistance for all those in need thereof. Even though these services were provided at a very low level, to their credit, they ensured the security of all. Yet the transition to the market economy destroyed this edifice overnight. The financial crisis and disinvestment by companies called into question the entitlements which seemed obvious to citizens. Retirement pensions sometimes go unpaid and are extremely low, well under the subsistence level, as the level of services has lagged far behind inflation. Large-scale unemployment has appeared, be it declared or hidden (many workers continue to appear on company staff lists but neither work nor receive wages). The hospital system has broken down, and companies are abandoning the social role they used to play as soon as they privatize. The challenge is therefore to build a new system from start to finish, in extremely difficult financial conditions. In the majority of the countries of the former East bloc countries, these factors have triggered off a far-reaching social crisis. With their eyes turned to the European Union, the citizens of these countries are becoming accustomed to the idea that capitalism and the market economy are not cure-alls. They are inventing a new social contract at the price of considerable suffering.

As they have no democratic traditions, they lack the tools of the Western nations to take up a gigantic challenge. Barring those countries – Poland, Czech Republic, Hungary – whose living standards and new economic structures are close enough to those of the European Union that they hope to catch up – the social crisis, for want of a democratic safety valve and trade union or political representation, may lead to severe political crises.

The New Social Contract

What draws Eastern Europe closer to Western Europe is the need to redefine the rules of the economic and social game. Yet the extent of difficulties is clearly not the same. Whereas the East must reconstruct on a field of ruins, the West only has to implement some difficult changes. In both cases, the biggest question mark is the behaviour of the young, of those who are entering the labour market today or have entered it within the past decade. Previous generations view the precarious situation and the lack of security and even clear prospects as a scandal. The youngest have learned to put up with them. Young university graduates from the 60s and 70s hoped for fine years in the leading institutions. Those of the 90s will not hesitate to start up their own company.

The social crisis of the 90s will lead to a new equilibrium if a new social contract is concluded in each of the European countries. The inability of most structures for political, trade union, social and professional representation to imagine this contract leaves the way clear for other actors, who are not organized at present. It is those under 35, the Internet generation, who hold the key.

In all the European countries as in North America, it is precisely this generation that is suffering: not those who have successfully completed their studies, but those who have been rejected by the school system, who have not managed to fit into the professional world. There are many in this situation – several million throughout the European Union – who find themselves rejected by an overly selective job market. The many public programmes crafted by States to help them enter the job market have not always paid off. This is where the real social and political danger lies: how will these young people, ill at ease in this society which does not welcome them, react to their difficulties, to their unemployment, to being "in the pits", as the young say.

Changes in Asian Societies: Globalization and Regional Identities*

*Carolina G. Hernandez***

Globalization has made many significant contributions to the economic, social, political, and cultural changes that are unfolding in many parts of the world particularly since the end of the Cold War. Asia, especially Northeast and Southeast Asia, is no exception to this phenomenon. Site of the most economically dynamic region in the world during the past two decades, Northeast and Southeast Asia (or East Asia for the purpose of this paper) will most likely experience continuing dynamism as the next group of economies in the region begins to follow the lead of the dragon and tiger economies that came to the scene earlier. The Philippines and Vietnam have been posting remarkable growth rates in the past few years, following China's continuing strides in the expansion of its economy. Economic restructuring leading to more open economies increasingly linked to the global market was key to their economic success.

However, rapid economic growth in open economies led not only to economic change, but also to changes in other dimensions, including social, cultural and political. Consequently, East Asian societies now experience multidimensional changes at various levels. They present great challenges to Asia's ruling elites in terms of managing these changes without undermining the positive growth trends in their country's economic development. This paper seeks to address the issue of the likely implications of globalization on East Asian societies, including the shaping of regional identities in the 1990s. Some of these implications are already very much in evidence in East Asian societies, although this paper does not assume the task of demonstrating the

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causal relationship between globalization and changes in these societies, including regional identities.

Globalization is used in this paper to refer to the process by which states, their economies and peoples become increasingly interconnected with one another and integrated into the international economy and society. This integration entails the erosion of national sovereignty, the opening up of domestic economies and societies to external influences including cultural, the increasing social and physical mobility of peoples, and the consequent challenges posed to the nation state by the very dynamic changes wrought by globalization.

This suggests that globalization leads to the alteration of societies, although its impacts vary from one society to the next. These impacts have implications for Asian societies. These impacts and their implications are shaped by many factors, such as the ways in which they interact with the complex of domestic conditions, on the one hand, and the kind and manner of domestic responses to these impacts, on the other. The rise of the middle class in rapidly developing economies, for example, has wrought different sorts of effects on the politics of South Korea, Thailand, Indonesia, Malaysia and Singapore¹. Domestic responses to perceived threats of cultural intrusion from external sources particularly from the information superhighway also vary from one country to the next. And prosperity has led either to the advancement and consolidation or the containment of democracy in various East Asian countries².

Some Important Consequences of Globalization

As noted above, globalization brings numerous impacts that generate a number of implications for societies along several dimensions, across social sectors, and at various levels. A brief outline of these impacts is sketched below.

1. See the different roles played by Asian middle classes in the various country chapters in Richard Robison and David S.G. Goodman editors, *The New Rich Asia; Mobile Phones, McDonalds and Middle-Class Revolution* (London and New York: Routledge, 1996).

2. James Cotton, "Democracy in East Asian Constitutional States: Consolidation and Containment", a paper presented at the International Conference on Consolidating Third Wave Democracies, Institute for National Policy Research and the International Forum for Democratic Studies, National Endowment for Democracy, Taipei, 27-30 August 1995.

Economic

When one visits East Asian countries, the economic consequences of rapid growth owing to globalization become readily apparent. Apart from increased national production, rise in incomes and new wealth, there are many ways in which globalization's economic impacts are evident. East Asia's cities are growing as their economies grew. They are marked with the visible evidence of prosperity seen in vastly improved physical infrastructure, the increasing number and quality of private and public vehicles, new residential areas for the new rich and the emerging middle classes, ever-increasing number of classy hotels and restaurants, and rest and recreation facilities, particularly golf courses for the new rich.

Consumption patterns have also changed as seen in the kind and quality of goods and services offered in East Asia's major cities. The phenomenon of "mallings"³ is a sign of this consumption revolution. Moreover, whereas before telecommunication facilities are poor and grossly inadequate, in the 1990s the telecommunications revolution which earlier took place in the West has erupted similarly in many East Asian societies. The mobile phone, the beeper, the fax machine and the Internet are now available to and affordable by the new rich in East Asia.

In a number of East Asian societies, this new prosperity has reached parts of the countryside, too. With saturation limits to industrialization having been reached in the old metropolitan areas, new industrial sites are rising elsewhere. In Thailand, this is seen in the spill-over of industrial sites in the immediate environs of Bangkok. Once rustic, Chiang Mai partakes of similar dislocations of traditional economic, social and cultural patterns that Bangkok went through in the course of industrialization and globalization. In the Philippines, regional growth centers are found throughout the archipelago. No longer confined to Metro Manila, economic activity and purchasing power are being dispersed in key centers outside this traditional commercial

3. In the Philippines, this term was coined by the younger generation of the new rich and new middle classes. It refers to the practice of spending leisure time at modern shopping malls that carry world class merchandise, provide traditional and new types of services and entertainment like classy restaurants and buffet-style eateries, multicinemas, video parlors and ice skating rinks.

hub. The former military bases in Clark and Subic Bay have become transformed into industrial centers. And many agricultural communities became beneficiaries of cooperatives and livelihood organizations which succeeded in bringing material improvements to the lives of their members⁴.

However, rapid growth has also led to the deterioration of the environment to such an extent that states are now at great pressure to develop strategies for development to be sustainable. This imperative is made more urgent by the intimate link between economic performance and political legitimacy of ruling East Asian regimes. That development is related to security not just of regimes, but also of individuals in their various associations in and outside of national boundaries has increasingly been recognized in international discourse and government decision making⁵. It is also clear that rapid growth has mixed consequences for which society must find a comfortable and healthy balance.

Social

Globalization has produced mixed results in East Asian societies⁶. On the positive side, there has evidently been marked improvement in the general well-being of peoples as evidenced in statistics on child and maternal health, improved medical services, delayed reproduction and smaller families, access to basic education, access to and spread of information, improved housing and increased physical mobility of peoples both inside and outside state boundaries⁷.

However, the social implications of rapid growth are also numerous. Among them are uneven distribution of income where gaps between social strata are wide or widening as do the urban-rural gap; the loosening of family ties with

4. Carolina G. Hernandez and Segundo E. Romero, Jr., "Popular Empowerment and Peoples Organizations: a Pilot Study", ISDS Occasional Paper, 1993.

5. The nexus between development and security has been explored in a number of recent works, including Amitav Acharya, David Dewitt and Carolina G. Hernandez, "Development and Security in Southeast Asia", a paper presented at the Ninth Asia Pacific Roundtable, Kuala Lumpur, in June 1995 which appeared in the ASEAN-ISIS Monitor, 1995.

6. Some of the social implications of economic growth in Southeast Asia, including demographic change, family change and rural-to-urban migration are explored in Susan Chong and Cho Kah Sin editors, *Social Development under Rapid Industrialisation: the Case of Southeast Asia* (Kuala Lumpur, ISIS Malaysia, 1994).

7. The annual publication of the United Nations entitled *The Progress of Nations* provides useful statistics on many of these indicators of well-being so does the UNDP Human Development Index.

increased urbanization and physical mobility of peoples, housing and water shortages in industrializing and industrialized areas, increasing traffic jams, air and noise pollution, and the displacement of rural population from their land⁸. There is also the rise of the aging population⁹ with the increase in life expectancy brought about by better health care and nutrition.

Many of the rapidly growing economies of East Asia will have to deal with the challenge of taking care of an increasing number of senior citizens. This will have impacts on East Asian families in terms of their ability to care for their aging members and the tensions this brings upon the nuclear family.

Cultural

Globalization has also resulted in the absorption of modes of dressing, thinking and ways of doing things by those exposed to other societies. It is remarkable how the younger generation of the new rich and new middle classes look alike, whether in Tokyo, Bangkok, Singapore or Manila and of late, even Beijing. Unfortunately, it is the consumerist culture of advanced industrial societies that was more readily transferred to the newly-developed and developing societies in East Asia. Civic culture takes a longer time in being transformed in part due to the lack or limited autonomy of most of East Asia's new rich and middle classes, as well as civil society, from the ruling elites.

The legal and illegal flows of peoples, particularly labor, have also intruded into the local communities creating an apprehension on the part of host governments of "cultural pollution" from these expatriate labor force¹⁰. Consequently, host governments are likely to adopt restrictive policies that are aimed both at economic competitiveness and cultural preservation. The repatriation of hundreds of thousands of illegal foreign workers from neigh-

8. Excellent discussions of these issues for each of East Asian societies may be found in Robison and Goodman editors, *The New Rich in Asia*, various country chapters.

9. See Y.F. Hui, "Integrating formal and informal care for the elderly in Hong-Kong: Policy lessons", and Yupa Wongchai, "Preparation for the Thai aging population", in *Chong and Cho editors, Social Development under Rapid Industrialisation*, p. 107-122, and 123-135.

10. Azizah Kassim, "Labour Migration in ASEAN", and Jorge V. Tigno, "Work in Progress: Human Rights and Transnational Migrant Labor in Southeast Asia", papers presented at the Third ASEAN Colloquium on Human Rights entitled *Human Rights, Labor and Refugees in ASEAN*, Mandaluyong City, 11-12 February 1996.

boring countries by Malaysia is an illustration of how challenging this problem can be, both for the host and parent governments. Some countries have even built physical barriers on their borders to stem the flow of illegal labor migration. Host countries are caught in the dilemma of the need to allow foreign labor to come into their borders due to the human resource skill requirements of economic development which they may not possess and the desire to prevent foreign influences from undermining the local culture.

The case of Thailand is illustrative in whether and how economic growth affects local culture. Examining this issue on three component elements of Thai culture, a study established the impingement of prosperity on the Thai kinship system, local leadership institutions and local patron-client organizations. The status of Thai rural women markedly changed, the important norms of the Thai kinship system such as respect for seniority are being challenged, and the belief in ancestor spirits as mechanisms for social control is being undermined. Moreover, formal local leadership institutions have been "*eroded by greedy, profit-oriented individuals amidst the weakness of the state...In the vacuum outside of the State structure, arise local powers, with which the State has to negotiate if not submitting to their wishes*"¹¹. The traditional patron-client relationship appears to have been altered also in that violence has been used to keep clients where before they were allowed to leave one patron in favor of another¹².

Liberals think that globalization will inevitably led to cultural homogenization where peoples all over the world will have similar desiderata not just in the economic realm but also in the political realm. They seem to be persuaded by the experiences of South Korea and Taiwan where rapid economic growth altered society to such an extent that it became extremely difficult and politically-unwise, if not impossible to sustain authoritarian regimes. However, the jury is still out on this issue, especially in some East Asian societies where performance legitimacy remains high and where aspirations for greater political opening are effectively contained by the presence of a strong state and social

11. Akin Rabibhadana, "The Impact of Economic Growth on Culture in Thailand", in Khien Theeravit and Grant B. Stillman editors, *Regional Cooperation and Culture in Asia-Pacific*, United Nations University, Tokyo, 1995, p. 100.

12. *Ibid.*, p. 77-101.

sectors dependent on the state for their welfare and well-being. This is particularly problematic in the case of China where the leadership is bent on constraining through state repression, the pro-democracy and pro-human rights sentiments and aspirations of its people. China's growing power and importance in world affairs will likely constrain the manner and extent of persuasive influence which external actors can bring to bear on China in making it conform to international rules and accepted codes of interstate behavior.

Political

Political legitimacy is directly affected by globalization in the sense that economic prosperity raises the level of legitimacy of ruling elites. The obverse is also true, that economic decline undermines regime legitimacy. In both instances, examples can be cited to show how they influenced the rise of third wave democracies throughout the world. Economic prosperity in Taiwan and South Korea created middle classes that were instrumental in the democratization of these societies, while economic decline led to redemocratization in the Philippines.

Globalization also expanded the ruling elites of East Asian societies by extending to the new rich and the new middle classes the opportunity for political participation. The Thai parliament has included members from business and the professions, members of the new rich and middle classes of Thai society in recent years¹³. This tendency is also evident in the composition of the Philippine legislatures since 1987 where increasingly, even if in small numbers each election cycle, non-traditional politicians are getting elected into office¹⁴.

The expansion of the recruitment base of East Asia's governing elite was also accompanied by an expansion of political participation with the democratization of South Korea, Taiwan and the Philippines, the burgeoning civil society in Thailand and elsewhere, and the rise of pro-democracy and rule-

13. Clark D. Neher, *Southeast Asia in the New International Era* (Boulder, Colorado, Westview Press, 1991), p. 34.

14. Eric Gutierrez, *The Ties that Bind: A Guide to Family, Business and Other Interests in the Ninth House of Representatives*, Pasig, Philippine Center for Investigative Journalism and the Institute for Popular Democracy, Pasig, 1994, p. 47-55 on the composition and background of the current lower house.

of-law advocates in China, Indonesia, Malaysia, Myanmar and other East Asian countries. It is not clear to what extent the path of democratization taken by South Korea, Taiwan and the Philippines will extend to other countries in East Asia. Yet the restiveness in Indonesia in recent months must call to question the long-term efficacy of the use of coercion to ensure compliance with the status quo that remains very much in favor of East Asia's ruling elites at the moment.

Economic growth also affected the balance of power in East Asian societies as evidenced by the rise of business and professional leaders as part of the governing elite. The expansion of industry beyond the central cities also meant the creation of new power centers in the outlying regions. Metropolitan centers may find it difficult to continue exercising effective central control. This phenomenon is facilitated and encouraged by the rise of regional growth centers that transcend national boundaries.

In sum, when these multidimensional impacts of economic development brought about by globalization on East Asian societies are combined, a new face of East Asia emerges. This new face has been and will continue to be shaped by the implications of globalization's impacts as well as the nature of the responses of governing elites to these impacts.

Implications of the Impacts of Globalization for East Asian Societies

The multidimensional impacts of globalization on East Asian societies present a number of difficult challenges to their leadership. Economic growth needs to be sustained if political legitimacy is to remain on firm ground for the short to the medium term, at least. This requires environmentally-friendly growth strategies and the restitution of ecological destruction which emerged during the early stages of economic development. The negative social consequences of rapid economic growth also need to be effectively addressed, such as gross income disparities, if social tension and conflict were to be avoided. A more healthy human habitat and forward-looking human resources development

policies that anticipate the human resource requirements of future stages of economic development are also an urgent imperative for these societies.

Moreover, the cultural impacts of globalization imply that the distinctive features of traditional culture are at risk of becoming diluted, and worse, new East Asian generations are in danger of embracing the negative elements of modern culture at a faster rate than their counterparts in the developed world did so. Among them are the loosening of family ties and caring and respect for elders which urbanization brought. It is also seriously questionable to what extent East Asian societies that are becoming increasingly prosperous can limit the mobility of their peoples, their access to new ideas and information coming from the outside world, and the resulting alteration of existing social and political arrangements as a consequence of these developments. In short, can East Asian governments succeed in shielding their increasingly wealthy and mobile populations from a civic culture that aspires to universal recognition¹⁵ which can only be fully realized in an open, globalized and democratic society? And if so, for how long? The advances in communication technology has made information dissemination much more efficient. Between 1983 and 1986 Filipinos used the mimeographing and copying machines to circulate information regarding the Marcoses and the state of political affairs in their country. Only ten short years thereafter Indonesians in Jakarta are much-assisted by and more efficient and effective in passing on similar information about their country's political situation and leadership through the fax machine, the mobile phone and the modem in their personal computers. The management of this new situation is quite a challenge in itself, one for which state capacity varies enormously across societies.

The political implications of globalization are equally challenging. To what extent will citizens remain malleable to government influence and persuasion, or even the threat or use of force to maintain the prevailing political status quo? The answer to this question is a complex one and will vary widely across East Asian societies. Not all of them can or will take the South

15. The notion of universal recognition as the important nexus between economic development and democracy is from Francis Fukuyama, "Capitalism and Democracy: the Missing Link", *Journal of Democracy*, Special Issue, vol. 3, n° 3 (July 1992), p. 100-110.

Korean or the Taiwanese path. The Philippine path, despite recent respectable economic performance, needs to be made even more credible given East Asia's impressive history of the "miracle economies" of the past decades. As noted by an analyst, there is an underlying notion or assumption that as countries in Southeast Asia transition from the underdeveloped to the developed stages, that they will similarly evolve from autocracy to democracy, if not voluntarily, then as a consequence of social and economic change of the sort sketched above. The analyst further noted that:

The prevailing political cultures of the region are proving resistant to change. There is no simple, linear continuum of democratisation. In the recent history of Southeast Asia, there are more cases of retreat from democracy (Burma, Indonesia, Malaysia and Singapore). There are fewer cases to date, where the direction of political change is strengthening democratic institutions (the Philippines and possibly Thailand)... strong leadership, supported by an enduring culture of patronage, remains a characteristic feature of some of the more economically successful states – in some cases reinforced or revived after brief periods of more pluralistic government¹⁶.

East Asian countries' successful management of the implications of globalization in the dimensions indicated above is likely to make them even more self-confident than before as they collectively position themselves to play a more active role in regional and global affairs. As a consequence of ASEAN's (Association of Southeast Asian Nations) moderate position on the human rights and democracy issue and the vigorous articulation of "Asian values" by some of its more assertive leaders, it has now gained added significance to countries like China¹⁷ and Myanmar. Moreover, sustained growth is likely to improve their international credentials, image and role. Many outsiders probably share the assessment of German Chancellor Helmut Kohl that the economies in East Asia are the motors of global economic growth¹⁸. Closer links with East Asia are sought by other countries, including France and Great Britain which seek

16. Michael R.J. Vatikiotis, *Political Change in Southeast Asia: Trimming the Banyan Tree* (New York and London, Routledge, 1996), p. 195-196.

17. Chen Jie, "Human Rights: ASEAN's New Importance to China", *The Pacific Review*, vol. 6, n° 3 (1993).

18. As cited in *The Philippine Daily Inquirer*, 31 October 1996, p. 1.

separate membership in the ASEAN Regional Forum (ARF) from that of the European Union. Already, an impressive list of other prospective partners seeking closer links with East Asia has formed. It is also witnessed by the fact that both ASEAN and the ARF have expanded in membership in the last year or so, and even ASEAN external relations with third parties have grown at a pace too fast for its institutional mechanisms and capabilities to keep abreast with. Countries in Latin America as well as other regional groupings in the Middle East and elsewhere are knocking on East Asia's doors, whether in the ARF or in the Asia Pacific Economic Cooperation (APEC) forum. These are indeed heady days for East Asia. Consequently, there is evident the rise of new regional identities involving countries in this part of the world, whether in the economic or broader realm. The evolution of an East Asian Economic Caucus (EAEC) and One Southeast Asia or an expanded ASEAN are some of the more obvious manifestations of these new regional identities.

Emerging New Regional Identities

East Asia's self-confidence has also shaped the evolution of a sense of regional identity among its members. Surely, the end of the Cold War facilitated this process in that the end of superpower competition led to the emergence of a regional strategic environment which enabled small and medium-sized states to play an autonomous role in shaping the post-Cold War regional security order. This is particularly evident in Southeast Asia. With ASEAN as the core, Southeast Asian states are cohering in bringing about "One Southeast Asia" by the 21st century. Several documents have been produced and numerous meetings of concerned Southeast Asians sharing this vision have taken place in the last five years. They include *Shared Destiny: Southeast Asia in the 21st Century*, Report of the ASEAN-Vietnam Study Group, February 1995; *One Southeast Asia Beyond 2000: A Statement of Vision*, May 1995; and *Towards A Southeast Asian Community: A Human Agenda*, August 1996. The movement towards a united Southeast Asia includes the recovery and preservation of the best in traditional culture sometimes expressed in terms of an Asian renaissance¹⁹. The attempt to identify the sub-region's common heroes, such as

19. See Vatikiotis, *Political Change in Southeast Asia*, p. 191-193.

Dr Jose P. Rizal, the Philippines' national hero, as also a hero for all Malays and Southeast Asians is one such example. Malaysian Deputy Prime Minister Anwar Ibrahim and Philippine National Security Adviser Jose T. Almonte are leading advocates of this movement. It is also supported by most of the sub-region's key opinion leaders from various sectors.

In their view, the notion of "One Southeast Asia" is both timely and logical, given the state of the region's strategic realities²⁰. Concern over the emergence of China as a strong and assertive regional power is only one of the underlying factors behind Southeast Asian unification under ASEAN, although this tends to be more muted than articulated. It is believed that there is at present a critical strategic opportunity to unite Southeast Asia, to empower it so that it can determine its future without the domination of external powers and to enable it to play an active, independent but cooperative and constructive role in regional and global affairs. The expansion of ASEAN to include all ten Southeast Asian states is also seen as the realization of the dream to have a united Southeast Asia expressed in various documents and statements made by ASEAN's founders²¹.

There is also the belief that the Southeast Asian community which needs to be created as the 21st century draws near be one that puts the human person at its center, a community whose contribution to the region and the world would not be in the currency of military force, but in its ability to provide for the essential human needs and as a moral force²².

Advocates of "One Southeast Asia" also believe that to be viable, this sense of community which is shared by an increasing number of Southeast Asian elites must reach the ordinary person. Hence, shaping a Southeast Asian identity through ASEAN is being pushed through modalities such as the convening of an ASEAN Assembly consisting of many sectors of society, the establishment

20. *One Southeast Asia Beyond 2000: a Statement of Vision*, Manila, 31 May 1995.

21. This is evident in the discussions on the issue at the International Symposium on Towards One Southeast Asia, 25th Anniversary Celebration on the Centre for Strategic and International Studies, Jakarta, 18 September 1996.

22. *Towards a Southeast Asian Community: a Human Agenda*, Manila, 23 August 1996.

of centers of Southeast Asian studies throughout the sub-region, and the implementation of the agreement for an ASEAN University system.

There are a number of difficulties that stand in the way of this goal, including the difficult issue of timing Myanmar's full membership in ASEAN. This will confront ASEAN in its 1997 Ministerial Meeting. Without being seen as intervening in Myanmar's domestic affairs, it is also necessary to signal to the leadership there that ASEAN membership should be deserved and that ASEAN should not risk the danger of its international credentials, image and role becoming undermined by the precipitate inclusion among its ranks of a state with a serious problem of credibility²³.

The dream of "One Southeast Asia" is a principle to which ASEAN is committed, but the realization of that dream also requires appropriate timing. The constructive engagement of Myanmar can be done in its capacity as a member of the ARF and as an observer in ASEAN. There are so far two ASEAN members whose officials have expressed some reservations over the completion of the ASEAN 10 or One Southeast Asia Project in July 1997, namely, the Philippines and Thailand. To what extent they would be prepared to delay the implementation of an emerging consensus to admit Myanmar with Laos and Cambodia in the 1977 AMM is a function of the determination and relative influence of segments in the foreign policy making structures of these two countries to hold out their country's support for this consensus.

A Southeast Asian identity built around ASEAN is also challenged by the diversity of its ten countries in levels of economic development, political ideology and political systems, political transitions that many of them will eventually go through, the social changes that will be brought by rapid economic development and globalization, and the still unknown impact of generational change. Hence, one can not be too sanguine about the evolution and emergence of a Southeast Asian regional identity, despite the hopes and efforts that are being put into this enterprise.

23. This is essentially the contents of the ASEAN-ISIS memorandum on Myanmar's Membership in ASEAN, dated June 1996, although expressed in more diplomatic language.

In the economic field, the EAEC, originally proposed as an East Asian Economic Grouping (EAEG) by Malaysian Prime Minister Dr Mahathir Mohamad and taken over in its present form by ASEAN, can be seen as a recognition of the increasing degree of economic interdependence and integration of East Asian economies by seeking to move beyond tariff reduction. It should not be regarded as an attempt to delink East Asia from the broader Asia Pacific group of economies. Despite protests from other Asia Pacific countries, it has been placed under the aegis of APEC in parallel with the North American Free Trade Area (NAFTA) also within APEC²⁴.

From the two illustrative examples above, it is clear that new regional identities are forming in East Asia. In its formation, ASEAN is playing a key role through its dialogue relations with third parties, through ARF and APEC.

Future Prospects

By the Year 2000, analysts project that East Asia would account for 29.2 per cent of the total world output²⁵. In purchasing power parity, however, East Asia's total output in 1992 had already exceeded those of NAFTA and the European Community. East Asia's 1992 GDP amounted to \$7 trillion, NAFTA \$6.9 trillion, and EC \$5.9 trillion²⁶. Globalization is likely to accelerate further the process of economic, social, cultural and political transformation of East Asia. The modernization and industrialization of the late developers in the region is likely to occur in a much shorter time than it took its early developers. By 2020, the World Bank projects that six out of the ten largest economies in the world would be in East Asia. These are China, Japan, Indonesia, South Korea, Thailand and Taiwan. Another Asian country that made it in this group of leading world economies is India which ranks the fourth largest.

24. Shinichi Ichimura, « Regional Integration Issues in Asia », in Bunn Nagara and Cheah Siew Ean editors, *Managing Security and Peace in the Asia-Pacific* (Kuala-Lumpur, ISIS Malaysia, 1996), p. 81.

25. Ross Garnaut and Guonan Ma, *China's Grain Economy* (Canberra, Australian Government Publishing Service, 1992).

26. Noordin Sopiee, « Megatrends in East Asia: Security and Political Implications », a paper presented at the ASEAN-ISIS' Ninth Asia Pacific Roundtable, Kuala Lumpur, 5-8 June 1995, p. 4.

Regional interdependence and economic integration are also likely to continue. What is less clear is the shape of domestic societies, particularly in the outcome of the process of managing the challenges posed by multi-dimensional changes wrought by globalization. In a recent international symposium on Southeast Asian Studies in the 21st Century, a Thai technocrat-cum-retired government official-cum-businessman declared with great confidence and certainty that there is no such thing as an East Asian economic development model; that the process of development is the same everywhere; and that the productive function is the crucial variable where space and time are important elements. Southeast Asia, he said, has a diligent and hard-working labor force that puts in much longer work hours; the private sector puts in large amounts of capital particularly from domestic savings; technocrats provided advice on proper macro-economic management; and received large amounts of overseas Chinese investments. He predicted that China will become the most powerful economy in the world and that Southeast Asian tigers will no longer grow as fast as they did in previous decades. There will be a slowdown of Southeast Asian growth rates because of deep structural problems until the beginning of the next century. He worried over the effects of growth on social equity and environmental decay. When asked what the implication of this scenario would be for political legitimacy of Southeast Asia's ruling regimes and for domestic political stability, he cited the fall of Prime Minister Banharm as a consequence of his failure to manage the economic problems of Thailand. The lesson, he said, is that regimes that cannot manage economic problems effectively will have to go, whether they are authoritarian or democratic²⁷.

Khun Phisit is probably right. At the same time, other experiences in East Asia suggests that even regimes that successfully managed their economic transitions and delivered prosperity to their peoples were challenged by social forces seeking goals beyond economic and social participation. This is not to say that East Asian states which achieved economic development will become politically more liberal and more democratic.

27. Phisit Pakkasem (Thai Securities Co.), speaking on the issue of « a Southeast Asian Economic Model for Late Industrialization » at the International Symposium on Southeast Asia: Global Area Studies for the 21st Century, Center for Southeast Asian Studies, Kyoto University, 19-20 October 1996.

A more likely outcome is political change whose direction is illusive at this time. But some form of political adjustment it seems will be required by sustained economic development, not in the short run, but in the medium to the longer run.

Globalization is also likely to bring the states in the region to cooperate more closely in order to solve common problems such as environmental deterioration, labor migration, drug trafficking, and other international crimes. Depending on how Chinese power will evolve and will be used by its future leaders, it is also likely that common perceptions of a Chinese challenge to the region would make them coalesce. Short of this, an expanded ASEAN community can play the role of mediator between China and the rest of East Asia.

Finally, a united Southeast Asia, though faced with a number of hurdles, such as diversity in their levels of economic development, different political systems, unresolved intra-Southeast Asian disputes and domestic instabilities due to political succession, generational change and internal conflicts, is likely to emerge in the next few years. This is one regional identity that is most likely to unfold more than any other in East Asia for the simple reason that there may not be a reasonable and realistic alternative given their relative territorial size, the scale of their command over political and diplomatic influence and economic power; the fluidity of the regional security environment and their desire to have a voice in regional affairs strong enough to be listened to by the rest. In the event, Southeast Asia will have an opportunity to play a moderating and constructive role in the international politics of the larger Asia Pacific.

**Geopolitical Balance and Collective Security:
Strengthening the Triangular Relationships**

Thinking Strategically About ASEM: The Subsidiarity Question

Gerald Segal *

Aficionados of arcane European Union politics will know the importance of the term "subsidiarity", for it relates to perhaps the most fundamental question facing any federal enterprise. Subsidiarity is supposed to be simple—the notion that issues should be handled at the most effective level of authority—but the devil is in the debate about what is "most effective"¹. Given the intricacies and importance of the term subsidiarity, perhaps Europeans might be happy to bring the Asians into the debate, for the same sort of questions about subsidiarity can be said to be at the heart of the ASEM process.

The subsidiarity question for ASEM would ask, "what is best done at the ASEM level", as opposed to at a global, other regional, national, or even corporate, local or individual level? If you feel that such a question is too tough for the ASEM process, perhaps you would be happier with a subsidiary subsidiarity question (you can already see the intricacies of these matters): "what can also be usefully done at the ASEM level"? If we have good answers to the main question, then we have a good basis on which to engage in the ASEM process. If we only have good answers to the subsidiary question, then the ASEM agenda will be less ambitious and perhaps even appear contrived.

What is Best Done at the ASEM Level?

You will be relieved (but not surprised in such a gathering of the faithful) to know that there are three clusters of issues that are important for Europeans and Asians and are best handled at an Asia-Europe level. Let us begin with the obvious, then move to the cynical, and then the optimistic.

* Director, Programme Pacific Asia Initiative, International Institute for Strategic Studies.

1. It is a little Bismark's remark about « the Schleswig-Holstein problem » – only three people ever understood it, and they had all either forgotten or died.

Enhance the Basis of Economic Relations

European officials and academics have taken far longer than the main players in the business community to understand the growing importance of East Asia and by and large the major European corporations have made progress in exporting to the east. Indeed, European exports are higher than American exports and trade is slightly less unbalanced than in the American case. East Asians have long since seen the importance of the European market and needed no awakening as did their European counterparts. The worry with the East Asians was that they might pay less attention to Europe and focus on North America, but rapidly growing exports to Europe suggests that problem has not arisen. In short, Asia-Europe trade is nothing for either side to be embarrassed about, although both sides could obviously do even better.

In fact, it is this obvious desire to do better that lies at the heart of the argument that there are important things that could be done at the ASEM level to enhance trade flows. What is far less obvious is what to do, and who should do it. Given that most countries in ASEM are market economies, it would seem a bit odd for us to say that governments should take the leading role in enhancing trade and investment flows. At a time when Asians are telling Europeans their governments spend too much of the people's money, and when Europeans are beginning to believe it and look for ways to reduce government spending, it might seem obvious that governments should mainly stay out of the way of companies and let the markets work their magic. But for governments, and especially their ministries of trade, finance and foreign affairs, such common sense is contested. So what might be best done at the governmental level?

The first point to make is that governments have already gone some way in recognising the central role of corporate and individual levels of ASEM interaction. There are already business forums and private representation in the ASEM working groups. ASEM may have begun as an inter-governmental process, but it would be wrong to categorise it as only an inter-governmental process. Indeed, its success in the economic realm depends on governments taking a back seat and being happy to "facilitate" what is best done at the corporate and individual level.

There are obvious platitudes to be uttered about the need for governments to help provide more information about foreign markets, but regular readers of the *Financial Times* and *The Economist* might be forgiven for thinking that this too can best come by experts who sell their expertise in the marketplace. Government departments are not best at assessing risks let alone for seeing opportunities. In an information age, one wonders if governments are even needed by companies as a library of data. This is all true for large companies, although small and medium-sized firms would no doubt welcome government advice, even if it is not as good as what is available in the market.

Of course, governments would say in their defence that they have a role in "exposing" some of the hard facts about tariffs and terms of trade in order to dispel mutual myths. Wish that this were so simply true. There is no doubt that customs barriers should be brought down, and the ASEM customs cooperation group (which met first in Shenzhen) may well have a positive role to play in identifying problems that can be resolved. But by and large the "facts and myths" are sharply contested. One might even argue that the less governments try to expose such facts and myths, the more the power of global market forces can work in a relatively unbiased form. This too is a contested notion of how the global economy works, but the point remains that the role of government in trade matters should probably not be encouraged to grow.

Nevertheless, governments do have a role to play. When ministers of trade take large delegations to other countries they do so not just to justify their existence, but also to "fly the flag" and raise the profile of specific firms whose employment and profit provides tax revenue for the flag flying minister's government. If you think this sort of thing should be obsolete in an age of global markets and complex interdependence, then you have an exaggerated sense of the death of sovereignty. This is especially true for Europeans trying to export to Asian countries where the governments are often more authoritarian, where government infrastructure contracts are more important, and where market economies are less open, transparent and honest. One need only think of the perils of exporting to China to realise how important it can be to have your government's clout from time to time.

It is also important to recognise that governments are still important in setting tariffs and terms of trade. Governments anxious to attract East Asian invest-

ment will have special resources to attract interests and special schemes to encourage investment decisions in a particular sector or part of the country. If pressure is needed to bring down tariffs on specific products in specific countries, then government-to-government pressure is of value. In short, there is a role for government assistance of trade and investment flows, albeit less extensive than many would have us believe.

Are these roles best explored at the ASEM level? To some extent the answer is clearly yes, but the challenges are not unique to the ASEM relationship. This complex reality is perhaps best seen in the run-up to the WTO Ministerial meeting in Singapore, for there is much that can be done to set the right tone and agenda for the Singapore meeting if the ASEM states get their basic positions agreed. Given the rising problem with American unilateralism on trade issues, these economic issues may prove to be the ones that grab the headlines.

Keeping the United States Honestly International

Candid architects of APEC will tell you that one of their intentions was to keep the European Community honestly committed to "open regionalism". Of course "open regionalism" is one of those diplomatic oxymorons that says "we know you are forming a regional group with preferential arrangements for members, but please try to keep it as open as possible or else we might get nasty". The APEC strategy works, and now the Europeans and Asians are returning the compliment (for APEC was a compliment to the success of the EU) to NAFTA members and especially the United States. There can be no doubt that in reality (but not in rhetoric) one of the most important rationales for ASEM is to maximise European and Asian relations with the United States, and to keep the American honestly committed to multilateralism.

In order to succeed in the task of keeping the Americans honestly committed to a more open internationalism, ASEM need merely be seen to be a success in both atmospherics and a modicum of economic initiatives. That should not be too hard to achieve in the first years. Neither should it be too hard to keep Europeans and Asians motivated in this policy so long as there are serious doubts about the United States commitment to playing an active international role.

The main worries about the loss of America's international spirit used to concern security policy, but so far the post-cold war world has seen relatively less reduction of American forces in Asia than in Europe and a robust willingness to defend Taiwan and constrain China's unwanted actions. Asians and Europeans can be relatively satisfied with the American commitment to sustaining a balance of power in Asia.

But in the economic realm, there is far more worry about the United States' intentions. It is not that the Americans are closing their markets to imports or are less determined to export. Far from it. But the United States do seem more prepared to throw its weight around in order to serve American national interests. This curious form of nationalised internationalism is most evident in legislation that punishes those who deal with states such as Cuba or Iran that have aroused particular American ire. The extra-territorial principles now being imposed on others are especially worrying to Asians who lack any co-ordinated way to respond. At least the Europeans can galvanise themselves through the EU and although both sides are likely to suffer, the Europeans are likely to give-as-good-as-they-get in any contest with the United States. To that extent East Asians must "free-ride" on European determination and support an EU lead on such matters. If the Americans persist in their folly, they may well go a long way to rapidly improving the state of Euro-East Asian relations.

There is also a corporate level to the strategy of keeping the United States honest that attracts both European and Asian firms that confront markets dominated by the Americans. There is a particular Asian interest in discussing such issues with Europeans in order to understand how best to compete. There may well be room for Euro-Asian corporate co-operation when faced with power American competitors. Of course, these matters are best left to the corporate level, but ASEM governments may well have an interest in supporting such collaboration.

Help Asians Define New International Roles

There is an interesting tone of complaint in many Asian commentaries about how they are treated by Europeans. One often hears an implicit argument

that Europeans "punch above their weight" in international affairs, and as their weight decreases, they should accept a lower ranking among international pugilists. There is much to recommend this line of argument. But the truth is that Europeans individually carry more weight than their collective, and those individuals are more active international citizens than most East Asians. There are myriad explanations for such high levels of European commitment to international civil society, not least being the fact that it was created by Europeans with rules derived from the European experience. It is also true that "old money" has often had far longer to intervene itself into civil society, while the *nouveaux riche* often take a generation or two before they want to spend time running things beyond their immediate community.

Clever members of the old and new moneyed communities could work together to help harness new money to old and new problems. In the ASEM relationship this means that Europeans are better placed than Americans to help East Asians become better international citizens. The "compassion deficit" in many parts of East Asia is sad and remarkable given the rapid accumulation of wealth in these societies. Just as most East Asian societies prefer to ignore their handicapped at home, so they prefer not to focus on how to help the disadvantaged abroad. Only Japan stands out as a major contributor to good international causes and now has its fine talent running many of these international agencies concerned with aid and development. Europeans, and most strikingly the Scandinavians, have an admirable record in the aid business. Britain and France have pioneered the work of private aid agencies, in part because of their once extensive imperial connections. There is much expertise to be shared around ASEM on how to make aid and development projects work better, both in Asia and in third world countries in Africa or Latin America.

These arguments extend into the very structure of international institutions. Compared to the crude attitudes in the United States about reform of international agencies and especially the United Nations, the Europeans are far more effective and congenial partners for Asians. Europeans and Asians may not agree among themselves on how these bodies should be reformed, but precisely because there are no simple blocks that line up on these issues, there is good ground on which to work. Examples include Security Council reform or

better management of international agencies. A useful analogy (although one that should be whispered at a conference in Paris) might be the way in which the British Commonwealth, composed of a variety of different sorts of countries with no simple divisions, has proven useful in thinking about how international agencies function and how development projects can be improved².

One specific example of closer Europe-Asia co-operation could well be in the field of United Nations peacekeeping. So long as Americans refuse to put their forces under UN command, this will remain an area where Europeans can have a privileged relationship with Asians. Of course Canadians and Australians are also good at peacekeeping, but many Europeans have excellent reputations. The Scandinavians are obvious success stories, as are larger powers with different sorts of experience such as France, Britain and Holland. One of the virtues of peacekeeping is that it allows some Asian countries to ease suspicions among their neighbours about their military intentions. Japan, and even China have found virtue in a growing involvement with UN peacekeeping. This type of confidence building measure that enhances transparency is valuable for such larger Asian countries, while for ASEAN countries a greater role in peacekeeping is part of the proof that they are prepared to be better international citizens. There is a wealth of opportunity for Europeans and Asians to work together in sharing experience and even training and equipment. Indeed it may be easier for Asians to work with Europeans on these matters than to work with neighbours. Serious discussions about peacekeeping, for example with seminars about the Bosnia experience, might also help reduce tension that were generated by some East Asians criticism of the way in which Europeans handled a sensitive issue with an Islamic dimension. Peacekeeping, with its obvious links to people involved in "harder security", also offers good evidence that ASEM, unlike the APEC process, can involve security issues in a mature and meaningful manner.

This attempt to help Asians become better international citizens must inevitably require both the Americans and the Europeans to cede some of their status and influence. This is not to suggest that such things can be measured,

2. For example the Commonwealth's Vulnerability study.

but it is worth thinking about whether it is wise for changes in status and influence to be dealt with at the ASEM level. Surely the Americans also have to cede some status and influence for they are in decline as much as the Europeans. True enough. But it is probably true that if the Europeans can help the Asians assume a more prominent and positive international role, then it will be easier to argue that the Americans must join the process of adjustment. A challenging place to start this process might well be on the question of United Nations reform. An agreed statement from ASEM would set the international agenda, and make American compliance more certain than if either Asians or Europeans tried to set the agenda themselves.

What can *Also* be Done at the ASEM Level

The list of what also might be done at the ASEM level could obviously be much larger, but it is also less important. An ASEM that is always seen as an "also ran" will be far less impressive and less likely to be sustained. What follows is an indication of those subsidiary policies that seem more achievable and intrinsically worthwhile, although the list could be much larger.

Sustaining Economic Prosperity

Careful readers will note that the sub-title does not say "sustaining Asian economic prosperity", because the challenge is to us all, albeit in different ways. So far, there has been rather sterile debates about "Asian Values" and Western values. This is not the place to re-hash these discussions, but there is a virtue in sharing understandings and debates about what makes for prosperity and how it can be sustained in a post-industrial age. At a time when Europeans are looking to East Asia for guidance and some Asians (notably the Japanese) are looking at Europe for experience about how to handle growth in a more mature economy, there is obviously much scope for mutual exchange. Specific discussions might focus on efficient provision of basic welfare at a time when Europeans contemplate a looming demographic bulge and Asians contemplate the same challenge a bit further in the future. This is an area where Americans, Canadians and others are also thinking anew about welfare challenges, but it can be argued that the non-Anglo-

Saxon economies are likely to set about meeting these challenges in a different way and therefore a Euro-Asian dialogue would be useful. In this sense the comparative British experience may also be of value.

One suspects that as important as these issues undoubtedly are, they are best tackled at the specialist, non-governmental level. But precisely because these are some of the most pressing public policy debates about long-term planning, it is important that the specialists and "think tanks" who explore the possibilities, do so with the active support and stimulus of ASEM governments. The explorations should not merely be academic exercises divorced from the policy world.

More specific work for the likes of the Council for Asia-Europe Co-operation (CAEC) might include analysis that focuses on how we can all get more "inspiration" into economic growth at a time when "perspiration" is not enough. Perhaps in this respect Europeans and Asians all have something to share as they learn how to achieve the kind of cutting edge success that Americans have had in information technology. There are also related issues about how to sustain elite higher education that contributes to the creation of knowledge-based industries that will be so crucial to future growth for Asians and Europeans. A related matter is the shared need to develop better management skills in such an information age economy. These are all areas where Europeans and Asians may not have a special reason to work together rather than with Americans, but where thinking at the ASEM level may well be helpful. European and Asian experiences are certainly different than the American ones, and perhaps provide a wider spectrum of ideas to be assessed.

Another set of issues (and even more divorced from the direct policy agenda) for Asians and Europeans concerns their ways of coping with the challenges of identity in an age of globalisation. Europeans have had much more experience in facing "the American challenge", especially in cultural terms, and have had different sorts of reactions. In Britain (as opposed to France) there is a greater tendency to believe that the challenge is far less daunting, if only because Americans are also the product of the *mélange* of challenges that goes to make up a broader Westernistic set of ideas. Asians are only now confronting these issues in a serious way and much loose talk is heard about resisting such global forces. In reality, what is happening is the widening of

the understanding of Westernistic ideas with a new input from Asia. But there is much that can be usefully done between Europeans and Asians to discuss the various ways of meeting the challenges of new identities, and such discussions may well be distinct compared to the ways in which Americans might conceive of challenges which they see as less serious.

The trends that are lumped under the category of "globalisation" or what might be called "mondo culture" are in fact very complex for Europeans and Asians. There is in fact a twin process of homogenisation and fragmentation, of broadcasting and narrowcasting. On the one hand there are global brands and global cultural phenomena, and on the other hand there are new fragmentations of society and identity that come with modernisation. One way to understand these forces might be, for example, to share experiences among immigrant Chinese communities in Europe and Asia in order to understand how identity changes in contact with other societies, with global forces, and with the simple experience of being middle class for several generations. These issues, although only loosely connected to public policy agendas, often lie at the basis of the creation of a modern society and one of the important challenges of sustaining a modern economy is to understand how society must adapt to a post-industrial society. A useful topic for mutual learning might be how the role of women changes and as a result how family structures and work patterns inevitably alter. These are challenges that will be met in different ways, and are no doubt best analysed in the initial stages by specialist communities in Asia and Europe. But because there are no simple divisions of Asian and European cultures that might explain the processes at work, it may provide especially fruitful ground for an ASEM-specialist dialogue sponsored by ASEM governments.

Supporting Asian Security

Our ever acute reader will have noted the middle word in this sub-title, which displays an assumption that there is more that needs tending in Asian than in European security. This may seem odd at a time of instability in the Balkans, but it is based on the assessment that there are plenty (perhaps too many) institutions and mechanisms in Europe to cope with the few and peripheral problems that exist. But Asia is another matter.

Asian security is characterised by the relative (not total) absence of security institutions and a balance of power. It is also characterised by more fragile (some say weak) states with a greater commitment to national identities. Europeans cannot affect much of this Asian reality and it is Asians that will have to deal with Asian security. If there is a significant outside actor it is the United States, and indeed it is in Europe's interest, and that of many East Asians, that the Americans remain robustly committed to Asian security. In a sense one of the main challenges for Asians and Europeans is to find ways to sustain that American commitment to Asian security.

Perhaps the most important thing that Europeans can do is to do more about their own security without the Americans, thereby freeing the United States to bear more burdens in Asia. But it would be a small-minded Europe that chose to leave a role in Asian security to the Americans, if only because the Americans like company on security matters (although they do not like back-chat) and are more likely to be active if they have allies. In this respect, those Europeans that are willing and able to assist in hard security in East Asia should think about how to do so with those Asians who want them. Britain's role in the Five Power Defence Arrangements is an obvious case in point. A European role in RimPac exercises is another possible policy. Or British, French, German and other armed forces might wish to demonstrate the virtues of an ad hoc common foreign and security policy in conjunction with interested Asians. We all share a concern with ensuring freedom of navigation, containing the threat from piracy, or managing the flows of migrants. Perhaps it is time for those who are ready, willing and able to explore a CFSP dimension in East Asia.

If such hard security is too sensitive, then there certainly is an argument in favour of softer security issues. Take for example President Ramos' suggestion that EURATOM might be a useful model to be emulated in the creation of an ASIATOM or a PACATOM. As Asians contemplate a huge increase in energy needs, the lure of nuclear power will no doubt increase. Europeans have important experience in handling civil nuclear power and there are already significant links between European and Asian companies and countries involved in such trade. But there are also security issues arising from such enterprises which EURATOM was set up to address and which are now arising in Asia.

Of course these sensitive nuclear issues are also of great interest to the United States, as the North Korean problem has recently demonstrated. But Europeans have both an experience of dealing with these issues among a multitude of sovereign states, as well as in co-operation with the United States. There is clearly great scope for further exploration of these issues on an ASEM level.

Answering the Subsidiarity Question

The answer is yes... There are important matters that can be best handled at an ASEM level. The answer is also Yes, there are things that can also usefully be done at the ASEM level. But a far more immediately pressing question is how to do any of these things that can be identified? As already suggested, some of the agenda is best tackled at the corporate or "think tank" level, albeit with active government support. But from a governmental point of view, this essentially mechanical, but nevertheless essential "how to" question, is often raised by Asians who have less experience of large multilateral decision-making meetings, and whose experience of the European "troika" is deeply depressing. Even the best of the Asian regional organisations, ASEAN, is not self-evidently a good advertisement for multilateral decision-making on difficult matters.

Nor is the European Union an obvious example of multilateral decision-making, although it and NATO are among some of the most effective institutions in terms of taking tough decisions that constrain state sovereignty and change the behaviour of states. Thus one of the most important questions facing ASEM concerns the very ability to "act strategically", even if some useful "strategic thinking" can be done. Far more serious thought needs to be given to this matter, especially if serious contemplation is being given to widening the existing membership. For the time being, there is a tendency for Asians and Europeans to caucus as separate groups and then try to find a common approach among two groups. This may well be the best way to proceed, but if only because of the deep divisions in Asia on many matters, this is likely to be recipe for strategic inaction or the "strategy of the lowest common denominator". Similarly, a free-for-all among more than 40 participants is also unlikely to succeed. What we had from the first ASEM in Bangkok was "laundry list

strategy", where each country seemed to be allowed to put forth their own favourite idea. The result is a mass of initiatives, with little sense of priority.

Perhaps the best step towards strategic thinking in ASEM would be to develop a sense of priority. In most cases of such multilateral diplomacy, such agenda-setting usually comes from an effective (albeit un-stated and *ad hoc*) "concert of great powers"³. Perhaps we need to think in terms of a "G-7" for ASEM. But whether or not there is a G-7 for ASEM emerging, it is clear that there is a new twist to the subsidiary question. The main question is not so much what is best done at the ASEM level, but rather, what *can* best be done at the ASEM level.

3. Of course in the ASEM case it also comes from the "model" state that punches above its weight, Singapore.

Asian Requirements for Security and Stability

Jusuf Wanandi *

The following is a discussion of the strategic developments in Asia Pacific and the region's needs for cooperative structures. The Asia Pacific region includes East Asia, North America and the Southwest Pacific, namely Australia and New Zealand. As the Atlantic could not be imagined without the inclusion of North America, especially the USA, so too it is difficult to analyse and think about Asia Pacific without involving North America and the Southwest Pacific.

In both parts the US play a crucial and vital role and this will remain so in the longer term because of their involvement there. They know exactly that their national interest is interwoven with those of the two parts, and that when they became inward-looking between the two world wars, it had cost them a lot. For the foreseeable future both parts of the globe need the presence of the US in their respective regions.

The world has become more interdependent economically and technologically but paradoxically it is experiencing at the same time the re-emergence of more narrow and xenophobic nationalism, in part perhaps as a reaction to the former development. Therefore, cooperation and dialogues between the two parts of the world, Europe and Asia Pacific, are a necessity.

Although the relationship between the two parts is important for global peace and welfare, this should not be pursued by excluding other parts of the world, or without due consideration to global developments in general. In particular, it should not be pursued at the expense of other parts of the globe.

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In the short term, neglected parts of the world such as Africa might not have any or little strategic impact on the world, but in the long term there is no way that they can be neglected strategically.

Strategic Objectives for the Asia Pacific

The challenge for the Asia Pacific in the future is how to create a regional order with its supporting institutions. This will enable the region not only to continue with its remarkable economic development, but more so to ensure that peace and stability, which have a dialectical relations with the region's economic dynamism, can also be maintained.

The economic growth in the region has been a vital factor for giving the region its optimism, self-confidence and a certain sense of common destiny, which are important factors in the development of regionalism in the region. Besides that, the legitimacy of all the regimes in the region depends to a certain extent on their economic achievements. That is why the economic factor is very important to support regionalism in the Asia Pacific. Peace and stability on the other hand are an important pre-requisite for the maintenance of economic growth and dynamism in the region, but also depend on how fast economic growth will be in the region. Thus, economic growth and peace-stability are mutually re-enforcing.

On future politico-security architecture of the region, there are several ideas being put forward. A system of a bilateral confrontation as has been known during the Cold War is thought to be passé, but the one in which a single superpower will be able to organize the world or becoming a global policeman is also not in the offing.

One new idea is that of a new type of a modified concert of power among the great powers namely China, Japan, Russia, the US and ASEAN, who have the right and obligation to keep peace and stability in the region. This idea is based on the argument that a balance of power on the European model *à la* the end of the 19th century and early 20th century is not stable. It is also argued that a relationship and leadership of a few is a better proposition for stability than a "promiscuous" balance of power as has been known before.

But what was possible in the beginning of the 19th century in Europe is definitely not possible at the end of the 20th century. This is mainly due to the idea of democratization among the nations. If even the maintenance of veto power of permanent members of the UN Security Council is being opposed, it can be expected that the idea that nations and states are not equal will also be opposed.

It is also impossible to expect that in the foreseeable future all the great powers mentioned above can agree on how to organize the region and are willing to cooperate to do so.

Another new idea is that of building a community of nations in the Asia Pacific. It has been aired by several leaders, including President Clinton, although not all might have the same idea about the community to be built in the region. The idea is not the same as that developed in Europe with the EU as its central point. It will be a much more loser cooperation because of the region's diversity and heterogeneity. But a new sense of regionalism, mainly but not only based on economic integration and dynamism, will give the idea a real impetus. For the foreseeable future the idea is going to be based on APEC-PECC and ARF-CSCAP institutions as the central point of cooperation. It will be a process which is going to be pragmatic, a step by step approach, where institutions will result from the process. For practical reasons, the economic and the politico-security parts of its activities are separated but since the main organizations which form the center point are mainly the same in both institution, some coordination is expected among the two parts. The building of an Asia Pacific Community is a more realistic goal for the region, because this will allow all parts of the region to participate fully in its activities.

Security Arrangements Towards the Strategic Ideals

The region is still in a transition period from a bipolar Cold War situation into a more multipolar cooperative security arrangements. This change may take some time to develop, and there is no guarantee that one system of security arrangement will be established soon to partly replace the bipolar strategic situation before. What could be expected is that in the future there will be an overlapping and hopefully a coordinated system of several security arrangements in the Asia Pacific region.

First is the system of bilateral alliances, based on the presence of the US. Of all these bilateral alliances, the Japan-US Security Treaty is certainly the most important and vital to the region. And it is imperative that this will be maintained. The adjustments in this relationship that are now taking place is a very important part in the efforts of both sides to make it relevant to their public opinion. Here regional support and burdensharing are an important part in the effort to find a new rationale for the alliance.

Even China accepts the alliance as temporary necessity in order to keep Japan in a structure. It has to be noted, however, that the Clinton-Hashimoto declaration to adjust the alliance to new strategic circumstances has not been fully accepted by China. Therefore, efforts need to be made towards China to give more explanation about the declaration. Also, its implementation has to be transparent to the region to make it acceptable, particularly but not only to the Chinese. Indonesia, which is very much in the non-aligned mode of thinking, has come to realize that efforts to establish a cooperative security arrangement in the region will take some time, and that maintaining the alliance during the transitional period is vital to the stability and peace of the region. That is why Indonesia has helped share the burden, with the other ASEAN countries, following the termination of the US bases agreement with the Philippines.

The US military forward deployment will have to be adjusted, due to strategic circumstances (especially if a peaceful reunification of Korea should be concluded), and technological developments. But the US, being a Pacific power in its own right, is likely to maintain some military presence in the region for the foreseeable future in order to exert influence based on their own national interest. They have economic, political as well as security interests in the region.

In the end, a cooperative security arrangement is only possible if there is a certain balance of power present in the region. This is not in the old European balance of power concept of the end of the 19th Century and beginning of the 20th Century, which is confrontational and "promiscuous", but will involve a low-key presence of the four or five great powers in the region to prevent a real hegemony or the only superpower to develop and play its dominance without mercy. In this context, the US, which is accepted as a benign great power by the region, is vital to the region in the envisaged future balance of power.

The second element of the current security system in the region is the effort to establish a cooperative security arrangement. This is what ARF and CSCAP are trying to do. ARF is now at a stage of creating confidence building measures and preventive diplomacy activities, trying to prevent tensions and potential conflicts from becoming military conflicts. Over the medium term the intention is that ARF would also become a mechanism for conflict resolution. CSCAP, as a second track effort, should be able to expand the scope and limit of cooperative security in the region. With China joining CSCAP in December 1996, it could be expected that the process will move faster and the substance of cooperation would be expanded.

Crucial to this effort is the acceptance and participation of all the great powers, especially China, in ASEAN's ARF initiative. China's participation is especially critical because China is the emerging great power that has previously been isolated and that still has to prove to be willing and able to become a responsible great power in the region. So far, China has done very well and she is now participating actively in all CBM efforts agreed upon at the ARF meeting in Brunei, including producing a "defence white paper".

Following the Jakarta ARF meeting China has assumed the role of co-chair of the CBM working group, which is central to ARF concrete efforts in the first phase of cooperation. The role of Russia and India will become more important in the Asia Pacific after they have established more coherent and stable domestic policies and after developing greater economic involvement with the region.

For the time being, ASEAN thinks that it should continue to manage the ARF process, because ASEAN has relevant ideas and has been an example of such multilateral institution. The region has also just started to think about how to establish a multilateral cooperative security arrangement. And none of the great powers is both in the position to take the lead and is acceptable to the whole region. However, ASEAN is of course open to other ideas, inputs and contributions.

How ARF's structure will evolve over the longer term is another question. In part this will depend on how comfortable ASEAN, being the representative of small and medium powers in the region, feels about how this process

develops. Another factor will be the extent to which the great powers really want to participate.

The third element of the present Asia Pacific security structure is the implementation of the collective security principles under the UN system in the region. This is set out in Chapter VIII of the UN Charter, and has been stressed by the Secretary General in his Agenda for Peace. It has been obvious for the last few years that even an invigorated UN is not adequately equipped to deal with so many new problems, which are mostly regional in nature. This year the UN is in a real crisis, financially and to a certain extent also politically. A global security arrangement under the UN simply can no longer do the whole job alone.

That is why the UN needs regional institutions and arrangements to assist and complement its collective security principles and policies. This is already being done by NATO, OSCE and the EU in the Balkans. The ARF should aim to be able to perform the same functions in the Asia Pacific in the longer-term. It is encouraging in this regard that one of ARF's current inter-sessional workshops is continuing to deal with the issue of peacekeeping for the Asia Pacific region.

But collective security is a part of a cooperative security arrangement, and cooperative security which has no collective security part in the last resort is toothless. Each has to complement the other.

The challenge for the future is how to make all this existing arrangements, bilateral, regional and global, relate to and reinforce each other. As the so-called "alphabet soup" of regional institutions in Europe has faced the same problems, it should be wise for the Asia Pacific region to begin to think about the interconnections even before all the arrangements have taken off.

Asia-Europe Relations: Concluding Remarks

Based on the analysis and exploration above, where does the Asia-Europe relation fit in the development of the Asia Pacific region and what should Europe's role be? After the end of the Cold War, both parts have been looking for ways to develop a new international and regional order. Both have agreed that it will be a long process and a lot of efforts need to be made before such an order can

be established. Both parts are also working towards a new regional order in their respective parts of the world. In those efforts they have to realize that the international order and regional order are intertwined, and that, meanwhile, the globalization of the economy has created a dramatic increase in economic relations, especially in trade, between East Asia and Europe. Both sides are gradually aware that in broad brush they are a mirror image of each other. For instance, both are coping with a great power to absorb into their respective new regional order, Russia on the European side and China on the Asia Pacific side, while recognizing differences in size and potentials in the foreseeable future. Both sides are also struggling to create a regional community; while Europe has a strong base with the EU and has more experiences, Asia Pacific has a smaller base in ASEAN with lesser experiences. Both regions have to cooperate how the various regional institutions established should engage with each other; and most importantly, they share a vital interest to keep the US involvement and presence in the longer future, which boils down to keep on their economic interests and show real burdensharing to the US public opinion on the US military forward deployment.

In the meantime the ASEAN-EU dialogue and cooperation to a certain extent have already established a basis for Asia-Europe relations. ASEM I has been a success. It is understood that economic cooperation should be the focus of cooperation, but political security issues also have to be discussed.

EU also have become a member of the ARF and is starting to play a more active role. East Asia could learn from the European experience on CBMs and preventive diplomacy as a comparative experience as well as examine other ideas on security whether applicable or not for East Asia. East Asia needs a lot more of new thinking and experiences on political security cooperation, since this is still very new process for the region. Of course East Asians have to develop their own approaches but perhaps some adjustments of the European models can be considered. For instance, pragmatism is the creed in ASEAN, and a step by step approach as well as more informal ways in dealing with each other are important practices in the region. However, this is largely related to form and is more of a procedural thing. On the intrinsic security cooperation there are experiences in Europe that can be examined by East Asia, such as techniques of CBMs in the OSCE context.

Other efforts can be undertaken at the global level, for instance, how to implement the results of the first WTO ministerial meeting in Singapore, in December 1996 which has been a success, or to reform the UN. In this context, it is obvious that both have a stake in influencing the US to be less unilateralist and to become more of a more multilateralist player in the international agencies and in the UN as well as in the regional context.

Direct participation in each other's security will be more limited, but political and diplomatic support, and when necessary, economic ones, are important in a world where comprehensive security has become a reality in both regions. In more direct security related activities, peacekeeping comes immediately to mind, as well as other CBMs and preventive diplomatic efforts such as non-proliferation of mass-destructive weapons. The soft security issues, namely new security issues such as pollution and migration, illegal drug-trafficking and international crime and piracy are essentially global issues and therefore Asia-Europe cooperation on these issues is very relevant.

In the end the relationship is fulfilling a lacuna that is recognized after both regions have tackled their own basic problems regionally. However, for the relationship to be relevant and effective in the future, the rationale for cooperation and a more coherent program have to be established first. This is exactly what a second track activity in the form of CAEC (Council for Asia Europe Cooperation), consisting of think tanks on both sides, can do to assist and support the remarkable achievements of ASEM I in Bangkok.

**Competing Economies:
Facing the Challenges of Mondialization**

The Role of the State in Economic Growth: Europe and Asia

Sang-Kyung Kwak *

After the second world war, in most of the free world countries, the major role of the state changed to providing for the economic prosperity and stability of its populace from the expansion of power to seize lands and control people. The main focus of the government programs has been to increase the welfare of the people through economic growth without inflation. This desired role of the states has been effective in the economic growth of many countries. This typical realization occurred in Europe and in Asia at different time periods. As a result, this type of government role has been encouraging international co-operation in the economic activities within a region as well as between regions. The transition of the roles of the state from power politics to economic co-operation has brought very valuable benefits to all countries. It is easy, therefore, to induce the hypothesis that the expansion and the intensification of co-operation between Europe and Asia will promise further benefits to both regions. An increase in dialogue among the regions will lead the state to a more efficient role promoting economic growth, and its economy will come more advanced and mature.

This paper focuses on the primary steps necessary for a state system to achieve to efficient economic growth in the beginning stages, and on the major roles of a government in economic growth. The present major roles are as supports to market functions and adjustments to the economy toward the desired state. International economic co-operation will be added as one of its main roles. We will present some of the theoretical issues and problems of the these roles.

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Set up of the System for Economic Growth

Economic System and Economic Growth

Since the centrally planned, socialist economies have collapsed and have been replaced by a market economic system, it is very clear that the market function prevails over the direct operation of the economy by the government. This basic principle in reality can be applied in most cases to any economic activities even at the micro level. For there to be efficient economic growth, direct control should be minimised and the private market function be maximised as much as possible. In this respect an effective economic system conducive for efficient economic growth will have a sufficient market function, and the characteristics of the state must be of the type that respect market functions as much as possible. The degree of direct government intervention in the private economic activities is dependent on the varying degrees of economic growth and economic levels. The differences are trivial in comparison with the basic system for growth.

The world economic situation does not allow any country to survive without economic relations with other countries. The international competitiveness of products is vital to any country. In order to obtain any growth in production the maintenance of international competitiveness in production is a necessity. The economic system should be competitive. The basic system of running the national economy should emulate those of the developed countries. In this respect the economic systems of Europe and Asia have similarities. There are only minor differences in each country depending on the situation. All countries try to utilize the efficiency of market function in order to achieve maximum growth of the economy, even though the techniques and skills of market operation can be different among the countries. The government itself is not efficient in economic activities, but it is responsible to provide the best system possible for private economic activities.

Politics and Economic Growth

Economists are different from political scientists in that they are fairly blind to politics but are knowledgeable in the efficient use of limited resources. Fair order gives safety and spiritual comfort to a society, but may fail to

guarantee material comfort and prosperity. The economic growth by the efficient use of resources can guarantee the improvement of living conditions and people's welfare. This is the reason why economists insist on the superiority of the economic system and its policies over politics. The strong desire of economists is a compromise between politics and economic growth. It is necessary to emphasize economic efficiency instead of political justice until a certain level of economic standard has been achieved by efficient economic growth. We have seen the results in many countries where political goals are not consistent within the economic targets. The role of the state in economic growth needs to have a higher priority than its role in political development, if one role is opposing the other role.

Culture and Economic Growth

Culture is important to economic growth. Different cultures bring in different rates of economic growth, because some cultures are focused on increasing productivity and some other cultures are to hold productivity and technological improvement. For those cultures that tend to hold economic growth, the role of the government is important and should be designed to change the culture toward efficiency. We know that the cultures of some of the South Asian countries are different than those of Eastern Asian countries and those of European countries. The role of government may be able to induce the cultures and traditions towards an efficient economic growth. The advanced European countries have shown to most Asian country to some degree a guidelines for adjusting cultures and traditions toward an efficiency in economic activities. The relations of the two regions have been effective in promoting these changes. An increase in dialogue between Europe and Asia will be beneficial to both in improving the cultural environments for economic growth and co-operation. Trade, investment and other economic cooperations have contributed to the improvement of cultures through the productivity increases in Asia. The government policies have played an important role in this stream of global economies.

Factors of Economic Growth and the Role of Government

Factors of Economic Growth

Economic growth is the increase in production of goods and services. The production function tells us the relationship between the input and output factors of production. The major factors of production are generally labour and capital. The output in production is dependent on the input of production factors. Of the factors, labour is actually heterogeneous in terms of quality. Skilled labour will have a higher productivity, while the unskilled labour will have a relatively lower productivity, for the given capital and technology. The productivity of labour depends upon the level and the quality of the capital used by labour, the education and training, the compensation for work, and the technology levels. In general, the advanced countries maintain a higher productivity of labour, while the developing countries have a relatively lower productivity. The measures of raising labour productivity will to a great extent be dependent on the role of the government. Education therefore would be the most important factor for economic growth.

In addition to the basic factors of production, there are some other factors contributing to economic growth. The government policy is an other important factor. The effective policy can facilitate growth in the private economic activities. Social environment is also important for economic growth. Most countries with success in economic growth, both past and present, are characterized by the use of an effective policy in an appropriate social environment. The peoples' attitude towards the economic activities must be one of efficiency. The important role of the state is to have these factors be highly effective thus leading to economic growth.

Utilization of the Factors for Economic Growth

Economic growth is highly dependent on the utilization of the production factors, *ceteris paribus*. The world's economic development in the past and at present shows us that economic development depends much more on the utilization of resources than the existing amount of resources.

Utilization (employment) of the labour force is very important for economic growth. When labour is employed, there is a significant self-generation of economic growth on the one hand, but on the other hand when labour is unemployed, it suffers from poverty and a vicious circle of increasing burden begins. The labour force does not have its own ability to employ itself especially in the early stages of economic growth. The role of the state in employment is very important.

The capital accumulation is a very important condition for economic growth, because the growth vitally requires an increase in capital. Until the economy is able to generate the capital formation by its own ability and mechanisms, the capital accumulation mainly comes from stimuli and policy measures of the government. The capacity utilization is closely related with the production, but this utilization is more concerned with the short-run cycle of the economy. The existing capital is supposed to be utilized at the maximum level, as far as firms seeking the maximum profit.

Utilization of natural resources can be a good source of economic growth for those countries which have plenty of valuable resources available. In many cases, however, utilization of resources push out the valuable efforts of economic activities, and the economic growth is limited by the revenue from the sale of resources. This type of economic operation have been popular in Asia, Latin America and the Middle-East area. It would be more responsible for a government to harmonise the utilizations of these various factors for economic growth.

Role of Government in the Utilization

The rate of economic growth is determined by the utilization of the factors for economic growth. Whether the factors for economic growth are efficiently mobilized and utilized depends upon the economic system, the government polices and plannings, and the international and domestic environments. The government policies and plannings are key roles in utilizing the factors. Education, training, investments in various social overhead capital, international trade, and other policies and strategies which are directly concerned with the utilization are the means and measures for a government to efficiently utilize these factors. In reality, the activities of entrepreneurs,

market conditions and functions, technologies, and the motives and the emotions of the people towards the economic activities are all dependent on the role of the government. When the government plays an efficient role with effective policy measures for the utilization of these factors, the economy will grow efficiently with higher growth rates resulting.

The role of government for the efficient growth of the economy can be different depending on the level of the economy, the stage of economic development, social and cultural backgrounds, and the environments of the economic activities including market conditions and functions. At the lower level of economy, it is necessary to keep higher rates of economic growth, with the government needing to play a more active role in efficiently utilizing the factors. The government should design more aggressive strategies and plans for higher economic growth. Stronger controls and regulations would be more effective in utilizing the factors. The main object and goal should be the quantitative increase in production. This increase must be top priority. At the higher level of economy, the role of government should be moderate and designed to adjust the economy towards welfare. The main object should be the improvement of quality in the economy. In the case where social tradition and culture are relatively inefficient for economic development, the government plays an important role by implementing reform to stimulate the people toward higher productivity. The government is also responsible for driving the market toward to function better by controlling and encouraging people in the market.

Adjustment of the Economy by the Government

Policies toward Efficient Growth

The aim of a government's economic policy is full employment, stability of prices and wages, maintaining a balance in the balance of payments. In order to achieve this aim more completely, the government designs and implements various direct and indirect policy measures such as fiscal policy, monetary policy, trade policy, labour policy, antitrust policy, and other supporting policies including education, welfare plans, etc. In addition to the principal policy,

many governments design and implement various plans and strategies to increase the rate of economic growth. Most policy measures and plans aim at a higher growth of economy in quantity by increasing the macroeconomic indicators under the stability of prices and wages. Many countries subsidize exports and discourage imports in order to lead to higher economic growth as well as managing the foreign exchange. Many lower income countries try their best to achieve a quantitative growth by reserving the quality improvement, while many higher income countries are more interested in the qualitative growth by controlling the increase in the quantitative activities of the economy. The former is the position of many South Asian countries and China, and the latter is the position of many countries in Europe. Even though Japan is a higher income country, she is in both positions. Japan is a more closed country than those of European countries and the newly industrialized countries (NIC's) in Asia. Japan tries to produce everything by herself, and she is reluctant to share with other countries. Japan has not matured as the European advanced countries have. NIC's such as Korea, Taiwan, Hong Kong and Singapore are in the position to pursue higher economic growth in terms of quantity in order to have the income reached by the advanced countries, and at the same time they are interested in the quality improvement following the example set by the European countries. Korea has decided to become a member of the OECD, and she will therefore pursue more aggressive policy measures similar to the other major OECD members.

Policies Toward Sound Growth

Low income countries need to increase production in order to obtain a supply of basic necessities. The by-products of an increase in production would not be as serious as an income increase. At the high income level, however, the by-product of an increase in production can be more serious than in the obtaining of the necessities. The income would be high enough at the level of US \$ 20,000/30,000, and the people are more interested in the quality of life. In this case, the government policy would be inclined to other measures than for simple growth itself. The policy measures are designed to stabilise the economy instead of for growth. The measures would be welfare programs, income distribution, the structural improvement of the economy, and the protection of

the environment. These types of measures are different from the measures designed for efficiency which concentrate on supporting the markets for higher economic growth. The policy measures toward sound growth focus on correcting market failures and taking care of any unsolved matters in the private sector. The role of the state in this case concentrates on the improvement of economic status. In compensation for the high growth of economy, the government drives the matured economy towards a welfare society with various government programs and public projects. Many advanced European countries have been pursuing this type of government role, and the policy for a matured economy has been effective in achieving this welfare state. Many Asian countries plan to adopt these policy measures toward the sound growth of their economies, and some of these programs are currently being carefully tested.

Policies Toward International Economic Relations

There is no doubt that all countries gain in international trade and other economic relations. Any country can have a comparative advantage for certain goods, but the exchange guarantees benefits to both sides. Now all countries are in different economic positions, and they try to pursue all kinds of strategies in order to maximize their benefits and minimize their losses from their international economic relations. A common strategy of international trade that all countries use is tariff and quota level to control imports, with many countries providing various subsidies to exports of strategic products. International finance and investments are equally important, and these international economic relations require very intricate policy measures. Especially, since the world economy has been rapidly developing, and this development has pushed all countries to be more open thereby increasing their relations. The World Trade Organisation (WTO) has opened all countries deeper and wider for the promotion of better economic relations between them. To some countries the promotion of free trade demands more delicate policy measures. These measures would be significantly different from the European countries which have superior advantages in many products and services compared to most Asian countries with the advantages exception of Japan.

International trade, finance, investments, technology transformation and invisible trade are so important to economic growth that those countries

whose economies need high growth are aggressive in pursuing these strong policy measures so they will have effective relations with other countries. Many Asian developing countries try to use exports and foreign investments as the engine for economic development. NIC's and Japan are good examples of success. The strong role of government has resulted in the successful export-led economic growth. The contribution of international relations to economic growth is significant in any country, and the government plays a vital role in these economic relations. The maximum gain and minimum loss in the relations is one of the most important roles of the state. Whether the success of international economic relations can be realized will depend on the role of the government under the given conditions of the economic activities. Those who have had success in export-led economic growth had a very successful role played by the government no matter what the political situation was. The role of the state in Europe is now quite mature, and Asian countries are expecting their governments' roles to move toward a similar role in international economic relations.

Trend of the Role of the State

Different Roles by Different Growth Rates

The history of economic development in the world may be a valuable reference for the characteristics of the role of government in economic growth. A popular reference is Rostow's stages of economic growth. The stages are the traditional society, the pre-conditions for take-off into self-sustaining growth, the take-off, the drive to maturity and the age of high mass consumption. These five stages are convenient for us in analyzing the different governments' roles in the different stages of economic growth. We can carefully generalize the degree of the government's role in this way; the traditional society, in a vicious circle of poverty, needs the strongest role of the government in order to initiate economic growth. It would be very hard for a society to start economic growth without the government's aggressive plans, policies and controls for economic growth. At the second stage of economic growth, the pre-conditions for take-off into self-sustaining growth still require the strong role of the state in order to prepare for efficient

economic growth. The government needs to design policy measures for various changes in most of the economic activities and in the behaviour of the people to strive for efficiency. Investments of government in social overhead capital and education are necessary, and plans and strategies for economic growth should be made in a new dimension. The rates of economic growth will to a great extent depend on the role of government. The government has the ability to have a positive break through in economic development by a forceful pursuance of policy. Most Asian countries experienced this stage of government role and resulting economic growth. One can assume, the European countries have done likewise.

The third stage of economic growth is the "take-off" which is the most exciting phase of development. At this stage the government needs to use the market function efficiently by stimulating the private sector. The policy measures are designed to encourage private activities, and the role of government is supposed to be soft and indirect except in necessary intervention and planning. The take-off stage is an achievement of self-sustaining growth at high rates. In this situation the government concentrates more on the typical roles including fiscal, monetary and trade policies. Since the sustaining of high growth requires a structural change in economy, the government needs to change its role from direct intervention to indirect controls for efficiency. The role will be more sharing as a typical government policy instead of using direct forces to reform the society. Most advanced countries enjoyed this stage of economic growth, and the role of government has been in variety. NIC's have been in this stage, and the take-off has brought a big growth in national economies. The role of the state is still important at this stage.

The most important role of government at this stage of the drive to maturity would be for the reputable policy measures to have economy in the structural changes. The changes would be in industries, international trade, environment, and income distribution. Industry structure will be changed by the government policy to labour-saving and high value-added. International trade will move toward higher free trade attributing to the policy change of lower tariff rates and higher competition. The government will play a stronger role to protect the environment from external diseconomies of high growth. The role of government will also be strong for the redistribution of

income and wealth by changing the tax rates and producing more public goods such as education and technology development.

The last stage of the Rostow hypothesis, the age of high mass consumption, requires a stronger role of government. At this stage, we presume that the economy reaches a level of matured status and the people are interested in leisure instead of higher income. The policy measures are no longer designed for quantitative growth but for the qualitative improvement. Welfare programs can be a main theme of the government policy. The intervention by government will be elevated higher to solve various problems such as pollution, income distribution, aged people, and other socio-economic problems. The role of the state will be stronger to drive the economy toward an ideal welfare state.

Different Roles in Different Environments

Different countries have different environments and therefore different economic growths. So the role of the state should be different. We may say that the environments for growth made many countries perform differently in their economic growth rates. In this respect the stages of economic growth may be classified by the economic development of a region. For example, those countries with governments of the traditional society have the primitive level of economy, and their economic growth rates are so low that the vicious circle of poverty continues. The role of the state in these countries should be as strong as possible in pursuing economic growth. At the last stage of economic growth, the environments are in such a way that the role of government should be aggressive in building a welfare state. When we match the stages of economic growth with the social environments for economic growth, we can apply the type of the governments' roles to the different countries with their respective different environments. We can generalize to some degree the governments' roles in economic growth in regards to the environments of the countries in Asia and Europe. Some Asian countries are in the environments characterized by the traditional society and their economic growth is extremely low. They need the strong role of the state for economic growth, but in their particular situation dealing with political conflicts, people's habits and levels of education, these roles are not effective. Some Asian countries are in the stage of the pre-conditions for take-off into self-sustaining growth with the

governments in their appropriate roles. We presume that some European countries released from the socialistic system are in the similar situation. Some important countries in Asia and Europe are fortunately in the beginning stage of take-off. These countries have shown a high rate of economic growth attributing mainly to the aggressive roles of governments. The strong roles of the state have been effective for exports and for the inducement of foreign investments. NIC's in Asia are in the stage of the drive to maturity following the pattern exhibited by the advanced countries in Europe. There are some transmissions of environments of the welfare state from Europe to NIC's, and the transmission may be accelerated in the future. With the transmission the role of government will modify towards the European type. For example, Korea faces new environments at its enhancement in the OECD. The role of the government will change toward the advanced countries in the OECD. The role of the state is affected by the environments of the state.

Factors of Convergence and Divergence

We have seen that the roles of the states in economic growth are different in accordance with the stages of economic growth. Stronger roles were required by the stages of the traditional society and the age of high mass consumption. At the highest speed of economic growth, the take-off, the efficiency of the growth factors requires the minimum role of the state. The other two stages, the pre-conditions for take-off into self-sustaining growth and the drive to maturity, need a medium degree in the government's role. In this respect, we may summarize that the role of the state converges from the stage of the traditional society to the take-off stage, and the role diverges from the end of take-off stage to the age of high mass consumption. This proposition may be metaphorically described. When we start to drive a car at the starting point (the traditional society) in order to reach the final destination (the age of high mass consumption) by means of the maximum efficiency for the shortest time at the least cost, we can consider many alternative ways of driving the car to the final destination. One can drive the car on the highway straight all the way to the arriving point without using the turnpike freeway. This way would be straight, but at a slower speed. The other way is to drive the car toward the turnpike to use the freeway on which the speed is at maximum, and to drive the car to the

end of the turnpike to the final point. The former requires the similar degree of control from the start point to the arrive point, and the latter needs higher degree of control to reach the turnpike and the final destination but the least degree of control at the turnpike freeway. Similarly we say that the drive of economy from the traditional society to the take-off stage needs higher degree of the role of the state, and that the drive from the end of the take-off to the age of high mass consumption requires a higher degree of the role but a lower degree at the take-off. Using the turnpike is a detour but an efficient way in cost and speed.

The roles of the state in many Asian and some European countries are to drive their economies toward the turnpike, and some countries in the regions enjoy the speed of economic growth on the turnpike of the take-off. Many other countries in Asia as well as in Europe have a higher degree in the governments' role to reach the welfare state. The role of the states in economic growth converge from the traditional society to the take-off, and diverge from the end of the take-off to the age of high mass consumption in the welfare state. The international economic relations are a great support and help along the way at any stage. For all countries the economic relations among them are required for the efficient role of the state.

Issues and Problems of the Role

Priorities of the Roles

As all countries are at different stages of economic growth, the priorities of the governments' roles should be different among the countries. We may point out the following characteristics of priorities;

- the economic system should be the top priority in all countries in the aspect that no country is able to sustain economic growth without the market system
- the direct control of the economy by the government would be a higher priority in the countries in the early stages of economic growth
- the direct investments of the government are more important to the countries at the start of the efficient economic growth

- the indirect controls of the economy by means of popular short-run economic policy measures such as monetary policy, fiscal policy with high tax rates, welfare programs, education, R&D programs, antitrust enforcements, exchange rate policy, etc. are a higher priority for the advanced countries,
- policies for structural changes in the economy are popular to those countries which are in the road of high economic growth, and
- stronger policy measures of international economic relations are more popular to those countries with weaker comparative advantages for relatively more products than those whose products have higher international competitiveness. We propose these priorities for discussion. We may say that the environments in each country are important factors for the priority of the government role.

Appropriate Role in Regions

In order to get rid of regional bias and criticism, we simplify the regional characteristics of the governments' roles. If the region is classified by the stages of economic growth in such a way that Asia is under the less developed and immature economy and Europe is in the developed and matured state of economy, then the Asian countries are supposed to carry the aggressive roles of the states for economic growth and the European countries need to assume the appropriate roles for the improvement of stability and quality controls. The government role of the European states would be the model to be pursued by the Asian states. The typical model is the European Economic Community. The Asian countries need to learn from the co-operation with European countries toward providing common benefits for its members. The development and maturity may be accelerated by the EEC, while the Asian countries continue to have poor co-operation. The gap between the two regions seems to grow. In this respect, the role of the state in economic growth should be open and efficient across the boundaries of nations.

Ideal Role and the Reality: International Matter

The ideal role of the state is a minimum, typical role in its economic accomplished activities by allowing the maximum extension of the free market, free trade and free activities in the economy. The freedom of economic

activities with the minimum economic policy will bring the maximum efficiency and benefits, and the free trade will give the maximum gain from the trade to all participants in the trade.

The reality of environments endowed to countries is not understood by them in reference to the maximum benefits and gains possible from the freedom and free trade. In reality many countries assume that their environments are different from others, and it is necessary to control the freedom and free trade. The main issue of the role of the state in economic growth is how to make the reality in to the ideal status.

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New Challenges for the World Trade Organization

Patrick A. Messerlin *

Founded in 1994, the World Trade Organization (WTO) is markedly different from the GATT. It is a single undertaking: WTO members cannot pick up the disciplines they like and ignore the other rules, but they have to follow all the rules established in Marrakech. It is an organization, with a strong dispute settlement system: countries which go to a panel for a disagreement they have been unable to settle on a bilateral basis have to follow the recommendation of the panel. Lastly, the WTO should monitor all the trade barriers through an extensive notification system. The two first years of existence of the WTO have witnessed the full implementation of the two first features: countries have introduced the provisions of the Uruguay Round in their own legal system, the most powerful country in the world has already lost a case in the dispute settlement system — showing that rules will be applied to everybody. The notification process has been slower to be fully enforced, but the preparation of the Singapore Ministerial Conference is improving the situation.

However, while there is a clear strengthening of the GATT rules, there are concerns about the erosion of the political momentum behind the WTO. The traditional supporter of the world trading system – the US – seems less committed to play this role. Its trade policy alternates multilateral and regional approaches, generating frictions and uncertainty. This evolution is likely to persist after the presidential elections. The expected time horizon for President Clinton's initiatives in international economic relations is two years later at most. After that, the high likelihood of an economic downturn in the US. economy and other pressing domestic issues are likely to absorb the President, and to make his trade policy even more volatile. Meanwhile, the second largest trading power, the European Community, is likely to be

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absorbed by the monetary unification – and immediately after, if things go well, by the beginning of the negotiations about the accession of Central European countries to the Community. The monetary effort can be a threat to the Community's trade policy: though the Community has a strong interest in a well-functioning WTO system, the rigid approach in terms of exchange rate policy imposed by the current interpretation of the European monetary union can trigger European resistance to deeper trade liberalization in the near future. As a result, the last large world economy – Japan – may feel rather lonely in the difficult role of supporting the WTO growth.

This note presents the major challenges for the WTO. It suggests the few points deserving particular attention in the context of the trade relations between the Asian countries and the Community.

Traditional Forms of Traditional Challenges

The fact that the WTO is markedly different from the GATT induces many observers to neglect traditional issues, particularly existing tariffs and non-tariffs barriers (NTBs). Neglecting this aspect would be a great mistake, in particular in the context of the Asian-European relationship. If the Uruguay Round has been a success for designing new disciplines, it has been less successful in terms of trade liberalisation *per se*: protection in agricultural products may be higher today than before, and effective protection in manufactured goods has been only slightly eroded.

The extent of the current level of liberalization and globalization is often exaggerated. That the average tariff rate is 3 to 4 percent on manufactured imports by OECD countries in the year 2000 is both a biased and meaningless information. This figure is a severe underestimate because it is based on trade weights (high tariffs are weighted by small imports) and it ignores the existence of non-tariff barriers (such as quotas in textiles and clothing, or antidumping duties in many goods, all of them of great importance for the Asian countries). Indeed, estimates based on non-weighted average of tariffs, antidumping measures and tariff equivalents of voluntary export restrictions give a quite different picture of the current protection level. For instance, the rate of protection would be close to 13 percent in the EC case. Moreover, focusing on average tariff is

meaningless: it misses the true nature of protection which is a matter of dispersion, not of average: exporters do not face an average tariff¹.

WTO members have also taken explicit commitments in the Uruguay Round about a wide range of NTBs in goods. Looking at the commitments of direct interest for the European and Asian economies, many of these commitments remain questionable, as of today. First, there are the NTBs falling under the safeguard issue, such as the Multi-Fiber Agreement (MFA) in textile and clothing, or less visible agreements about shoes and leather, automobiles, machinery and fish. NTBs which have been created by the Uruguay Round (as, in agriculture, minimum access quotas by country) also pertain to this subset.

Second, there are the antidumping (and anti subsidy) procedures. If cases between OECD countries are less numerous, cases against non-OECD countries (including China) are increasingly frequent – with a tendency that cases are simultaneously lodged in several key OECD countries, and that a vast majority of antidumping measures end up with *de facto* voluntary export restraints (in quantitative or price terms). More generally, the well-known biases of the procedures offer a permanent possibility for well determined pressure groups to obtain the protection they want. Closely related to this issue (and covering both goods and services), there is the Agreement on Fair-Trade in Shipyards: if the subsidy and antisubsidy rules imposed by the Agreement seem reasonable, its antidumping side looks, at a first glance, dramatically anti-competitive.

These conflicts about GATT-WTO traditional issue are well illustrated by the possible key agreement on information technology products (ITA). Last August, Japan and the US have signed an agreement about semi-conductors. This agreement is a progress over the previous one, because it is less oriented towards managed trade (it has no official minimum market share target and it contains no provisions for expeditious release of information on prices and costs by alleged dumping firms). It is question to extend this agreement to the EC (if the EC eliminates its tariffs on semi-conductors) and to Asian countries. However, this extension may be beneficial for the most advanced

1. This aspect is essential in the economists' argument against trade barriers: they favor certain domestic industries at the *detriment* of the other *domestic* industries which are not protected.

Asian economies (such as Korea or Taiwan-RoC), but it is likely to be less profitable for the other Asian economies in pure terms of exports².

All these topics are likely to constitute the backbone of the discussions at the Singapore Ministerial Conference, to be held in one month. What is interesting is that there are clearly possibilities of concessions from both the Asian countries and the Community: the Asian countries could make offers about regular tariffs, whereas the Community could make offers about NTBs (particularly in apparel) and about curbing the protectionist impact of the antidumping procedure.

New Forms of Traditional Challenges

Economic competition in world trade increasingly takes more channels than mere price competition. Two new forms deserve special attention, not only because of their increasing importance, but also because of the increasing role they give to firms in modern international trade agreements.

Norms and standards play an increasingly important role because a vast majority of today economies (including developing economies) are characterized by a greater abundance of resources and efficiency which makes them able to provide more varieties of goods. In this context of massive product differentiation, the scope for international norms and standards is almost illimited, although rapid technological progress seems to favour standards over norms (standards are created by firms, norms require public intervention). As norms and standards can be trade barriers, they raise important issues in the WTO framework. Dealing with them generally requires an approach known as mutual recognition agreements (MRAs) in the European legal jargon. MRAs are difficult to negotiate: they assume a high level of trust between the trading partners so that every country can recognize partners' norms and standards. But, at the same time, they require that this

2. Of course, it will be profitable for these countries in terms of imports, because it will contribute to a modern economic infrastructure which is intensive in information technology products.

trust is not the result of some kind of collusion between the firms which are involved in designing such international norms and standards.

As said in the first section, the present state of globalization is not equivalent to free trade. However, it improves the capacity of large firms to split a production process into different activities, and to locate them in different countries – for instance, labour-intensive activities in labour-abundant countries, capital-intensive activities in capital-abundant countries, etc. Consequently, the concepts of "national" goods (and firms) are blurred by the ability to move activities in a more sophisticated world of comparative advantages. In turn, that generates incentives for defining more complex "rules of origin" (that is, rules for defining the "nationality" of a good).

Pressures for more complex rules of origins are exacerbated by the multiplication of regional agreements, because rules of origin have the power to substitute export protection to import protection when they are conceived in a regional framework (in particular, free trade agreements). Until the 1980s, despite the loose GATT article XXIV, regional trade agreements have shown an acceptable record from a trade liberalization point of view: the EC has not deteriorated the world trading system in absolute terms (it may have done so if one takes as the reference point the situation which would have prevailed in the hypothetical case of a non-discriminatory trade liberalization of the EC member states). But then, globalization was more limited and rules of origins were embryonic. Since the late 1980s, rules of origin have been cultivated through the epidemic proliferation of "hub and spokes" regional trade agreements – becoming a powerful instrument for distorting international competition³.

A good example of these new conflicts is the recent proposal for harmonizing non-preferential rules of origin tabled by the EC. Without going too far in the details, the EC proposes to adopt rules based on added-value for

3. For instance, a firm located in FTA member A may find profitable to import a part from a higher-cost FTA member B rather than from a third-country cheaper source whenever firm in A exports to B and tariffs of B gives effective protection to the supplier in A under the rules of origin. The Uruguay Round concept of "preferential" rules of origin will be unable to stop this "export-protection".

determining the origin of the good (that is, the amount of value added to be required to confer origin in a country would at least 40 percent). This rule is a de facto local content rule -hence, it is inconsistent with the WTO ban on local content. Moreover, this rule is suggested only for the chapters 84-90 of the tariff classification (that is, for motors, machines, IT goods, consumer electronics), an inconsistency with the WTO non-discrimination basic principle in the sense that it hurts countries specialized in these products more than the other countries. Indeed, one may wonder whether the economic impact of such a rule has been well analysed. It clearly imposes tough standards on investors. As a result, given the fact that the EC investors are lagging behind Asian investors, it seems that the EC Commission is shooting in the foot of the EC industry, the best interest of which would be minima constraints for undertaking new foreign investments.

In this second set of issues, the Asian countries and the Community should be more on the same side of the fence, because their long term interests are much more similar that it seems at a first glance: they should work together for rafting the best, i.e., the least discriminatory, disciplines on norms and rules of origin.

The New Challenges

An important outcome of the Uruguay Round is the General Agreement on Services (GATS). The GATS is often presented as a "GATT for services". That is inaccurate: in sharp contrast to GATT, the GATS is a pure framework agreement with almost no operative content. The GATS immerges the GATT key concepts (such as unconditional MFN and national treatment) in a very different perspective: in the GATS case, the real impact of these core concepts depends entirely from the specific commitments that countries may take for each service sector. For instance, in GATT, the unconditional MFN clause has an impact, whatever the detailed commitments about tariffs are, because it cannot be qualified (limited or expanded) by multilateral negotiations on tariffs for such or such goods. That is not the case in the GATS. A GATS member can declare exceptions from unconditional MFN for an entire sector or for specified measures in its specific commitments. Similarly, GATS national

treatment (the fact that border-cleared imported services and domestic services should be treated equally) is also a conditional obligation: it is granted only after that the relevant sector has been scheduled in the country's commitments.

In sum, the real core of service liberalization is embodied in sectoral negotiations and commitments. That implies that GATS service liberalization is heavily biased towards a country and/or sector specific approach. That is worrisome because it reduces the set of possible deals, by limiting potential cross-sectoral trade-offs and favouring "reciprocity" on a narrow service sector basis. It is not surprising that the banking and telecoms negotiations have been terminated with results so limited that the WTO members have decided to open the possibility of further negotiations (hopefully, these two agreements are de facto "interim" agreements). That also explains the difficulty of GATS to generate a standstill in terms of barriers in services. During the two last years, examples of increased protection have abounded, and, services sectors are becoming recurrent gold mines of NTBs and subsidies⁴.

Trade liberalization in services faces another difficult challenge: the last eighty years of national regulations have left a tight net of intricate regulations tailor-made for domestic monopolists or oligopolists. Reforms are necessary to define new rules favouring both the emergence and the survival of new competitors. By nature, these regulatory reforms are different from competition rules: they are sector-specific, often generating ad hoc competition bodies and rules; they are transitory and should last only the transition period necessary for shifting from the "state planned" situation to full competition; and they can be extremely intrusive, limiting competition from incumbents in order to protect earlier entrants, sometimes for a long period of time, as best illustrated by many activities in the airline or telecommunication sectors. In the long run, regulatory reforms should be dismantled, and they should be replaced by the non-discriminatory approach of competition law, with its general procedures and rules.

4. It is a paradox that the Uruguay Round has produced a narrowly sectoral approach of service liberalization, whereas it has expanded cross-sectoral possibilities of compensation or retaliation between goods, services and intellectual property right.

The belief that today protection is low and the confusion between regulatory reforms and competition policy have led many observers to suggest the introduction of competition provisions in the WTO. The demand for a WTO agreement on "trade-related antitrust measures" (TRAMs) is based on two broad arguments: the substitution of private for public barriers, and regulatory reforms in services in the context of market opening. These two arguments are not robust. Private barriers are not likely to replace public barriers before a long time come, even if tariffs continue to be reduced and non-tariff barriers removed, for one good reason: erecting private barriers tends to be more costly for firms than public barriers because the later are less open to cheating and are enforced by state power and tax money. As a result, firms will always prefer new public barriers (and it is easy to illustrate this point by recent examples). Moreover, the world "barrier" has not the same meaning for trade and competition policies – simply because these two policies have distinct goals and logic. Trade policy focuses on "official-made" barriers, building or eliminating them. By contrast, competition policy looks at the impact of firms' behaviour on consumers: barriers are acceptable when needed for undertaking socially profitable activities. In sum, differences between competition and trade policies about what constitutes and does a barrier is likely to be an endless source of disillusion and frustration: conflicts are inevitable, generating the risk of a schizophrenic legal system.

The Uruguay Round has been unable to design rules on investment (except in services, though in a very vague form). That is one of its most important failures. As documented and analysed by economic theory, private barriers are often based on investment strategies: investing in physical or human capital, in clientele, etc., can be a tool for deterring entry of new competitors. Consequently, the most efficient instrument to enhance the level of competition is, in fact, a WTO agreement on investment – not an agreement on competition.

The last new challenge is the relations between trade, labour (unemployment) and wage. A vast majority of empirical economic studies suggest that trade does not mean less (nor more) jobs, but better paid jobs. In other words, discussing these links has no strong economic rationale. It may be important for European governments to discuss such matters in an international area for political reasons (although it is difficult to understand how that would

solve domestic issues, taking into account the economic side of the issue). But, in this case, the minimum requirement is to have the discussions in the appropriate arena. For many reasons, the WTO is not the adequate forum. The idea to get the WTO as a "stick" which may reduce some labour representatives simply reveal how badly they know the WTO functions: the WTO is a place where one negotiates, and it is easy to guess that in the vast majority of cases, labour standards will not, at the end of the day, be on the top of the negotiating list. The ILO, once reformed order to make it less unrealistic, is clearly the best forum – if only because it receives representatives of both management and labour. It is rather strange that OECD governments which try so hard to make labour conditions a matter of private contracts push for discussions of this issue in the WTO forum.

In all the topics evoked in this last section, the Asian countries and the Community are conscious to have the same interests, and differences are much less marked. Asian countries may be more reluctant to open their service sectors than the Community. But that is also likely to change, when the most developed Asian countries will better perceive their comparative advantages in services. The Community may be more pushy for labour standards. But that is also likely to change, when European countries will better perceive the need for – and net benefits from – flexibility.

Conclusion: WTO Enlargement

Last but not least, the WTO has to face the issue of its enlargement to three large countries: China-PRC, Taiwan-RoC and Russia. Leaving aside the Russian case (which presents the same parameters for the Asian countries and the Community), the two first accessions are essential.

The case of Taiwan-RoC does not raise serious technical problems for the WTO members because this country has *de facto* largely adopted WTO disciplines. However, the economic importance of Taiwan-RoC – in terms of GDP and provider of foreign direct investment – implies that the absence of Taiwan-RoC in the WTO debates is per se a limit to the well-functioning of the WTO.

Of course, the most pressing and difficult case of WTO accession is raised by China-PRC, because of both the huge potential of this economy and its current growth rate. The question is made even more complex by two facts: the Chinese continental economy is not fully integrated (trade barriers between Chinese provinces are substantial, a problem that WTO is facing with federal states); and its part of the "Chinese economic Area", with Hong Kong and Taiwan-RoC, which constitutes an informal regional trade agreement (with all the problems that such a type of agreement generates in the WTO framework).

There are two schools of thought. On the one hand, there are those who insist on the necessity of a strict respect of WTO disciplines. *De jure* Chinese tariffs and NTBs are high, and a lot has to be done for introducing into the Chinese legal system the consequences of the obligations China would take when joining the WTO. On the other hand, there are those who have confidence in the dynamics of WTO accession. *De facto* Chinese tariffs are low because there are many exemptions and observers note a spread of legal instruments in Chinese provinces which is related to economic development (a not so astonishing observation since long term economic development is unlikely without a robust legal basis).

The success will come from a compromise between these two positions providing a good answer to the following central question: what is the minimum level of WTO rules and disciplines that China should adopt for making credible the beneficial dynamics of its WTO accession? The fact that China is a member of the APEC gives some breathing time for finding the answer (if APEC delivers its promises). The worst scenario generally mentioned is a failure of the accession negotiations. That is unlikely (it is not the style of trade negotiators). A much more plausible worst scenario would be a remake of the Japanese's accession: Japan joined the GATT under a host of hidden conditions imposed by the developed countries worried about Japanese growth and economic strength. These hidden conditions have given birth to many "voluntary" trade restrictions of all kinds, some of them being still alive almost forty years later. The Community has paid such a heavy price to this erroneous approach (in terms of delayed industrial adjustment and missed opportunities of future growth) that it should be very careful that such a scenario will not re-emerge with the Chinese accession.

Asia-Europe Intellectual Cooperation and Network

The Third Dimension to Asia-Europe Relationships. Reflections on Asian and European Studies in Europe

*Wim Stokhof**

A Third Dimension to EU-Asia Relationships

When Singapore's Prime Minister Goh Chok Ting visited Brussels he made a strong case for rapprochement between Asia and Europe. He envisaged three stages:

- filling the knowledge gap;
- engaging in a process of constructive dialogue; and
- reaching consensus on the basis of shared values and goals.

In his talk, Mr Goh, quite interestingly, stressed the importance of cultural and scientific links between Asia and Europe. This is quite unexpected and new because, as we all know, ASEAN (and also the EU, for that matter) has not been established to further cultural and academic activities in the region or between the regions. Trade and security are the two crucial dimensions in Asia-Europe relationships.

Nevertheless in Europe as well as in Asia, the idea slowly develops that for a better and deeper understanding of present-day Asia and present-day Europe, we should not restrict ourselves to business transactions only, but also enhance research and education in each other's language, social literature, philosophy, intellectual traditions, history, literature and arts. This is what I call the third dimension in Asia-Europe relationships.

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Assuming that at present we are at the stage of filling the knowledge gap indicated by the Prime Minister of Singapore, this discussion will be focused on how to make a contribution to our mutual understanding and cultural rapprochement by establishing closer linkages between the fields of Asian and European Studies.

Trends in European Studies

So with this in mind I have been looking at the field of European Studies. As far as I could establish this, European Studies are basically concerned with the political and economic integration of Europe after World War II. The main emphasis of European Studies, therefore, is on four elements: law, economics, political and administrative sciences and history (in a lesser degree and only recent history of course).

The field of European Studies is well embedded in the overall European University infrastructure as this is constituted by the European Science Foundation at Strasbourg, the European Research Centres (CRE), and the Coimbra Group of European universities. There are 30 European Community Studies Associations (ECSA) joined together in ECSA-Europe, representing 5,000 members and several hundred academic institutes. In North and Latin America and in East Asia regional ECSA networks are now being formed. With the support of the EC DGX (Culture, Information, and Universities) about 1,300 Jean Monnet Chairs have been founded, thousands of course modules have been developed and around one hundred European Documentation Centres (EDC) have been set up. EDCs are also being established outside Europe, to date four have been based in Asia. European Studies also occupies a substantial part of the Erasmus/Socrates programme managed by EC DG XXII. Specialized institutes in Florence, Bruges and Maastricht provide course programmes, training, and advisory services relevant to the main European policy areas.

In terms of capacity, the picture is rosy, however, we should not rest on our laurels; the field of European Studies shows a tendency to be inward-looking. Until recently the choice of themes and topics has been concentrated exclusively on European public policy and its institutions. The research agenda of

European Studies has closely followed upon the heels of the sequential pattern of regional policy making in Europe; starting from the days of the foundation of the EEC to the present. Shifts in European Studies research orientations have been inspired by the transformation of the European Community into the European Union, the accessions of two batches of new members to the club bringing the total number to fifteen, the founding of a customs-free European Market under to the Maastricht Treaty of 1992, and the forthcoming Inter-Governmental Conference (IGC) of 1997 at Amsterdam.

This seems to confirm my impression that until recently the field of European Studies has been extremely narcissistic in its outlook, ie. concentrating on the birth of Europe itself.

If the assumption that European Studies are basically policy-oriented is correct, it follows that recent accents in European Studies have to a large extent been determined by the substance of the Maastricht Treaty of 1992 and the issues on the agenda of the IGC of 1996. Based on a review of these issues the field of European Studies can be expected to take on a broader definition reaching beyond the scope of the four core disciplines, becoming more qualitative in character. Just look at the following examples.

The adoption of the principle of subsidiarity at Maastricht implies that more scholarly attention should be directed to country-specific solutions and institutions in the main areas of regional policy-making. This will require analysis in the light of a system of regional governance, rather than in the light of centralized regional legislation.

To take yet another example, consider the notion of a Europe comprised of the regions and the evolution of the Structural Fund, both with cross-sectoral dimensions and locally specific cultural and social implications which will amply repay the efforts of European Studies scholars to study and analyze them. Other issues are concerned with questions related to expansion of the EU, social security and the redefinition of the Welfare State, questions of citizenship and the reform of EU institutions, concerns about national identity fuelled by the creation of the European Monetary Union, problems with the shaping of an EU foreign and defence policy, and the redefining of relationships with other regions within the global context. If for the last reason

alone, and its concomitant reflections on regional and universal values and standards, we can expect a "europeanization" of the field of European Studies in the qualitative sense of the word.

Trends in Asian Studies

I define Asian Studies roughly as a set of (sub)disciplines pertaining to humanities, social sciences and law which focus on Asia and whose researchers have a special area related experience and a thorough knowledge of one or more of its languages.

Having said that, Asian Studies tend to be backward-looking and basically concerned with the uniqueness and cultural diversity of the countries and peoples in the region. A survey of Asian Studies in the Netherlands and Europe taken in conjunction with a review of the infrastructure and resources applied in this field of study reveals a hard core of Asian Studies consisting of Languages and Cultures, Social sciences and History. Concealed within these disciplines, there is a great diversity of approaches born of the different research traditions of the countries in which these studies have been established. Another characteristic of Asian Studies is the distinction between universal and area specific approaches, which exposes the field to misguided notions stemming from "Orientalism" or leading to unwarranted claims of uniqueness.

As far as the field of Asian Studies has demonstrated an interest in public policy studies, this interest has been dominated by colonial practices. In the post-colonial period, public policy studies on Asia have taken on the guise (...) of developmental studies concerned with state interventions for the benefit of specific target groups in the less developed parts of the region. The upshot has been that the economic breakthroughs in the ascendant Asian economies has come as a surprise and explained either as miracle or as being incompatible with accepted theories of development.

It is estimated that in Europe between 8,000 and 10,000 persons are working in Asian Studies; most of them are real asianists – they have area-specific knowledge and they master an Asian language.

Asianists work dispersed over many universities, institutes and area study centres. The amount of know-how and knowledge is tremendous. If you take into account, in addition, the many large sets of data on Asia in European libraries, collections and archives, you can imagine what a huge potential there is for a future development of Europe's Asia expertise.

Why have the Asian Studies not played a dominant role in the Asia-Europe relationship, ie. why have they not contributed to the cultural dimension in Asia-Europe relationships? Let me suggest some answers:

- European asianists are mostly individualists; they work in isolation in small departments; they are not used to organise themselves so as to create greater visibility.

- Apart from that there is the dichotomy between the classical, philosophical (philological?) tradition and the contemporary Asia researcher (...).

- Asianists studies tend to focus on small scale long term research and are not used to large scale programmes.

- In Asian Studies you find much diversity in terms of scientific approaches; this is in fact an asset to the field, but it doesn't help to organise people into joined research programmes.

- Quite a lot of asianists abhor the idea of multidisciplinary research, where, for instance, social sciences and humanities are complementary to each other, or work together with economists.

Perhaps I have drawn here too sad a picture of the state of the art of the Asian Studies in Europe. There are also some hopeful developments, two in particular:

- The founding of the Committee for Advanced Asian Studies under the aegis of the European Science Foundation (ESF);

- The founding of European professional associations.

To summarise: there are tremendous resources available, there is a genuine (...) interest in Asian Studies (800 students in Japanology in Germany alone!) but the possibilities are underutilised and poorly coordinated. In fact, coordination of research and education should be done on a regional basis.

In this context two additional points:

– For the smaller countries it becomes more and more difficult to finance fully fledged Asian Studies on a national scale. Asian Studies can be compared with national infrastructures: small countries like the Netherlands should try to get over with their national pride and work together with other countries. International and interregional coordination of activities and matching of resources is the only possible way. Also in the larger countries the financial situation of Asian studies give reasons to be worried: in France there have been severe cuts in the budget. My English colleagues complain continuously about the bad financial situation in their country, absence of means to buy books, let alone (...) to hire staff. In Germany with its large number of Asia Chairs (20 chairs for Japanology, 17 chairs for Indology!), an intervention for streamlining and consequently a decrease of budgets is absolutely to be expected. Again, a European confederation of institutes co-operating in research and education in the classical as well as in the non-classical field is of dire importance for the Asian Studies in Europe.

– We must realise that quite a lot of Asian Studies are no longer carried out in Europe, but in Australia and the United States. Moreover, in the 21st Century I believe that European Asianists may only play a secondary role in the field. Asian Studies will then be back in Asia. If we believe in the importance of a European knowledge pool on Asia we had better start now with an intensive co-operation with our Asian colleagues in terms of long-term joint research programmes and exchange programmes.

Convergence and Complementarities in Asian Studies and European Studies

In this paper I point to the tendency demonstrable in present Asian and European Studies to be concerned with the cultural and intangible dimensions of international relationships at the same level of importance as economic and political science approaches. And I suggest the need for a convergence between the European and Asian Studies, of course with our Asian colleagues. There is a common interest in both fields in research programmes such as:

- studies of differentiation, concerned with multi-ethnic and multi-religious approaches to cultural encounter;
- comparative approaches to legal studies concerned with economic and intellectual property rights, civil and human rights;
- global-local cultural implications of developments in areas of mutual interest and mutual contention such as energy consumption and distribution, environmental sustainability, labour management and;
- complementary experiences with regionalization in Asia and Europe.

As you can see these programmes provide excellent themes for joint Asia-Europe research activities. Most of the themes suggested here have supra-regional implications; here Asian and European scholars could work together as equal partners studying and solving global issues. Obviously we should do this not as Asian and Europeans but as global inhabitants, and thus also in co-operation with researchers from other continents. In this framework I would like to stress the point that we should not always talk in terms of dissimilarities and oppositions between Asia and Europe. Global problems ask for a global approach to their solution.

Another area which has been a centre of attention is the relationship between trade, politics and scientific development. The potential for making contributions to this area is enormous, provided that the fields of Asian Studies and European Studies succeed in developing workable multi-disciplinary approaches. Nowadays some philosophers of science are promoting the idea that science in Europe is approaching what is seen as an Asian holistic methodology, coming 'full-circle' from the positivist-rational school of thought. Instead of indulging such stereotyped speculations, which certainly do no justice to the work of our Asian colleagues, we would do better to concentrate on two matters: a) how to carry the issue of multi-disciplinarity beyond the traditional nexus of the Humanities and Social Science approaches; b) how to avoid scientific hybridization and develop a system for applying any particular mix of scientific contributions to the analysis and solution of specific issues.

Addressing these issues surely serves a contemporary need in the context of the quest to find the triangular global balance referred to at the start of this talk. Having said this, we must be careful not to let the agenda of research

and exchange be determined by ad hoc issues emerging in that context. What we need are long-term joint research programmes addressing broad issues which pay appropriate attention to both their historical foundations and their future developments in the global context. Only by institutionalization of such a joint research effort will it be possible to achieve yet another, and no less important, objective of cultural rapprochement: building up a pool of Asian and European resource persons endowed with the requisite experience to ensure long-lasting mutual understanding and trust.

If our goal really is to increase business, political, and educational contacts, and if we want to support this process with the idea of cultural rapprochement, while managing to keep costs down, it seems inevitable to do this in an integrated, coherent way. In other words the European countries should work together on building a joint, long-term policy. One of the main constituents of this policy should be the setting up in all Asian countries of one or more fully fledged European centres where business, academic, and cultural representatives actively promote European interests. These should be manned by European Asia specialists/researchers in all kinds of fields. They should function as intermediaries and facilitators for business, the arts, and academic contacts.

It goes without saying that this should be done on a basis of equality. The Asian countries should be invited to establish similar centres in Europe (e.g. ASEAN centres). These centres could also provide the sites for joint research programmes (in co-operation with other European and Asian institutions and individuals) on cultural similarity and diversity viewed from a global perspective.

Imagine such an Asian centre with representatives from different Asian countries attached to it for a longer period of time. A centre equipped with a multitude of different kinds of up-to-date information on all aspects of Asian life and at the same time concentrating on the European way of doing business, carrying out research on how to manage across cultures, and a host of similar undertakings.

Fully fledged integrated centres in Asia should also function as the initiators of all types of activities, functioning as clearinghouses for massive fellowships programmes for Asian students, managers, researchers, and artists in

Europe; as consultants for European and Asian companies who could initiate new business contracts and the like.

On the last page of my paper I plead for special programmes giving priority to the youths of our regions: exchanges of large groups a young talented persons not only for university staff, students and managers, but also for practitioners of the fine arts and, most importantly for young secondary school students, that is people at the pre-university level.

Conclusion

The time is right to formulate, with the collaboration of European and Asian scholars, joint long-term research programmes concerned with comparative analysis in global perspective, prospective studies, the development of inventory and mapping techniques, and methodologies for forecasting to be carried out in co-operation and through intensive circulation of staff and students of the participant institutes. In addition to the potential added value of co-operation in the fields of Asian and European studies in the broader fields of Science and Technology, we should be concerned with creating the channels for the transfer of methodologies and operational practices on the one hand, and the transfer of technology on the other. These programmes thus conceived can be expected to make an essential contribution to the realization of the conditions required for moving to the next stages of building up the momentum in the relationships between both regions.

Addendum

In order to enhance further cultural rapprochement between Asia and Europe I would like to present a kit of necessary actions to be carried out presently after this conference:

1. Widen the scope of European studies in Europe taking into account the cultural dimension.
2. Organise the Asian studies in Europe.
3. Commit European governments to finance Asian Studies adequately, if not, reorganise them regionally.
4. Bring Asian and European studies closer to each other by setting up comparative, interdisciplinary, contemporary study programmes on the basis of the « *longue durée* ».
5. Set up networks and long term co-operative research and education arrangements between Asia based European Studies Centres and Asian Studies Centres and Europe based centres.
6. Assist Asian colleagues in the regional organisation of research (on invitation): establish an Asian Science Foundation.
7. Set up fully fledged multifunctional European Institutes in Asia and Asian Institutes in Europe.
8. Intensify the exchange between persons at pre-university level from all types of education: secondary school students, art studies, vocational school students, etc.

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Le Conseil pour la coopération Europe-Asie

Douze instituts de recherche en Asie et en Europe se sont unis pour former le Conseil pour la coopération Europe-Asie (CAEC). Cette décision résulte de plusieurs années de coopération entre ces instituts. La décision a été stimulée par la demande d'une plus grande coopération Europe-Asie exprimée lors du sommet de l'ASEM en mars 1996.

L'objectif principal est de promouvoir et faciliter une plus grande coopération entre intellectuels et politologues asiatiques et européens, afin d'élargir le débat sur l'avenir des relations Europe-Asie. Le CAEC se veut souple et non exclusif. Il sera dirigé par un comité exécutif composé des représentants des douze instituts de recherche principaux en Asie et en Europe. Le secrétariat asiatique du CAEC est le Japan Center for International Exchange (JCIE) et le secrétariat européen est l'International Institute for Strategic Studies (IISS).

Dans un premier temps, le CAEC travaillera sur deux projets, chacun étant sous la responsabilité d'un groupe de travail. Le premier groupe de travail, coordonné par Simon Nuttall, Hadi Soesastro et Carolina Hernandez, rédigera une note sur *Objectifs et programme pour une coopération entre l'Asie et l'Europe*. Le second, sous la direction de Tadashi Yamamoto et Gerald Segal, établira un *Inventaire de la recherche sur les relations Europe-Asie*. Le CAEC accueille toute autre initiative pouvant être menée sous ses auspices. Chacun des groupes de travail s'exprimera au cours de réunions plénières – à Paris, à Tokyo et au Royaume-Uni – avant le prochain sommet de l'ASEM à Londres en 1998.

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The Council for Asia-Europe Cooperation

Twelve research institutes in Asia and Europe have agreed to form the Council for Asia-Europe Cooperation (CAEC). This decision is the result of an extensive process over many years of cooperation between these institutes. The decision is stimulated by the specific request for greater Asia-Europe cooperation at the ASEM summit in March 1996.

The main purpose of the CAEC is to encourage and facilitate greater cooperation among Asian and European intellectuals and policy specialists in order to enhance discussions about the future direction of Asia-Europe relations. The CAEC is intended to be flexible and non-exclusive. It will be managed by an executive committee composed of the representatives of 12 major research institutes in Asia and Europe. The Asian secretariat of the CAEC will be the Japan Center for International Exchange (JCIE) and the European secretariat will be the International Institute for Strategic Studies (IISS).

The CAEC will begin with two projects, each undertaken by a task force. The first task force, coordinated by Simon Nuttall, Hadi Soesastro, and Carolina Hernandez, will produce a paper on *The Rationale and Agenda for Cooperation Between Asia and Europe*. The second task force, coordinated by Tadashi Yamamoto and Gerald Segal, will produce *An Inventory of Research on Asia-Europe Relations*. The CAEC welcomes other initiatives that may be undertaken under its auspices. Both task forces report to several plenary meetings, including one in Paris, one in Tokyo, and another in the UK, before the next ASEM in London in 1998.

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