“East is East...”

Inter- and Transregionalism and the EU-ASEAN Relationship

A thesis

submitted in fulfilment

of the requirements for the Degree

of

Doctor of Philosophy in Political Science

in the

University of Canterbury

by

Mathew Doidge

University of Canterbury

2004
“EAST IS EAST...”

Inter- and Transregionalism and the EU-ASEAN Relationship
Oh, East is East, and West is West, and never the twain shall meet,
Till Earth and Sky stand presently at God's great Judgment Seat;
But there is neither East nor West, Border, nor Breed, nor Birth,
When two strong men stand face to face, tho' they come from the ends of the earth!

The Ballad of East and West
Rudyard Kipling
Acknowledgements

In 1994 I began my University studies. In 1995 I met Professor Martin Holland, and in 2001 Professor Jürgen Rüland. These have been the seminal events in my post-secondary academic development. Both Professor Holland and Professor Rüland acted as supervisors during this research, and to them I owe my gratitude. There is a Maori proverb: *Kia mau koe ki te kupu a tōu matua* – hold fast to the words of your parent. This proverb acquired new meaning for me, as my time in Germany introduced me to the German language. In German, ‘doctoral supervisor’ translates as *Doktorvater*, literally ‘doctor father’. Holding fast to the words of these, my academic parents, has stood me in very good stead.

My thanks go also to my home institute, the National Centre for Research on Europe (NCRE) at the University of Canterbury (Christchurch, New Zealand), and to the Seminar für Wissenschaftliche Politik at the Albert-Ludwigs-Universität (Freiburg im Breisgau, Germany), where I was hosted while I undertook primary research in Europe, and also to the Centre for Strategic and International Studies (CSIS) (Jakarta, Indonesia) where I was based while conducting the ASEAN component of my research.

Thanks must also be given to those who were willing to take time out of their busy schedules to speak with me. The insights I gained during these interviews have been a key pillar in the construction of this thesis.

Finally, my thanks go to my family, my parents John and Helen, and my siblings Andrew and Amy, for their support, and of course to Conny, who gave me a new language and a new life.

Any good thesis, as those who have composed one will know, is built on a firm foundation of caffeine and sleep deprivation. Before I remedy the latter, and with the contributions of myriad people to this thesis in mind, it remains only to recall the immortal words of Sir Edmund Hillary: “we’ve knocked the bastard off!”
Abstract

This thesis explores the relationship of the European Community/Union (EC/EU) and the Association of Southeast Asian Nations (ASEAN) within the context of five deduced functions of inter- and transregionalism: balancing, institution building, rationalising, agenda setting and collective identity formation. The objectives of the study are threefold. The first, at the micro-level, is to explore the relationship between the European Community/Union and ASEAN at the inter- and transregional level since its inception in the 1970s. Secondly, and related to the first, it is an objective to test, within the context of the EC/EU-ASEAN relationship, whether the framework of functions of inter- and transregional relations deduced by scholars are actually performed. Such an in-depth study of the performance of these functions has not previously been undertaken. Thirdly, at the macro-level, is the objective of supplementing the framework of functions of inter- and transregionalism by: (i) elaborating the nature of the functions performed in more detail than has so far been provided by scholars; and (ii) seeking to explain why these functions are or are not performed, or indeed are only partially performed, through the introduction of actorness as a moderating variable. This is governed by the working hypothesis that: the level of actorness of the regional groupings involved in any inter- or transregional dialogue or process will affect the extent to which, and the manner in which, the five deduced functions of such dialogues are performed.
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The Economic Sphere

The Politico-Security Sphere

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6 Collective Identity Formation

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<th>Description</th>
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<tbody>
<tr>
<td>ABC</td>
<td>ASEAN Brussels Committee</td>
</tr>
<tr>
<td>ACE</td>
<td>ASEAN Centre for Energy</td>
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<tr>
<td>ACP</td>
<td>African, Caribbean and Pacific (grouping of states)</td>
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<td>ADD</td>
<td>Anti-Dumping Duty</td>
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<tr>
<td>AEAF</td>
<td>Asia-Europe Agricultural Forum</td>
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<td>AEBF</td>
<td>Asia-Europe Business Forum</td>
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<td>AECF</td>
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<td>AEEMTRC</td>
<td>ASEAN-EU Energy Management Training and Research Centre</td>
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<td>AEFGC</td>
<td>Asia-Europe Forum for Governors of Cities</td>
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<td>AEM</td>
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<td>ASEAN-EC/EU Ministerial Meeting</td>
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<td>AEPF</td>
<td>Asia-Europe Peoples’ Forum</td>
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<td>Asia-Europe Vision Group</td>
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<td>AJIV</td>
<td>ASEAN Industrial Joint Ventures</td>
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<td>ASEM Invest Online</td>
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<td>ALA</td>
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<td>ALAMEDSA</td>
<td>Asia, Latin America, the Mediterranean, and South Africa</td>
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<td>APEC Non-Binding Investment Principles</td>
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<td>ASEAN Programme for Regional Integration Support</td>
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<td>ARCBC</td>
<td>ASEAN Regional Centre for Biodiversity Conservation</td>
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<td>ARF</td>
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<td>ASEAN Swap Arrangement</td>
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<td>ASC</td>
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<td>Association of Southeast Asian Nations</td>
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<td>ASEANAPOL</td>
<td>ASEAN Chiefs of Police</td>
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<td>ASEF</td>
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<td>Bank for International Settlements</td>
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<td>BIT</td>
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<td>CCP</td>
<td>Common Commercial Policy</td>
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<td>CDC</td>
<td>(EP) Committee on Development and Cooperation</td>
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<td>CEEC</td>
<td>Central and Eastern European Countries</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CER</td>
<td>(New Zealand-Australia) Closer Economic Relations (agreement)</td>
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<td>CFSP</td>
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<td>CGDK</td>
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<td>CJTF</td>
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<td>CMI</td>
<td>Chiang Mai Initiative</td>
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<td>COGEN</td>
<td>Cogeneration from Biomass (programme)</td>
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<td>COREPER</td>
<td>Committee of Permanent Representatives</td>
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<td>DAC</td>
<td>Declaration of ASEAN Concord</td>
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<td>DDA</td>
<td>Doha Development Agenda</td>
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<tr>
<td>DG</td>
<td>(European Commission) Directorate General</td>
</tr>
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<td>DOTS</td>
<td>Direction of Trade Statistics</td>
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<td>EAEC</td>
<td>East Asia Economic Caucus</td>
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<td>EAEG</td>
<td>East Asia Economic Grouping</td>
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<td>EALAF</td>
<td>East Asia-Latin America Forum</td>
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<td>EAMA</td>
<td>Associated African States and Madagascar</td>
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<td>Acronym</td>
<td>Full Form</td>
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<td>EASG</td>
<td>East Asia Study Group</td>
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<td>EAVG</td>
<td>East Asia Vision Group</td>
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<td>EBIC</td>
<td>European Business Information Centre</td>
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<tr>
<td>EC</td>
<td>European Community</td>
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<tr>
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<td>European Central Bank</td>
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<td>European Community Investment Partners (programme)</td>
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<td>ECJ</td>
<td>European Court of Justice</td>
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<td>ECSC</td>
<td>European Coal and Steel Community</td>
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<td>European Documentation Centre</td>
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<td>EEC</td>
<td>European Economic Community</td>
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<td>EFEX</td>
<td>European Financial Expertise Network</td>
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<td>EMM</td>
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<td>EP</td>
<td>European Parliament</td>
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<td>European Political Cooperation</td>
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<td>EPG</td>
<td>Eminent Persons Group</td>
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<td>EU</td>
<td>European Union</td>
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<td>EURATOM</td>
<td>European Atomic Energy Community</td>
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<td>EUROPOL</td>
<td>European Police Office</td>
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<td>EUROSTAT</td>
<td>Statistical Office of the European Communities</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FinMM</td>
<td>(ASEM) Finance Ministers’ Meeting</td>
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<td>FMM</td>
<td>(ASEM) Foreign Ministers’ Meeting</td>
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<td>FPDA</td>
<td>Five Power Defence Arrangement</td>
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<td>FTA</td>
<td>Free Trade Area</td>
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<td>G-7</td>
<td>Group of Seven</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>GNP</td>
<td>Gross National Product</td>
</tr>
<tr>
<td>GSP</td>
<td>Generalised System of Preferences</td>
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<td>HPA</td>
<td>Hanoi Plan of Action (of ASEAN)</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>HR</td>
<td>Human Resource</td>
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<td>IAI</td>
<td>Initiative for ASEAN Integration</td>
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<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
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<td>ICDAIT</td>
<td>International Conference on Drug Abuse and Illicit Trafficking</td>
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<td>ICK</td>
<td>International Conference on Kampuchea</td>
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<td>IDPAS</td>
<td>Institutional Development Programme for the ASEAN Secretariat</td>
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<td>IEG</td>
<td>(ASEM) Investment Experts’ Group</td>
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<td>IGC</td>
<td>Intergovernmental Conference</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>International Monetary Fund</td>
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<td>IPAP</td>
<td>Investment Promotion Action Plan</td>
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<td>IPR</td>
<td>Intellectual Property Rights</td>
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<td>JCC</td>
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<td>Junior EU-ASEAN Managers [exchange programme]</td>
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<td>JIC</td>
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<td>JSG</td>
<td>Joint Study Group</td>
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<tr>
<td>MAPHILINDO</td>
<td>(Organisation comprising) Malaysia, the Philippines and Indonesia</td>
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<tr>
<td>MEM</td>
<td>Most Effective Measure</td>
</tr>
<tr>
<td>MEP</td>
<td>Member of the European Parliament</td>
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<td>MERCOSUR</td>
<td>Mercado Común del Sur</td>
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<td>MFA</td>
<td>Multi-Fibre Agreement</td>
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<td>MFN</td>
<td>Most Favoured Nation</td>
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<td>MRA</td>
<td>Mutual Recognition Agreement</td>
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<td>NAFTA</td>
<td>North American Free Trade Area</td>
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<td>NAM</td>
<td>Non-Aligned Movement</td>
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<td>NATO</td>
<td>North Atlantic Treaty Organisation</td>
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<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<td>NIC</td>
<td>Newly Industrialised Country</td>
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<td>NLD</td>
<td>National League for Democracy</td>
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<td>NTB</td>
<td>Non-Tariff Barrier</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
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<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<td>OECD/DAC</td>
<td>OECD Development Assistance Committee</td>
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<td>Organisation of Petroleum Exporting Countries</td>
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<td>PAFTA</td>
<td>Pacific Free Trade Area</td>
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<td>PECC</td>
<td>Pacific Economic Cooperation Council</td>
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<td>PLO</td>
<td>Palestine Liberation Organisation</td>
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<td>PMC</td>
<td>(ASEAN) Post Ministerial Conference</td>
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<td>PMU</td>
<td>Permanent Management Unit</td>
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<td>POP</td>
<td>Persistent Organic Pollutant</td>
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<tr>
<td>PRC</td>
<td>People’s Republic of China</td>
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<td>PSC</td>
<td>Programme Steering Committee</td>
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<tr>
<td>REC</td>
<td>Regional Economic Community</td>
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<td>REPA</td>
<td>Regional Economic Partnership Agreement</td>
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<td>RIA</td>
<td>Roadmap for the Integration of ASEAN</td>
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<td>ROC</td>
<td>Republic of China (Taiwan)</td>
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<td>S&amp;T</td>
<td>Science and Technology</td>
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<td>SCCAN</td>
<td>Special Coordinating Committee of ASEAN Nations</td>
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<td>SEANWFZ</td>
<td>(Treaty on the) Southeast Asia Nuclear Weapons-Free Zone</td>
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<td>SEM</td>
<td>Single European Market</td>
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<td>SITC</td>
<td>(UN) Standard International Trade Classification</td>
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<td>State Law and Order Restoration Council</td>
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<td>SME</td>
<td>Small and Medium Enterprise</td>
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<td>SOM</td>
<td>Senior Officials’ Meeting</td>
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<td>SOMTI</td>
<td>(ASEM) Senior Officials’ Meeting on Trade and Investment</td>
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<td>SPDC</td>
<td>State Protection and Development Council</td>
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<td>SPS</td>
<td>Sanitary-Phytosanitary Standards</td>
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<td>STABEX</td>
<td>Stabilisation of Export Earnings Scheme</td>
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<td>Treaty of Amity and Cooperation in Southeast Asia</td>
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<td>TEU</td>
<td>(Maastricht) Treaty on European Union</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>TFAP</td>
<td>Trade Facilitation Action Plan</td>
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<td>TNC</td>
<td>Transnational Corporation</td>
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<td>UK</td>
<td>United Kingdom</td>
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<td>United Nations</td>
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<td>UNCED</td>
<td>United Nations Conference on Conservation and Development</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UNGA</td>
<td>United Nations General Assembly</td>
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<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<td>UNSC</td>
<td>United Nations Security Council</td>
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<td>United Nations Statistical Office</td>
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<td>US</td>
<td>United States (of America)</td>
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<td>USA</td>
<td>United States of America</td>
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<td>USSR</td>
<td>Union of Soviet Socialist Republics</td>
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<td>VIE</td>
<td>Virtual Information Exchange</td>
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<td>Western European Union</td>
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<td>(ASEM) Working Group on Investment Promotion</td>
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<td>World Summit on Sustainable Development</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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<tr>
<td>ZOPFAN</td>
<td>Zone of Peace Freedom and Neutrality (Declaration)</td>
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Association of Southeast Asian Nations
**CHANGING MEMBERSHIP OF THE EUROPEAN COMMUNITY/UNION**

<table>
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<th>Accession Date</th>
<th>Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952 (10th August)</td>
<td>Founding of the ECSC – ECSC Treaty enters into force, having been signed in Paris on 27th May 1951. Belgium Germany France Italy Luxembourg Netherlands</td>
</tr>
<tr>
<td>1973 (1st January)</td>
<td>Denmark Ireland United Kingdom</td>
</tr>
<tr>
<td>1981 (1st January)</td>
<td>Greece</td>
</tr>
<tr>
<td>1986 (1st January)</td>
<td>Spain Portugal</td>
</tr>
<tr>
<td>1990 (3rd October)</td>
<td>Unification of Germany.</td>
</tr>
<tr>
<td>1993 (1st November)</td>
<td>Treaty on European Union (TEU) enters into force, bringing the European Union into existence.</td>
</tr>
<tr>
<td>1995 (1st January)</td>
<td>Austria Finland Sweden</td>
</tr>
<tr>
<td>2004 (1st May)</td>
<td>The ten new accession states from Central and Eastern Europe and the Mediterranean enter the Union. Cyprus Czech Republic Estonia Hungary Latvia Lithuania Malta Poland Slovakia Slovenia</td>
</tr>
<tr>
<td>Accession Date</td>
<td>Member</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>1967 (8&lt;sup&gt;th&lt;/sup&gt; August)</td>
<td>ASEAN founded with the signing of the ASEAN Declaration in Bangkok. Indonesia Malaysia Philippines Thailand Singapore</td>
</tr>
<tr>
<td>1984 (8&lt;sup&gt;th&lt;/sup&gt; January)</td>
<td>Brunei</td>
</tr>
<tr>
<td>1995 (28&lt;sup&gt;th&lt;/sup&gt; July)</td>
<td>Vietnam</td>
</tr>
<tr>
<td>1997 (23&lt;sup&gt;rd&lt;/sup&gt; July)</td>
<td>Laos</td>
</tr>
<tr>
<td>1999 (30&lt;sup&gt;th&lt;/sup&gt; April)</td>
<td>Cambodia</td>
</tr>
</tbody>
</table>
1. Introduction

In 1493, Hartmann Schedel published his Liber Chronicarum or Weltchronik, more commonly known as the Nuremberg Chronicle, a history of the world from Genesis to the end of the fifteenth century. In it he prominently displayed an “Außtaylung der werlt in gemain” (pp.XII verso-XIII recto), a ‘distribution of the world as a whole’, divided into the lands of the biblical founding fathers Cam (Africa), Sem (Asia) and Iaphet (Europe), and illustrated with the fabulous beasts reported by Pliny to live in the barbaric lands outside of Europe. The map was primitive in form, with Asia barely recognisable, and truncated at India, being based as it was largely on the second century work of Ptolemy, which had emerged only 25 years earlier from nearly 1300 years of obscurity. What is more, the map failed to incorporate contemporary discoveries, including the rounding of the Cape of Good Hope by Bartolomeus Diaz in 1488, leading to the realisation that the Indian Ocean was not a landlocked sea, and the discovery of America by Christopher Columbus in 1492. Indeed, Schedel’s map has been termed the last, great, pre-Colombian map of the world. Schedel’s work is interesting, for it was a scant 64 years after he published his masterpiece that Europe established a presence in the Weltchronik’s great unknown of Asia, with the colonisation of Macau by the Portuguese in 1557. This was to herald the beginning of a long and close relationship between the two regions.

Four distinct periods may be discerned in the relationship of Europe with Asia. The first, and longest, of these constitutes the colonial period, when European nations spread the tentacles of Empire throughout Asia, and indeed the world. The second period is that from the end of the Second World War up until 1967, a time
characterised by the emergence of independent Asian nations, and by benign European neglect of their former colonies. From 1967 Europe, in the form of the European Community, began to take a greater interest in the Southeast Asian region, and as such to foster closer ties. This third period in relations is thus characterised by an expansion in economic and political relations, including the creation of the Association of Southeast Asian Nations (ASEAN) in 1967, the emergence of the first institutional ties between ASEAN and the EC in 1972, and the signing of the EC-ASEAN Cooperation Agreement in 1980. The fourth and final period begins with the ending of the bipolar conflict and the collapse of the Soviet Union in 1989-1990. The removal of Cold War constraints saw an acceleration of the development of ties between the regions, as well as in the post-financial crisis years an increasingly ‘gloves off’ approach to issues of concern to the Europeans. This thesis is concerned primarily with the third and fourth periods outlined, in other words with the post-1967 relationship, dominated by group-to-group dialogue.

Interestingly, while the process of decolonisation began in the immediate wake of the second World War, it was not until comparatively recently that Asia and Europe faced each other as discrete entities. With the reversion of Macau to Chinese rule on 20th December 1999, more than 440 years after its colonisation, the last physical vestige of European imperialism and colonialism in Asia came to an end. It is somewhat anachronistic to consider that this fragment of the earliest period of Europe-Asia relations, a symbol of extremely asymmetric ties, had lasted into the modern era with its attendant rhetoric of ‘equal partnership’. For the first time in a little less than four and a half centuries, then, Europe had no territorial interest in Asia. Looked at in this way, despite the early relationship between the European Community and ASEAN, the 21st December 1999 was the first time that organisations from Europe and Asia, coming from distinct and separate regions, had faced each other.

**CONTEXT: THE RISE OF INTER- AND TRANSREGIONALISM:**

Broadly speaking, this thesis explores the relationship between the European Union and Association of Southeast Asian Nations as regional actors. It investigates both the extent to which we can speak of actors at the regional level, and the extent to which inter- and transregional dialogues are useful institutions serving to streamline the
functioning of global governance. Specifically, it investigates five theorised functions of inter- and transregional dialogues within the context of the relationship of the European Union with ASEAN and the broader East Asia, positing relative actorness as one possible explanation for the performance of these functions, or indeed the failure thereof. The rationale for this undertaking is twofold, relating to inter- and transregional theory, and to the EU-ASEAN relationship.

Group-to-group dialogues have a long history, being traceable back to the first Yaoundé Convention, an association agreement concluded between the European Community and the Associated African States and Madagascar (known under the French acronym of EAMA)\(^1\) in 1963.\(^2\) Yaoundé I incorporated two important and distinct innovations: (i) it was premised upon a dialogue between groupings rather than individual states; and (ii) it established a set of joint institutions (Holland, 2002b, p.28).\(^3\) Indeed, the institutions established by the convention were advanced in nature, including as they did a Court of Arbitration to rule on disputes not resolvable through the diplomatic channels made available by a Council comprising representatives of the participant states.

From the mid-1970s, and particularly from the early 1980s, group-to-group dialogues, most centred around the European Community, experienced a remarkable period of growth (Regelsberger, 1990, p.5). The 1970s saw the advent of crises in the Mediterranean Basin, the Arab-Israeli conflict, as well as internal EC developments such as the inauguration of European Political Cooperation (EPC) in 1970, signalling the advent of a more externally focused Community, and the first enlargement in 1973, bringing a range of new economic and foreign policy interests into the grouping, particularly as a result of the accession of the United Kingdom. The result was the conclusion of agreements with the Mediterranean countries, the establishment of the Euro-Arab Dialogue, the creation of the Lomé Convention between the EC and the African, Caribbean and Pacific (ACP) grouping of states, and, from 1978, a relationship with the Association of Southeast Asian Nations.

The launching of the EC-ASEAN relationship in 1978 is perceived by many, as Regelsberger comments, to be “the real date of birth of the group-to-group

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\(^1\) These were the francophone ex-colonies of Burundi, Cameroon, Central African Republic, Chad, Congo, Dahomey, Gabon, Ivory Coast, Madagascar, Mali, Mauritania, Niger, Rwanda, Senegal, Somalia, Togo, Upper Volta and Zaire.

\(^2\) Yaoundé I expired in 1969, at which time it was renewed as Yaoundé II for the period up until 1975. It was succeeded by the first Lomé Convention in 1975.
dialogue” (p.5). Lukas (1989, p.105) clarifies this further, asserting that “it was the first time that inter-regional co-operation was formalised between an industrialised and a developing REC [Regional Economic Community]”. Put another way, it would be more correct to assert that the ASEAN-EC Ministerial Meeting, held in Brussels on 20th-21st November 1978, was the first dialogue between two regional actors. As Hänggi (2002, p.2) acknowledges, “[s]ome authors have considered the long-standing dialogue partnership between the EC and ASEAN as the model of interregional cooperation”.

By the end of the 1980s, and largely as a result of the place of the EC as the single most advanced regional organisation, the interregional network resembled a hub-and-spokes system gravitating around Brussels (Hänggi, 2003, p.198) (see Figure 1.2). This ‘old’ interregionalism was, in the formulation of Hänggi (2002, pp.2-3), “a novel and specific mode of international cooperation developed and dominated by the most advanced regional organization, which at the time as cautiously emerging was a new kind of international actor within the narrow framework of systemic bipolarity”.

In 1989 the world changed. All that had been known and understood about the functioning of the international system collapsed around our collective ears as the global system undertook a series of profound changes, including most prominently the ending of the bipolar conflict, and the relative diminution of the place of nation-states through the process of economic globalisation, and the increasing transnationalisation of international politics. The practical effect has been that regional powers and organisations have proliferated as a means for states to gain greater weight in the international system, and indeed to avoid marginalisation, and that these regional arrangements have gained more influence on the international stage. In turn, the proliferation and increasing importance of such regional arrangements has led to a corresponding proliferation of dialogues between regions. These dialogues have evolved beyond traditional region-to-region dialogue, though these structures still dominate the system, to include new forms such as dialogues spanning elements of a number of regions – defined in the context of this thesis as inter- and transregionalism respectively (see Figure 1.1). While the EU remains the major actor in this network of inter- and transregional relations, the days of the hub-and-spoke system have been left behind, with ASEAN and the various South American regional arrangements leading

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3 Note, Holland cites Yaoundé’s ‘comprehensive nature’ as a third innovation.
the charge to develop new hubs in the network (see Figure 1.3). It is this evolution as a result of systemic change that Hänggi terms 'new' interregionalism. The practical result of the systemic changes of 1989-1990 and of the emergence of 'new' interregionalism has been the "gradual integration of almost all countries to a greater or lesser extent, into this network, seem[ing] to make 'new' interregionalism a lasting feature of the international system" (Hänggi, 2002, p.3). This constitutes one clear justification for research into inter- and transregionalism.

![Figure 1.1: Interregionalism and Transregionalism](image)

The growth in interregional dialogue throughout the 1990s and the first years of the twenty-first century has been reflected in an increase in academic interest. In addition to explanatory work on the emergence and functioning of inter- and transregionalism, this has involved such questions as: what is the value of inter- and transregionalism in international relations?; and to what extent are inter- and transregional dialogues useful institutions serving to streamline global governance? Most recently, this has resulted in the theorisation of a series of functions that such dialogues may perform.⁵ These are: balancing, institution building, rationalising, agenda setting and collective identity formation.

Figure 1.2: Network of Interregional Dialogues: Pre-1990

- ASEAN: Association of Southeast Asian Nations
- CARICOM: Caribbean Community
- CER: Closer Economic Relations
- EC: European Community
- ECO: Economic Cooperation Organisation
- ECOWAS: Economic Community of West African States
- EFTA: European Free Trade Area
- GCC: Gulf Cooperation Council
- SAARC: South Asian Association for Regional Cooperation
- SADCC: Southern African Development Coordination Conference
- SICA: Central American Integration System
- SPF*: South Pacific Forum*

* A Regional Group rather than a Regional Organisation, but possessing its own network of external relations.
ASEAN  Association of Southeast Asian Nations
CARICOM  Caribbean Community
CER  Closer Economic Relations
ECO  Economic Cooperation Organisation
ECOWAS  Economic Community of West African States
EFTA  European Free Trade Area
EU  European Union
GCC  Gulf Cooperation Council
MERCOSUR  Mercado Común del Sur
PIF  Pacific Island Forum*
SAARC  South Asian Association for Regional Cooperation
SADC  Southern African Development Community
SICA  Central American Integration System

* A Regional Group rather than a Regional Organisation, but possessing its own network of external relations.

** Figure 1.3: Network of Interregional Dialogues: Post-1990 **
OBJECTIVES:

The functions posited for inter- and transregional dialogues are largely deduced from a variety of theoretical frameworks: realism in the case of balancing; institutionalism in the case of institution building, rationalising and agenda setting; and constructivism in the case of collective identity formation. These deductions have then been reinforced by pointing to illustrative examples, mostly only in passing. In general, no detailed studies have been undertaken exploring the extent to which the five theorised functions are performed, though this state of affairs is gradually changing. In 2002, Julie Gilson published *Asia Meets Europe: Inter-Regionalism and the Asia-Europe Meeting* (Gilson, 2002), exploring the nature of regions and of interregionalism, in this case Europe, Asia and the ASEM process, and concentrating particularly on the role of interregional dialogues in forming regional identities. In it she posits the ASEM process as an element in the formation of European and Asian self-perceptions, and perceptions of each other. In 2003, Hänggi produced a chapter titled *Regionalism through interregionalism: East Asia and ASEM* (Hänggi, 2003), investigating one element of the institution building role of inter- and transregional relations – the role of external factors in fostering intra-regional cooperation.\(^6\)

While important in their own right, both of these studies are limited in their scope. First, both studies concentrate on the new ASEM process, a comparatively recent addition to the spectrum of group-to-group dialogues. Both define ASEM as an example of interregionalism, an approach at odds with this thesis. In the conceptions of Gilson and Hänggi, ASEM constitutes an interregional dialogue insofar as it constitutes a dialogue between two regions: Europe and Asia, or more specifically East Asia. Here regions are broadly defined as geographical entities. This thesis is a child of new regionalism, that is, along with a geographical descriptor, it views economic and political convergence and regional coherence as being important elements. Already this would tend to mitigate against a broad East Asia as a region. In addition, however, this thesis focuses on regions that are the outcome of regionalism as opposed to regionalisation. In other words, it privileges regions that are the result of conscious policy (they are politically constructed), rather than of the development

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\(^6\) A recent work by Yeo Lay Hwee (2003) entitled *Asia and Europe: The development and different dimensions of ASEM* includes a useful overview of much of the current scholarly work on ASEM as a regional integrator.
of linkages in a non-purposive manner. Again, this conception does not favour the broader East Asia. ASEM is, therefore, defined in the context of this project as transregionalism. That is, it incorporates elements of a number of regions, rather than coherent regions themselves.

The use of ASEM as the primary locus of investigation has a number of disadvantages. ASEM is, as has been suggested, a recent occurrence. Much of its history has involved the development and entrenchment of dialogue, and it is, arguably, only since ASEM III in 2000 that any significant progress in cooperation has been made. This means that there is comparatively little on which to rest an investigation into the complex phenomena that are the functions of inter- and transregionalism. In addition, by premising the investigation on what is effectively a transregional forum involving components of other regional groupings, the obstacle of alternative regional loyalty must be surmounted before a number of the deduced functions will be performed. This is particularly the case with collective identity formation and of intra-regional institution building. In the ASEM process, ASEAN, the most advanced regional grouping in Asia, is only partially represented, with Burma/Myanmar, Cambodia and Laos, all of which acceded to the Association after the launching of Asia-Europe Meeting, excluded. This has the effect that the formation of identities and of intra-regional institutions among the Asian ASEM members is effectively competing with the process of collective identification and intra-regional institution building that is taking place within the ten-member Association of Southeast Asian Nations. The practical result in this example is that, where identity formation and institution building has occurred, it has involved these three extra ASEAN members, suggesting therefore that ASEM alone is not responsible for these developments, but that they are also partially driven by ASEAN regionalism. ASEM provides, therefore, an incomplete picture of group-to-group relations between Europe and Asia. In focusing on both the EU-ASEAN and ASEM relationships, this thesis is able to provide a more comprehensive understanding than would otherwise be the case.

While consideration of ASEM alone provides an incomplete picture, the picture of EC/EU-ASEAN relations is also incomplete, though for a different reason –

7 To this must be added the important acknowledgement that regions may also be socially constructed, a process that results from continued interaction (see Collective Identity Formation chapter). This usually, at some level, requires a conscious decision to interact.
the current paucity of academic treatment of the topic. In a recent survey of academic literature on EC/EU-ASEAN relations, Robles identifies 99 works by European and Asian scholars, published in English, French, German, Italian and Spanish. Despite the limitations in terms of languages covered (particularly the exclusion of Asian languages), he estimates that this constitutes more than 80 per cent of publications on this subject over the last two decades (Robles, 2004, p.6). Of these, 40 were published prior to 1990. Of the titles identified by Robles, only four constitute book-length treatments of aspects of EC/EU-ASEAN relations. From these four, three were published prior to 1990 (and two before 1985), with the most recent dating to 1998. Simply, very little has been written about the longest-standing group-to-group dialogue in existence. This is long overdue.

The second limitation in scope is that the two studies, along with all other considerations of inter- and transregionalism to date, fail to investigate additional variables relating to the performance of the five theorised functions, incorporating as they do only one independent variable – the existence of inter- and transregional dialogues (see Figure 1.4). This is largely due to the fact that consideration of inter- and transregionalism is still in its infancy, and academics are primarily concerned

![Five Functions of Inter- and Transregional Dialogues (Dependent Variable)](image1)

![Five Functions of Inter- and Transregional Dialogues (Dependent Variable)](image2)

Inter- and Transregional Dialogues (Independent Variable)

Inter- and Transregional Dialogues (Independent Variable)

Actoriness (Moderating Variable)

**Figure 1.4: Variables**  **Figure 1.5: Variables – Actoriness Variant**

with identifying examples illustrating the applicability of their new framework. The question in this thesis, however, is not simply whether or not these functions are performed, but also why, when an inter- or transregional relationship exists, they are or are not performed. Thus a new independent variable is introduced, that of
actorness. The performance of the functions of inter- and transregionalism, it is asserted, will depend greatly on the level of actorness of the regional groupings involved, both in absolute and comparative terms. As such, actorness constitutes a moderating variable, influencing the relationship between the existence of inter- and transregional dialogues, and the performance of the balancing, institution building, rationalising, agenda setting and collective identity formation functions (see Figure 1.5).

The objectives of this study, then, are threefold. The first, at the micro-level, is to explore the relationship between the European Community/Union⁸ and ASEAN at the inter- and transregional level since its inception in the 1970s. In this respect, a focus has been given to fora premised explicitly on an EC/EU-ASEAN or Europe-Asia relationship, rather than fora where both are participants but where the organising principle is not explicitly Europe-Asia dialogue. Thus the EC/EU-ASEAN dialogue and the ASEM process have been investigated, while the ASEAN Regional Forum (ARF) and the ASEAN Post-Ministerial Conference (ASEAN PMC) have been deemed to fall outside the scope of this study. Secondly, and related to the first, it is an objective to test, within the context of the EC/EU-ASEAN relationship, whether the framework of functions of inter- and transregional relations deduced by scholars are actually performed. Such an in-depth study of the performance of these functions has not previously been undertaken. Thirdly, at the macro-level, is the objective of supplementing the framework of functions of inter- and transregionalism by: (i) elaborating the nature of the functions performed in more detail than has so far been provided by scholars; and (ii) seeking to explain why these functions are or are not performed, or indeed are only partially performed, through the use of actorness as a moderating variable. This is governed by the working hypothesis that: the level of actorness of the regional groupings involved in any inter- or transregional dialogue or process will effect the extent to which, and the manner in which, the five deduced functions of such dialogues are performed. While actorness is an important variable, and much care has been given to the elucidation of the theoretical understanding of actorness adopted during this research, it must be emphasised that this thesis is not an

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⁸ Throughout this thesis, the terms European Community (EC), European Union (EU) and European Community/Union are used. Reference is made to the European Community for all events prior to the entry into force of the Treaty on European Union (TEU), after which, while the EC did continue as a component of the new EU, the title European Union is used. This is appropriate as the thesis treats this
exploration of EU or ASEAN actorness, which would be a very different undertaking to that presented here. As such, the application of the actorness framework is not undertaken exhaustively and in detail for each and every policy area considered. Rather, it is utilised as an explanatory factor, with actorness issues highlighted as and when necessary in detailing performance of the five functions of inter- and transregionalism.

**Methodological Considerations:**

Data collection for this thesis has involved a variety of sources. At the most basic level this has meant recourse to written material currently in circulation in the form of official reports and documents drawn from the two regions and other relevant bodies. This has been sourced directly from the European Union and ASEAN via the internet and in person, as well as, in the case of the EU, through microfiche and print material available through the network of European Documentation Centres (EDCs).

EDCs were of particular use, comprising as they do a vast archive of EC/EU-generated documentation. In its quest for greater transparency, the European Union has created one of the largest open sources of documentation relating to a given organisation in existence. Of particular importance in this respect have been published conclusions from meetings at the Council, Commission and Parliamentary levels, and the series of Commission Communications on issues to do with ASEAN, with Asia, and with its external policy in general, which constitute in effect Commission policy documents. On the ASEAN side, documentation is less readily available, though the website of the Secretariat does provide documentation in the form of intra-ASEAN agreements, and Chairman’s Statements for most of the fora associated with ASEAN. No equivalents of European COM documents are available. Information was gleaned through a process of trawling these data sources, and through selection of specific documents according to the recommendation of practitioners and reference in published academic work. In addition, the process of interviewing generated access to certain documents not publicly available.

An area that provided some difficulties in relation to this research was that of quantitative data in the form of trade statistics. As one popular aphorism has it, “there

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organisation as a whole, rather than focusing on its components. The term European Community/Union is used where the event or item is not specific to the pre or post-TEU period.
are lies, damn lies and statistics”. One of the major difficulties in conducting an analysis of economic relations between two regional groupings such as the European Community/Union and the Association of Southeast Asian Nations is that of the use of statistics. Statistical discrepancies are often evident when comparing the work of one scholar to another, or even one official source to another (as with ASEAN and the EU), most of them the result of the approach used in processing raw data. This could not be mitigated by choosing one processed source for the entire period examined, as that generated by academics tended to cover only the comparatively short period in which the academic was interested, and that generated by the European Commission or ASEAN Secretariat was subject to changes of membership of these regional groupings, introducing difficulties in tracing trade trends.10

There are a number of sources commonly used by academics when compiling Direction of Trade Statistics (DOTS), including the United Nations Statistical Office (UNSO) and the Statistical Office of the European Communities (EUROSTAT), though the most commonly utilised data is that of the International Monetary Fund (IMF). It was IMF DOTS that were selected as the source of raw data for this thesis. IMF Direction of Trade Statistics involve two main intentional errors which can have a significant influence on the utilisation of statistics by academics. The first of these is the obvious one of the voracity of data available at the time of publication. IMF yearbooks, at least after the mid-1970s, present Direction of Trade Statistics in seven year blocks up to the year prior to publication, thus the 1996 Yearbook presents data covering the period from 1989 to 1995. The difficulty lies in the ability, or in some cases willingness, of states to generate data for submission to the IMF by the time of publication, leading in many cases to the use of estimates to fill gaps where hard data was not available. This problem is acknowledged by the International Monetary Fund, which updates these statistics in subsequent yearbooks as more accurate data becomes available. The result is that, as stated by the IMF (2001, p.ix), “[f]or a given year the percentage of world trade that is estimated declines over time, as data reported by countries replaces the estimates”. What this means in practical terms is that it is the oldest data in each yearbook that is the most accurate – data for 1989 in our example of the 1996 IMF DOTS Yearbook. The result of this is that those studies that tend to source all data for the period in which they are interested from as few yearbooks as

9 Or simply ‘COM documents’.
possible, end up with a data-set that is not as accurate as it could be, or indeed is at times wildly inaccurate. In terms of this thesis, only the oldest data available in a given yearbook has been used, thus the 1996 yearbook is used as a source for 1989 data, the 1997 yearbook is the source for 1990 data and so on. Clearly this is not possible for statistics after 1996, for purely temporal reasons.

The second difficulty with IMF Direction of Trade Statistics data is the way in which yearbook Memorandum Tables are processed. Memorandum Tables provide breakdowns of the trade of major, but not all, non-state economic units, the European Community/Union and OPEC grouping being examples. While the intention is certainly to make the life of the user simpler, difficulties are introduced where membership of a given grouping is not constant, with the EC/EU being the prime example. The policy of the IMF in publication is to treat the membership of the grouping as a constant for the entire data-set encompassed in the given volume.

<table>
<thead>
<tr>
<th>TABLE 1.1: INTRA-EC TRADE, 1972-1973 (MILLIONS OF US$)</th>
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<tbody>
<tr>
<td>European Community of the Six 1972</td>
</tr>
<tr>
<td>Imports</td>
</tr>
<tr>
<td>Intra-EC/EU</td>
</tr>
</tbody>
</table>

Returning to our 1996 Yearbook example, the EU is treated as comprising 15 Member States for the entire 1989 to 1995 period covered, despite the fact that Austria, Finland and Sweden did not accede to the Union until 1995. This is an approach that is also frequently utilised in the presentation of data in scholarly works, though it is of limited utility. It is useful in that it can provide a reasonable indication of the development of trade between two groupings over time while at the same time ironing out any major increases resulting from membership changes. Such increases can be significant, as was the case, for example, with that following the accession of Denmark, Ireland and the United Kingdom as illustrated for intra-EC trade in Table 1.1, though this is more so in cases where actual trade value or volume is calculated.

\[10\] Membership change is discussed further in relation to IMF DOTS Memorandum Tables below.

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than where percentages of total exports and imports are considered. The implicit assumption of such an approach is that membership of the EU makes no difference to the external trade of its Member States, and that therefore the simple aggregation of Member State trade statistics affords no major problems. This is an assumption that is very difficult to support.

<table>
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<tr>
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<th>European Community of the Ten 1985</th>
<th>European Community of the Twelve 1990</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Imports</td>
<td>Exports</td>
</tr>
<tr>
<td>Intra-EC/EU</td>
<td>53.1</td>
<td>54.5</td>
</tr>
<tr>
<td>ASEAN</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Japan</td>
<td>3.4</td>
<td>1.2</td>
</tr>
<tr>
<td>China</td>
<td>0.5</td>
<td>0.8</td>
</tr>
<tr>
<td>United States</td>
<td>7.8</td>
<td>10.0</td>
</tr>
<tr>
<td>Africa</td>
<td>5.5</td>
<td>4.3</td>
</tr>
<tr>
<td>Latin America</td>
<td>3.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Middle East</td>
<td>5.4</td>
<td>5.7</td>
</tr>
</tbody>
</table>

On the other hand, while this regression approach evens out the data in question, in so doing it hides changes that can be significant in analysis, for example, of driving factors behind the external trade policy of the Community/Union. Trade policy is often strongly driven by the trade profile of a given state, or in this case economic grouping. Thus, as an example, it may be interesting to analyse the policy effects of a major change in the pattern of trade such as that resulting from the accession of Portugal and Spain, both states with a weighting more towards intra-rather than extra-European trade, as illustrated in Table 1.2. Such refocusing of trade is likely to occur to a much greater extent as a result of the scheduled accession of the ten Central and Eastern European Countries to the Union. To overcome these difficulties, this thesis adopts the simple expedient of calculating both trade for the actual membership of the EC/EU and ASEAN in the period concerned (hereafter referred to as ‘ΔM’ statistics), as well as providing a regression of the EU-15 and
ASEAN-10 over the full period covered (hereafter referred to as ‘Regression’ statistics). It is, unsurprisingly, difficult to build two sets of often widely varying data into any research, pointing clearly to one possible reason as to why academics tend to choose only one of the above approaches. This research, therefore, is premised predominantly upon the EU-15/ASEAN-10 regression, as is common practice, but with the inclusion of all ΔM data in substantial appendices. Where the data suggest major variations in conclusions depending on the data-set adopted, or where it is simply deemed interesting to record a difference, note is made either in-text, or as a footnote to the text. In so doing, it is hoped that the above problems can be mitigated without reduction in the clarity of argument.

The final difficulty to be aware of in the case of IMF Direction of Trade Statistics, related to the above discussion, is the changing country composition of area aggregates (Africa, the Middle East etc.) referred to in DOTS yearbooks. Thus Libya has at various times been included in the DOTS area aggregates for Oil Producing Countries, as well as for Africa and the Middle East. To simply accept regional trade data as supplied in the IMF DOTS would be to again introduce wild swings in volumes of trade. In order to overcome the obvious discrepancies that this involves, it has been found necessary to recalculate many of the trade statistics in a manner that keeps the regions as much as possible constant across the entire data-set. The result has been the generation of an entirely unique set of data tables concerning trade between the European Community/Union and the Association of Southeast Asian Nations. This data-set covers the period from 1968-2002, and incorporates both regression and ΔM figures. Further, it has been constructed in a manner that maintains the integrity of membership of geographic regions (Africa, the Middle East etc.), overcoming the inconsistency that has at times been present in IMF DOTS. This is the first instance in which such a data-set has been generated in an academic treatment of EC/EU ASEAN relations, and as such will prove extremely valuable for further studies in this field.

In addition to the qualitative and quantitative written sources outlined above, key primary data has been gained directly from practitioners in the form of elite interviews within the European Commission, the European Parliament, the ASEAN Secretariat, the diplomatic community and the World Trade Organisation. Initially, interview candidates were selected according to a targeted range of key offices. This targeting was focused on those who could provide a specific perspective on the EU-
ASEAN dialogue and the ASEM process, and those who could provide a general perspective on the operation of the externalised functions of inter- and transregionalism. Subsequently, a snowball technique was utilised, with these initial subjects providing further recommendations of individuals they deemed able to provide insight. This generated a final population of 37 from the initial targeted

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grouping of 5, from which a select population of those able to provide the most insight were chosen. This final population constituted 12 interviews and 11 interviewees. Interviews ranged in length, with those of the final population ranging from one to three hours (see Table 1.3). Interviews for the final population were subsequently transcribed verbatim, and an archive of audio-cassettes retained.

A qualitative approach was taken to interviewing. While this generates a smaller overall interview population, it provides far more nuanced information than is available through, for example, quantitative surveying. More specifically, interviews were semi-structured in nature. Each interview was premised on a set of guide questions, each allowing for an open-ended response. Standardised sets were prepared for each of four epistemic communities: EU practitioners, ASEAN practitioners, non-EU or ASEAN practitioners, and academics. Questions were a combination of what Spradley (1979) refers to as ‘Grand Tour Questions’ – how do you perceive the relationship of the European Union and ASEAN? – and specific queries – what are
the primary political issues on which ASEAN seeks to cooperate with the EU? Semi-structured interviews have been critiqued as not allowing the flexibility to pursue topics of interest not anticipated when the question-set was assembled (World Bank, 2002). In order to overcome this limitation, these standardised sets of questions were treated only as a guide, an aid to the memory. The interviews themselves thus took on a conversational form. This provided the flexibility to explore responses to specific questions in greater or lesser detail, and to expand questioning into new areas raised by the interviewees, while the use of guide questions enabled to a great extent avoidance of the informality that could result in a lack of useful data. As such, the technique used could be best described as ‘semi-structured open-ended conversational interviewing’. In order to provide the interviewees with the maximum freedom in providing their responses, anonymity was assured.11

Nevertheless, the value of interviewing of any kind is subject to the need to ensure the validity and reliability of the information gained. This is particularly the case with interviews of an open-ended nature, which can result in an expression of the interviewee’s personal bias, or of exaggeration of the place of certain issues or factors over others. This is not intentionally done, nor is it a common problem, but it is a possibility that must be borne in mind when developing an interview strategy. The best method for avoiding this difficulty is to conduct multiple interviews, and through these to ‘triangulate’ information as much as is possible. Thus a full population of 37 interviews was used in this research.

A further issue that is a potential challenge in this style of interviewing is the cultural background of interviewees. This was particularly a possibility in relation to interviewees from the Southeast Asian region. Much emphasis is placed in these societies on respect for authority, which has in the political sphere, at its most blunt, at times been translated into limitations on freedom of speech. The risk was therefore present that interviewees would be uncomfortable with questioning perceived as ‘aggressive’ or as questioning the voracity of their own statements. This is a problem that is not necessarily confined to Southeast Asia, and indeed may also occur in Europe, though a differing cultural background makes it a lesser possibility. The reality, fortunately, was a different scenario, and may perhaps be put down two factors. The first is the conversational style adopted, an approach which, it is believed,

11 In keeping with this guarantee of anonymity, information gleaned from these interviews is referenced
put the interviewees at ease. The second is the cultural background of the interviewer as an ‘outsider’ in relation to the area of research. As a New Zealander, this may have led to the perception that the interviewer did not have a ‘vested interest’ in the responses given, a perception that may have been different had the interviewer been of Southeast Asian or European origin.

CHAPTERS:

The remainder of this introduction is an explanation of the structure of the thesis, following on from this introductory chapter. Chapter 2 elaborates the theoretical framework of the thesis, explaining the key variables in detail. Specifically this involves consideration of actorness and of regional actors, and an elucidation of the functions of inter- and transregional dialogues. The chapter begins with a consideration of earlier paradigm-driven and unit-driven approaches to actorness, concentrating on realism in relation to the former, and the work of academics such as Gunnar Sjöstedt, David Allen and Michael Smith, and Christopher Hill, among others, with respect to the latter. From these prior approaches are drawn a number of lessons for the generation of actorness theory. The chapter goes on to outline the conception of the international/global system against which the model of actorness, and the analysis of inter- and transregionalism, will be cast, modelled heavily on the world of ‘complex interdependence’ complemented by insights gained from the study of globalisation, and is thus rooted in the liberal-institutionalist school. Subsequent discussion of the concept of actorness is geared towards elaborating the fundamental nature of actors. Again, a liberal-institutionalist foundation has been used, but combined with concepts derived from social-constructivism. From an epistemological point of view this seems impossible, but from an ontological view it is not an entirely unique approach. Indeed, Wendt’s position and approach may be described as a de facto ‘liberal-institutionalist social-constructivist’. The resulting framework of actorness is then applied to an understanding of regionalism to generate a ‘regional actor’ model. Finally, the chapter considers the role of regional actors in the international arena, specifically the deduced functions of inter- and transregional dialogues.

throughout the thesis as: (Interview Material).
Chapter 3 considers the first of the five functions addressed in this thesis, that of balancing. The chapter is divided both temporally into bipolar and post-bipolar periods, and according to issue into the economic and the politico-security spheres. Consideration of the economic sphere is, perhaps inevitably, dominated by the issues of trade and investment, and specifically the routinely expressed desire on the part of ASEAN and the EC/EU to expand their economic relationship as a means of diversifying dependence. Consideration in this respect is given to internally and externally focused balancing behaviour. In the politico-security sphere, two key issues are discussed. In the bipolar period, investigation is made into Community and Association cooperation on the twinned issues of Cambodia and Afghanistan. In the post-bipolar period, a similar exploration is given to the ‘War on Terror’, and more specifically to the military intervention in Iraq.

Chapter 4 addresses institution building, focusing on both the development of inter- and transregional institutions, including the various fora associated with the EC/EU-ASEAN and ASEM processes, as well as on the fostering of intra-regional cooperation and coordination structures as an outcome of such dialogues. In this respect, consideration is given both to the development of ASEAN, and to the emergence of the ASEAN+3. In addition to institution creation, this chapter considers adherence to the web of rules, norms and values that facilitate and constrain global relations. Specific consideration is given to the place of China.

Chapter 5 addresses the third and fourth functions of inter- and transregionalism – rationalising and agenda setting. Of all of the functions, these two are potentially of most significance in terms of global governance. They are also, however, the two least performed. This chapter, therefore, is primarily theoretical in content, elaborating the potential role of such functions in greater detail.

Chapter 6 considers the last of the five functions, that of collective identity formation. While acknowledging the role of internal influences on collective identification, it is the specific role of this thesis to consider external influences, and more specifically external influences stemming from inter- and transregional dialogues. Here the notion of an external federator is addressed alongside less purposive influences such as the definition of operational elements and the idea of collective identification as a reactive or adoptive response to external stimuli. The

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12 Indeed, interviewees almost uniformly expressed surprise that a New Zealander would be
chapter finds material for analysis in ‘dialogue partner choice’ (the external federator role), in membership definition and dispute over membership definition, in the association of particular ‘identifying tags’ with a given grouping (operational elements), and through debate over human rights and the place of Burma/Myanmar (adoptive and reactive responses).

Finally, chapter 7 concludes the thesis with a consideration of major themes. It considers the validity of the five theorised functions of inter- and transregionalism, and of the introduction of a moderating variable, actorness, into their consideration. In addition, it considers the state of the EU-ASEAN relationship, and particularly the issue of institutional redundancy raised by the creation of a new Europe-Asia relationship in the form of ASEM, and goes on to provide recommendations as to the possible future path for this group-to-group dialogue.
2. Theoretical Framework

The Lessons of the Past

In any investigation of an actor in the international arena, be it a focus on an actor’s role in a particular series of events or its interaction with another actor or group of actors, a number of important variables must be identified and explained. In this way subsequent consideration may proceed based upon an area of shared understanding. In the context of this thesis, the most significant variable to emerge requiring explanation and definition is the concept of *actorness* – the understanding of what it is to be an actor. More specifically, it is necessary to consider the concept of the *regional actor*. Intrinsic to this discussion is recognition of what it is to be an effective actor, and the nature of the environment within which that actor operates. These understandings constitute part of the theoretical context within which subsequent investigation into the relationship between the two regions will be couched. It must be emphasised that the framework to be elaborated is not an attempt to develop an exhaustive model of actorness; this is not to say that the model is unable to be used in such an evaluative or predictive way, but rather to assert that this is not the goal of the thesis. The framework to be developed will therefore be constructed in a way that enables the understanding of variables likely to influence the development of this relationship. It is the relationship between the two regions that is the subject of evaluation, and as such the model to be elucidated constitutes only one, albeit the most significant, tool in the process.
Initially consideration will be given to a variety of theories or bodies of literature relevant to developing the concept of actorness. An extensive critique of these theories is not provided for two reasons. First, debate has surrounded these models for many years and it is accepted as unlikely that anything fundamentally ‘new’ can be contributed to this body of criticism. Secondly, the goal is not to provide an account and critique of all of the theories in question, but rather to use them to identify general insights necessary for the framework-generation process to be successful. Where criticism is included, it is to either highlight insights, or to explain why a particular model, while valuable, is not entirely sufficient.

The debate on actorness has become widespread since the events of the late 1980s and early 1990s. Increasing globalisation and interdependence, exacerbated by the ending of bipolarism and the collapse of Communism in the eastern portion of the European continent, led many theorists to question the state-centric assumptions of the dominant international relations theories, and to seek to replace them with models more reflective of the state of the world as it was then being experienced. The result has been the development of a number of ways of defining actorness, or even more fundamentally, a number of ways of approaching the problem of defining actorness. The two most common approaches to the problem may be termed as paradigm-driven and unit-driven.

Paradigm-driven approaches to actorness are not so much definitions as they are context driven understandings. In essence, the goal is not to develop a definition of actorness but to develop a paradigm within which the international system as a whole can be understood. Implicit within this is an understanding of what constitutes a significant actor. Paradigm-driven literature on actors can be classified into a number of conceptual groupings, each highlighting different actors and processes. This consideration will focus on just one, realism, in order to draw general lessons for the construction of theory, but will also necessarily outline certain important and common critiques of the model. Unit-driven definitions, on the other hand, seek to explicitly define what an actor is, or more often whether a particular entity is an actor. This usually involves categorisation of various types of actor, some of which may be sui generis. Obviously, such an approach is, to an extent, influenced by certain

\[13\] Most unit-driven theories have developed as a response to the place of the European Union in the international system, and therefore the theories discussed below are drawn from this area of study. It is
understandings of the nature of the international system. Unit-driven definitions supply more specific lessons on theory/framework formation as a useful complement to the general lessons of paradigm-driven theory.

The realist approach to international relations is the paradigm that has experienced the longest continuous use, with a lineage that can be traced as far back as Thucydides' *History of the Peloponnesian War*, written in the fifth century BC, which focuses on power and alliance politics. It can also be seen in the work of such oft quoted 'luminaries' as Nicolò Macchiavelli, who concentrated upon self-interest and expediency above all else, and Thomas Hobbes, whose work can accurately be described as a treatise on power politics. Three assumptions form the core of realist theories of international relations. First, the international system is an anarchic and constantly fluctuating environment. The term 'anarchy' signifies that there exists no authority above that of the nation-state, that is, while the state creates and enforces laws within its own territorial mass, there is no corresponding authority above it creating and enforcing laws in the international system. It is further argued that, in such a situation, entities are constantly competing with each other, at best in order to ensure their own survival, and at worst in order to satisfy their lust for power. The currency with which this competition is carried out is power.\(^{14}\) Politics, argued Morgenthau (1951), is simply a struggle for power, an Hobbesian 'war of all against all' writ large. In other words, the more powerful a body, the more certain is its survival. Such power is usually defined in political/military\(^{15}\) terms.

Secondly, the result of this emphasis on security is that actors are defined in terms of power, the corollary of which is that nation-states, being the main locus of power, are seen as the only significant actors in the international system. These states, in order to realise their self-interest, are driven to form alliances with other states, leading eventually to a balance of power in the system. Thirdly, with the emphasis on states as the only significant actors in world politics, anything below the state level is not perceived to have an effect on the international system. This precludes such

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\(^{14}\) It is the concept of power that allowed what is now called realism to maintain its salience for some 2500 years, but it is also the narrowness of its definition of power that has increasingly brought realism under attack since the early 1990s.

\(^{15}\) The realists essentially see political and military power as being one and the same thing. Any action on the world stage is stronger when backed with armed strength, thus a militarily powerful actor is a politically powerful actor.
entities as corporations, domestic publics or even strong individuals from having an influence. Hence there is a strong demarcation between domestic and international politics. In short, the realist conception revolves around the unitary state "pursuing a unified national interest in an anarchical international system characterised by competition and conflict" (Whitman, 1998, p.6).

There are a number of difficulties with the realist conception of international relations. The progression of realist theorising from the premise of anarchy to power politics to a state-centric conclusion is not necessarily a logical one. Bull (1977), for example, asserts that anarchy does not automatically suppose an Hobbesian state of nature, pointing instead to what he terms a 'society of states', the IR equivalent of the Hayekian spontaneous order of the free market. While Bull's critique retains a structure driven approach, theorists such as Wendt (1992) argue that power politics is not a function of the system as the realists suggest, but rather should be seen as the result of the pattern of interaction of actors in the system. In this conception, anarchy is depicted as a neutral background, an empty vessel waiting to be filled by the behaviour of states. "Anarchy", Wendt comments, "is what states make of it" (p.394-395).

Perhaps the most common critique of realism, particularly in the post-Cold War world, is that it does not adequately reflect reality. That is to say, the structure that we are told to expect by the realists is not objectively visible in the 'real world'. This 'unreality' can be attributed largely to the inability of realism to cope with change in the international system. Said Rosenau and Durfee (1995, p.27), "except for increases or decreases in the capabilities of states, the question of change is not an important one to realists". The result of this is that as the international system has increasingly been transformed so that it reflects realist logic less and less, realist theory has effectively become 'outdated' and 'unreal'. The most obvious of these 'unrealities' are the undeniable influence of non-state actors in the international system and the presence of sources of power in areas other than the military realm.

The unreality of realism is further highlighted by those theorists who approach international relations from a pluralist perspective, seeking to establish concepts that are more reflective of the international system. Order in this perspective is based not on a balance of power, but rather upon accepted norms and values within the international arena. Of particular importance to pluralist theorists is increasing globalisation and the corresponding weakening of the boundaries (territorial and
political) of the modern states-system. In the words of Young (1972, p.128), “it is increasingly viewed as inefficient and uneconomical to allow one’s activities to be defined or disrupted by the intervention of the political boundaries of states”. The result is recognition of a plurality of actors in addition to states, operating across national borders (transnationalism), and which are mutually subject to the effects of the actor-behaviour of others (interdependence).

The relevance of the above discussion to the task at hand is to be found in the lesson common to paradigm-driven approaches, that fundamental assumptions affect the generation of theory. In the realist conception, an understanding of the international system which focused on aggressive disorder and the search for power resulted in a bias towards the nation-state when considering actoreness. As the most common critiques illustrate however, this perception of states as the only relevant form of actor is altered when certain adjustments are made to these fundamental assumptions. In this case a redefinition of the nature of power and anarchy as a result of the overwhelming logic of globalisation, which has both accelerated and become more visible in the post-bipolar world, allowed the recognition of a greater variety of actors in the international system. What is needed, therefore, is care in outlining what is to be understood of the environment in which actors operate. This must also be done in a way that is accepting of change in the international system, for, as has been the case with realism, a model that cannot cope with change cannot endure. This leads to an important question: if one must tread with such care in constructing an understanding of the system in which the actor is to operate, why not abandon the system altogether in order to focus solely on the actor and its sub-systems? The simple answer is to be found in debate on the ‘level of analysis’ problem.

The level of analysis problem is, in essence, a methodological consideration of how the subject in question can best be studied. “By establishing the ‘level of analysis’”, stated Yurdusev (1993, p.78), “the subject in question is placed in a context”. While a ‘methodological individualist’ would agree with the above suggestion to abandon the system level, arguing that “all structural explanations can and must be reduced to explanations couched in terms of individuals” (Buzan, 1995, p.200), it is clear from the topic of this thesis that the nature of the international system cannot be so easily abandoned. This thesis seeks to question the nature of the
relationship between the European Union and Southeast Asia. To abandon the system level would be to argue that this relationship is understandable solely in terms of the units in question, and is subject to no influence from sources exogenous to those units. This is not the case.

Unit-driven analyses seek to define the nature of actors themselves, drawing to some extent on the perceived nature of the international system. The focus, however, in contrast to the paradigm-driven approach, is on the concept of ‘actorness’. This may involve an elucidation of what is required in order to act, consideration of what enables effective action, and so on. A few of these works are discussed below in order to highlight variables important to the framework generation process.

Arguably, the progenitor of modern actorness theory is Gunnar Sjöstedt. In the late 1970s, motivated by the “inescapable conclusion” that when assessing European Community actorness “the theoretical instruments available are few, and to the extent they exist, intolerably crude” (1977, p.5), Sjöstedt wrote The External Role of the European Community (1977) in an attempt to outline a framework for determining the extent to which the then EC could be considered a “genuine actor in the international system” (p.6). He begins with the fundamental premise that “the capacity of being an actor is most appropriately conceived [sic] of as a variable property which the Community may possess to a greater or lesser extent” (p.14). In suggesting such he is allowing for the concept of stronger and weaker actors within the international system, and can in this respect be linked directly to the realist approach above. However, Sjöstedt does not presuppose the ultimate form an actor will take. This contrasts with the realist assertion that the nation-state exemplifies the structure a body must take in order to be considered an actor. While he does attempt to define the “principal nature of an international actor” (p.12), he aims to construct this in a way that highlights the minimum structures/processes necessary for actorness without adding on too many of the ‘extras’ that help to give an actor its shape/character. It is this highly structural approach that adds significant value to the undertaking, allowing a focus on actors themselves rather than on the result of their action,17 and facilitating direct comparison between actors.

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16 Further discussion of this issue is included below in consideration of approaches to the international environment.
17 Sjöstedt (pp.11-12) argues that there are two approaches to considering actorness. The first concentrates upon the result of action on other actors or on the international system at large, and therefore requires a significant input of research resources thus limiting its value. The second
Unfortunately, the work of Sjöstedt suffers the perennial problem of aging. The piece was written early in the EPC period, before such cooperation had taken any real shape, and was constructed around a body that was, above all, an economic organisation. In the quarter century that has elapsed since *The External Role of the European Community* was published, Europe has progressed considerably, symbolically illustrated by the transition from Community to Union. In the course of this transition, the European presence has expanded, via Treaty reforms, from the economic arena into a number of other issue areas to a point where it is no longer possible to concentrate on a single issue when considering actorness. This has resulted in a realisation that some of the basic structural requisites outlined by Sjöstedt with reference to the economic sphere, are not necessarily so essential when applied to other issues areas, or, indeed, have proved to have been somewhat over-inflated in the original formulation. Two categories of Sjöstedt’s ‘structural prerequisites’ stand out in this respect: a system for ‘the management of interdependence’ (p.102) and a ‘network of external agents and external channels of communication’ (p.107).

Sjöstedt’s interdependence management criterion is, unsurprisingly, of a heavily economic orientation. He argues that it is necessary for an actor to be able to anticipate and respond to external economic pressures, pointing to credit restrictions and the like as measures that may be taken. This proposition is, however, again jeopardised by the changing international context. Outside of the economic sphere it becomes increasingly difficult to identify or respond to external pressures in an increasingly globalised world. Even within the economic sphere, many of the traditional response mechanisms are being drawn away from traditional economic actors (states) and focused within other organisations (e.g. central banks). It is arguable that this transfer of competence does not mean a corresponding negation of actorness. Interdependence can no longer be conceived as an opposing force to be managed and regulated, but rather as a part of the normal context within which actors operate. It is also questionable if any but the few most powerful states could exercise sufficient control as to limit or contain external influence over their economies. Similarly to the interdependence management criterion, discussion of a need for a network of external agents and external channels of communication is focused upon economic activity, concentrating to a great extent upon a transaction approach to concentrates upon the properties of the actor itself and is therefore diagnostic in nature, also requiring

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action. While such is obviously necessary when, for example, concluding agreements with third parties, it is not a fundamental requisite for all forms of action. The goal of the framework of understanding elaborated below is to outline in a general way only those structural/procedural aspects applicable to all forms of activity that may be attempted by an actor. Consequently, while Sjöstedt’s work is fundamental in any consideration of actorness, its narrow scope and datedness have limited its theoretical flexibility.

Flexibility of definition again becomes an important factor in the work of David Allen and Michael Smith (1991), but their approach initially18 differs from that of Sjöstedt. Rather than redefine actorness as Sjöstedt seeks to do, Allen and Smith introduce flexibility by effectively side-stepping the actorness question, arguing instead that non-actor entities19 can be important influences in the international system. They begin their consideration of the place of the Western Europeans in the international arena by stating that the “problem faced and often highlighted by analysis of a ‘European foreign policy’ is that whilst Western Europe is clearly consequential in the international arena, its status and impact are inherently ambiguous” (Allen and Smith, 1991, p.95). They argue that Western Europe is neither a purely dependent entity, nor a ‘fully-fledged state-like actor’ (p.96), and in so doing contend that only a state-like structure could be considered a true actor. Thus, while implicitly agreeing with Sjöstedt that the theoretical instruments available were inadequate, Allen and Smith differ in their approach by assuming at the outset that Western Europe is not an actor, and by therefore attempting to establish a framework for assessing the place of an entity in what is effectively a ‘pre-actorness’ phase.20 In doing this they are asserting both that there is a pre-actorness stage, and that even at this point an entity may have influence over its external environment.

Drawing particularly on the work of Oran Young (1972) and Wolfram Hanrieder (1978), Allen and Smith set out to consider both tangible and intangible participation in issue areas. Quoting Hanrieder that “[a]ccess rather than acquisition,
presence rather than rule, penetration rather than possession have become the important issues” (Hanrieder, 1978, p.1280), they essentially argue that it is important to consider whether or not an entity possesses influence in a given realm of activity, rather than focusing purely on whether it can act in a purposive manner. In this way, a number of important factors that would otherwise be eliminated from consideration can be incorporated into any issue-analysis or broader discussion of the international system.

“Presence”, they argue, “is a feature or a quality of arenas, of issue-areas or of networks of activity, and it operates to influence the actions and expectations of participants” (Allen and Smith, 1991, p.97). It can be defined with reference to a combination of factors: credentials and legitimacy, the capacity to act and mobilise resources and the place it occupies in the perceptions and expectations of policy makers (pp.97-98). These are judged along two dimensions: tangible/intangible and positive/negative. By application of the resulting matrix to Western Europe, it was importantly recognised that the presence of an entity may not be consistent across issue areas, but may be variable and multi-dimensional, playing an active role in some areas and a less active one in others (pp.96-97).

In 1998 Allen and Smith revisited the notion of presence in a discussion of the European Union’s security role. A core aspect of this work was to consider the transition from presence to purpose, that is, from the pre-actorness phase to actorness itself. In this respect, they argue, institutional capacity is of as much importance as collective will (Allen and Smith, 1998, p.53), thus suggesting the necessity for adequate structures in order to possess actorness. They assert a tripartite formulation constituting learning capacity, carrying capacity and mobilisation capacity. In short, it is argued that actorness constitutes the capacity to understand a situation (learning capacity), develop a policy (carrying capacity) and to apply necessary and appropriate resources to the achievement of that policy (mobilisation capacity) (pp.54-55). Little of their discussion is devoted to the nature of these capacities.

The work of Allen and Smith is valuable for a number of reasons. First, the notion of presence is conceptually useful when defining actorness as it “permits consideration and analysis of forces in the international arena without committing the analyst to a state-centric or ‘actor-centric’ version of international processes” (1991,
p.98). In essence it suggests that non-actor entities may have an influence over their external environment, and that this can be tangible or intangible, positive or negative. These are all factors important both in considering the nature of actors and of action. Secondly, the recognition of Western Europe, and by implication other entities, as having a "variable and multi-dimensional presence" (1991, pp.96-97) suggests an important feature of presence and indeed actorness – non-holism. The concept of non-holism recognises that actorness does not necessarily presuppose capacity in all 'traditional' areas of foreign policy/external relations. Thirdly, the choice of certain factors as important in relation to presence and actorness both reinforces the notion of variability (in that the categories themselves are easily applicable to a continuum approach), and suggests the salience of an highly structural approach per Sjöstedt. The failing with the work of Allen and Smith, however, is the lack of detailed development of the factors they consider to be important – they refrain entirely from elaborating on those important to presence, considering them only by implication in their discussion of Western Europe, and therefore primarily focused on Europe. In their later work they do give some independent consideration to actor characteristics, but again consider them mostly in relation to Europe.

Christopher Hill’s 1993 article on the capability-expectations gap in relation to Europe in the international arena is widely seen as a seminal piece in consideration of the formation of EC/EU actor capacity.\textsuperscript{22} The work draws from and builds upon that of Sjöstedt (1977) and Allen and Smith (1991) in conceptualising Europe as a non-state actor. In so doing Hill (1993, p.306) recognises that "[t]he realist view that the state is the basis of power and interest in the international system... has correspondingly damaged the Community’s image as a powerful and progressive force in the reshaping of the international system”. Indeed, this can be taken one step further in asserting that the realist conception of international relations damages the perception not only of the European Union, but of any non-state actor.

Hill constructs his analysis by extrapolating from the functions the then EC performed, as well as those it is likely to perform in the future (with regard to the structural or institutional requisites the Community would need in order to fulfil these

\textsuperscript{21} They refrain, however, from developing these factors in detail. It was not until their 1998 work that any consideration was given to structures/processes.

\textsuperscript{22} Hill revisited this article in a work titled Closing the Capabilities-Expectations Gap? (Hill, 1998). However, as this second work provided no extension to Hill’s theoretical case, concentrating instead on
functions). His assertion is that a distinct gap has opened between what the Community is able to do, and what it is expected to do, a sort of dissonance of capabilities and expectations (Holland, 1995a, p.557). This is a significant factor in considerations of effectiveness in international affairs, but may be disaggregated from the concept of actorness in that it does not contribute greatly to an understanding of the core structural aspects of this notion, but rather to an understanding of conceptions of identity and of ‘success’.

Of great importance in Hill’s work is the concept of Europe as an international relations system rather than as a foreign policy-making body as such (Hill, 1993, pp.321-325). This contributes to the notions of variability and multidimensionality by allowing the analysis of activities for which decision-making processes may be disparate. That is to say, the concept of an international relations system expands the concept of actorness by recognising that actor capability may be possessed by a ‘collective unit’, such as the European Union, rather than reducing analysis to constituent units, thus following the maxim that ‘the whole is greater than the sum of its parts’. This draws much from the level of analysis problem mentioned above. It is this lesson that has value for this thesis.

Building on this realisation, Antje Herrberg stresses the need to develop an approach to considering the European Union as a ‘complex whole’, arguing that “[i]t is the operation of the European Union in a multilevel context encompassing the international environment, the European Commission and its constituent Member States which presents an analytical challenge” (1997, p.37). The EU is seen as a system that, at different times and across differing issue areas, will give more or less weight to a number of variables, including: the assertion of national identity at the European level, the level of integration in the policy area, the degree of independence at the institutional level, and the pressures and constraints inherent within the international system (pp.43-44). As such, it is argued that one of the most important factors in considering EU identity and indeed actorness is system cohesiveness.

System cohesiveness is important, states Herrberg, as “the more cohesive, i.e. the tighter, the system is the more effectively it can react to the international system” (pp.45-46), in other words, the more ‘effective’ will the international actor be. As such, a continuum structure is again suggested. Also considered important by

assessing the change in Europe since the 1991 publication of The Capability-Expectations Gap, the
Herrberg is the possession of a system memory: “if the system operates smoothly and effectively in some issue areas there is a strong likelihood that it will do so in the future” (p.44). In essence, norms and expectations for behaviour will develop, thus both constraining policy choices available to the units of the system, and expanding the capacity of the system itself. This supports the need for Hill’s international relations system concept as outlined above.

Richard Whitman’s (1998) consideration of the international identity of the European Union begins with a discussion of identity and, by implication, actorness. At the outset Whitman asserts that the “European Union has an identifiable and coherent international identity” (p.2), and contends that in considering the nature of this identity one must consider the external relations and CFSP aspects together. Two reasons for this are advanced. The first is that as outwardly directed policies they have important similarities justifying a single framework approach to their analysis. The second is that with the Maastricht Treaty and the establishment of the three-pillared structure, there is now “a single institutional framework that warrants study in totality” (p.3). To this may be added a third, not argued by Whitman, that states, the dominant actor in the international arena, make no such sub-division of foreign policy, and it would seem peculiar not to adopt a similar approach when considering non-state actors.

Whitman approaches the topic of international identity from a systems perspective, that is, he contends that systems thinking developed for the analysis of foreign policy can provide important insights into the international identity of the EU (p.14). As such he attempts to identify all factors bearing an influence on the construction and external perception of this identity. Among these factors he highlights aspects of the operational environment of the Union, such as legal sources of influence, integrative sources and so on. While Whitman lists only internal sources as aspects of the operational environment, it would seem clear that influential factors are also to be found in the external setting, again including legal sources of influence, but also including international norms and so on. The above discussion suggests that Whitman, in addition to Hill and Herrberg, is arguing the necessity of an approach to actors that recognises they may be a complex system rather than a hierarchical unitary structure in a state-like sense.

article has not been given separate treatment in the following discussion.
The above paradigm-driven and unit-driven theories together illustrate a number of important lessons that must be learned prior to the generation of any framework. These can be summarised as follows. In relation to the context in which the actor operates, that is, the structure of the international system, the most important realisation is that fundamental assumptions about the nature of the system affect the generation of theory. This was evident in discussion of the realist understanding of the nature of the international arena. It is necessary, therefore, to construct an understanding of the system that accepts a number of possible approaches. Directly related to this is the need to construct any framework in a way that is accepting of change in the international system; a framework developed to cater to a specific place and time may quickly become obsolete.

In addition to these contextual lessons, a number of significant points have emerged in relation to the framework itself. For example, Sjöstedt has demonstrated that there is great utility in the adoption of a structure-oriented approach to actorness, but that any structural approach must be developed in a way that focuses only on fundamental requisites in order that theoretical flexibility not be limited. In doing so, however, non-actor influences must not be excluded from consideration, for to do such would be to artificially narrow the field of study. Additionally, the recognition of variability and multidimensionality are important aspects of theory formation; these may be incorporated through the adoption of a continuum approach to actorness. A further adjunct to this is the recognition that systems are a complex whole, not easily or realistically able to be disaggregated in coming to an understanding of their operation and influence. In the words of Yurdusev (1993, p.83), “the whole is itself an identity, an entity separate from the parts of which it is composed. It is a reality as separate from the parts as the parts are from each other”. Having accepted that systems, even loosely structured systems, may constitute an important unit of analysis when treated as a whole, it has also become clear that cohesiveness is an important factor when considering effectiveness of a given actor. These lessons are all borne in mind when developing the framework according to which the moderating variable of actorness will be perceived, and indeed, taken together, they already suggest a rough outline of how this framework may eventually look.
The International System

We live in a world that is already in fact very different from the one which we have begun to comprehend, and by the time our comprehension has caught up with the new reality, the world is likely to be even more drastically different in ways that today may seem unthinkable.

— Zbigniew Brzezinski, Out of Control

There are two principal reasons for consideration of the nature of the international system in this thesis. First, as demonstrated above, any understanding of the international system will have an effect on the formulation of subsequent theories posited within that system. Secondly, and of more importance to this section, depending upon the conception of the international environment itself, this context will be seen as having a greater or lesser influence on interactions between actors. It is therefore of direct relevance to this thesis which explores the nature of a particular set of interactions. In other words what is being asked is the place unit and system occupy in relation to each other and how they are constituted. It is here that the ‘agent-structure problematique’ becomes important. In addition to this ontological enquiry, the question is also being raised as to the shape of the international environment as it presently exists.

There are three possible ways of characterising the international environment in terms of the agent-structure problem, that is, of conceptualising the ontological nature of the international environment. These are as arena, as order or as complex system. To adopt the international arena approach is to conceive of the unit level as the dominant level; it is here that the previous consideration of realism reemerges. It has already been suggested that the characterisation of the international context as ‘anarchic’ in the realist sense is flawed. The anarchy concept suggests an arena based understanding of international structure in that the international context is effectively perceived as a tabula rasa in which the gladiatorial combat of actors (states in the realist case) takes place. This posits a high degree of actor autonomy. While this may once have been the case, it is now clear that this arena concept is no longer appropriate.

23 In accepting a continuum approach, acknowledgement is made that progression along the continuum will often correspond with effectiveness.
The second possible solution to the agent-structure debate, that of international order, is to posit structure as being of overriding importance. The prime example of such a solution is the work of Waltz. Waltz's (1979) neorealist approach sought an explanation based upon the anarchy of international politics. His model was based explicitly on an analogy with microeconomic theory. Just as in the free market where spontaneous order emerges as a result of the self-interested interaction of economic actors, order in the international context was seen by Waltz to emerge as a result of the interactions of its constituent units. "International-political systems, like economic markets, are individualist in origin, spontaneously generated, and unintended" (Waltz, 1979, p.91). Ontologically speaking, the unit in Waltz's conception is primary – it precedes the system and, through the unintended consequences of its action, generates structure which then constrains the actions of units. This structure, once created, becomes "a force that the constitutive units acting singly or in small numbers cannot control" (p.90). Structure, argued Waltz, is defined according to three elements: the principle by which the system is ordered, the functions of the units of that system and the distribution of capabilities across these units (pp.100-101). The second of these elements, he argues, may be excised from the definition as states, the units in the system, are functionally similar and investigation into their role therefore need not be undertaken (p.101). Thus, in the words of Dessler (1989, p.451), "international structures are to be defined and compared according to two basic dimensions of state placement: anarchy and the distribution of power". This approach, in addition to denying the influence of intended action, cannot adequately cope with change. "Structure", it is argued, "rewards behaviour that perpetuates its existence, and it punishes deviant action; it thus endures regardless of the aims or wishes of its constituent units" (p.450).

The third solution to the agent-structure problem, characterised here as a complex system approach, is to recognise a symbiotic relationship between the two levels as demonstrated in Giddens' (1984) theory of structuration. In short, the term structuration refers to the reproduction across time and space of social relations as transacted in the duality of structure (Cohen, 1989, p.41). Giddens begins his consideration of the duality of structure by founding it on a conception of human agents as knowledgeable and purposive. "To be a human being is to be a purposive agent, who both has reasons for his or her activities and is able, if asked, to elaborate discursively upon those reasons" (Giddens, 1984, p.3). This knowledge and
purposiveness is mostly a “routine characteristic of human conduct, carried on in a taken-for-granted fashion” (p.4). In addition, human activities are seen to be recursive; the conditions that make these activities possible are reproduced in and through the activities themselves. When applying this to a wider system, it is argued that the activities of units draw upon and reproduce the structural features of the system itself (p.24). Of critical importance to this production and reproduction of systems through interaction is the notion of duality of structure.

By ‘duality of structure’ is meant that the “constitution of agents and structures are not two independently given sets of phenomena, a dualism, but represent a duality” (p.25). The structural properties of systems both mediate and are produced by the practices they recursively organise. What is being argued then, is that the system and its units are mutually constitutive. That is, according to Arts (2000), “[t]he [global] players are the historical products of the current international system, just as the system is the historical product of the activities of its constitutive elements across time and space” (p.529). In short, the actions of units affect the structure of the broader system. This occurs in two ways: as both unintended and intended consequences of activity. The system in turn constrains and enables the action of the units. This is seen to be a dynamic dialectic process. As a dynamic process this duality allows for system change in that the introduction of new elements, or the abandonment of old elements, of the structure through the activity of units, which are in turn both enabled and constrained and thus modified by the ‘newly-adjusted’ structure, will cumulatively lead to a mutual reconstitution of structure and unit. It is this complex system approach that is preferred as the ontological foundation for the international environment in this thesis.

Having considered the process by which the international system and its units are produced and reproduced, it becomes necessary to consider how the international environment currently appears, that is, what has been the result so far of the mutually constitutive relationship of unit and system.

In *The Growing Irrelevance of the State-Centric Model* (Mansbach et al, 1976) it was asserted that “the state has not always been the primary actor in global politics and has never been the sole actor. And, unless we believe that history is irrelevant, we cannot assume a priori that the nation-state will always remain the most important

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24 Giddens (1984, pp.16-24) defines structure as constituting rules and resources. The most important
autonomous actor" (p.25). It is with this thought in mind that the nature of the international system needs to be considered. It has already been shown that ontological claims about context may bias theoretical focus. It is therefore necessary to visualise the international context in a way that does not prejudice, for example, one type of power over another, one type of organisation over another and so on. It is for this reason that the complex system approach outlined above has been accepted.

At least four categories of power can be identified which are exercised in the international arena: economic, political, military and cultural. While this may seem a simple statement, it has an important corollary – an acceptance of variation in types of power leads to an acceptance of variation in types of actor, that is, an acceptance that power is not unitary/holistic raises the possibility that actors need not be unitary/holistic. Thus actors may be primarily economic, and as such wield an amount of economic power, or be primarily political and correspondingly utilise political power in the pursuit of goals. This is not to say, however, that these categories are mutually exclusive, or indeed wholly equal. These arenas of power must be conceived of as overlapping and intersecting, such that strength in one area may influence strength in another. It is therefore not possible to analyse action in relation to only one type of power, for such would give a false impression of the international system. Indeed, history has shown that different categories of power have had greater or lesser weight in different periods and for different actors. The Hansa, for example, was, from its beginnings in the middle of the twelfth century to its decline in the middle of the seventeenth century, an instance of an actor and a period when economic power lent great weight to other activity. The Hansa "was not a sovereign power... It was an amorphous organisation, lacking legal status, having at its disposal neither finances of its own nor an army or a fleet" (Dollinger, 1970, p.xvii) and yet through domination of the trade of northern Europe it was able to exert significant economic, and through it political, influence over the sovereign powers of Europe. This capacity for change in the relative influence of certain types of power is accounted for in the complex system approach to the international environment, and has made itself felt in two core events/processes which have helped define the system as it currently stands: the end of the bipolar period in international relations, and globalisation.

rules are those which are reproduced on a day to day basis in the conduct of ordinary activity.
The bipolar conflict dominated the world and shaped the international order for more than four decades. The polarisation of the world into two competing armed camps resulted in military power effectively ‘trumping’ other forms of power and reinforcing political influence. In order to be influential it was necessary to be militarily strong. This in turn introduced into the system a bias in favour of military actors, essentially states. When, at the close of the short decade of the 1980s, the Berlin Wall fell and the period of bipolar conflict came to an end, the exigencies of security politics were no-longer the overriding concern they had been. This created room for the re-emergence of other forms of power, most notably economic, which soon led to fundamental changes in the international system itself. Importantly, it must be noted that the end of the bipolar period did not cause globalisation. Indeed, a significant body of literature exists tracing the process that came to be known as globalisation to periods as far back as the emergence of capitalism.\textsuperscript{25} Rather, the exigencies of bipolarism effectively acted as a lid under which the processes that eventually led to globalisation were held in check. Reinicke goes as far as to assert that it was the reality of economic globalisation, characterised by the information revolution and deep integration of market economies, that was one of the primary causes leading to the end of the bipolar system (1998, pp.2-3).

Zacher (1992, p.60) argues of the system’s current incarnation that “it is no longer accurate to conceptualize states as having their traditional degree of autonomy because of the network of formal and informal regimes in which they are becoming increasingly involved”. The situation is significantly more complex than this however. As far back as 1972 it was recognised that “[t]he contemporary period... is marked by a striking growth in divergences and discontinuities with regard to the spatial definitions of human activities” (Young, 1972, p.132). In other words, the international environment was becoming increasingly interdependent with transactions and organisational connections across territorial boundaries gaining increasing weight. This process, which was reinforced by the end of bipolarism and the relative diminution of military power, is the cornerstone of globalisation (Evans, 1997, p.65).

De-specialisation, along with increasing interdependence and the re-emergence of other forms of power, has affected the international environment in two

\textsuperscript{25} See, for example: Fulcher (2000), Gamble (2001), Hirst and Thompson (1996), Reinicke (1998),
primary ways. First, by creating *permissive conditions* (Cerny, 2000, p.439) for change and for independent activity through loosening exogenous constraints, it has resulted in the emergence and recognition of increasing numbers of non-territorial, i.e. non-state, actors and of alternative means of expressing power. Secondly, it has transformed the nature of international exchanges, and has generated, in the words of Hyde-Price (1997, p.27), "a much more dialectical interaction between domestic and international policy". These two elements have resulted, particularly in the economic sphere, in the process of globalisation.

The term 'globalisation' is something of a misnomer – very few of the processes/structures pointed to are truly global in nature, and indeed certain issue areas seem to be little more globalised today than they were a decade ago. In order to make this assertion clearer, it is necessary to explain what is understood by 'globalisation'. Fulcher (2000, p.525) defines the process as "the development of relatively distanceless relationships that extend beyond national units and involve a growing consciousness of the world as a whole". This is too simplistic; it refers simply to transnationalism and interdependence, factors integral to globalisation but which, in and of themselves, do not constitute the process in totality. Globalisation assumes increasing autonomy of transnational exchanges such that a non-territorial global *hyperspace* is created, within which processes and dynamics are internalised that previously took place exclusively between national capitals (Reinicke, 1998; Ruggie, 1993). This is particularly the case with global capitalism. Thus, in the words of Reinicke:

\[\text{Globalization in its pure form is a process that subsumes and rearticulates national economies into the global economy through cross-national processes and transactions. These processes and transactions take on an autonomous role in a consolidated global marketplace for production, distribution, and consumption.}\]

It is this process within modern capitalism that has led to assertions of the decline of the state, a debate that significantly informs discussion on the emerging global

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26 While this process has created conditions conducive to the independent activity of non-state actors, it has also by definition placed constraints upon the exercise of power by states in transnationalised areas of the global system.

27 Says Reinicke (1998, p.70), "the global economy is not located in another place or at a different level; it is another place".
structure. Two prominent works have addressed the structure of this 'new world' in relation to the territorial state: those of Rosenau (1990) and Reinicke (1998).

Rosenau (1990) seeks to come to terms with the change in the international system through constructing 'two worlds of world politics' by which he effectively divides state and non-state actors into two overlapping arenas, each with differing bases of authority and legitimacy: the state-centric world, premised upon sovereignty; and the multi-centric world, premised upon a mutual acceptance of the legitimacy of non-state actors.28 "[T]he point", argues Rosenau, "is to distinguish between two sets of complex actors that overlap and interact even as they also maintain a high degree of independence" (p.252). The reasoning behind such a dichotomisation is the acknowledgement of the influence of transnational processes and of actors other than the state, while at the same time recognising the continuing importance of territoriality and the paramountcy of state actors. However, Rosenau goes on to recognise that the inhabitants of the multi-centric world are, to a greater or lesser extent, able to avoid the exercise of state power by entering the transnational hyperspace that has been the result of increased interdependence and globalisation. In support of this, Rosenau points to Brown's (1988, pp.96-97) assertion that "[i]n high growth areas such as financial services, increasingly large segments of international markets are outside the legal boundaries of the major trading nations". Having outlined the characteristics of the two worlds, Rosenau (1990, p.271) then acknowledges that the division between the two is artificial, stating that "[t]he interdependence of postinternational politics does not permit isolation for any system, but especially not for those that engage in transnational activities". What has thus been created, therefore, is a model in which numerous actors with differing bases of authority are recognised, operating in different spheres of a comprehensive and complex global system.

Reinicke (1998), too, has sought to accommodate the emergence of alternative actors while avoiding claims that the state is in decline. Rather than constructing an alternative international order, Reinicke re-addresses the concept of sovereignty, making two clear distinctions: (i) between de jure (legal) and de facto (operational) sovereignty; and (ii) between internal and external sovereignty. By making the first distinction it is possible to claim that the legal primacy of states is not being challenged by the process of globalisation or the emergence of non-state actors, while

28 Rosenau uses the term 'sovereignty-free' actors.
at the same time acknowledging the loss of control by states of certain traditional areas of decision-making. This point is made particularly in relation to internal sovereignty. Internal sovereignty, says Reinicke, is concerned with the exercise of final authority within a given territory. However, given the aforementioned de-territorialisation of economics through the process of globalisation, the power of economic decision-making of states has been severely circumscribed. States still possess legal (or de jure) sovereignty over this issue area, but their ability to exercise this power (operational or de facto sovereignty) has been curtailed. In other words, “[g]overnments... which continue to be bounded by territoriality, can no longer project their policymaking capacity over the territory within which a global industry (on the supply side) and, to an increasing degree, a global community of consumers (on the demand side) operate” (p.65). What is being suggested, therefore, is that activity and influence in the global system is premised not solely on legal authority,29 but upon the capacity to act.

This unbundling of economics from geography through the creation of a global economic hyperspace has not occurred to the same extent in the political or military spheres which, despite increasing transnationalism and interdependence, are still dominated by territorial states. This is not to go as far as Cable’s (1999, p.31) claims that “[e]conomics may be increasingly global... [but] [p]olitics is still national”, for in so doing he asserts that no other bodies are influential in international politics, and that those international organisations involved in political decision-taking30 may be understood solely with reference to their nation-state constituents. This is not the case, with some organisations, the European Union in particular, incorporating elements of supranationality which defy analysis on purely intergovernmental terms. Rather, what is being suggested is that these spheres, while influenced by the global system in which they are encompassed, and while featuring non-state actors with greater or lesser influence,31 are still predominantly the domain of nation-states.

The importance of the works of Rosenau and Reinicke lies in their attempt to conceptualise the globalising system in a way that, while recognising the relative decline in authority of state actors in certain issue areas, does not presuppose the

29 Or even on legal authority at all.
30 Cable lists the IMF, UN, WTO and EU among these.
31 For example the New Social Movements, the FLO, the EU etc.
demise of the state, but rather is inclusive of all actors and is reflective of multidimensionality and variability in the global arena. Along similar lines, Attina (2000, p.117) argues that "[t]he international (intergovernmental) system has ceased to be the exclusive system in which political decisions on major values and goods are made for the world. The present international system is encompassed within the global system". Thus the global environment is to be perceived as a multi-layered system of processes, regimes and norms that both constrains and empowers action by units at all levels and in all issue areas. This multi-layered system is probably best perceived as a complex web of interdependence and interaction, both formal and informal, territorial and non-territorial, occurring between actors and entities with differing bases of authority/legitimacy and with differing capacities to act.

Of importance to this thesis, within this global system of processes, regimes and norms lies what is traditionally termed 'the international system', which in this context effectively constitutes a thick web of relations between mostly state actors. Within the international system, nation-states are dominant, though their control is not absolute. The international system, being a part of the global system, is influenced by this environment, and by the behaviour of other non-state actors within the global system, and within the narrower international system itself. The international system, however, occupies a privileged place within the global system. The global system is structured in such a way that the rule of law is recognised as the legitimate foundation of the system. States, as sovereign bodies, constitute the primary legitimate source of laws, and as such yield a certain amount of influence over other actors within their territorial space, for which they are able to shape the structures of governance in the form of rules and norms. As has been suggested, however, the creation of a transnational hyperspace has given non-state actors greater facility to avoid such exercises of state power. In order to retain control over the shape and application of rules and norms, it is necessary for states to gain control over a greater territorial mass, as de-territorialisation is only possible where the political landscape is fractured. In essence, this is a move towards re-territorialisation on a greater scale. The result, given the inability or distaste most modern states have for territorial conquest, is an increase in coordination with other states. Such cooperation has the additional effect of securitising a region by binding it together under a common set of rules and norms. Regional cooperation may, therefore, as was the case with European integration, be undertaken with this security goal as the primary motivation. Given
this need or desire for cooperation, inter-state interaction becomes increasingly important. Within the international system, at least five levels of interaction may be discerned: the global multilateral level (e.g. UN, WTO), the interregional level (e.g. ASEM, EU-ASEAN),\textsuperscript{32} the regional level (e.g. EU, ASEAN), the subregional level (e.g. ‘Regional Growth Triangles’) and the state level (bilateral state relations) (Mauull and Tanaka, 1997, p.32; Rüland, 1999, p.2).

The web that constitutes the global system is asymmetrical in that governance structures\textsuperscript{33} are ‘thicker’ in some areas than in others. This has the effect that “[s]trategic control of key nodal points in the structure... enable[s] particular agents or sets of agents to trigger off chain reactions in the structure” (Cerny, 2000, p.439). As such, effective ‘colonisation’ of these nodal points empowers actors, and this therefore causes actors to seek representation in the governance of these locations. A prime example is that of the World Trade Organisation that, by occupying the point it does in the governance of global economic and financial systems, is able to exert significant influence over the way these systems are structured. As a result, representation in this institution is greatly prized. What is being argued, therefore, is that the process by which units influence structure is strengthened if those units occupy certain key points. As a corollary of this, the future structure of this global system will be significantly influenced by which actors occupy these nodal points and can therefore “effectively manipulate, utilize and steer changing patterns of opportunities and constraints” (Cerny, 2000, p.441). As such, in theory at least, actors in the global system will gravitate towards nodal points relative to their goals and interests in order to maximise their influence on the system. Of importance, therefore, is consideration of which actors are likely to be effective in seizing these nodal points, and it is this that provides one justification for research into the role of regional actors in, and their influence upon, structures of global governance.

\textsuperscript{32} As can be seen from the examples given, the interregional level involves two distinct forms of interregionalism: interregionalism of a bilateral nature, and transregionalism. Bilateral interregionalism (e.g. EU-ASEAN) refers to group-to-group relations. It is characterised by a relatively low level of institutionalisation, and by a reliance of each group on their own structures. Transregionalism (e.g. ASEM) allows for more diffuse membership, and may involve states from more than two regions. It tends to become increasingly institutionalised as the relationship becomes more complex (Rüland, 1999, pp.2-3).

\textsuperscript{33} Read ‘rules and resources’.
Actorness

Having come to an understanding as to how the international system is to be conceptualised, structured in such a way as to avoid restrictively effecting the generation of a theory of actorness, it is now necessary to begin the task of elucidating how the term ‘actor’ is to be understood. As has been learned from consideration of paradigm-driven and unit-driven approaches, discussion of actorness is least valuable when conducted in absolute terms. Greater utility is gained when definitions are inclusive, enabling the analysis of a broad range of entities that are influential in the international system. However, as Cerny points out (2000, p.535), comprehensiveness may be viewed by critics as a weakness “as it seems to violate the demand for parsimony in the construction of theories”. Again in the words of Cerny, though, “it is not parsimony that makes a model useful or not, but its explanatory power” (p.535). It is nonetheless necessary to find a balance between too much simplification and too much specificity when defining actor characteristics. A solution to this problem is possible through development of what is effectively a componentry approach to actor definition.

A componentry approach is one whereby additional analytical tools may be grafted onto a basic framework in order to allow more variegated analysis. In terms of actorness, the basic framework constitutes those characteristics necessary for actorness, regardless of the type of actor being considered. In essence, it is the ‘genetic code’ by which an actor can be identified. To this may be added any components necessary for consideration of an actor of a particular character. Thus, in order to examine whether a given state is a strong or weak actor, one need simply attach the component that defines the expected roles/functions of a state actor, and the value/effectiveness judgements that are to be applied to its attempts to fulfil these roles/functions.

IDENTIFICATION:

The first, and most obvious, task in considering actorness is identifying the actor in question. In other words, one must be able to distinguish the object of analysis from its surroundings, a task that may be simpler with some actors (e.g. an individual) than
with others (e.g. a movement of some description). The basic elements of identification may be broken down into two groups: *tangible* and *intangible identity structures*. Tangible identity structures constitute those which are objectively visible to the observer, while correspondingly intangible identity structures are those with a less concrete form. Two important and interrelated components of tangible identity will be discussed in this thesis: internal cohesion/external delimitation and autonomy.

Perhaps the most obvious component of identity is that of membership, which comprises half of a bipartite identity component here termed as the *operational elements* of a body.\(^{34}\) When speaking of unitary actors such as nation-states, this may be as simple as establishing population/citizenship criteria. A definition of who is and who isn’t a New Zealander, and how one becomes a New Zealander, is clearly a key component in identifying New Zealand and distinguishing it from, for example, Australia. Similarly, aggregate actors such as regional groupings or coalitions may be identified according to the requisites of membership. Criteria such as geography, history, culture, level of development or even position on a single issue may be relevant in this respect. In short, the manner in which the group defines itself is of significance.

Also important are internal structures. Whitman (1998, p.20), in discussion of the European Union, asserts that identity may be defined as “that which is given expression through the instruments that are available to the Union and facets of the EU that distinguish it from other international actors”. He defines this as including internal sub-systems, decision-making structures and performance instruments (p.16). Herrberg (1997) supports this contention in her model of the European Foreign Policy System (p.48) in which she argues that system variables such as performance instruments\(^{35}\) and the level of integration of a policy issue,\(^{36}\) depending upon their degree of centralisation, will provide a stronger or weaker identity (i.e. greater delimitation) in the international system. Hill and Wallace (1996), too, suggest the importance of these internal processes, asserting that the availability of performance instruments will increase the ability to, and expectation of, cooperation, and therefore by implication foster the development of an international identity. What is being argued is that identification is in part determined by a combination of the internal

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\(^{34}\) *Operational elements are discussed in greater detail in consideration of Collective Identity Formation.*

\(^{35}\) *She terms these ‘capabilities’.*
structure of the organisation, and its delimitation from its external environment. In essence the somewhat tautological assertion is being made that ‘a body can be identified if it actually exists’. To the concrete presence of institutional structure may be added the second of the operational elements components, defined as the operational norms adopted by, or specifically the association of a set of norms of behaviour with a given body.

Sjöstedt (1977, p.16) claims that the two (cohesion and delimitation) are distinct characteristics, but this fails to recognise that they are closely linked as Whitman (1998), Herrberg (1997), Hill and Wallace (1996) suggest. Simply, the degree of internal cohesion of any given body will strongly influence, and perhaps even dictate, the degree of external delimitation of said body. The stronger and clearer the organisational structure/institutionalisation of the entity, the more easily will it be distinguishable from its external context. In other words, the more obvious will be the line of delimitation. Thus, in effect, a continuum is envisaged running from a minimum level of identification at one end, to a tight unitary structure at the other (see Figure 2.1). Clearly, this internal cohesion/external delimitation will be more easily perceived with certain types of entity, such as with the example of the individual given above. This form of identification through internal structures/processes may be seen as an example of what may be called \textit{internally formulated} identity.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{structures_processes.png}
\caption{Structures/Processes for Actor Recognition}
\end{figure}

\footnote{Effectively a recognition of ‘decision-making structures’.

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Internally formulated identity structures also include the presence of formulated goals and interests. A devotion to a particular set of goals and interests, and/or to certain principles, is an important means of highlighting a body’s differentiation from the external environment (Herrberg, 1997). Thus, for example, Article 11 of the Treaty on European Union lists the goals of the Union’s Common Foreign and Security Policy (CFSP) and as such provides a way of defining the organisation in the foreign policy context. In the case of non-permanent and/or issue-based organisations, these goals, interests and principles may be the only means of definition for the entity. In this way, for example, a loosely organised voluntary movement devoted to the protection of the Amazon rainforest, which does not possess a head office per se, and which is organised through the internet and through forwarding of e-mail, may only be identifiable through ownership of its given goal.

A further and related aspect of internal structures/processes, but one that effectively constitutes an externally formulated structure, is that of the law. In relation to this, it is sufficient to assert that a body may be given objective identity through legal recognition or through a legal basis for its legitimacy (Bretherton and Vogler, 1999; Jupille and Caporaso, 1998; Neuwahl, 1998; Rhodes, 1998; Whitman, 1998). The most obvious example is that of states, though certain international organisations (e.g. UN, WTO) also derive their legitimacy from international legal sources, in this case constitutive treaties signed by member states. Such legal recognition may also be gained in a de facto manner through actual membership in an international organisation (Jupille and Caporaso, 1998, pp.215). Closely related to this latter is recognition through interaction with third parties (Herrberg, 1997; Herrberg, 1998; Jupille and Caporaso, 1998; Rhodes, 1998). Say Jupille and Caporaso (1998, p.215), “[t]hird parties that decide to interact with the EU implicitly confer recognition upon it” – it is, after all, difficult to interact with something that does not exist. A body’s identity may therefore be determined by its interaction with others. A further externally formulated method of identification is found in the structure of the system itself. As previously discussed, the structure of a given system will influence perceptions as to what constitute important agents within that system, and therefore by definition will also prejudice against bodies of a different nature. The ‘complex

37 These goals and interests must be explicit in some way in order that they be concrete enough to allow the entity to be objectively identifiable. General or unstated interests fall under the umbrella of intangible identity structures.
system' approach adopted in this thesis to a great extent avoids structure driven identification through allowing for the possibility of any number of actors of differing characters.

Another important facet of the tangible identity of a given actor is its autonomy,\(^3^9\) defined by Mansbach (1976, p.5) as the "independent capacity to solicit and receive information, to process and refine it, and finally to respond to it". If a unit is not autonomous, it cannot be considered to be an actor; a body must be able to undertake action independently of any external body in order to be deemed an actor. If an entity does not possess a minimum level of autonomy, it will simply be an agent or instrument of some more powerful actor. Indeed, Mansbach and Vasquez (1981, p.160) assert that "a group will appear as a political actor when it first undertakes autonomous behaviour". The moment a body must incorporate the permission or capabilities of an external body into its ability to act on a given issue, it is effectively giving that other body a power of veto over its actions, therefore undermining its ability to choose where, when and how to apply itself. This is not to say, however, that the body must be wholly independent from other political systems, a point that will be discussed further below.

Jupille and Caporaso (1998, p.218) support the contention of this thesis in their definition of autonomy as including two components: institutional distinctiveness and independence (discretionary goal formation, decision-making, and implementation). In essence, what is being suggested is that a body’s internal structures/processes, even when they intermingle with domestic political institutions, must be more than the sum of their parts. As such, they argue, autonomy exists "when decisionmaking latitude is wide, when agency slack is considerable, when decisions require going outside standard operating procedures, and when instructions are ambiguous, incomplete, or depend on information that the principals cannot have" (p.218).\(^4^0\) Again, therefore, what is being suggested is that the body be able to go beyond any kind of veto or restraint exercised by external forces, in other words, that it be sufficiently distinct as to adopt its own role independent of other systems to which it is linked, or from which

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\(^{3^9}\) Article 1.1.1 of the non-consolidated text.

\(^{3^9}\) Sjöstedt (1977, p.15) argues that if a unit possesses both internal cohesion and external delimitation, it may be considered autonomous. This thesis, however, takes a slightly different approach, having accepted internal cohesion and external delimitation as being 'two sides of the same coin'. For Sjöstedt delimitation essentially means autonomy, that is, a lack of significant penetration by external actors.

\(^{4^0}\) Merle (1987, p.296) supports such a contention in asserting that autonomy requires an actor to be able to play "a specific role independent of their constituent members".
it is constructed, and from third parties. This assertion must be tempered, however, by the recognition that in an increasingly interdependent world all actors are subject to some external restraints which exist as a part of the operating environment. Autonomy is, therefore, necessary only at a minimum level whereby an entity is not purely the agent or instrument of some other actor, but is able to formulate and pursue its own policies and goals.

In terms of intangible identity structures, perhaps the primary component is continuity. Indeed, Taylor (1982, p.9), commenting on the possession of actorness by the European Community, said of an actor that “its foreign policy is likely to be consistent over a period of time”. Continuity is defined as the presence of some kind of institutional history/memory such that decisions may be understood within the context of a previous body of decisions. This may also lead to consistency of decisions in that it builds what is effectively a ‘decision-making personality’ over time. This personality makes further decision-making simpler as it effectively creates an institutional memory and set of behaviours and precedents upon which decision-makers may draw. This is not to say that the policy or direction of an actor remains static – dynamism and change are an important part of the process. In a democratic state, for example, policy direction may shift significantly with a change in government. The actions of this new government, however, are understandable in the context of variety of factors, including the previous policy orientation of the state (as embodied in the civil service), of the new governing party, and of the international agreements and alliances of which the state is a member. Because of the possibility of change, the concept of continuity and institutional memory lacks the permanence to be grouped along with tangible identity structures above. In short, intangible identity structures tend to relate not so much to the identification of an entity in relation to the external environment, but to the quality of operation of that entity. Thus, institutional memory as outlined above may improve both the capacity to make decisions and the quality of the decisions made.

These concepts are all clearly interrelated. Institutional memory, for example, by improving the functioning of the decision-making process is closely related to internal cohesion. Cohesion in turn, in the words of Jupille and Caporaso (1998, p.220), “is analytically irrelevant if the entity in question lacks autonomy”. Thus, the above means of distinguishing a body from its external environment should be understood as a sophisticated whole. In any given body one (e.g. an explicit goal) may
be more obvious than another (e.g. cohesive decision-making structures), while a third may not be present at all (e.g. legal constitution). As such, they must be taken as indicators, not absolutes.

**Actor Capacity:**

Once an entity has been identified, one must assess its capability to act, that is, whether or not it possesses certain structural requisites necessary for actorness. According to Sjöstedt (1977, p.16), actor capability is the “capacity to behave actively and deliberately in relation to other actors in the international system”. This is reinforced by Bretherton and Vogler (1999, p.20) who assert that “[t]he attribution of actorness does more than simply designate the units of a system. It implies an entity that… is capable of volition or purpose. Hence, a minimal behavioural definition of an actor would be an entity that is capable of formulating purposes and making decisions, and thus engaging in some form of purposive action”. It is these structural properties that are the basic requisites, the underlying genetic code, for the expression of actorness in the global arena. Drawing heavily upon Sjöstedt and other unit-driven theories of actorness as discussed above, this core framework is considered below.

There are three fundamentals for actorness: the ability to set goals, the ability to take decisions in relation to these goals, and the ability to pursue the policy decided in relation to said goals. These will be addressed under the following headings:

1. **Action Triggers:** includes goals, interests and principles, or even simply emergent situations requiring a response, which spur a given entity into action;
2. **Policy Structures/Processes:** involves the capacity to take a decision in relation to an action trigger;
3. **Performance Structures:** includes all those structures and resources necessary for the actual performance of a given task once the decision to act has been taken.

**Action Triggers:**

All behaviours require a trigger, be it a pre-formulated goal or adaptation to changing conditions (e.g. the emergence of a crisis situation). Such a cause is a necessary predicate for action. Hobbes, for example, premised the social contract on the desire
to avoid the state of nature and by so doing ensure the preservation of one's own existence. Similarly, Mansbach and Vasquez (1981, p.151), in discussion of the emergence of political actors, assert that "value deprivation and the availability of stakes provide the setting for political participation". In other words, an individual must lack something which may become available to them through participation in the political process – there is a goal for their participation. Sjöstedt (1977, p.85) said of what have been termed action triggers\(^\text{41}\) in this thesis that they are "the component of the actor capability which is to give clear instructions of how, and for what purposes, this instrument is to be employed".

Action triggers need not necessarily be overt, often being implied simply by the nature of an organisation itself; for example, a primarily economic organisation has as an implied interest action in the economic sphere for the benefit of its members. These implied interests, however, are a much weaker spur to action than a formulated goal or a set of fundamental principles. Thus action triggers may be divided into two rough groups: formulated goals and principles and general

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\(^{41}\) The component of Sjöstedt's analysis most closely related to action triggers is termed by him a 'community of interests'.

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**Figure 2.2: Influences on Goals, Principles and Interests**
interests. Formulated goals and principles include those objectives previously defined by an actor (for example in treaties and founding documents), or which are defined in response to a changing environment, as well as principles upon which an organisation is founded (for example, respect for, and protection of, human rights). General interests, on the other hand, constitute simply the overall focus of an organisation, and are, as stated, a weak trigger for action. In addition to looking to the general nature of a body, these may be determined by looking to the behavioural history/decision-making personality of an organisation that, in the best case scenario, will possess some continuity over time.

These goals, principles and interests, while distinct, are closely related, and draw upon a variety of endogenous and exogenous inputs (see Figure 2.2). The two co-exist in a continuing dialectic process such that the existence of general interests is a factor strongly influential upon the formulation of goals and principles, while at the same time being affected by any goals or principles formulated. In addition, both groups are influenced by endogenous factors such as behavioural history (i.e. decision-making personality) and institutional structure, as well as such exogenous factors as systemic structure, the actions of third parties and so on.

**Policy Structures/Processes:**

The second requisite for actorness is the ability to take decisions in relation to an action trigger. Without the capacity to take such decisions, a body cannot act in a purposive manner, a criterion outlined as crucial to actor capacity by Sjöstedt (1977) and Bretherton and Vogler (1999). One important indicator of the presence of such policy structures/processes is the possession of authority to take a given decision. This authority may be *legal* (it may be found in international law, constitutive treaties or constitutions), *formal* (it is recorded in written instruments which do not possess the status of law), or *informal* (it is the subject of convention rather than written rules or regulations). These can be perceived as a continuum progressing from informal processes at the 'weaker' end, towards legal authority at the other. Along with being

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42 See discussion of 'community of interests' in Sjöstedt (1977).
43 This links back to law as an aspect of delimitation of a body from its external environment.
44 See Bretherton and Vogler’s (1999) discussion of legal personality under international law. Also Neuwahl (1998).
such an indicator of the presence of policy structures/processes, authority also makes it clear at which points in the structure power and responsibility lie. In this respect legal authority is clearer than formal or informal authority. Closely related to the structure of authority is the level of institutionalisation of the decision-taking process. Corresponding with the authority continuum outlined above, this can range from an informal situation where institutions are lacking, to a highly structured institutional process. When lines of authority lie at the informal end of the continuum, and when institutionalisation is low, decision-taking is subject to inefficiency, where it is possible at all, and could result in a struggle among any existing institutions for jurisdiction. In addition, processes that lack formal or legal status are more readily abandoned by participants, individually or collectively, when their own interests may be served otherwise. The more clearly defined the structure of the authority, and the higher the level of institutionalisation, the more stable and predictable will be the decision-making process, with participants being bound by stronger formal or legal ties, and more deeply meshed within institutions from which it is difficult to withdraw.

Having outlined the greater utility in terms of stability and predictability to be gained from more developed decision-making structures/processes, it must now be acknowledged that the requirement for decision-making structures/processes in determining actorness makes no reference to the degree of cohesion of those structures/processes. This effectively makes a distinction between actorness and effectiveness. In order to satisfy the requirements for actorness, it is necessary that these structures/processes simply be present above some minimum level. This is not to say that a more cohesive structure is not advantageous, as has been discussed above, but rather that it will not affect the possession of actorness. A more cohesive structure will, however, streamline the functioning of a given body, thus improving effectiveness. The level of cohesion that is necessary in this respect, is such that policy structures/processes are to an extent autochthonous, forming a system unique to the actor in which foreign influences play a minimal role. In the words of Jupille and Caporaso (1998, p.217), “these institutions should make a difference, compared to the baseline expectation of a decentralized state system working on the basis of power and interest”. Elements of the structure may be from other systems, or parts of other systems, but what is important is that these elements act ‘in right of’ the structure in question.
It is important to note that the policy structures/processes of an actor will include not simply the capacity to make everyday decisions, but also to respond to a changing situation. It is therefore necessary that there be an element of flexibility in decision-making so that an actor is able to respond to emergent situations by making new decisions or altering already existing ones. As such, the capacity for clear procedural leadership is an important and necessary attribute.

**Performance Structures:**

The final of the three requisites for actoriness, performance structures, as previously stated, includes all those structures and resources necessary for the actual performance of a given task once the decision to act has been taken.\(^{46}\) This may include instruments which are easily identifiable, and those less so. The category of performance structures may be divided into two sub-categories, those of tangible and intangible instruments. Tangible instruments constitute those structures used for actively carrying out an action, such as the ability to impose and maintain sanctions, the possession of a military capacity, and so forth. Intangible structures, on the other hand, are simply ‘influences’ on a system such as the effects an actor may have on a given issue simply by being present in the international arena. In the words of Allen and Smith (1991, p.97), “‘presence’ is a feature or a quality of arenas, of issue-areas or of networks of activity, and it operates to influence the actions and expectations of participants”. It is not necessary to consider in detail the tangible and intangible roles of a given actor; such an undertaking would require a thesis itself. What is necessary for the purposes of this thesis is simply the recognition that actions need not always be overt, but may be the result of the existence of systems and norms, in other words the mere presence of a given actor. An example, at the level of social development, may be found in the formation of the individual. In such a situation an important part may be played by role models who, though completely unaware of their influence, and in most cases never having met the subject, still exercise a significant socialisation impact. Inadvertent and intangible influences must be recognised as action in the same vein as more overt factors.

An important point to make in relation to performance structures, particularly those of a tangible nature, concerns ‘possession’. Must the structures in question be
'owned' by the actor, or may they be 'on loan' from other actors? This question links directly back to discussion of autonomy and of policy structures/processes. In short, it is necessary that the actor be able to guarantee use of a structure. 'Borrowing' from other actors is therefore a possibility, so long as access is certain. To be otherwise would be to give another actor an effective veto over action, therefore infringing upon the autonomy necessary for actorness. For example, the Combined Joint Task Force (CJTF) concept, which in principle enables the EU/WEU to use certain NATO assets in purely European military undertakings, has been criticised as allowing the US an effective veto over European military action.

**Figure 2.3: Interaction of Actorness Variables**

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**Falling Short:**

If an entity falls short of achieving a minimum level in any of the characteristics discussed above (as outlined in Figure 2.3), it cannot be considered an actor. This

raises the issue addressed by Allen and Smith (1991) in relation to the EU that, while such an entity may be consequential, its status and impact are ambiguous. Allen and Smith (1991, 1998) recognise that forces other than actors may be influential in the international system in ways both tangible and intangible. The concept of ‘presence’, they argue, “permits consideration and analysis of forces in the international arena without committing the analyst to a state-centric or ‘actor-centric’ version of international processes” (1991, p.98). A particular presence may have an influence on the international system, but through the lack of some requisite cannot act in the purposive manner recognised as a necessity for true actorness. The notion of presence therefore stands as a kind of ‘halfway house’ between actorness and what is essentially irrelevance to the international system.

Given the ‘variability and multidimensionality’ present in the global environment, it is possible for a body to possess actorness in one area, while being simply a presence in another, and not registering at all in a third. Further to this, the line delimiting presence from actorness is one that sees much traffic, being crossed and re-crossed as entities achieve actorness for a time, before again subsiding. Indeed, Sjöstedt (1977, p.16) argued that the property of actorness “is variable, and may accordingly grow or diminish over time”. By way of example, a movement such as that against nuclear weapons may have a continuing presence in the international environment, but may only intermittently become sufficiently organised to fulfil the actorness requisites as outlined above. This may occur in order to achieve a specific goal, for example disrupting French nuclear testing in the South Pacific, or opposing the transportation of nuclear waste over the European rail network, after which it will again recede into simple presence.

**Regional Actors**

The expansion of the global system and the relative decline of the authority of states in relation to it, while not constituting a withering away of the state, has led to a reorganisation of certain activities on a regional, rather than purely state, level. This reorganisation received a boost with the end of bipolar antagonism and the corresponding increase of interest in all forms of cooperation within the international
system. Fawcett (1995) points to a fear of economic and security marginalisation resulting from globalisation and decentralisation of the international system as constituting the underlying rationale for this increasing regional organisation, and is therefore suggesting a conscious policy of coordination at the regional level. In this respect, a distinction can be made between what may be termed regionalism and regionalisation (Hurrell, 1995; Wyatt-Walter, 1995; Gamble, 2001).

Regionalisation refers to the development of regional linkages in a non-purposive (from the perspective of states) manner. It is, in the words of Hurrell (1995, p.39), “what early writers on regionalism described as informal integration and what some contemporary analysts refer to as ‘soft regionalism’”. This is seen particularly in the case of economic regionalisation, the most important driving forces for which involve markets, private trade and investment flows, the decisions of private companies etc. (Hurrell, 1995; Ohmée, 1993). What is being asserted then, is that linkages, flows, networks and complexes develop between and within states of a region independently of the conscious policy of states, and that correspondingly these linkages, flows, networks and complexes need not accord with the borders of states – “whether they do is an accident of history” (Ohmée, 1993, p.79). This is, therefore, a non-purposive conception of regional coordination.

In contrast, regionalism refers to “a conscious policy of states or sub-state regions to co-ordinate activities and arrangements in a greater region” (Wyatt-Walter, 1995, p.77). Regionalism, therefore, ranges from an engagement in state level discourse in order to coordinate activity, to the setting-up of regional supranational institutions such that certain decisions are taken in a manner qualitatively different to that of state to state negotiation. Indeed, Nye (1968, p.vii) defined an international region as “a limited number of states linked together by a geographical relationship and by a degree of mutual interdependence”. Importantly, as recognised by Wyatt-Walter (p.78), where regionalism results in the development of common policy tools, the possibility of acting as a coherent whole in the international system (i.e. some form of actorness) is raised. Regionalism is, therefore, a requisite for actorness on a

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47 See Kupchan (1997) for discussion of why regional security arrangements matter in this respect.
48 See Telò (2001b) for discussion of the origins of various regional arrangements.
49 Hine (1992, p.115) forwards a similar definition, saying “[e]conomic regionalism can be interpreted as the promotion by governments of international economic linkages with countries that are geographically proximate”.

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regional level, while simple regionalisation lacks the purposive component previously outlined as a necessary requisite of actor capacity.

The *raison d'être* for the formation of a regional organisation by states, and its ‘domestic’ purpose, is, therefore, coordination,\(^{50}\) in whatever field, economic, security, etc. As noted by Cilliers (in Onishi, 2001), the 2001 initiative for an African Union modeled on the European Union “reflects Africa trying to meet the challenges of globalization and the requirements of more cooperation\(^{51}\). In discussion of the international system it was asserted that the relative authority of states has declined in relation to other actors in certain issue areas, particularly economics. Taking economics as an example, the global hyperspace that has emerged in this sphere has led to a de-territorialisation of economics such that states, in order to avoid marginalisation, band together to create a policy community with greater weight in the international system.\(^{52}\) Said Hägggi (1999, p.64), “the globalization process has been and is encouraging regionalism because the sharp increase in global competition is an incentive for countries and firms to pursue regional strategies as a defence against global competitors from outside the region and as a platform for the improvement of their global competitiveness”, with Rüland (2001a, p.5) asserting that “[n]ation states, especially weaker and smaller ones, are… perceived as responding to the challenges of globalization by pooling resources and bargaining power”. A clear example of this thinking can be seen in Brazil’s pursuit of further, MERCOSUR-centered, integration in South America as “a way to get a better deal from rich countries in global trade talks and in the Free-Trade Area of the Americas” (*The Economist*, 2003, p.37). In discussion of the international arena it was indicated that the global system is structured in such a way that it includes certain nodal points where structures of governance are ‘thicker’. These nodal points become attractive to an actor wishing to have an influence on the structure of the system, and therefore colonisation of them may become an overt policy goal. In a similar way, the development of regional arrangements may be seen as an attempt to construct what is effectively a new nodal point in the structure of global governance in which its member states dominate, and

\(^{50}\) Recall earlier discussion of the international system and the need to coordinate in order to retain some control over the de-territorialised global system.

\(^{51}\) Rüland (2001b, p.61) speaks of regionalism as “a defensive response by nation states to battling the challenges of globally operating, transnational economic actors (such as TNCs and hedge funds), complex interdependence’, and the border-crossing pathologies of globalization”.

\(^{52}\) See Kupchan (1997) and Mittelman and Falk (2000) for elaboration of motivations towards regional organisation in relation to economics and security.
which is the centre of an expanding web of linkages, flows, complexes and networks. In this respect, Kupchan (1997, p.219) argued of regional security arrangements that “security institutions are instruments that enable states to define and manipulate international concentrations of power”. The regional actor, therefore, is a solution to the problem of loss of authority, or de facto sovereignty, in the international and global systems.\footnote{Indeed, Telø (2001, p.7) says of new regionalism that it “can be seen as an attempt by states to react [to globalisation] by strengthening regional control when traditional centralized national sovereignty no longer functions and to bargain collectively with extra-regional partners”. See also Eliassen and Barve Mensen (2001).}

An intrinsic part of the regional actor is a sense of collective identity, without which “the most we can expect is behavioural cooperation, not community” (Wendt, 1994, p.384). The concept of identity as it relates to actorness has previously been discussed, and the following merely provides additional information in relation to regional groupings. Identity, as defined by Wendt (1992, p.397), is a “relatively stable, role specific understanding and expectation about self”. “Identification is a continuum from negative to positive – from conceiving the other as anathema to the self, to conceiving it as an extension of the self” (Wendt, 1994, p.386). Initially, collective identity constitutes that factor that spurs organisation on a regional basis. It may simply be that potential members share a common problem and, through enhanced interaction, endeavour to find a common solution. Alternatively, it may be a more complex recognition of a common social/political/cultural identity and therefore a desire to organise based upon this. Having such collective identity and collective interests means that the costs and benefits of possible actions are calculated on a higher level of social aggregation (Wendt, 1994), a factor necessary in the functioning of regional actors. It is, as previously discussed, that which enables a determination of who ‘we’ are as opposed to who ‘they’ are. Further to this, in relation to regional actors, the concept of identity incorporates the norms of interaction between said group of states, that is, it involves “collective expectations about proper behaviour for a given identity” (Jepperson et al, 1996, p.54). Consequently, interactions between the sub-units of the regional actor are, within the context of the regional grouping, to be consistent and rule-based.\footnote{See, for example, Acharya’s (2001) discussion of the evolution and emergence of the ‘ASEAN Way’ in his consideration of ASEAN as a security community.} Again, as with goals and interests, a dialectic relationship is evidenced: a sense of identity is fostered through interaction according to a set of
norms, which in turn are defined and modified through continued and closer interaction.

A regional actor may thus be defined as a territorially-based organisation, with a determinable identity, constructed by states for the purpose of designing and implementing a set of preferential policies in relation to a given issue within that regional grouping, and which are directed towards the improvement of the position of those states on that issue.\textsuperscript{55} Regardless of the level of integration achieved, a regional actor will remain a construct of these member states, which in turn constitute the primary units of organisation of the regional actor. The legitimacy of the regional actor is premised upon the sovereignty of its state units. To cohere beyond this ordering principle is effectively to create a regional super-state, and therefore to leave the ranks of regional actors to join those of state actors. Indeed, if, as has been suggested, regional organisation is a defensive measure adopted by nation-states attempting to come to terms with the process of globalisation, cohering beyond this regional framework may be interpreted as a failure of these states to cope. A cohesive regional unit will appear, according to Hurrell (1995, p.44), when the region plays a defining role in the relations between the constituent units of the region, and between those units and third parties, and when the region forms the organising basis for policy on a number of issues within the region. This latter is clearly related to policy instruments as discussed above.

The addition of this regional actor component to the designated framework of actoriness again leads to the elaboration of a continuum, stemming from the purely \textit{intergovernmental regional actor} as the least cohesive form, to a \textit{supranational regional actor} as the most cohesive. It therefore becomes necessary to provide further explanation of these forms. Discussion below is directed toward elucidating the models at the uttermost ends of this continuum. Further to this, consideration will be given to the actions of the European Union and the Association of Southeast Asian Nations in a policy area in which they are argued to have displayed actoriness, or to have developed actoriness. The EU and ASEAN are scattered along this continuum, ASEAN tending towards the intergovernmental extreme, while the EU varies in its location depending on policy area. The following, it must be emphasised, do not

\textsuperscript{55} This draws on Wyatt-Walter's (1995, p.78) definition of regionalism.
constitute exhaustive analyses, but are examples to illustrate the approach to actorness operationalised in this thesis.

**Supranational Regional Actors: The European Union, Democracy, Human Rights and Conditionality:**

As the most developed body of its type, the European Union comes closest in many respects to the most advanced stage of regional actorness – supranationalism. The supranational regional actor is one in which the binding authority to take a given decision, the capacity to do so, and the ability to perform any act decided upon, have been placed in the hands of collective institutions that exist above the level of the state. These institutions subsequently operate according to simple democratic procedures (majority voting). It is necessary that the authority of the supranational regional actor be founded upon the constituent state units in order that the body maintain its regional character for, as already stated, to cohere beyond the ordering principle of constituent state units is to effectively create a new super-state.

Given the practicalities and intricacies involved with the cession or pooling of sovereignty in supranational institutions, supranational regional actors are generally expected, though not required, to be based on the rule of law with binding legal instruments. In addition, collective identity (in terms of a positive connection with others) is facilitated by supranationalism as the institutions of such an actor, through the enhanced interaction involved, in many respects blur the distinctions between ‘them’ and ‘us’, between ‘their policy’ and ‘our policy’, among the member states involved. Simply, supranational institutions are arenas for intensive and relatively structured social interaction and as such constitute relatively sophisticated tools of socialisation. If, as Wendt (1994) argues, collective identity is about calculations of interest on a higher level of social aggregation, and if the structures of regional or global systems form contexts which either inhibit or facilitate collective identity formation, then the supranational regional actor as here defined constitutes both the highest form of collective identification and the institution that most clearly fosters such identification. This process is reinforced by the above mentioned binding legal nature of the actor’s norms and processes.

The European Union as a body incorporates an important element of the above theory of actorness, namely, *non-holism* or the recognition that actorness does not
necessarily presuppose capacity in all ‘traditional’ areas of external relations. Indeed, in the words of Allen and Smith (1991, pp.96-97) again, the European Union has a “variable and multidimensional presence”. Having acknowledged this variation in capacity, a limited case study of one policy area of the European Union will be undertaken in order to illustrate regional actorness of supranational character. This investigation will focus on the process by which human rights and democracy conditionality clauses came to be included in agreements with third parties. In so doing, it will illustrate the increasing actor capacity of the European Community/Union as its supranationalism became more entrenched, and as its authority, policy and performance structures and processes were expanded and became more cohesive.

Conditionality refers to the imposition of conditions upon contracting parties (usually donor and donee) which must be achieved/respected wholly, substantially or in part, either before any agreement will be fulfilled or in order to prevent penalties from being imposed. In the case of the European Union, this has come to mean the granting of aid and trade benefits (or indeed membership) conditional upon the fulfillment of certain (predominantly) human rights and good governance criteria. The development of European conditionality has been a slow process, a gradual extension of competences of the European institutions and the changing global context contributing greatly to the increasingly commonplace inclusion of human rights and democracy provisions in European agreements.

In terms of action triggers, the clearest enunciation of European external relations goals may be found in Article 11 of the Treaty on European Union (TEU),\textsuperscript{56} as amended by the Treaty of Amsterdam,\textsuperscript{57} reproduced as follows:

The Union shall define and implement a common foreign and security policy covering all areas of foreign and security policy, the objectives of which shall be:

- to safeguard the common values, fundamental interests, independence and integrity of the Union in conformity with the principles of the United Nations Charter;

- to strengthen the security of the Union in all ways;

- to preserve peace and strengthen international security, in accordance with the principles of the United Nations Charter, as well as the principles of the Helsinki Final Act and the objectives of the Paris Charter, including those on external borders;

\textsuperscript{56} Entered into force on 1\textsuperscript{st} November 1993.

\textsuperscript{57} Entered into force on 1\textsuperscript{st} May 1999.
- to promote international cooperation;
- to develop and consolidate democracy and the rule of law, and respect for human rights and fundamental freedoms.

The TEU was enacted at the end of the period to be investigated, so cannot be taken as a trigger in the literal sense. However, it may be seen as a restatement of interests the tentacles of which stretch throughout the history of European integration such that they have become the basis upon which the Communities and Union are founded.58 Indeed, as with all treaty reforms, the TEU simply gave legal recognition to what was already the de facto context and motivation for European activity.

The security interests of the Union in this respect fall under the liberal position on economic security discourse, as outlined by Buzan et al (1998), which places the free market at the root of the social fabric, and defines security in terms which allow it unhindered operation. The problems associated with such discourse include “how to maintain economic and political stability and how to handle the widening gap between the very rich and the very poor that unrestricted markets tend to generate” (p.96). As such, stability and stability enhancing regimes are promoted, including such things as the preservation of peace through international cooperation, democratisation, the rule of law, and respect for human rights and fundamental freedoms. Indeed, in the words of Smith (Smith, M. 1999), “the EC and the EU have a basic tendency to seek stability and predictability in the world arena, and have bent considerable efforts towards the encouragement of these qualities”.

Perhaps the greatest attribute possessed by the European Union in the pursuit of these goals of stability and securitisation is itself. As the single largest trading entity in the world, access to the EU market is a sought after prize. Indeed, access to the European market is essential to the economic well-being of all states in the global system. Already it has concluded trade, trade and cooperation or association agreements with most of the world, drawing third countries into an ever-expanding European web of interdependence. This, particularly through the inclusion of conditionality clauses, allows the Union to have some impact on security and stability in the global environment. It is to this conditionality that we now turn to examine.

58 It will be remembered that the creation of the original European Coal and Steel Community was conducted with the hope of instituting peace and stability in the European arena in the wake of two destructive World Wars which were, at the heart, principally European civil wars.
The process by which such clauses came to be included in agreements with third parties is an investigation in two parts. The first is consideration of the development of a European authority on which to enforce respect for human rights and democracy externally; the second is a focus on the actual process through which the clauses came to be included in agreements. In the case of human rights and fundamental freedoms, the European Community initially lacked an explicit legal authority for the operation of an external policy. This may be attributed to the fact that the EC was wrongly seen as a purely economic undertaking, not as an actor with political interests.\(^{59}\) As such, as Fouwels (1997, p.292) points out, the only reference to such things as human rights in the original EC Treaty was a resolution in the Preamble to preserve and strengthen peace and liberty. However, since the 1960’s a number of measures for the external protection of human rights regardless of strict legal authority have been developed, as well as, albeit with less pace, a legal basis.

The logical step was to extrapolate a jurisprudence-based legal authority for human rights from the legal authority of member states.\(^{60}\) This was achieved through a supranational institution – the European Court of Justice (ECJ). Arguably, the first major step in this process occurred in 1969 with the \textit{Erich Stauder Case}.\(^{61}\) In this case, the ECJ found that fundamental human rights were an intrinsic part of the written and unwritten laws of the Community.\(^{62}\) This was further affirmed in the later \textit{Internationale Handelsgesellschaft Case},\(^{63}\) which went beyond the \textit{Erich Stauder Case} by noting the origin of Community law in the legal traditions of the Member States.\(^{64}\) Further to this, in \textit{Nold v Commission}\(^{65}\) it was stated by the court that in protecting fundamental rights, “the Court is bound to draw inspiration from constitutional traditions common to the Member States”\(^{66}\) and also that “international treaties for the protection of human rights on which the Member States have

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\(^{59}\) It did after all stem from an attempt to make war in Europe inconceivable.

\(^{60}\) The following is drawn mostly from Hartley (1998) and Kaptyn et al (1998).


\(^{62}\) This recognition is found in paragraph 7 of the judgement where it is stated: “Interpreted in this way the provision at issue contains nothing capable of prejudicing the fundamental human rights enshrined in the general principles of Community law and protected by the Court”.


\(^{64}\) “[R]espect for fundamental rights forms an integral part of the general principles of law protected by the Court of Justice. The protection of such rights, whilst inspired by the constitutional traditions common to the Member States, must be ensured within the framework of the structure and objectives of the Community” (Ibid. at 1134).


\(^{66}\) Ibid. at 507.
collaborated or of which they are signatories, can supply guidelines which should be
followed within the framework of Community law. These two sources of
inspiration were used overtly in analysis by the Court in *Hauer v Rheinland-Pfalz*,
in which the judgement looked to the constitutions of Germany, Italy and Ireland, and
to the European Convention on Human Rights.

This early jurisprudence was recognised by the central institutions of the EC in
incorporating human rights into Europe’s field of activities in terms of legal authority.
The 1977 adoption by the Commission, the Council of Ministers and the European
Parliament of a Joint Declaration on the Protection of Fundamental Freedoms
recognised the ‘prime importance’ to be attached to the protection of fundamental
rights as elucidated in national constitutions of the Member States, and in the
European Convention for the Protection of Human Rights and Fundamental
Freedoms.

Perhaps the most important element in recognising the authority of a European
human rights regime, and incorporating along with it notions of democracy, is the
Resolution on Human Rights, Democracy and Development adopted on 28th
November 1991 (European Commission, 1991, s.2.3.1) which built upon the earlier
jurisprudence and joint declaration. The Resolution reaffirms the 21st July 1986
Declaration of Foreign Ministers of the Community on Human Rights that
“respecting, promoting and safeguarding human rights is an essential part of
international relations and one of the cornerstones of European cooperation as well as
of relations between the Community and its Member States and other countries”
(s.2.3.1.1). It further states that “[i]n this regard [the Council] stresses its attachment
to the principles of representative democracy, of the rule of law, of social justice and
of respect for human rights” (s.2.3.1.1). The Resolution effectively recognised human
rights as having a universal nature, and it therefore being the function of all states to
protect them, and specifically incorporates “the consideration of human rights [and
democracy] as an element of...[Community] relations with developing countries”
(s.2.3.1.10). It is, in the words of Marantis (1994, p.12), “the most comprehensive link
to date between human rights, democracy and development”.

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67 Ibid.
68 Member State legal traditions and international treaties.
70 See European Commission (1986, s.2.4.4).
It remains, then, to turn to the concrete process by which conditionality clauses came to be included in European Union and third party agreements, and the role played in this by European institutions. Four successive waves of development may be identified, each beginning in response to a situation confronting the European Community, or as the result of a change or series of changes in the international arena. The first wave, as discussed above, was the beginning of a gradual movement to develop an human rights jurisprudence internal to the Community, and therefore the authority upon which conditionality could be based. This jurisprudential authority, along with the more specific authority of European institutions to conclude the relevant trade, aid and cooperation agreements, is a necessary component of the policy structures/processes of actorliness.

The second of the three waves began after the entry into force of the Lomé I Convention (1975), and may be considered to be the true beginning of the conditionality process. In the late 1970s a number of cases of human rights abuses occurred among the African states of the African, Caribbean and Pacific (ACP) grouping party to the Convention with the EC. In particular, the situation under the Amin regime in Uganda spurred the Commission to seek solutions to the inadequacy of European responses to violations of fundamental human rights. In Uganda, the Council could do little more than issue a statement deploiring the situation and asserting that it would take steps within the Lomé I agreement to “ensure that any assistance given by the Community to Uganda [did] not in any way have as its effect a reinforcement or prolongation of the denial of basic human rights to its people” (European Commission, 1977).

As a further response, in 1978 the Commission came to advocate the inclusion of a human rights clause within the second Lomé Convention. It was this that

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71 Thus the EC/EU may be seen as an actor responding to a new situation or chain of events in reformulating itself and the tools it possesses.
72 At the same time as these moves were taking place in relation to the ACP states, the EC was seeking to develop a position towards South Africa, with the goal of ending apartheid. In 1977 this took the form of a voluntary Code of Conduct for EC firms with subsidiaries operating in South Africa, establishing guidelines for employment practices in a manner designed to counter discrimination within the apartheid system (Holland, 1995b, p.37). While applying to companies rather than states, the Code, which was the first EPC joint action taken outside of the immediate environment of Europe and the Mediterranean, was indicative of the increasingly intrusive approach of the EC towards the actions of third parties.
73 See Addo (1988).
Figure 2.4: Four Waves of Conditionality
constituted the second wave, the emerging belief in a need to tie aid to certain fundamental principles. It was proposed that reference to human rights be included in the preamble to Lomé II, and that the provision of development assistance be linked to the observance of international labour standards.\textsuperscript{74} This was opposed by the ACP states\textsuperscript{75} who feared that “the nature of the links designed by the Community were capable of abuse and to be used as a pretext for intervention in their domestic affairs” (Addo, 1988, p.73). Again, as with Lomé I, human rights conditions were omitted from the agreement. As such, for the period of the first two conventions, aid from the EC to the ACP remained, in effect, an ‘entitlement’.

Marantis (1994) argues that three factors detrimentally affected the place of human rights and democracy clauses in these trade and aid packages in the late 1970s and early 1980s. The first of these was the status of the Community itself; human rights were not seen to be politically important in a purely economic organisation.\textsuperscript{76} Secondly, the Member States in the immediate post-colonial period did not want to be seen to be too critical of the newly decolonised states. Thirdly, the ACP itself was opposed to political ‘strings’ on agreements, with this view bearing more weight given the economic conditions of the post-OPEC oil shock period.\textsuperscript{77} To this could be added a fourth, the Cold War. The perceived need of the West to secure zones of influence in opposition to the communist Eastern bloc meant that the bargaining position of the developing world was strengthened, and that the support of a third state for the Western Powers was more important than the regime or conditions within that state. Further to this, the ACP states at the time of negotiation of Lomé I and II were able to form a cohesive negotiating bloc.\textsuperscript{78} As a result of these factors, the Lomé I and II negotiations were situations in which bargaining asymmetries between the EC and the ACP groupings were minimised. It is for this reason, along with British advocacy of Commonwealth ACP states’ views, that favourable non-conditional agreements were able to be negotiated by the ACP. Two important factors in relation to actorness may be seen. First, while supranational European institutions were responsible for

\textsuperscript{74} See European Commission (1978b), and European Commission (1978a).
\textsuperscript{75} Except for Senegal.
\textsuperscript{76} See also Addo (1988).
\textsuperscript{77} The OPEC oil shock highlighted the dependency of the West on commodity imports from the developing world. See also Ravenhill (1979-80) on the economic issue.
\textsuperscript{78} See Ravenhill (1979-80) for elaboration of this point.
negotiating (the Commission)\textsuperscript{79} and ratifying (the Council and the European Parliament)\textsuperscript{80} agreements within which conditionality clauses were to have been included, the procedures by which this was to be done placed certain limitations on the content of the agreement. The requirement of unanimity in the Council in issuing a negotiating mandate and ratifying any agreements effectively meant, particularly given that a European human rights jurisprudence was only in the early stages of gestation, that it would take only one Member State to value geo-strategic interests over those of human rights and democracy in order for any ratification to fail. There was, therefore, a lack of sufficient policy structures (the issuing of a negotiating mandate) and performance structures (ratification). Secondly, the bargaining strength, due to a variety of mostly geo-strategic factors of the ACP States again meant a lack of capability in terms of performance structures, reflected in an inability to get a conditionality clause included in any agreement.

In 1982 the Commission again placed human rights on the development agenda as an implicit focus of its ‘Memorandum on the Community’s Development Policy’ (the Pisani Memorandum) (European Commission, 1982). The Lomé III Convention adopted in the same year incorporated human rights in both its preamble and Article 4,\textsuperscript{81} but once again failed to further the cause of civil and political rights and democratic principles or to provide effective response mechanisms for human rights violations. However, the swing in bargaining asymmetry in favour of the Europeans was beginning to be evidenced during the negotiations. The ACP states sought to make those references to human rights within the convention reciprocal, enabling them to question human rights in Europe, and also endeavoured to gain guarantees for the protection of the rights of their own citizens within the territory of the EC (Addo, 1988). They failed to achieve either. As such, Lomé III can be seen as representing a transition period in EC development cooperation, signalling the beginning of a move away from the entitlement approach. Important in terms of actoriness were the continuing development of an human rights jurisprudence and the comparative increase in performance capability of the European institutions brought about by a decline in ACP bargaining strength.

\textsuperscript{79} The Commission is to negotiate consistent with a mandate issued by the Council, and in consultation with committees appointed by the Council for this purpose (Article 300(1) EC Treaty).

\textsuperscript{80} The agreement is to be concluded by unanimity vote in the Council (Article 300(2) EC Treaty) and with the majority assent of the European Parliament (Article 300(3) EC Treaty).

\textsuperscript{81} Refers to economic, social and cultural rights.
In the period from Lomé III to Lomé IV the international situation changed fundamentally. It is this change that constitutes the third wave in the development of conditionality. The European Community, with the coming into force of the Single European Act in 1986, had expanded its role and authority beyond the purely economic field, becoming a project in which it was foreseen that Member States could increasingly coordinate themselves in every sphere of the international arena. In addition, economic conditions within the ACP states had markedly declined, placing them in a position heavily dependent on foreign aid in order to meet basic needs.\textsuperscript{82}

Finally, at the close of the short decade of the 1980s the Berlin Wall fell and the Cold War came to an end. The exigencies of security politics were no longer the overriding force they had been, allowing such considerations as human rights and democracy to carry more weight in international relations. Indeed, one may go so far as to assert that from the mid-1980s the notion of security had been transformed to a great extent from one emphasising force of arms to one giving ever more forceful recognition to the place of regime stability through human rights, democratisation and the rule of law. This was reflected internally in the EC/EU by the \textit{Statement on Human Rights} (European Commission, 1986), the \textit{Resolution of the Council and of the Member States meeting in the Council on human rights, democracy and development} (European Commission, 1991) and, importantly, in the debate leading to the formulation of the then Article J.1.1 (now Article 11) of the Treaty on European Union. The period’s increasing international emphasis on institutional issues may also be seen in the OECD’s recognition of the importance of the economic and political environment within which aid ties operate (OECD/DAC, 1985; OECD/DAC, 1992), and in the conditionality of the Bretton Woods Institutions.

For the first time, Lomé IV saw a clause incorporating respect for human rights included in an agreement between the European Union and a third country. It constituted the fullest enunciation of human rights in an EU-ACP agreement, with Article 5 explicitly linking development to human rights and thus, in the words of Marantis (1994, p.9), “creating a legal basis for advancing the observance of human rights through specific development programs [sic]”. In other words, the EU was now able to grant aid conditional upon specific programmes being enacted. In spite of this,

\textsuperscript{82} Commodity prices bottomed-out in the 1980s, the flow of resources between the EC and ACP reversed from a net transfer of US$43 billion to the ACP in 1981, to a transfer of US$33 billion to the EC in 1989, and ACP debt reached US$1.3 trillion (Marantis, 1994).
Lomé IV conditionality was less than absolute. Aside from general statements in Article 5, the agreement continued the tradition of failing to adequately address civil and political rights. It is these shortcomings, says Marantis, that "prevented Lomé IV from becoming a comprehensive human rights, democracy, and development program" (p.10).

While this first generation of conditionality emerging from the Third World financial crisis of the 1970s and 1980s was concerned primarily with human rights, a second generation concerned with democratisation and the rule of law was to emerge with the systemic transformations in the East following the collapse of the Berlin Wall.\(^3\) It is this that marks the fourth wave in the emergence of conditionality. The geo-strategic interest of the south had virtually disappeared, further weakening the bargaining position of Third World states in relation to the Europeans. In the new world order, says Stokke (1995a, p.9), “with the competition between East and West for political influence and strategic position in the Third World removed, Western governments felt freer than before to pursue basic political concerns vis-à-vis the nations of the South”.\(^4\) To this may be added a firmer assertion: that the emergence of the East as a region of political and economic (and as a result potentially military) instability directly on the borders of the EC/EU served to refocus security interests away from global towards more regional concerns, and away from traditional security policy concerns towards the pursuance of political and economic stability in the form of democracy, the rule of law and the market economy. This was an intrinsic part of the emergence of soft power over hard power as the primary form of foreign policy tool.\(^5\) A further integral part of this fourth wave was the focussing of the internal debate on human rights, democracy and the rule of law. On 1\(^{st}\) November 1993, the Maastricht Treaty on European Union came into force, legally integrating human rights, democracy and the rule of law into the treaty law constituting the European Union, thus obligating the Union to respect and pursue these goals.

As a result of these fourth wave changes, the 1995 mid-term review of the Lomé IV Convention saw the significant attempt to broaden conditionality within the agreement. Article 5 was upgraded to stipulate that human rights and democracy were

\(^3\) This first/second generation classification is drawn from Stokke (1995a).

\(^4\) As a part of this process, ‘aid’ was redefined in such a way that it became a purely CEEC measure, and not one that could be applied to the ACP.
essential elements of the agreement, infringement of which would provide the basis for suspension, in whole or in part, of the agreement. This was the first time the possibility of suspension had been included in an agreement with countries outside of Central and Eastern Europe, and remedied the inadequacies in the initial Lomé IV agreement. The reasons for this are clear. The authority to include human rights and democracy clauses had been firmly established and was expansive. Not only did it allow for the inclusion of such in third party agreements, but effectively required it by obligating the Union to respect and pursue these ideals. This type of commitment is to be expected of regional actors with a firm legal basis. This obligation, along with the changed geo-strategic situation, served to mitigate the effects of the unanimity-voting requirement for ratification, though clearly not to negate them completely. For the first time then, as a result of concerted attempts by European institutions and of fortuitous change in the global environment, European supranational institutions possessed the necessary policy and performance structures/processes to achieve the aim of making agreements with third parties conditional upon respect for human rights and democracy.

**INTERGOVERNMENTAL REGIONAL ACTORS: THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS AND THE THIRD INDOCHINA WAR:**

The intergovernmental regional actor is of a form qualitatively different to that of its supranational counterpart. This is most clearly seen in its contention that the sovereign authority of nation-states is indissoluble. As such, debates concerning the loss or pooling of sovereignty bear little weight in the perceptions of participants. Decisions are taken by negotiation among state representatives. Regional intergovernmental actors are most often, though not necessarily, thinly institutionalised, with bases of authority and structures of decision-making being of the informal type premised on convention or agreement rather than written or legal texts. This has the effect that norms and processes are non-binding, thus placing significant pressure on the cohesion of the grouping in instances where state interests are stronger than the

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85 It is useful to note that the period of the collapse of Communism in the East and the refocusing of security in the way discussed above also corresponded to the period of negotiation and adoption of the Maastricht Treaty on European Union. It is valuable therefore, to view Article 11 TEU in this context.

86 As was stated earlier, the ideal form of supranationalism is premised upon majority voting in supranational institutions. The European Union therefore falls short of this ideal.

87 After all, a truly sovereign state cannot be bound.
collective norms to which they ascribe. This strain on cohesion will be more evident in an intergovernmental regional actor comprised of a large number of highly differentiated member states. Indeed, as Kraft (2000, p.456) stated in relation to ASEAN, "[c]ohesion, while regularly strained by bilateral differences, has not been a problem as long as only 'like-minded’ countries were involved". In addition, in an intergovernmental actor comprised of heterogeneous sub-units, the development of a collective identity or consciousness is slower due to the privileging of national positions within the whole.

The Association of Southeast Asian Nations constitutes what can only be described as an intergovernmental actor, though it must be emphasised that it does not fall at the extreme end of the continuum. In the following discussion, consideration will be given to the shape of ASEAN actorness as evidenced in its role and policy concerning the Third Indochina War, the event that saw the reputation of the Association as an effective regional grouping established.

ASEAN, said Acharya (2001, p.48), “was the product of a desire by its five original members to create a mechanism for war prevention and conflict management”. It came in the wake of two previous attempts at organisation by regional states, both of which had foundered due to conflicts among member states. The Association of Southeast Asia (ASA)\(^{88}\) comprising Malaya, the Philippines and Thailand, was founded in July 1961 and remained in existence until 1965, though was effectively moribund from mid-1963 due to a dispute between Malaya and the Philippines over the territory of Sabah. MAPHILINDO, a ‘Greater Malaya Confederation’ which took its name from its constituent units Malaya, the Philippines and Indonesia, emerged in July 1963 but collapsed two months later with the outbreak of Konfrontasi between Malaysia and Indonesia. Twelve months after the 1966 political settlement of this dispute, on 8\(^{th}\) August 1967, the Bangkok Declaration was signed and ASEAN came into being, comprising Indonesia, Malaysia, the Philippines, Singapore and Thailand. It was, in the words of Leifer (1989, p.17), “the institutional product of regional conflict resolution”, stemming from a belief that the Malaysia-Indonesia peace process would be strengthened were it contained within a process of wider regional cooperation. Harris and Bridges (1983, p.5) point to two main stimuli for the formation of ASEAN: (i) the need for a forum in which to discuss political

\(^{88}\)The following discussion of the ASA and MAPHILINDO is drawn from Harris and Bridges (1983).
differences in the region; and (ii) given the benefits to be gained from such economic and political cooperation, the desire to expand regional cooperation beyond the MAPHILINDO countries.

The ASEAN Declaration (Bangkok Declaration) was a short (two page) non-binding statement signed by the Foreign Ministers of the founding Member States announcing the formation of ASEAN and the aims, purposes and mechanisms of cooperation. ASEAN therefore rested upon what has previously been referred to as ‘formal authority’, that is, upon a written instrument which does not possess the status of law. As such, in line with a belief in the indissolubility of sovereignty, ASEAN’s authority was simply the combined authority of its Member States as and when they came together. It was not until 1976 that a legally binding treaty was concluded in the form of the Treaty of Amity and Cooperation in Southeast Asia (TAC). The TAC was the result of the first ASEAN Heads of Government meeting, and was effectively an extended version of the Bangkok Declaration. The stated purpose of the Member States in enacting the Treaty was “to promote perpetual peace, everlasting amity and cooperation among their peoples which would contribute to their strength, solidarity and closer relationship” (Art.1). High priority was given to economic cooperation, the benefits of which were seen both as an end in themselves, and as a path to social justice and securitisation (Arts.4-12). Prosperity, it was believed, would be an effective counter to the threat of revolutionary Communism to the security of the region. The independence and autonomy of ASEAN’s Member States was guaranteed by outlining sovereignty-centric norms of cooperation (Art.2). Importantly, with Vietnam in mind, the Treaty was left open for accession by other states in Southeast Asia (Art.18). In spite of the new treaty-status of these principles and objectives, they remained, in practice, non-binding due to the norms of cooperation outlined in Article 2. Indeed, Rodolfo Severino89 (2001) notes that “ASEAN has always been regarded as a group of sovereign nations operating on the basis of ad hoc understandings and informal procedures rather than within the framework of binding agreements arrived at through formal procedures”.

The common political identity and purpose outlined by ASEAN in the Treaty of Amity and Cooperation received its first challenge with the Vietnamese invasion of Cambodia on 25th December 1978, little more than a month following the conclusion

89 Then Secretary-General of ASEAN.
of the Soviet-Vietnamese Friendship and Cooperation Treaty on 3rd November of the same year. Harris and Bridges (1983, p.67) commented, "[t]he fall of Indochina to the communists in 1975 helped to make ASEAN a more effective regional grouping, and the subsequent Vietnamese invasion of Kampuchea helped to bring it on to the world stage".

The invasion of Cambodia by Vietnam, and the replacement of the genocidal Khmer Rouge regime with a client government more open to Vietnam’s interests, violated the norms enshrined within the TAC. The invasion, however, had a differential direct impact on the security of ASEAN Member States, with Thailand perceiving the most acute threat (Leifer, 1989, p.90). Intramural differences between the threat perceptions of Thailand on the one hand, and Indonesia and Malaysia on the other, with the remaining ASEAN members occupying positions between these two poles, were to be a major test of corporatism within ASEAN.

The first response of ASEAN to the invasion of Cambodia was the issuing on 9th January 1979 of a statement by the Foreign Minister of Indonesia, Mochtar Kusumaatmadja, in his capacity as Chairman of the Standing Committee of ASEAN. The statement did little more than deplore the current situation of conflict and express grave concerns over its implications, without directly mentioning the role of Vietnam. This was quickly followed on 12th January by a more assertive Thai sponsored joint communiqué that "strongly deplored the armed intervention against the independence, sovereignty and territorial integrity of Kampuchea" and "called for the immediate and total withdrawal of the foreign forces from Kampuchean territory" (quoted in Leifer, 1989, p.94).

Throughout 1979 the ASEAN nations closed ranks about their frontline Member State, issuing a statement from the twelfth ASEAN Ministerial Meeting (AMM) on the 28th to 30th June 1979 affirming the Association’s support for Thailand, calling for the immediate and total withdrawal of foreign forces from the territory of Cambodia and reiterating support for the self-determination of the Cambodian people. The unity of ASEAN was further evidenced by (unsuccessful) activity at the summit meeting of the Non-Aligned Movement in September 1979, and the subsequent successful effort to have the United Nations accept the credentials of the Democratic Kampuchean delegation. By early 1980, however, intramural

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90 Khmer Rouge.

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differences over, among other things, the *de facto* alliance with China were beginning to put ASEAN collegiality under significant strain.

On 27th March 1980, Prime Minister Tun Hussein Onn of Malaysia and President Soeharto of Indonesia issued the joint Kuantan Declaration calling for external powers (namely China and the Soviet Union) to refrain from interfering in the Indochina conflict (Nischalke, 2000, p.93). The statement went on to appreciate Vietnam’s security interests in Indochina and, by acknowledging a legitimate interest in the political identity of Camobodia, implied recognition of Vietnam’s hegemonial role (Leifer, 1989, p.106). This was less than satisfactory to Thailand, and the Declaration was quietly swept under the carpet.

In June 1980, with the endorsement of the United Nations High Commission for Refugees, the Thai government began a process of voluntary repatriation of Cambodian refugees from camps inside the border of Thailand. In the process, some 7000 refugees from the Khmer Rouge controlled Sa Kaeo refugee camp were returned to strengthen insurgent forces within Cambodia, an action denounced by the government in Phnom Penh. The response was an artillery bombardment and armed incursion against non-Communist refugee camps by Vietnamese forces. This in turn triggered the rallying of the flagging ASEAN forces behind Thailand, with the joint statement on the situation on the Thai-Cambodian border issued at the thirteenth AMM asserting that “any incursion of foreign forces into Thailand directly affects the security of the ASEAN member-states and endangers peace and security in the whole region” (ASEAN, 1980, para.7).

Aside from a series of minor 92 Malaysian and Indonesian initiatives during the course of the 1980s, only one further serious challenge to ASEAN unity was to emerge, and this from a surprising source (Nischalke, 2000, p.94). When Chatichai Choonhavan emerged as Prime Minister of Thailand in July 1988, a radically new policy toward the other states of Indochina was soon to follow. In the *Sawannaphume* (Golden Peninsula) policy was envisaged a transformation from battlefield to marketplace. A Thai delegation subsequently visited their counterparts in Hanoi and Phnom Penh. At no time was an attempt made to broach this change in policy.

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91 See Kurus (1993, pp.821-822) for discussion of ASEAN attempts to achieve a UN resolution to the Cambodian conflict.

92 Minor in that, while not in line with official ASEAN policy, they proved not to be divisive as, given Vietnamese intractability over their position, they failed to pose a credible solution.
direction with Thailand’s ASEAN partners, who consequently resented the abandonment of ASEAN procedural norms (Nischalke, 2000, p.94).

This episode in ASEAN history illustrates clearly one particular aspect of Intergovernmental Regional Actors – the non-binding nature of decisions taken within an organisation premised on national sovereignty, and related to this the non-binding nature of norms of cooperation within such an organisation. Repeatedly, ASEAN corporatism was challenged when Member States perceived their own sovereign interests as being paramount, a factor magnified by the highly heterogeneous nature of states and interests within ASEAN. Nevertheless, despite intramural differences, it was able to maintain a common position of opposition to the Vietnamese occupation of Cambodia, a position that became firmer as the Member States gained experience in consulting and acting in concert. Further to this may be seen the limitation faced by ASEAN in confronting a problem that was just too great for the resources available. ASEAN demonstrated some success, when united, in mobilising international support through diplomatic means, but this was of only limited utility in confronting an entrenched military power. As a group, ASEAN did not possess the hard power necessary to back their diplomacy. This lack of the requisite performance instruments effectively hamstrung the grouping from the beginning.

What can be seen, even through such brief a consideration as the above, is that the Association of Southeast Asian Nations constitutes a qualitatively different type of regional actor to the European Union. The EU has a Cartesian approach, based on the rule of law. It develops along legalistic lines, extending authority through treaties and the legal system, establishing processes and norms that are binding in nature. Fundamental to this is a recognition that sovereignty is divisible. It tends, therefore, to the supranational pole of the continuum. ASEAN, on the other hand, is fundamentally intergovernmental in nature. Its authority is formal rather than legal, and correspondingly is not binding. While the Treaty of Amity and Cooperation for the first time gave ASEAN principles legal status, it underpinned them with a recognition of sovereignty-centric norms of cooperation, thus negating any binding authority they may have possessed.

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93 See above for discussion of the necessity of an element of collective identification for regional actors.
REGIONAL ACTORS IN THE INTERNATIONAL ARENA: INTER- AND TRANSREGIONALISM:

The domestic role of regional actors has already been discussed, and their individual international role is tangential to this thesis. What is important for this thesis is the function of the dialogue between these actors in the international system; this therefore requires elaboration. Five basic functions of dialogues between regional actors in the international system can be identified: balancing, institution building, rationalising, agenda setting and collective identity formation (Rüland, 1999). These functions serve as factors influencing both the regional actors themselves, as well as the international system in which they operate. As they have largely been the result of deductive analysis, however, very little rigorous testing has taken place, a failing this thesis addresses.

The notion of a balancing role in international relations has been deduced with the realist conception of actor competition in mind. In a globalised world this role is founded not so much upon military might as it is upon economic strength, and is no longer premised solely upon the nation-state, but incorporates regional groupings as well. Thus, emphasis is given to the concept of ‘triadic relations’ and the balancing games of the three primary regions in the international system: Europe, North America and Asia. Two interlocking elements may be expected in the process of balancing. The first is the self-focused balancing of each pillar with each other pillar, with each of the major powers attempting not to fall behind its competitors. The second, and the element most often highlighted by academics in relation to balancing, is that relations between each of the regional bodies in the triad constitute a balance to each other relationship within the triad. Thus, for example, the inauguration of the Asia-Europe Meeting (ASEM) was heralded as filling the missing link in triadic relations, counteracting the trans-Pacific alliance for the EU, and the trans-Atlantic alliance for Asia (Dent, 1997-1998, p.497; Hänggi, 1999, p.56; Maull, 1997, p.36; Rüland, 1999, p.5). Indicative statements in this respect are those of Dent (1999,

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94 Figure 2.5, constructed based upon three hypothetical regional actors, illustrates the relationship of these four functions to regional actors themselves, and to global governance and global multilateral fora.
95 Note, while rationalising and agenda setting constitute distinct functions, they are so closely related as to merit treatment together. Thus this thesis combines consideration of the rationalising and agenda setting functions into one chapter.
p.247), who argues of the ASEM that it is the “EU’s potential insurance policy against possible economic marginalisation in the twenty-first [sic] century”, and of Mogens Lykketoft\(^6\) (quoted in Pihl, 2001) who asserts:

> We in the EU should not contest the position of the USA in China and the rest of East Asia. But through a.o. the ASEM between East Asia and the EU, we should secure for the EU a position as a more equal partner in this part of the world.

This is not to say that triadic relations constitute the balance of power of the new millennium, but rather to assert a system of checks and balances through the development of each pillar as a balance to the others, through the diversification of external relations away from one pole of the triad\(^7\) and through constraining the

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\(^6\) Then Danish Minister for Foreign Affairs.

\(^7\) Most notably the United States.
ability of any pole to act in a unilateral manner, all contextualised within a multilateral system of shared principles, rules and norms (Maul and Tanaka, 1997, pp.37-38). It can thus be expected that development in one pole of (particularly economic) relations will be mirrored in others, and that unilateral actions by one region perceived as detrimental to global multilateral governance and trade by the others will be the subject of concerted and coordinated activity by those regions to correct the ‘error’ of the third.

The second function of interregional dialogues, informed by institutionalist literature, is that of institution building. Interregional dialogues encourage institution building in three primary ways. The first and most obvious is through the creation of cooperative structures. This has two facets: (i) the institutionalisation of dialogues between the cooperation partners, thus going beyond simple ad hocism into a more formal arrangement; and (ii) the development of new institutions/organisations in the post-negotiation phase in order to implement agreements. The second way interregional dialogues encourage institution building is through encouraging and institutionalising adherence to the web of rules, norms and values that constitute the structures of global governance. Says Rüland (1999, p.9) of these dialogues, “[t]hey help to inculcate cooperative principles and norms into the players, especially if they engage great powers with potentially hegemonial ambitions”. Thirdly, by encouraging coordination and cooperation within regional groups leading up to interregional negotiations, interregional dialogues stimulate the growth of regional structures. Said Soesastro and Nuttall (1997, p.84), “[r]egional coordination is... strengthened by the requirements of engagement in region-to-region dialogue”, leading Hänggi (1999) to comment of the ASEM dialogue that while it may only result in the development of lowest common denominator cooperation among East Asian states, it is important in that it does foster East Asian cooperation with a view to shaping a common position.

The third and fourth roles of regional dialogues, again informed by institutionalist debates, are those of rationalising and agenda setting. With respect to rationalising, what is being asserted is that interregional dialogues allow global issues to be debated at a median level between global institutions/regimes and nation-states, thus alleviating some of the problems inherent within truly global negotiations, and

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98 Again primarily the US.
therefore effectively serving as clearing houses for these global multilateral fora (Dent, 1997-1998, p.498; Maull, 1997, p.51-52; Rüland, 1999, p.7; Telò, 2001a, p.14). Indeed, says Maull (1997, p.51), “[i]n both the economic and political/security realms of international governance, regions may be crucial building blocks for peace, prosperity and stability by discharging some of the functions needed to sustain international governance”. Says Haggard (1997, p.25) of the small-n advantage, “when the number of parties to an agreement increases, there is an increased probability that members’ preferences will diverge, the core will shrink, and the probability of striking a bargain will fall”. In addition to this rationalising role, smaller numbers and a greater sense of consensus and common interests than is possible at the global level mean a greater scope for “isolating a manageable negotiating agenda in which all states have an interest and which is broad enough for productive issue-linkage but not too broad to impede effective bargaining” (Hurrell and Fawcett, 1995, pp.312-313). This occurs both at the regional level (i.e. coordination within a region) and, importantly for this thesis, at the inter-regional level (i.e. coordination between regions) for expression at the global multilateral level. Thus, the founding of APEC in 1989 occurred in order, among other objectives, to create a consultative body in GATT negotiations (Higgott et al, 1990; Funabashi, 1995). Interregional dialogues will encourage the process at the regional level, providing the impetus for regional groupings to become more organised. What may be expected in interregional dialogues, therefore, is discussion of global multilateral issues, including the agreement of agendas and working programmes for pursuit in global multilateral fora.

The final function of interregional dialogues, drawing upon theories of constructivism, is to contribute to regional identity formation. It is here that the somewhat amorphous concept of ‘regional awareness’ emerges, defined by Eliassen and Børve Monsen as centering on “language and rhetoric, means by which definitions of regional identity are constantly defined and redefined” (2001, p.114). Collective identity formation occurs in three key ways. The first is through the role of an external federator, with the European Union being the preeminent example in that, aside from major (economic) powers such as the US, it seeks to conduct dialogues with larger groupings rather than bilaterally with individual states. This exerts a certain amount of pressure upon third party states to form regional groupings, and in

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100 See discussion of collective identity formation below.
this way constitutes an intended result in relation to identity formation. The second is through the negotiation of operational elements, defined as including (i) the requisites of membership of a given grouping, and (ii) the operational norms adopted, and their association with a given group. Finally, the third method by which collective identity formation occurs is as a reactive or adoptive response to stimuli. As an example, the EU as a grouping holds to certain normative positions (collectively referred to as ‘Western values’) in its external relations by, for example, including conditionality clauses in agreements with third parties in order to promote these norms. This, particularly in the case of Asia, has led to formation of an alternative identity (Asian values) as a response to this common ‘other’.  

The process of identity formation is further reinforced by the institution building that occurs within a region, and the formation of regional positions leading into interregional negotiations. This leads to a convergence of major values relevant to decision-making and thus the strengthening of regional identities, and links in with the complex system model of the global arena outlined above in that “[t]he structures of regional or global international systems constitute interaction contexts that either inhibit or facilitate the emergence of dynamics of collective identity formation” (Wendt, 1994, p.389). The incremental interactions and socialisation that occur within regional groups, and within interregional dialogues, are therefore of importance.

Summary

In short, this thesis concerns itself with the international system, itself posited within the broader global system. Recognition has been made of the challenge of the global system to the international system, and the resulting ‘battle’ of governance. Within this background, the thesis focuses on the role of regional actors, themselves a possible solution to the governance problem faced by nation-states, and more specifically on dialogues between regional actors. Actors have been defined as those organisations possessing an international identity and autonomy, as well as the three fundamental capacities for actoriness: action triggers, policy structures/process and performance structures. To this basic framework has been added the componentry

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101 See Wendt (1994) for discussion of identity as a construct of ‘otherness’.
102 Recall the discussion of collective identity and regional actors above.
necessary for recognising regional actors, defined as 'a territorially-based organisation, with a determinable identity, constructed by states for the purpose of designing and implementing a set of preferential policies in relation to a given issue within that regional grouping, and which are directed towards the improvement of the position of those states on that issue'. In essence, what is being attempted here, is a re-territorialisation of structures of governance. Given the concentration of this thesis upon interregional dialogues and their influence upon governance, five roles for such dialogues were outlined: balancing, institution building, rationalising, agenda-setting and collective identity formation. This thesis, therefore, contextualised within the above discussion, seeks to explore the relationship between the European Union and Southeast Asia according to the five functions of such dialogues, and explicitly to investigate the effect of actorness as a moderating variable, influencing the performance of these functions.
3. Balancing

As established in chapter 1, the notion of a balancing role in international relations stems from a realist conception of actor competition, that is, of anarchy and a self-help approach to security, leading to the accumulation of power individually or as part of a temporary coalition. The result is the emergence of a relatively stable balance of power. For the traditional realist approach, power is defined in terms of territory, population, resources and, importantly, military capacity. In a globalised world, power is increasingly seen to be founded upon economic strength. Indeed, in the words of Eizenstat\(^\text{103}\) (2001, p.xiv), “the coin of the realm in today’s foreign policy is economics and trade”. Further, power is no longer based solely upon the egoistic nation-state, but incorporates regional groupings as well, acting in closer cooperation than did the loose alliances of traditional realism. In the present global system, this notion privileges the place of the economic ‘Great Powers’, and thus gives emphasis to the concept of ‘triadic relations’ and the balancing games of the three primary regions in the international arena: Europe, North America and Asia.

Within the process of balancing, two interlocking elements are determinable. The first is the self-focused balancing of each individual pillar with each other pillar in the triad. In other words, each pole seeks to ensure that it can compete more or less effectively with each other pole, to avoid possible marginalisation in the global system. This may, in the economic sphere, involve a focus on increasing its own competitiveness, reducing dependence on a particular pole through gaining access to

\(^{103}\text{Former US Ambassador to the European Union.}\)
markets in other triad and non-triad regions, or may mean challenging the dominant or hegemonic position of one state or grouping within the system. Thus, Abe and Plummer (1996, p.18) argued of the Asian countries party to the ASEM process that they considered new alliances among themselves, and with major trading partners, both as a means of future defence against possible ‘fortresses’, as well as the source of potential economic benefits associated with regional integration. The second key element is the balancing of inter- and transregional relations such that relations between each of the regional bodies in the triad constitute a balance to each other relationship within the triad. Balancing, in this respect, may occur in a number of ways, though two are of particular importance. First, it may again amount to an insurance against possible marginalisation through, in the economic sphere for example, ensuring access to markets. Through this desire not to be marginalised, it also constitutes a means for ensuring the open and honest participation of other triad regions within the global multilateral framework (Ferguson, 1997; Kux, 1999; Segal, 1997; Yeo, 2000) and therefore correspondingly strengthens and stabilises these structures. Secondly, inter- and transregional relationships may constitute a means of constraining the ability of any of the triadic pillars to act in a unilateral manner by cementing in place automatic and pre-existing ‘alliances’ against them.

What is being suggested, therefore, is not so much a balance of power in the traditional sense of a ‘stand-off’, but rather an interlocking system of checks and balances developed through diversification of economic and foreign policy relations away from one pole of the triad. Trade and market access issues, therefore, are of importance. Further, it can be expected that the individual poles of the triad will seek to build their region, politically and economically, and in so doing limit their dependence on others, and promote relations with other external actors in order to ensure both political and market access and therefore guarantee preservation or promotion of their political and economic interests. In addition, through the development of inter- and transregional relations it can be expected that triad partners will act externally to promote stability through consolidation of a multilateral system of shared principles, rules and norms. Further, by limiting possible courses of action through development of a multilateral framework and through the threat of economic and, to a lesser extent, political marginalisation, the ability of any pole to act unilaterally will be constrained. It can thus be anticipated that development in one pole of (particularly economic) relations will be mirrored in others, and indeed that
developments within inter- and transregional relationships will, to an extent, be mirrored in their counterparts. In other words, both individual triadic powers and relationships will seek to avoid being out-manoeuvred or becoming irrelevant. Finally, it can be anticipated that unilateral actions by one region perceived as detrimental to global multilateral governance and trade by the others will be the subject of concerted and coordinated activity by those regions to correct the 'error' of the third. It is evidence of this behaviour in the Asia-Europe partnership that this chapter elaborates.

1967-1990

THE ECONOMIC SPHERE:

While the first and second periods of EU-ASEAN relations were characterised by colonial domination and the fight to end this domination respectively, the third period, (1967-1990) was characterised more by region-building than by regional interaction, with an increasing separation of the regions rather than the forging of closer inter- and transregional ties. This is not to say that international relations were not in evidence at all, indeed, it was in this period that the foundations of the future Europe-Asia relationship were laid. Rather, it is to underline that such regional relations were not of overriding importance for either region, and indeed that at times interregional relations were limited by the fact that region-building had not proceeded far enough.

In the post-War, post-independence, years, European economic relations with the nations of Southeast Asia were simply an extension of colonial economic links conducted on a bilateral state-to-state basis, centred around the importation of natural resources and the exportation of manufactured and processed goods in the form of machinery and consumer items, as well as around aid flows to the region. With the signing of the ASEAN Declaration (Bangkok Declaration) in 1967, the Association of Southeast Asian Nations emerged as a coherent regional grouping, foreshadowing an eventual shift in the nature of at least some of the relations between Europe and Southeast Asia to a regional basis. During the 1967-1990 period this did indeed occur, though these contacts were highly asymmetrical in two primary respects. The first was that of the balance between the regions themselves, with Europe occupying by far the
dominant role in the partnership. This, importantly for the above contention that region-building was of greater concern than interregional relations, was characterised by Rüland (2001a) as a situation of ‘asymmetrical indifference’. The second asymmetry was to be found in the nature of political and economic relations between the groupings. There was a marked contrast in the economic and political dialogues, with economic relations being characterised by the emergence of a fairly dense network of ties, though mostly at the technical/bureaucratic level, while in contrast the political field remained comparatively underdeveloped, though relations in this respect, being conducted via the ASEAN-EC Ministerial Meeting (AEMM) process, were elevated to the level of ministerial dialogue. The result, at least among academics, was a marked disparity in the way relations prior to 1990 were viewed, with some asserting the dominance of economics over politics,\(^{104}\) while others\(^{105}\) held the reverse to be true.

The initial moves towards developing a relationship between Europe and Southeast Asia on a regional basis were made by ASEAN, and may be traced to the fourth Foreign Ministers Meeting of the grouping, hosted by the Philippines in Manila in March 1971. This move had been forecast in the ASEAN Declaration which had asserted, apparently with the European Community in mind, the goal of “maintain[ing] close and beneficial cooperation with existing international and regional organizations with similar aims and purposes, and explor[ing] all avenues for even closer cooperation among themselves” (Art.7). The actual motivations behind the ASEAN move in 1971, however, can primarily be credited to the impending (1973) accession of the United Kingdom to the European Community, which would lead to an effective dismantling of the Commonwealth system of trade preferences to which Malaysia and Singapore had been parties, as well as the adoption by the UK of the EC’s Common Commercial Policy (CCP), to which it was required to have aligned its internal policies by 1972. The CCP, founded on Articles 110-116 of the Treaty of Rome, essentially ceded control of commercial matters to the Commission and Council of Ministers of the EC, created a customs union with common external tariff barriers among Member States, and sought to eliminate internal barriers to trade among the Member States. Singapore and Malaysia were understandably concerned about the diversionary effect the CCP would have on British trade and investment; in

\(^{104}\) For example Luhulima (1984), McMahon (1998).
the period from 1958 to 1965 intra-EC trade had grown some 17 per cent, while imports from non-members had risen only 9.2 per cent (Walter, 1968, pp.134-160).

To this economic imperative, however, may be added specific politico-strategic causal factors. The Cold War environment, in which the ASEAN states constituted an important anti-Communist grouping, began increasingly to place certain pressures on these states in terms of security. In 1967 the United Kingdom had declared its military disengagement from the Asian region, with a withdrawal of all military assets from east of Suez eventually completed by the end of 1971.\(^{106}\) Further, in 1969, as a response to increasing doubts over engagement in the Vietnam conflict, itself an ever present danger to the ASEAN states through the possibility of spillover, Nixon proclaimed the ‘Guam Doctrine’ according to which the United States would place greater reliance on indigenous forces for their own security and defence. The combination of these threats to the economies and security of the ASEAN states confronted them with, in the words of Harris and Bridges (1983, p.7), “a need to think in terms of a new pattern of regional (and extra-regional) relations”. As a response, in 1971 ASEAN expressed its concerns in the security sphere in the form of the Declaration on the Zone of Peace, Freedom and Neutrality (ZOPFAN Declaration) by which it aimed to keep the region “free from any form or manner of interference by outside powers” (Art.1). In addition, in 1972, in recognition of the need for greater cooperation between the two groupings, ASEAN established the Special Coordinating Committee of ASEAN Nations (SCCAN) comprising Ministers of Trade from the region, and to assist it the ASEAN Brussels Committee (ABC), to focus on trade matters. This was the beginning of institutionalised dialogue between the two, with the European Community later becoming the first dialogue partner of ASEAN.\(^{107}\)

The focus of ASEAN in this relationship in the early years of cooperation continued to be primarily in the field of economics. The entry of the UK into the EC, combined with the protectionist behaviour of the Community in coping with the collapse of the Bretton Woods monetary system, the devaluation of the US dollar and with the oil shocks of 1973-74, increased fears of a possible ‘Fortress Europe’. When


\(^{106}\) This was not, however, a total withdrawal, with a UK presence remaining in the form the Five Power Defence Arrangement (FPDA) of 1971 committing Britain, along with New Zealand and Australia, to joint consultation on the defence of Malaysia and Singapore in the event of an external attack or the threat thereof. Further, in 1983 the UK came to an agreement with Brunei Darussalam to station a Gurkha infantry battalion and Army Air Corps flight in the Sultanate for garrison duty.

\(^{107}\) See Institution Building chapter for more detail.
concern over the strong US economic presence and the strengthening drive by Japan\textsuperscript{108} to secure trade in the region (Rüland, 2001a, p.9) are factored in to this situation, the necessity of balancing behaviour increases. Indeed, ASEAN saw among its primary foci in this period improving access to the European market for itself, and increasing the role of the EC in the Southeast Asian markets\textsuperscript{109} as a counterweight to the remaining two triad powers. To this may be added the desire for the establishment of a price stabilisation scheme (STABEX) for agricultural products,\textsuperscript{110} and the attraction of increased volumes of European Foreign Direct Investment (FDI) and development aid. Consistent with the focus of this third period in relations, these are all factors necessary for the building of a stable and independent region.

Europe’s response to initial ASEAN moves was positive – with the accession of the UK, the Community was forced to think more carefully about its role in the Asian region, while at the same time the development of EPC and the CCP gave the EC what it hoped would be significant tools for expanding its role in external political and economic relations. The situation, therefore, seemed ripe for both sides to mutually benefit from a closer relationship. If balancing behaviour were in effect in this early relationship, it can be expected that trade, aid and investment flows between the two regions would increase, leading to an evening out of the roles of the trilateral economic powers in Southeast Asia, and that these increases would be the direct result of a proactive policy of both partners. In this respect we must consider whether the new relationship led directly to an expansion of trade between the two.

Until the 1960s ASEAN economies were characteristic of the dichotomy between the developed and less developed world; they depended upon the export of primary commodities to earn foreign currency, and in turn imported manufactured goods from first world suppliers. Thus, during the early post-colonial period EC and ASEAN economies were possessed of complementary factor endowments. ASEAN economies were heavily dependent upon the exploitation of natural resources and on primary production, and also from the late 1960s upon the attraction of foreign capital and investment to fund development. From the late 1960s ASEAN economies began a drive for development, resulting in a shift in the basic patterns of trade with the EC.

\textsuperscript{108} The role of Japan in the Southeast Asian region was one of the main talking points at the third ASEAN Summit in Manila in 1987.

\textsuperscript{109} See, for example, paras.20, 21 and 31 of the \textit{Joint Press Communiqué of the Meeting of ASEAN Heads of Government} (1977).

\textsuperscript{110} Modelled on the scheme introduced by the first Lomé Convention in 1975.
and the world over the course of a little less than a decade. Increased emphasis was placed by ASEAN on labour-intensive finished goods (e.g. clothing) or components of goods (e.g. machinery parts), as opposed to raw material-intensive goods (e.g. food, vegetable oils) leading inevitably to a change in the relative volumes of primary and manufactured goods in ASEAN exports (Langhammer, 1981). While manufactures came to represent a larger portion of ASEAN trade, the period between the late 1960s and 1970s remained concentrated upon the transfer of natural resources from the Association to the EC and of manufactured goods from the Community to ASEAN. However, in order to facilitate the development of the latter’s economies, a greater proportion of these manufactured imports to ASEAN were made up of development focused capital items such as machinery and transport equipment. By the end of the 1970s such items constituted over 50 per cent of ASEAN imports from the EC, while more than 60 per cent of total EC imports from ASEAN were concentrated in primary products, mostly timber, rubber, tapioca, tin and palm oil (see Table 3.1).

In terms of volume of trade between ASEAN and the European Community in the 1970s, the EC remained an important trade partner, though one declining in significance. Exports and imports of ASEAN to and from the EC, while increasing in volume from around US$1047.7 million and US$1604.6 million for exports and imports respectively in 1970 to US$9160.5 million and US$9406.5 million in 1980 (an increase of well over 700 per cent for exports and over 550 per cent for imports)\(^{111}\) (Table A.10),\(^{112}\) declined as a component of market share from around 16.6 per cent of exports and 19.8 per cent of imports in 1970, to 12.8 per cent of exports and 14.3 per cent of imports by 1980 (Tables 3.3, A.9).\(^{113}\) In the same period,

\(^{111}\) These increases in trade volume are even more startling if one looks to the data for actual membership of the two groupings (Table A.11). Here can be seen an increase in exports of over 1000 per cent from US$665.4 million to US$8483.0 million, and in imports of over 850 per cent from US$815.0 million to US$7849.0 million.

\(^{112}\) Tables and Figures designated as 'A' refer to Appendix Tables and Figures.

\(^{113}\) Looking to the ΔM data provides a very different picture in terms of market share. While the regression statistic for the 1970 to 1980 period charts a steady decline, that for the ΔM describes an arc with an eventual overall increase. From a starting point of 10.9 per cent of exports and 11.0 per cent of imports in 1970, market share rose after the 1973 EC accessions (including, importantly, the United Kingdom) to 15.9 per cent and 13.1 per cent of exports and imports, before declining to 12.4 per cent and 12.7 per cent in 1980. This scenario of peaks and troughs in trade, as was anticipated in discussion of trade statistics, mirrors the changing membership of the groupings (see Figure A.1 for a comparison of ΔM and Regression statistics for EC/EU market-share in ASEAN in the period 1968 to 1970). Also mentioned in discussion of trade statistics was the fact that the trade profile of a state or grouping (best illustrated using the ΔM statistic in the case of groupings) is a significant driving factor in its external economic policy. It is therefore interesting to note this significant increase of 45 per cent and 20 per cent of the EC’s respective export and import market shares in ASEAN between 1970 and 1975, immediately prior to the push for a Cooperation Agreement (traceable to the push for closer relations
ASEAN accounted for only around 2 to 3 per cent of the EC market (Tables 3.4, A.1). ASEAN’s reliance on development related capital from the EC resulted in a trade deficit with the Community up until the mid-1970s, peaking in 1974 at $US1044 million, before delivering a US$10 million surplus in 1976 (see Table 3.2). By the end of the 1970s, by which time regional economic development was well progressed, ASEAN trade with the EC had changed significantly in its composition, with trade flows in manufactures, including machinery and transport equipment (SITC categories 5-8), coming to comprise some 32.5 per cent of ASEAN exports to the Community in the 1977-1978 period. This is to be contrasted with a level of 24.9 per cent of total ASEAN exports (Akrasangsee, 1981, p.20).

The European Community remained, throughout the 1967 to 1980 period, lowly ranked among the trilaterals in terms of trade with ASEAN. As can be seen from Table 3.3, the Community remained as the third of the big three in terms of exports to ASEAN, and by 1980 had also fallen from second to third in terms of imports. At the end of the 1960s, ASEAN imports from the EC amounted to 21.3 per cent of total imports, second only to Japan (21.9 per cent) and leading the United States (16.1 per cent) (Table 3.3), but still constituting only 2.2 per cent of the Community’s total extra-EC exports. By 1980, the Community share of ASEAN imports had slumped to 14.1 per cent (2.2 per cent of the Community’s extra-EC exports), with Japan and the US above them on 21.8 and 15.4 per cent respectively (see Tables 3.3 and 3.4). Interestingly, by far the greatest gain in exports to ASEAN over this period was made by the states of the Middle East, rising by 270 per cent from 4.7 to 17.4 per cent of ASEAN imports in the course of a little more than a

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beginning with the statement of the ASEAN Foreign Ministers in July 1977) (see Institution Building chapter).

114 Again, looking to the ΔM statistics provides a somewhat different picture, with the European Community occupying the third position in terms of exports and imports for entire period, with the exception of 1975 during which it was able to lift its import market-share sufficiently, as a result of accessions, to occupy second place at the expense of the United States.

115 The ΔM statistics for market-share are significantly lower, with the absence of, in particular, the large UK (a major trader in Southeast Asia) market share up to 1973 (though this is not reflected in our tables until 1975) effectively depressing levels to between a half and two-thirds of that of the regression statistics (see Table A.9).

116 Harris and Bridges (1983, p.34) assert that at the beginning of the 1960s, EC, US and Japanese market shares in the region had been on a par at around 30 per cent each, but that by 1980 the EC’s position had been undermined by the growth in Japanese trade to the region, which had expanded to around a 40 per cent market share, with the EC declining to 20 per cent. The origin of these figures is not explained.
### Table 3.1: Commodity Composition and Shares of ASEAN and EC Trade, 1977-78 (%)

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<th>EC Imports from ASEAN</th>
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*Source: Akrasanee (1981, p.34)*
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1 Hong Kong, Korea and Taiwan.

Source: IMF Direction of Trade Statistics Yearbook, various editions.
### Table 3.4: Geographic Breakdown of European Union-15’s International Trade (Percentage per Trade Partner, 1968-2002)

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<td>5.9</td>
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<td>and Caribbean</td>
<td>13.8</td>
<td>6.2</td>
<td>14.1</td>
<td>7.3</td>
<td>22.7</td>
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</table>

¹ Hong Kong, Korea and Taiwan. Note, however, that no statistics for Taiwan were available for the years 1968, 1970, 1975 and 1980.

Source: IMF Direction of Trade Statistics Yearbook, various editions.
decade (see Table 3.3). Important inter-country variations in direction and volume of trade were, however, evident on the part of both groupings. On the ASEAN side, while Japan ranked as number one in 1980, the second and third placings of ASEAN trade were reversed in the cases of Brunei, Indonesia, Malaysia and Thailand, all of which imported more from the EC than from the US, with Singapore’s significant volume of trade serving to reverse this apparent trend. On the Community side, trade with ASEAN was dominated by a select few, with the then West Germany, the United Kingdom and the Netherlands between them accounting for some 75 per cent of the total. France, despite its colonial links, was absent a strong trade tie with the region (Ariff, 1989, pp.219).

Trade between the two regions had been given a significant boost when, in 1971, prior to the accession of the United Kingdom to the European Community, the EC introduced the non-reciprocal Generalised System of Preferences (GSP), becoming the first commercial power to do so (Dent, 1999, p.46). The intention of the GSP was to aid the economic diversification of developing countries, and to increase access to the European market for a range of manufactured and semi-manufactured goods, and a number of processed agricultural products. The privileging of certain trade partners in this way through the use of market access instruments is important when seeking to build trade ties between the EC and ASEAN as a balance to those with other states or groupings. Special arrangements were also made under the Multi-Fibre Agreement (MFA) in terms of collectively negotiated import quotas for the entry of textiles and clothing. Under the GSP, individual developing countries are given tariff quotas for tariff free entry into the European market of certain products. In addition to these individual quotas, global quotas exist on certain items for which the individual countries must compete for market share, up to a maximum percentage of the global quota allowable under the scheme. The effects of this scheme only came to be felt among the ASEAN states following the UK accession when Malaysia and Singapore lost the benefit of the considerably more liberal

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117 Imports from the Middle East were to drop almost as sharply as they had risen in the decade after 1980, registering 9.9 per cent in 1985 and 6.8 per cent in 1990. By 1995 they had dropped below the 1970 level to a mere 4.3 per cent. Exports to the Middle East also increased by some 200 per cent, but still only registered 3.0 per cent by 1980.

118 The GSP was the result of the first United Nations Conference on Trade and Development in 1964, which looked into methods of granting special trade preferences to developing countries. The EC’s GSP was introduced immediately after the adoption of the ‘enabling clause’, providing a waiver from Article 1 of the General Agreement on Tariffs and Trade (GATT), by the contracting parties to the GATT in 1971.
Commonwealth trade preferences, the GSP subsequently becoming the only form of preferential access to the European market open to ASEAN member states. It therefore became important for the trade policies of the ASEAN states towards the EC that the GSP be extended to a greater number of products.

During the 1970s ASEAN was able to negotiate some concessions under the GSP, including the expansion of the GSP tariff list to include certain processed agricultural products (coconut oil, palm oil, pepper and tobacco), on the export of which ASEAN economies were dependent, and the application of the principle of cumulative origin for exports from the region to the EC (Harris and Bridges, 1983, p.32). Subsequently, the five original ASEAN nations saw a significant expansion in product exports to the EC, rising by almost 90 per cent in the 1977 to 1981 period alone. By 1981 they accounted for some 20 per cent of total EC imports under the GSP (Harris and Bridges, 1983, p.32), a level which had risen to 42 per cent of total EC imports under the GSP by 1983 (Chiang, 1988, p.114; Wannamethee, 1989, p.25). This growth in the ASEAN share of GSP contributed significantly to what amounted to a ten-fold increase in trade between the regions in the 1971-1979 period (see Table 3.2). Despite these GSP successes, it was made clear at the ASEAN-EC Ministerial Meeting (AEMM) of 1978 that the EC was not interested in extending the STABEX scheme to cover the ASEAN states, thus bringing to an end one of ASEAN’s headline goals for the relationship. To ease the digestion of this rejection, the Community agreed to increase the level of cooperation in the development, economic and trade arenas.

While ASEAN came to dominate the GSP to a great extent, the benefits accrued as a result must not be overstated. Even though the GSP improved the terms of trade for some of the Association’s main export commodities, ASEAN faced stiff competition with other major export earners, such as cocoa and palm oil, where the ACP states got better tariff preferences, and rice, manioc and sugar, which, as they were competing directly with grain, feed and sugar produced in the EC itself, were given only limited access to the European market (Grilli, 1993, p.285). Further, in the latter years of the 1980s, ASEAN faced increasing competition from emerging economies such as China and India, with the result that their share of all GSP imports dropped significantly from its peak of 42 per cent to around 25 per cent (Bridges, 1999, p.77). The fact that the Cooperation Agreement failed to enshrine any kind of special relationship meant that ASEAN had no recourse, in the form of advocating an
expansion of GSP privileges for example, for combating these drops in its competitiveness. As Bridges comments, the impact of the GSP on ASEAN exports was more limited than may have been expected, primarily as the majority of exports falling under the GSP scheme still faced Most Favoured Nation (MFN) tariffs (ibid.). Thus, in the early 1980s, only around 40 per cent of all ASEAN exports to the EC entered duty-free or duty-reduced. This figure was further reduced by the end of the decade as the ASEAN economies continued to develop, leading to an increase in the proportion of manufactures in exports to the EC. By 1989, as textiles, clothing and manufactured goods came to occupy a larger place in ASEAN export trade, the proportion of exports subject to some kind of duty exemption had fallen to 30 per cent (ibid.).

In addition to development related imports and favourable access to the European market for ASEAN exports, the grouping’s goals included the expansion of direct investment from the European Community in the economies of Association member states. Unlike traditional cross-border trade, FDI, in the words of Passerini (2002, p.1), “[r]eflects the objectives of establishing a long term engagement in a particular market”, and is therefore a useful indicator of commitment to a given market.

Prior to, and immediately following independence, colonial powers dominated investment statistics in Southeast Asian economies. The UK, for example, accounted for some 70 per cent of total business investments in colonial Malaya (Chia, 1981, p.287-288). From this dominant position, European investment in the ASEAN grouping declined rapidly throughout the period of the 1960s and 1970s. Chia (p.287) outlines three reasons for this retreat:

1. the process of decolonisation led to the loosening of old ties and the forging of new ones as a means of establishing political independence;

2. the growing dominance of the US and Japan in the global economic and political system, exacerbated by the location of the Association within their spheres of influence, had a significant effect upon the relations of these two with ASEAN; and

3. the focus of the Europeans on internal affairs in the wake of the creation of the EC, as well as upon the US and Eastern Europe in terms of foreign and economic policy, effectively moved their attention away from Southeast Asia.
The net result was that by 1978 the EC had fallen to third position among the Triad investors in ASEAN, with only 13.3 per cent of all FDI in the region coming from a Community source (Chiang, 1988, p.115). This figure is in sharp contrast to the EC’s 44 per cent share of total investment in developing countries in the same year (see Table 3.5). As a specific example of this decline, Harris and Bridges provide the figure of a drop in the total British investment stock in Malaysia from 45 per cent to 15 per cent in the period 1970 to 1980. The diminishing European investment relative to other FDI sources must be balanced, however, by the recognition that the dollar value of EC investments in ASEAN in the period between 1973 and 1980 increased by over 35 per cent, compared with a little less than 5 per cent for Japan and just under 13 per cent for the United States (Chiang, 1988, p.115).

Many of the deficiencies of European FDI in ASEAN and the broader East Asian region can be related to the investment strategy adopted by the Community in the 1960s and 1970s. With Asian economies dependant upon primary production and natural resources in the 1960s and early 1970s, they were unable to provide luxury goods and manufactures to that segment of their populations possessed of wealth. In

<table>
<thead>
<tr>
<th>TABLE 3.5: TRIADIC INVESTMENT IN DEVELOPING COUNTRIES</th>
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<tr>
<td>Share of Direct Investment in ASEAN (%)</td>
</tr>
<tr>
<td>1977</td>
</tr>
<tr>
<td>European Community</td>
</tr>
<tr>
<td>United States</td>
</tr>
<tr>
<td>Japan</td>
</tr>
<tr>
<td>Triad</td>
</tr>
</tbody>
</table>

Source: Chee (1981, p.317); Chiang (1988, p.115)

response, Europe-based Transnational Corporations (TNCs) concentrated on supplying such goods to the high-income consumers in Asian domestic markets. As a result, “they failed to develop broad contacts, establish distribution networks and create adequate supply bases in Asia and, generally, did not acquire a high degree of
familiarity with the region”, making it difficult to subsequently enter the market through FDI (European Commission/UNCTAD, 1996, p.57).

This effective European retreat led to concern on the part of the Association which, as with trade, was interested in lowering the dependence it had on other Triadic powers, most notably Japan whose share of FDI in ASEAN in 1978 accounted for some 28.4 per cent of the total – the Asians were not interested in replacing colonial dependence on European powers with political or economic dependence on any other power. The members of ASEAN thus sought to attract European investment primarily in the labour-intensive manufacturing sector, particularly when such would raise the level of technology in that sector, as a means of “accelerating and diversifying their industrial capacities” (AEMM, 1978, s.28).

The status of the EC-ASEAN economic relationship in 1980 left much to be desired. From a situation of overwhelming dominance during the colonial phase of relations, Community economic ties with ASEAN withered over the following decades. The situation in the EC was not one conducive to the development of trade linkages. A number of factors were important in this change. The Community became increasingly focused upon intra-regional matters, seeking to build the internal market at the expense of developing external trade ties. Those external linkages that were developed were dominated by the privileged nature of EC-ACP relations and the push by the Community to export to the Middle East in order to balance oil imports from the region. At the same time, the loss by Singapore and Malaysia of Commonwealth preferences at the beginning of the 1970s, and the switch to the much less generous Generalised System of Preferences, meant that ASEAN faced greater barriers to entry into the EC market, while simultaneously coming to dominate the GSP scheme. The result was that ASEAN was forced to compete on highly uneven terms in accessing the European market, and that the Europeans were not particularly interested in competing for the Asian market, leading to the perpetuation of asymmetrical ties between the two. By 1980, the EC ranked as only the third among the trilaterals in terms of trade with the Association, with their share of the market slumping from 21.3 to 14.3 per cent in the twelve years from 1968. While the EC accounted a decreased but still respectable 12.8 per cent and 14.3 per cent of the ASEAN export and import markets, the Association in return registered the marginal figures of 2.1 per cent of EC imports, and 2.2 per cent of its total exports (see Tables 3.3 and 3.4).
During the 1970s, formal contacts between the European Community and ASEAN did increase incrementally, beginning with the establishment in 1972 of the Special Coordinating Committee of ASEAN Nations (SCCAN) and the ASEAN Brussels Committee (ABC). The primary issue in the early years of dialogue was the form that the relationship should take, with the Commission of the EC initially suggesting a series of bilateral agreements between the Community and individual ASEAN states. ASEAN members, however, expressed a desire for an interregional relationship (Redmond, 1992, pp.143-144), leading in 1977 to discussions between the EC Council’s Committee of Permanent Representatives (COREPER) and ASEAN ambassadors to the Community, which in turn resulted in the first ASEAN-EC Ministerial Meeting (AEMM) in November 1978. The direct outcome of this first Ministerial Meeting was the Cooperation Agreement of 1980, signed at the second AEMM in Kuala Lumpur in March of that year, which created a formal framework within which consultation between the two groupings could take place. This was the first such agreement either party had concluded with another distinct regional bloc, although the EC had previously entered into formal arrangements with looser groupings such as the African, Caribbean and Pacific states. For the members of ASEAN, the agreement was seen as an opportunity to cement in place their relationship with what was, even then, plainly an emerging economic superpower. It would also allow them to further diversify economic, and more importantly external, relations away from dependence upon the United States and Japan (Dent, 1999, p.45; Reichel, 1985). The Europeans, for their part, sought to take advantage of economic dynamism in Asia, though the agreement was also seen as a way to recast and relaunch a relationship that had been struggling in the post-colonial period.

Initially concluded for a five year term, and renewable every second year thereafter, subject to the right of either party to withdraw at six months notice, the Cooperation Agreement was to become the core of the EC-ASEAN relationship, and a model for other interregional relationships initiated by the EC, such as with the Andean Group in 1983, and the front-line African states and Gulf Cooperation Council in 1986 (Lukas, 1989, p.103; Regelsberger, 1989, p.88; Rüland, 2001a, p.14).

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119 See Table 3.6 for a breakdown of the major meetings of the EC/EU-ASEAN dialogue by date, location and level.
<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
<th>Location</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEMM 1</td>
<td>20th-21st November 1978</td>
<td>Brussels</td>
<td>Ministerial</td>
</tr>
<tr>
<td>AEMM 2</td>
<td>7th-8th March 1980</td>
<td>Kuala Lumpur</td>
<td>Ministerial</td>
</tr>
<tr>
<td>AEMM 3</td>
<td>13th-14th October 1981</td>
<td>London</td>
<td>Ministerial</td>
</tr>
<tr>
<td>AEMM 4</td>
<td>24th-25th March 1983</td>
<td>Bangkok</td>
<td>Ministerial</td>
</tr>
<tr>
<td>AEMM 5</td>
<td>15th-16th October 1984</td>
<td>Dublin</td>
<td>Ministerial</td>
</tr>
<tr>
<td>AEMM 6</td>
<td>20th-21st October 1986</td>
<td>Jakarta</td>
<td>Ministerial</td>
</tr>
<tr>
<td>AEMM 7</td>
<td>2nd-3rd May 1988</td>
<td>Düsseldorf</td>
<td>Ministerial</td>
</tr>
<tr>
<td>AEMM 8</td>
<td>16th-17th February 1990</td>
<td>Kuching</td>
<td>Ministerial</td>
</tr>
<tr>
<td>AEMM 9</td>
<td>30th-31st May 1991</td>
<td>Luxembourg</td>
<td>Ministerial</td>
</tr>
<tr>
<td>AEMM 10</td>
<td>29th-30th October 1992</td>
<td>Manila</td>
<td>Ministerial</td>
</tr>
<tr>
<td>AEMM 11</td>
<td>22nd-23rd September 1994</td>
<td>Karlsruhe</td>
<td>Ministerial</td>
</tr>
<tr>
<td>AEMM 12</td>
<td>13th-14th February 1997</td>
<td>Singapore</td>
<td>Ministerial</td>
</tr>
<tr>
<td>AEMM 13</td>
<td>11th-12th December 2000</td>
<td>Vientiane</td>
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</tr>
<tr>
<td>AEMM 14</td>
<td>27th-28th January 2003</td>
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<tr>
<td>JCC 1</td>
<td>28th-29th November 1980</td>
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<td>Senior Official</td>
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<td>JCC 6</td>
<td>20th-21st March 1986</td>
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</tr>
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<td>JCC 7</td>
<td>20th-21st March 1987</td>
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<td>Senior Official</td>
</tr>
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<td>JCC 12</td>
<td>October 1995</td>
<td>Brussels</td>
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<td>JCC 13</td>
<td>24th-27th May 1999</td>
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<td>JCC 14</td>
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<tr>
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### Economic Meetings

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<tr>
<td>Ad Hoc Ministerial Meeting on Economic Matters</td>
<td>17th-18th October 1985</td>
<td>Bangkok</td>
<td>Ministerial</td>
</tr>
<tr>
<td>EU-ASEAN Business Conference 1</td>
<td>23rd-24th September 1994</td>
<td>Stuttgart</td>
<td>Private Sector</td>
</tr>
<tr>
<td>ASEAN Economic Minister-EU Trade Commissioner Consultation 1</td>
<td>6th October 2000</td>
<td>Chiang Mai</td>
<td>Ministerial</td>
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<td>ASEAN Economic Minister-EU Trade Commissioner Consultation 2</td>
<td>12th September 2001</td>
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<td>Ministerial</td>
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### Political Meetings

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<th>Level</th>
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</thead>
<tbody>
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<td>SOM on Drug Matters</td>
<td>4th-6th May 1992</td>
<td>Bangkok</td>
<td>Senior Official</td>
</tr>
<tr>
<td>SOM on Political and Security Matters</td>
<td>2nd-4th May 1995</td>
<td>Singapore</td>
<td>Senior Official</td>
</tr>
</tbody>
</table>
The Agreement was touted as one of equal partners working cooperatively "to strengthen regional organizations committed to economic growth, social progress and cultural development and aiming to provide an element of balance in international relations" (Cooperation Agreement, 1980, Preamble). In reality it offered little outside a loose framework of cooperation. The parties expressed a desire to cooperate on such issues as raw materials, technical and scientific progress, energy, trade,

<table>
<thead>
<tr>
<th></th>
<th>Value (US$million)</th>
<th>Share of FDI (%)</th>
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<tr>
<td>EC/EU</td>
<td>4183</td>
<td>7675</td>
</tr>
<tr>
<td>Japan</td>
<td>5655</td>
<td>9195</td>
</tr>
<tr>
<td>USA</td>
<td>2842</td>
<td>6200</td>
</tr>
<tr>
<td>Triad</td>
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<td>23071</td>
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<tr>
<td>World</td>
<td>22329</td>
<td>35372</td>
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</tbody>
</table>

*Note: See Table A.15 for full data on developing East Asia.
Source: Dent (1999, p.263)*

development funding, finance and growth (Arts.2-3). While the Agreement offered general progress in economic and trade cooperation, including investment and trade promotion measures and studies on the reduction of trade barriers (Art.2), and aid for regional development (Art.4), as well as more specific advances such as the reciprocal granting of MFN status (Art.1), it was made clear that ASEAN had no 'special' or advocate status with the Community, being identified instead as a grouping of non-associated developing countries (Redmond, 1992, p.144). Indeed, the Agreement provided no added-value above that already given through the creation of the GSP scheme in 1971. The formal component of cooperation was provided in the way of a Joint Cooperation Committee (JCC), created to facilitate cooperation between the two groupings generally, and implementation of the agreement specifically (Art.5). Aside from the once yearly meetings of this committee, however, the agreement provided very little in the way of concrete developments for the achievement of the goals listed above. In place of such reciprocal obligations, the contracting parties undertook to
"take the market access needs of the other into account" (Grilli, 1993, p.284) when considering trade policy – effectively a formula for inactivity. Indeed, one of the main criticisms of the document is that it contained simple “platitudes with little real attempt to resolve outstanding trade and investment issues, being no more than a variation on an existing formula and having no budget line” (Redmond, 1992, p.144).

Given the nature of the Cooperation Agreement, it is unsurprising that progress in EC-ASEAN relations in the period immediately following it was less than stellar. A significant increase in the dollar value of trade flows was evidenced in the 1980 to 1990 period, with EC exports to ASEAN rising nearly 170 per cent from US$8.3 billion to US$22.3 billion, but with only a modest increase in exports of 3 per cent to US$8.6 billion up to 1985 (Table A.5). EC imports from ASEAN similarly increased by just under 140 per cent from US$9.7 billion to US$23.3 billion, though this included an actual decline in imports of around 12 per cent to US$8.6 billion in the five years to 1985 (Table A.5). The bulk of this growth occurred in the short period from 1987 to 1990. Some positive change was evidenced in relation to the Community’s place in ASEAN’s import hierarchy with market-share rising from 14.3 to 15.3 per cent of the ASEAN total, elevating the EC to the number two position among the big three. The Community’s share of ASEAN exports increased more significantly yet from 12.8 to 15.6 per cent, though it retained its position as third among the trilaterals. On the ASEAN side, the dollar value of exports also increased by 145 per cent, rising from US$9.2 billion in 1980 to US$22.5 billion in 1990. Again, the bulk of this growth came in the post-1985 period, with the Association actually registering a decline of some 12 per cent to 8.1 billion from 1980 to 1985. This had the effect of elevating ASEAN’s share of imports and exports to the European Community to 4.1 per cent and 4.4 per cent from 2.1 per cent and 2.2 per cent of external imports and exports respectively (see Table 3.4). Nevertheless, the Community was sufficiently pleased in November 1984 with the functioning of the Cooperation Agreement in its early stages that it chose to send its first ever export promotion mission to ASEAN (Chiang, 1988, p.113).

In the same period, the Community’s cumulative stocks of Foreign Direct Investment in ASEAN expanded considerably, rising by 83.5 per cent from US$4.2 billion in 1980 to US$7.7 billion in 1985 (see Table 3.7). This increase, from 18.7 percent to 21.7 percent of all FDI in ASEAN was sufficient both to maintain the position of the EC as the second largest source of investment in the region, and to
narrow the lead of the Japanese in this respect by over a third from 6.6 to 4.3 per cent. What is unclear as far as the expanding economic relationship is concerned, is whether this was a direct result of the Cooperation Agreement, with it being more likely that this was a result of the dynamic economic growth of the Southeast Asian region from the mid-1980s. This latter contention is supported by the fact that the most dynamic growth in trade between the two did not begin until 1987, a full seven years after the signing of the agreement.

One area that did develop in the wake of the 1980 agreement was that of capacity-building measures. Indeed, the Cooperation Agreement of 1980 asserted that the Community “will expand its cooperation with ASEAN in order to contribute to ASEAN’s efforts in enhancing its self-reliance and economic resilience and social well-being of its peoples through projects to accelerate the development of the ASEAN countries and of the region as a whole” (Art.4(1)). As discussed in the Institution Building chapter to follow, the 1980s saw a rapid proliferation of EC-ASEAN programmes, working groups and networks, though in the context of ASEAN development, these were of such limited nature and small number that it is unlikely a significant effect was felt upon economic development.

The period from 1967-1990 then, showed little evidence of the balancing functions seen as a primary role of inter- and transregional relations. It was anticipated at the outset that, were the balancing function of interregional relations being performed, it would be evidenced in the economic sphere by the building of economies (the region-building function) and the active promotion of trade and market access (balancing of external relations). Insofar as the performance of such functions can be identified, this is with respect to the first of the two interlocking elements elucidated, the self-focused balancing of each individual pillar with each other pillar in the global triad. This, however, resulted in very different patterns of development within the two groups, which may largely be credited to a difference between the two groupings on the underlying nature of regional integration. While ASEAN focused on reducing dependence on external powers, and premised regionalism on intergovernmentalism as an organising factor, the European Community concentrated on deepening integration and building ties between Member States. One obvious resulting difference was the development of the internal market project in the EC, and a corresponding lack of anything similar in ASEAN.
On the part of ASEAN, the 1970s and 1980s was a drive for regional economic development and the diversification of trade away from dependence on any particular economic power, premised upon national economic development and national trade diversification – the Indonesian concept of ‘regional resilience’ stemming from ‘national resilience’ (Henderson, 1999, p.17). ASEAN utilised its relationship with Europe and its other trading partners to develop its economic strength, particularly in manufactures, such that by 1990 Association trade was no longer dominated only by Europe, Japan and the US, but had been diversified to include the Asian NICs\(^{120}\) as a major market for exports and source of imports (see Table 3.3). The trade patterns of ASEAN by 1990, therefore, were fairly diverse, with five major pillars each accounting for between 10 per cent and 24 per cent of imports and exports: the European Community, the United States, Japan, the Asian NICs and ASEAN itself. While the EC took part in certain limited capacity-building measures throughout the 1980s, and allowed the Association to take part in its GSP scheme, it is unlikely that these were a major contributing factor in Southeast Asian economic development.

European Community trade was far less evenly distributed than that of ASEAN, with the focus on region-building resulting in a dramatic increase in intra-Community trade up to 1990. As a result of the building of the internal market, and the expansion in membership of the EC itself, internal trade grew from 42.8 per cent of exports and 48.2 percent of imports in 1968, to 66.0 per cent of exports and 63.4 per cent of imports by 1990 (Table A.2).\(^{121}\) This meant that by 1990 only 34.0 per cent of all exports and 36.6 per cent of all imports involved non-EC parties, down from 57.2 per cent and 51.8 per cent in 1968. In other words, only a little over a third of all Community trade in 1990 was external, compared to more than half in 1968. By far the main external trading partner of the EC, with 20 per cent of imports and 20.6 per cent of exports in 1990, compared to 20.6 per cent and 17.1 per cent in 1968,\(^{122}\)

\(^{120}\) Hong Kong, Korea and Taiwan.

\(^{121}\) Note, however, that the figures of 53.7 per cent and 50.9 per cent of imports and exports for 1968, and 63 per cent and 66.2 per cent of imports and exports for 1990, are found when using ΔM rather than regression statistics (Table A.3). These figures still, however, show a drop in external trade from a half to a third of all EC trade.

\(^{122}\) Though this dropped as low as 14.9 per cent of imports and 10.7 per cent of exports in 1980.
was the United States. The single market project, then, seems to have led to significant levels of trade diversion.

What was not in evidence in the 1967 to 1990 period was the kind of coordinated activity to balance other states or groupings of states in the economic sphere to be expected from an interregional relationship at an advanced stage of development. While both sides felt a need to further develop their economic strength, the nature of the EC and ASEAN groupings was such that they approached this in very different ways, leaving no common ground for concrete interregional cooperation. The limited nature of efforts to expand trade ties is explicable in a number of ways. At least initially, Asia seemed a far less appealing partner than, for example, Africa or Latin America: “[i]t was geographically remote, generally poor, comparatively diverse, and regarded as a less reliable source of supplies for raw materials needed by Europe (if largely because of the Cold-War context of Soviet and Chinese regional influence)” (Holland, 2002b, pp.59-60). By the time ties between the EC and ASEAN were institutionalised, the Association had emerged as a significant economic competitor, as its export balance had shifted increasingly towards manufactures. The result was that, while the EC sought to establish formal ties with ASEAN as a part of its increasingly outward focus, the grouping was pushed down the Community’s hierarchy of development priorities, a situation already in evidence by 1982 with the publication of the Pisani Memorandum (Grilli, 1993, p.285).

In sum, the interregional economic relationship seems to have been one more of form than of substance, with GSP access and limited capacity-building measures being thrown as a sop by the EC to ASEAN Member States as Europe turned increasingly in upon itself. Rüland’s (2001a) ‘asymmetrical indifference’ characterisation seems particularly apt – while the EC may have been an economic giant, in Southeast Asia at least it was a somewhat anaesthetised beast.

THE POLITICO-SECURITY SPHERE:

The development of this economic relationship was paralleled in the political/security sphere when the security imperatives discussed above came to a head as a result of the

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123 As a percentage of total trade, as opposed to external trade, however, the US only accounted for 7.3 per cent of imports and 7.0 per cent of exports in 1990, down from 10.7 per cent of imports and 9.8 per cent of exports in 1968 (Table A.2).
124 See discussion of EPC in consideration of balancing in the political sphere below.
Third Indochinese War. Said Reichel (1985, p.190), “Tatsächlich aber ist ASEAN von Anfang an in erster Linie politische Willensgemeinschaft gewesen”. Indeed, already by the mid-1970s ASEAN had been concerned to develop a closer relationship with the West, a defensive policy in response to the communist victory in Indochina, the waning of US-Soviet détente and the Sino-American rapprochement (Snitwongse, 1989, p.229). An understanding of such was reached by ASEAN members at the Bali Summit of 1976, leading, during the opening dialogue between COREPER and ASEAN in November 1977, to a request for ministerial level contact with the EC, which in turn led to the first ASEAN-EC Ministerial Meeting in Brussels on 20th-21st November 1978. At the AEMM, ASEAN was recognised by the EC as a “factor of stability and balance which contributes to the maintenance of peace in South-East Asia” (AEMM, 1978, para.8) while ASEAN recognised “the role played by the Europe of the Nine as a factor of economic stability and as an element of balance in international relations” (para.10). The following month saw the beginning of the Third Indochinese War, and exactly one year later the invasion of Afghanistan by the Soviet Union.

The Soviet-supported Vietnamese invasion of Cambodia in December 1978 came as something of a shock to ASEAN’s regional stabilisation efforts in the wake of reduced Western involvement in the region. The Treaty of Amity and Cooperation (TAC) of 1976, which effectively gave treaty status to the principles contained in the Bangkok Declaration of 1967, had been, with Vietnam in mind, left open for accession by other states in Southeast Asia (Art.18). Indeed, between December 1977 and January 1978 Vietnam itself had undertaken a diplomatic effort to promote links with ASEAN, with Foreign Minister Nguyen Tuy Trinh visiting Indonesia, Malaysia, the Philippines and Thailand, during which time he indicated approval for the ZOPFAN initiative and called for enhanced bilateral cooperation between ASEAN and other Southeast Asian states. Further, in the Joint Press Communiqué released following the ASEAN Heads of Government Meeting in August of 1977, the Association “welcomed the decision of the Security Council of the United Nations to recommend the admission of the Socialist Republic of Vietnam as a member of the Organisation”, asserting their confidence that “in line with the purposes and principles

125 “In fact, ASEAN has from the beginning been primarily a political community” [author’s own translation].
of the UN Charter, Vietnam would contribute to peace and stability necessary for the progress and prosperity of Southeast Asia” (para.7). When Vietnamese forces entered Cambodia it was, in the words of Acharya (2001, p.80), “a setback to ASEAN’s framework for regional order, which had aspired to a partnership with Indochina”. Acharya goes on to assert that ASEAN saw the action as nullifying its hopes for a region free of Great Power struggle, instead marking the beginning of a period of heightened confrontation with Sino-Vietnamese rivalry aggravating that between the Soviets and the Chinese (p.81).

Two possible approaches to the crisis were open to ASEAN. The first was to formulate a response based upon its own principles of regional organisation, including the desire to avoid the involvement of external powers and to promote regional solutions to regional problems as outlined in the ASEAN and ZOPFAN declarations. The second was to internationalise the incident, creating a coalition around ASEAN in opposition to the Soviet-Vietnamese axis, and in so doing bringing such diplomatic pressure to bear on Vietnam sufficient to force a withdrawal. In the event, the Association adopted both approaches, with differing alliances of ASEAN states in favour of each. Thus two balancing goals are identifiable in relation to ASEAN: (i) to ensure the role of ASEAN as the principal interlocutor in the peace process, and (ii) to build a constellation of states around the central ASEAN pillar to balance, or indeed over-balance, the Soviet-Vietnamese alliance.

It was perhaps fortuitous for EC-ASEAN coalition building that the Soviet intervention in Afghanistan occurred when it did, given the low level of priority afforded Asia and Asian issues by the EC up to that point. The invasion of Afghanistan marked, in the words of Regelsberger (1989, p.82), a “turning-point in the Europeans’ perceptions of the impact of international events even if they are geographically far away”. Given the potential effects on Europe of a destabilisation of the East-West relationship brought about through an alteration in the balance of power, the Europeans felt a need to adopt a common approach. As with ASEAN in relation to the Cambodian problem, this meant forming linkages with nations holding similar viewpoints on the Afghan issue. The ministerial meeting scheduled for the following year provided an early opportunity for such coalition formation.

The second AEMM held in Kuala Lumpur on 7th-8th March 1980 saw the emergence of political cooperation between the EC and ASEAN, with the invasions of Cambodia and Afghanistan giving “a more concrete meaning to security-related
affinities between the two groupings” (Rüland, 2001a, p.12). The EC entered the meeting seeking to gain ASEAN support for its position on Soviet withdrawal from Afghanistan, and the neutralisation of the country through international negotiations. In return, ASEAN sought European backing for their approach to the Cambodian issue. The immediate result was the release of a statement signed by all Foreign Ministers of the two groupings deploiring the armed interventions against small independent states in violation of international law, creating an effective ‘twinning’ of the issues as far as EC-ASEAN cooperation was to be concerned. The statement marked the first occasion on which the two groupings had taken a joint position on an issue of political importance, a process which was to continue through the course of the 1980s.

In terms of progressing this collaboration beyond declarative statements, the European Community and ASEAN were unified in supporting Resolutions in the United Nations General Assembly (UNGA) on the twin issues of withdrawal from Vietnam and Afghanistan. However, the member states of the EC adopted different positions on recognition of the Coalition Government of Democratic Kampuchea (CGDK), with France and Ireland abstaining until the report of the Credentials Committee was adopted without a vote in 1983 (Snitwongse, 1989, p.233). By the late 1980s, EC-ASEAN cooperation within the UNGA concerning these two areas was, as with the Declarations of the AEMMs, a matter of course, with the successful isolation of Vietnam internationally evidenced by increased majorities in the UN on resolutions condemning Hanoi126 (Acharya, 2001, p.90). On the issue of Afghanistan, both groupings voted en masse for resolutions demanding the withdrawal of Soviet troops.

Cooperation between the two groupings was not all plain sailing, however. At the third AEMM, held in London on 13th-14th October 1981, political cooperation was again of central concern, with the EC giving its support to the ASEAN initiative for an International Conference on Kampuchea. In addition, while having agreed to withhold new aid from Vietnam until resolution of the Cambodian question had been achieved, the Europeans took decisions to donate emergency medical supplies to the Vietnamese. This issue came to the fore at the fourth AEMM in Bangkok on 24th-25th March 1983. France, with a traditional interest in Indochina stemming from its colonial past, and with the backing of Greece and Ireland, had refused to ban all
humanitarian aid to Vietnam. The cooperative EC-ASEAN effort was eventually saved through the release of a Declaration deemed to show sufficient European concessions to ASEAN’s viewpoint, with both sides agreeing that no aid should be given to Vietnam “of such a nature as to sustain and enhance the Vietnamese occupation of Kampuchea” (AEMM, 1983, para.8). Further signs of discomfort on the part of the Europeans, again most notably France, were evident in relation to the inclusion of the Khmer Rouge within the so-called ‘third force’ for Cambodia advocated by the ASEAN grouping. This too was smoothed over in the Declaration of 1983, with the joint assertion that the formation of the CGDK “constitutes a significant step in the search for a comprehensive settlement” (Snitwongse, 1989, p.231).

What, therefore, does this tell us in relation to the goals of each of the groupings, and more importantly, what insight does it give us into the balancing functions of interregional relationships? It is clear from the discussion above that in the interest of coalition building both groupings were willing to make concessions to the policies of the other, but only to an extent. Cooperation between the two was advantaged by the congruous occurrence of the Cambodian and Afghan situations. Given the low priority afforded Asia by the EC at the time, it is unlikely that the Vietnamese situation would have received the same attention or volume of discussion had the Afghan crisis not increased the sensitivity of the Europeans. The twinning of the issues allowed the clear linking of the security interests of the two organisations who were both ideologically opposed to revolutionary communism and therefore facilitated cooperative endeavour as much as was possible. The history of votes in the United Nations General Assembly, as presented by Snitwongse (1989), suggests that while such cooperation may have been the goal (as evidenced by the declarations of the AEMMs) in practice it broke down wherever the interests of members of the groupings diverged. In the case of Afghanistan, cooperation was able to be maintained as a matter of course – neither EC nor ASEAN member states had alternative interests in the situation which would lead them to abandon a common approach. On the issue of the Vietnamese invasion of Cambodia, however, this was plainly not the case, with the European colonial past being a complicating factor. The result was a fracture in the European bloc, and also, therefore, of the EC-ASEAN cooperative endeavour.

126 The 1989 Resolution was overwhelmingly supported, with 124 in favour, 17 against and 12
These examples pose a fundamental question – whether cooperation on such a political issue between the EC and ASEAN was actually possible. Simply, did the organisations possess sufficient actoriness to be able to coordinate profitably at the international level. As has already been suggested, ASEAN, which has evolved little since its foundation in 1967, falls firmly at the intergovernmental end of the regional actoriness continuum (as witnessed by the divisions within ASEAN on means of achieving Vietnamese withdrawal from Cambodia). On the issue of Soviet withdrawal from Afghanistan, none of the member states had interests divergent from those of the regional grouping, resulting in unity being maintained in spite of the weaknesses inherent to intergovernmental regional actors.

With respect to the European Community, certain strains were evident, mostly resulting from the weakness of the structures for foreign policy coordination. It is valuable at this point to make some comment on the nature of EPC. European political activity was at this time coordinated through the mechanism of European Political Cooperation,¹²⁷ which had been inaugurated in 1970 following the delivery of a report (the Davignon Report) commissioned by the 1969 Hague Summit of Heads of State and Government to consider ‘the best way of achieving progress in the matter of political unification’ and ‘a united Europe capable of assuming its responsibilities in the world’. The goal of EPC was to promote foreign policy cooperation through exchanges of information, consultation and attempts at coordinated action on international matters. By the late 1970s, EPC consisted of bi-annual Foreign Ministers’ meetings, prepared in advance by the Political Committee of heads of national foreign ministries’ political departments who themselves met four times in the year. Further liaison and coordination was arranged through a system of junior foreign ministry ‘correspondents’, and through the establishment of special committees to address specific functional and regional problems.

In contrast to ASEAN political cooperation, which had been a goal of the Association from the outset and which was given firmer footing in the Treaty of Amity and Cooperation of 1976, EPC possessed no legal or formal basis,¹²⁸ it simply rested on agreement among member states. Indeed, it was not to achieve any treaty status until its adoption into the Single European Act of 1986. Further to this, the

¹²⁷ The following summary of the EPC system is drawn from Dinan (2000).
¹²⁸ See Chapter 1 discussion of Policy Structures/Processes.
nature of cooperation under EPC was explicitly intergovernmental, operating outside of the formal Community structure. Looked at critically, EPC was not an instrument of the European Community, it was simply a process with congruent membership. EPC was, however, an integral component of the projet européen, justifying its consideration in relation to the EC. Two important points need to be made, the first relating to development of the EPC, and the second to its functioning. First, due to the fact that foreign policy interests of the Member States of the Community were in no way identical, no proactive foreign policy agenda developed. Rather, in the words of Holland, the process of political cooperation developed “in an organic way, often through the necessity of an external crisis”, leading to the claim that “[t]he process was essentially reactive, cautious and externally driven” (1993, p.119).

Secondly, as already mentioned, cooperation was exclusively intergovernmental in nature, premised upon unanimity decision-making. The result of this was that “[t]he need for reaching a consensus, often at the lowest common denominator,... meant that there [was] more emphasis on procedures than on substance” (Tsakaloyannis, 1991, p.37). This intergovernmental EPC system, subject to a veto from any member state, proved itself over time capable of dealing with matters of routine, but foundered in situations where the perceived interests of Member States were threatened, such as during the Arab-Israeli War of 1973. With respect to EC-ASEAN cooperation as discussed above, the Cambodia question proved to be another such instance. In terms of actorness, therefore, EPC satisfied the requirement that “institutions should make a difference, compared to the baseline expectation of a decentralized state system working on the basis of power and interest” (Jupille and Caporaso, 1998, p.217), but only just.

One further comment on European Political Cooperation and the pattern of diplomatic relations of the European Community with third parties throughout the seventies, eighties and early nineties,¹²⁹ which bears on relationships this thesis is concerned to explore, should be added. As has been previously asserted, the EC, through the development of EPC, gave expression to its desire to assert itself politically on the world stage. The framework that was developed, however, was one in which the Community’s ability to do this, its actorness, was very weak. The result was not only a ‘reactive, cautious and externally driven approach’, but also one in
which formal rather than substantive relations proliferated. The EC was concerned with fostering an international identity, and did this primarily through the creation of a network of external relations – it sought to see itself reflected in the mirror of its relationships. While this network developed quickly, the dialogues carried no real content, attributable to the fact that the EC was unable itself to achieve collective positions to be pursued in a third party exchange. This was further exacerbated when the dialogue was with another grouping or organisation, itself similarly fractured. In addition, agendas that were reactive rather than proactive tended to be dominated by security matters, which are themselves not experienced by all states in the same way, geographic proximity being a major factor influencing a state’s level of concern. The end product, therefore, was a dialogue in which each side, when it could come to agreement on a given issue internally, was advocating a position on a matter with which the other side was not particularly concerned. Consequently, the result of these dialogues was primarily declaratory in nature, with each side expressing support for the other side’s perspective, but without there being a concurrence of interest sufficient to lead to collective action for realisation of that perspective.\(^{130}\)

EPC Europe, then, was a substantially weaker regional actor in the political sphere than is the case today,\(^{131}\) suffering from many of the shortcomings outlined in relation to intergovernmental regional actors. While there was a history of cooperation among its Member States, this was not always sufficient to overcome entrenched interests of these individual states. It may even be argued that political cooperation in Europe in the 1970s rested on weaker foundations than that within ASEAN in the same period. The result was a situation in which the possibility of cooperation between two regional actors, one with minor divisions able to be papered over (ASEAN) and one where these divisions were stronger than the mechanisms for overcoming them (EC), was limited. It is unlikely that cooperation between the two could have been sustained at all had activity proceeded beyond the relatively clean declaratory and UNGA based instruments used. In such instances, then, where regional actors at the intergovernmental end of the continuum meet, cooperation is heavily dependant upon a lack of major divisions as the respective structures of the actors are limited in their capacity to cope.

\(^{129}\) It is also arguable that this pattern has continued in the modern Common Foreign and Security Policy (CFSP) era.

\(^{130}\) See also discussion in the Institution Building chapter.
1991 – Present

The end of the bipolar conflict and the collapse of communism in Eastern Europe led to a fundamental transformation in global relations. With the ‘victory’ of the West, the exigencies of security politics were no longer the overriding political factor that they had been. This led to the opening of a range of new paths and policy choices to be pursued in the international environment. An increased emphasis in the political sphere on human rights, democracy and the rule of law,\textsuperscript{132} over and above any ideological support, became evident, with the Western world turning against old allies who did not ‘fit’ into this new era in international relations.\textsuperscript{133} In line with a visible shift from geo-politics to geo-economics, new, primarily economic, weapons were brought to bear in the post-1990 readjustments. In the case of the links between the European Community and the Association of Southeast Asian Nations, a fundamental recasting of the relationship was undertaken.

The relationship between the EC/EU and ASEAN in the post-1990 period was conducted in the context of a number of important and ongoing issues, the two most significant of which may be termed \textit{widen}ing and \textit{deepen}ing. With respect to the first, both the Community and the Association, as a direct result of the ending of the bipolar conflict, were confronted with the challenge of widening their memberships and their relationships among those states in their immediate vicinity. In the European case this meant a return to the East, or more correctly as Eastern dissident literature of the pre-1990s would have it, the East’s return to the West. This involved an economic opening in terms of trade, aid and investment, an increasing political focus on the region and eventually also the accession of eight Central and Eastern European Countries (CEECs), plus Cyprus and Malta, to the Union in May 2004. On the Association side, this meant an expansion to include Vietnam (1995), Laos and Myanmar (1997), and Cambodia (1999), and the fostering of ties with major regional powers – primarily China but also including Russia.

In terms of deepening, the EC/EU was focused on further development of the internal market, and upon overcoming economic recession. Among other things, the

\textsuperscript{131} Though a number of the difficulties outlined above do still continue, if not quite to the same extent.
\textsuperscript{132} See discussion of Supranational Regional Actors in Theoretical Framework above.
latter led to an increasing drive to expand markets and generate profits abroad in order to avoid economic marginalisation. Further, the Maastricht Treaty (Treaty on European Union) of 1993 saw the transformation from Community to Union, and a new focus on the development of a global role for the EU. This global agenda had two aspects – economic (the creation of the single currency) and political (creation of the Common Foreign and Security Policy). The Treaty also sought to break down some of the barriers between economic and political policy by reducing the differences between the economic and political instruments available, thus raising the possibility of a more integrated approach to the external relations of the new Union.

ASEAN, too, was concerned with deepening though with less idea of where it was to go. Faced with the undermining of its anti-Communist raison d'être, the Association was forced to reconsider its role and function in a globalising world. Its place on the political radar of major powers was a significant area of concern for an organisation that had been premised upon opposition to the Eastern Bloc. The future of Southeast Asian integration came further into question in the wake of the 1997 economic crisis as it became clear that the ASEAN model was not necessarily as successful as had previously been portrayed. Intra-ASEAN relations in this period, then, have been primarily about mitigating disaster and redefining and securing its future role. In addition, the expansion of ASEAN was to be a continuing issue throughout the 1990s, with the Association eventually accepting four new Member States (Burma/Myanmar, Cambodia, Laos and Vietnam) between 1995 and 1999.

To these widening and deepening elements may be added a third – the expansion of the regional focus in Asia beyond the Southeast to a greater East Asian community. The Europeans began to see greater salience in the post-bipolar period in expanding regional relationships beyond a focus on ASEAN to include China, Japan and South Korea. Two interlocking elements played a part in this reconceptualisation. The first was economic growth, increasingly important in the post-bipolar world, among Northeast Asian states. By the 1990s, South Korea had emerged as a major economic power and a major market for European goods, while China had begun to emerge from its economic isolation, raising the prospect of future profit in an enormous (potentially the world's largest) market. This economic growth among Northeast, and indeed Southeast, Asian nations was such that Japan experienced a

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133 The changing US position towards a Saddam Hussein led Iraq is a prime example.
relative decline in its fortunes, albeit still remaining the major regional economic power. The second element of this refocusing was the increasing tension evident in EU-ASEAN relations from the mid-1990s as a result of the accession of Burma/Myanmar to the Association. This led to the effective stagnation of the interregional relationship. The breakdown in EU-ASEAN dialogue, combined with the presence of the ‘acceptable’, and exclusion of ‘unacceptable’, ASEAN states in a new Asia-Europe Meeting (ASEM) along with those new and old economic powerhouses in the Northeast, meant a refocusing of European attention on the newer, larger, less controversial process. In essence, therefore, during the course of the 1990s there was a move from interregional to transregional relations.

In addition to the above elements of the post-bipolar European and Southeast Asian experience may be added a final factor in the new international situation: the pre-eminent position of the United States. In the politico-security sphere, the United States’ ‘victory’ over the Soviet Union left it as the world’s lone hyperpower, a position that was to see it, over the course of the 1990s and into the new millennium, increasingly coming to act as a global sheriff. In the economic sphere, talk of a new trilateralism began to dominate, based on the poles of North America, or more simply the United States, Europe and (East) Asia. Of these, the United States was in by far the strongest position, with a booming domestic economy, and strong economic links to the other two poles of the Triad that had been leveraged from its role as guarantor of their collective security. This position was unmatched by the Europeans or Asians, with ties between the two constituting the ‘missing link’ in the new global architecture.

THE ECONOMIC SPHERE:

The immediate post-bipolar period was one of considerable flux in international relations in general, and in Europe-Asia relations specifically. The re-positioning of these two groupings led initially to a weakening of ties, but by the mid-1990s had resulted in classic balancing behaviour as the post-bipolar triadic architecture was created.

By the beginning of the 1990s, ASEAN was well established as a region of dynamic economic growth, constituting 4.1 per cent of total global imports and 4.3
per cent of exports in 1990 (4.0 and 4.2 per cent utilising a ΔM calculation). This was a significant increase from 1968 when ASEAN accounted for only 2.2 per cent and 2.7 per cent of imports and exports respectively (see Table A.6). While this was small compared to the European Community’s portion of 42.1 per cent and 43.7 per cent (38.4 per cent and 40.1 per cent using a ΔM calculation) of imports and exports, it must be taken in the context of a change in the pattern of trade. In this respect, Dent (1999, p.59) highlights the growth in the component of manufactures, increasingly in sectors that the Community wished to protect (such as footwear, electronics, clothing and textiles), in ASEAN exports to the EC/EU – from 58.4 per cent in 1987 to 78.6 per cent by 1993. From the late 1980s, and through the early 1990s, the aggressive export and FDI-led economic strategies of the original ASEAN-5 resulted in consistently high economic growth rates in the region, a trend which was to continue until the crisis of 1997. Despite this rise of Southeast and East Asia, the economic relationship between the EC/EU and ASEAN in the early 1990s continued along much the same path that had been charted through the 1970s and 1980s.

The first major step taken in the post-bipolar EC/EU-ASEAN relationship was how to recast the relationship to strengthen the links between the two groupings. Calls had been made since the mid-1980s for a deepening and widening of the ties between the two regions, and the removal of the exigencies of bipolar politics after the collapse of the Eastern Bloc raised hopes that this could be quickly achieved. The changing economic fortunes of Asia over the previous decade further supported a revisiting of the relationship, with greater Asian economic strength calling into question the asymmetrical nature of existing ties. At the eighth ASEAN-EC Ministerial Meeting, held in Kuching in February 1990, the two agreed that a “review of existing cooperation was needed to chart the course of ASEAN-EC relations to meet the challenges of the 90s” (AEMM, 1990, para.28). Such widening and

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134 Read ‘the European Union’.
135 Interestingly, these figures are almost identical to the ASEAN component of EU trade in 1990 (at 4.1 and 4.4 per cent) (see Table 3.4 above). This failure to achieve a level of trade with Europe greater than that which would be expected from its component of international trade is a fair indication that no privileged and proactive economic relationship existed at the beginning of the 1990s.
136 While ASEAN’s proportion of EC/EU trade virtually mirrored that of its international trade, the EC/EU’s proportion of ASEAN trade came to less than half of its international market-share. Such a low comparative proportion suggests to an extent a European divorce from the Southeast Asian region.
137 Harris and Bridges (1983, pp.81-82), for example, asserted that “[i]f Europe wants to maintain an interest in, and participate in, the opportunities offered by a group of countries that are likely to be in the forefront of economic and political development in Asia, it needs to broaden and deepen the nature of the relationship”.

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deepening was to be undertaken particularly in the areas of economic, financial and industrial cooperation, human resource development, science and technology programmes and also in increasing trade flows and investment – essentially the same areas that had formed the basis of the relationship as outlined in the EC-ASEAN Cooperation Agreement of 1980. The ninth AEMM went on to further assert the necessity of revising and expanding the 1980 Agreement to “cover all domains of cooperation between the two regions so as to better reflect the new conditions and priorities in both regions” (AEMM, 1991, para.37). The result was a typically convoluted Commission recommendation for a Council decision concerning the opening of negotiations with ASEAN on a new Cooperation Agreement.

The new Cooperation Agreement would again be a non-preferential framework agreement for economic cooperation, with special emphasis being placed on matters such as intellectual property rights, environmental protection and the exchange of information on trade protection proceedings. It would further include a formalisation of political dialogue, with specific reference made to the respect for, and protection of, human rights (McMahon, 1998, p.236). While human rights had been an integral part of Community dialogue with the Third World, such references, which “would focus attention on a weak point in practically all ASEAN countries” (Mols, 1990, p.73), had been avoided in the EC-ASEAN relationship to this point. A combination of increased European confidence and a changed international context at the beginning of the 1990s led to the inclusion of such issues in the EC/EU-ASEAN agenda. As has been previously discussed, the period from the mid-1980s saw significant changes occurring in the international context of the EC/EU’s external trade, aid and development policies. In the late 1980s, there was an expansion of the Community’s role and authority beyond the purely economic, with the Single European Act of 1986 envisaging increasing Member State cooperation in every sphere of the international arena. The fall of the Berlin Wall and the ending of bipolar conflict gave further impetus to European moves towards an external human rights policy by undermining the exigencies of security politics, and effectively allowing such ‘non-essential’ matters to carry weight in the international arena. This loosening of bipolar constraint allowed the emergence of a discourse on conditionalising Europe’s external relations, with published positions on a European human rights and

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138 See Supranational Regional Actors in theoretical discussion above.
democracy policy (European Commission, 1986; 1991) and the debate leading to the formulation of Article 11 of the Treaty on European Union being the clearest examples. Lomé IV in 1990 became the first occasion on which a clause incorporating respect for human rights was incorporated into an agreement between the Community/Union and a third country. What this serves to illustrate is the place social clauses were coming to occupy in EC/EU external relations. It was to be disagreement over human rights, and the situation in East Timor in particular, which was to result in the failure to revise the 1980 agreement.

By 1994 the economic imperative for reassessing the relationship had become even more acute. The economies of the ASEAN member states had expanded to the point where they now constituted the tenth largest global exporter, and were forecast to continue expanding, with the IMF reckoning average growth for Northeast and Southeast Asia in the 1990 to 1995 period at around 44 per cent (compared with 16 per cent for Latin America, 11 per cent for Africa, and minus 32 per cent for the CEECs and the former Soviet Union) (European Commission, 1994, p.14). The assumption was made that such economic strength would soon translate into political power, and that it was therefore in the interests of both sides to foster closer ties (European Commission, 1994, p.1; Forster, 1999b, p.748).

While the dollar value of trade between the EC/EU and ASEAN did rise significantly in the first few years of the 1990s (see Tables A.4, A.5, A.10, A.11) primarily as a result of the GSP, leading to an overall increase in ASEAN’s market-share in the Union (to 6.3 per cent of exports and imports respectively by 1995, up from 4.4 and 4.1 per cent in 1990) (Table 3.4), this period saw a decrease in the Union’s market-share in ASEAN (14.1 and 14.5 per cent of exports and imports by 1995, down from 15.6 and 15.3 per cent in 1990) (Table 3.3). This contributed to "a feeling in the Commission that the EU had not done enough and that the growing levels of trade and investment were the fruits of ASEAN members’ own efforts to liberalize trade and foreign direct investment” (Forster, 1999b, p.749). Despite the economic attractions that were apparent at the beginning of the 1990s, a preoccupation with internal matters and with the opportunities presented by the opening of Central and Eastern Europe meant that ASEAN retained its "apparently lowly status", characterised by low trade ratios, relatively static FDI and continuing asymmetric dependence, as an EC/EU trade partner (Yeung et al, 1999, p.99). Indeed,
TABLE 3.8: EUROPEAN UNION EXTERNAL TRADE WITH THE CENTRAL AND EASTERN EUROPEAN COUNTRIES (MILLIONS OF US$ AND PERCENTAGE)

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<tr>
<td>Exports</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US$</td>
<td>10850</td>
<td>19057</td>
<td>44863</td>
<td>135467</td>
</tr>
<tr>
<td>Percentage</td>
<td>7.1</td>
<td>6.1</td>
<td>10.2</td>
<td>13.1</td>
</tr>
<tr>
<td>Imports</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US$</td>
<td>8729</td>
<td>18685</td>
<td>36058</td>
<td>111029</td>
</tr>
<tr>
<td>Percentage</td>
<td>4.3</td>
<td>5.3</td>
<td>8.7</td>
<td>9.9</td>
</tr>
</tbody>
</table>

Source: EUROSTAT (2001)

Trade between the two halves of Europe increased exponentially between 1990 and 2000, with exports of the EU-15 to the region rising by over 600 per cent from US$19057 million to US$135467 million, and imports increasing by 500 per cent from US$18685 million to US$111029 million. By 2000, 13.1 per cent of all extra-EU exports were destined for the CEECs, while 9.9 per cent of extra-EU imports had their origin in Central and Eastern Europe (see Table 3.8). European attention did not turn to Asia until significant threat was perceived; unfortunately for the trade-oriented Europeans, this increased interest in the rise of Asia came only a short time before its fall.

As the European’s were turning towards Central and Eastern Europe, Asian states were questioning European commitment to their region, and in particular were becoming increasingly wary of the perceived ‘fortress’ being built as the Single Market project neared completion (Yeung et al, 1999, p.99). The Europeans did little to allay such fears, with the “image of an inward-looking protectionistically inclined Europe appear[ing] all the more confirmed during the tortuous years of the Uruguay Round (UR), as Europe appeared a recalcitrant foot-dragger” (Jung and Lehmann, 1997, p.50), particularly on negotiations involving agricultural trade. ASEAN fears of possible trade diversion were further exacerbated as European attention increasingly focused on the former Eastern Bloc countries of Central and Eastern Europe, with the particular concern that this would lead to the loss of the EC/EU as a potential counterweight against the US and Japan in ASEAN (Chambers, 1993). When, in 1993, the first Asia-Pacific Economic Cooperation (APEC) summit meeting was held
in Seattle, the EU became less concerned with non-reciprocal advantages to be gained by US and Asian firms in accessing the single market, and more concerned with possible ostracism from the Asian markets themselves.

The ASEAN Member States had joined APEC somewhat reluctantly, and primarily for 'negative' reasons rather than a 'positive' belief in the project itself. Rüland (2002a, pp.48-49) summarises the main factors motivating ASEAN’s entry into APEC as including the evident failure of economic cooperation within ASEAN itself, combined with external challenges including the Single European Market (SEM), proposals to create a North American Free Trade Agreement (NAFTA) and the stalemate in GATT Uruguay negotiations. The Association’s fears in relation to APEC were considerable, including worries that it would lead to the dilution of ASEAN, and in particular its ZOPFAN concept, and also that the forum was at heart simply a tool of US policy, allowing the superpower to liberalise sectors of the Asia-Pacific economies in which it had a comparative advantage (services, information technology etc.), thus tilting the trade balance back in their favour (Soesastro, 1997, p.177). In addition, there were suspicions that the United States would use APEC as a way of censuring deficiencies in human rights and labour standards among the members of the Association (Awanohara, 1993, p.18). Said Pretzell (1998, p.133):


This ASEAN view of APEC, combined with its post-colonial aversion to developing dependencies upon other powers, resulted in a willingness on the part of the Association to explore other possibilities for partnership, leading eventually to Singaporean Prime Minister Goh Chok Tong’s summit proposal.¹⁴⁰

While APEC had been operative since 1989, the EC/EU had not appeared particularly concerned with possible exclusion. It was only when the first APEC Summit was convened by US President Clinton in 1993 that European attention was roused. The Seattle Summit was the first occasion on which APEC went beyond

¹³⁹ "The background to this proposal was that ASEAN, following the APEC conferences at Seattle and Blake Island (1993), intended to pull back from the pressure of the USA over APEC. An alternative in the form of fruitful cooperation with the EU was able to provide relief here" [author’s own translation].
simple consultation, leaving behind its reputation as a talk shop with no tangible achievements. For the first time, reciprocal trade concessions were agreed among APEC members. This was to lead in 1994 to the tabling of plans for the formation of a Pacific Free Trade Area (PAFTA), scheduled for completion in 2020, which would potentially have had significant diversionary effects, at Europe’s expense, given the high degree of complementarity among Asia-Pacific economies (whose combined GDP in 1993 totaled 56 per cent of the global total) (Dent, 1996, p.6). The primary reasoning behind the first summit, however, was as an attempt to break the stalemate in the GATT Uruguay Round through the creation of an American-Asian coalition. The Uruguay Round had ground to a halt due to European intractability over concessions on agricultural trade. When combined with the signing of the NAFTA Agreement by the US Congress a few days prior to the Summit, the Seattle meeting “sent shock waves through Europe where the Summit seemed to symbolize a downgrading of America’s Transatlantic interests and a shift towards the Pacific” (Rüland, 2002a, p.51). The newly created Union subsequently made concessions on the agricultural issue, allowing the Uruguay Round to be concluded.

What all of this amounted to was a situation in which Europe began to fear being left on the fringes of the global economy. A potential double-blow for EU trade was shaping up, with a not unthinkable European economic marginalisation in Asia resulting from liberalisation in APEC possibly being complemented by a weakening of the trans-Atlantic partnership as US economic and political interests were re-oriented towards its Asia-Pacific partners. These European fears of marginalisation were further heightened when the Union’s 1993 request for observer status in APEC was declined (Jung and Lehmann, 1997, p.50; Forster, 1999b, p.748).141

In addition to these European fears in relation to APEC, ASEAN itself seemed to be emerging as a more valuable partner in the international arena, a perception created by the launching of the ASEAN Free Trade Area (AFTA) project in 1993,142 the founding of the ASEAN Regional Forum (ARF) in 1994, and the success of

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140 This proposal, which led to the convening of the first ASEM Summit, is outlined in more detail below.

141 Given the reaction to APEC exhibited by the European Union, it is interesting to note a European assertion that “it is far from clear that this [APEC] initiative has been successful” (European Commission, 1994, p.17). In terms of balancing functions of interregional relations, the ability of APEC to get the foot-dragging Europeans ‘onboard’ in the Uruguay Round can only be considered a successful outcome.

142 The relevant agreements having been signed in January 1992.
ASEAN members in formulating a collective position on human rights matters preceding the United Nations conference convened in Vienna in 1993. What all this led to was a belief on both sides in the need to re-establish a political and economic presence in the opposite grouping. As a result, three significant events occurred, collectively leading to a reformulation of the nature of the EU-ASEAN relationship: the publication of the Commission Communication Towards a New Asia Strategy (European Commission, 1994); the convening of the eleventh ASEAN-EU Ministerial Meeting in Karlsruhe (AEMM, 1994); and the proposal by Singaporean Prime Minister Goh Chok Tong in October 1994 (based upon an idea originating in the World Economic Forum)\(^{143}\) for the development of a transregional Europe-Asia forum.

The *New Asia Strategy* was an archetypal balancing document, motivated as it was by fear of marginalisation. The Strategy made it clear that the primary factor driving the European push for closer relations with Asia\(^{144}\) in the 1990s was unashamedly economic, with the sustained high rates of growth in Asian economies proving a significant point of attraction for the EC/EU. The case was stated in the Communication (European Commission, 1994, p.1) that:

> By the year 2000, the World Bank estimates that half the growth in the global economy will come from East and Southeast Asia alone. This growth will ensure that by the year 2000 one billion Asians will have significant consumer spending power and of these, 400 million will have average disposable incomes as high, if not higher, than their European or US contemporaries.

As such, the founding premise of the strategy document was the need for a strengthening of the European economic presence in Asia in order to maintain its leading role in the global economy (p.1). Put more bluntly, the Commission feared that “[t]he Union s[t]ood to lose out on the economic miracle taking place there because of the strong competition… from Japan and the United States” (p.17). Explicit recognition was made that “[t]he main thrust of the present and future policy

\(^{143}\) Though this built on discussions within the Singaporean Government. See Institution Building chapter.

\(^{144}\) While the Commission initially sets out a broad conception of Asia comprising three main regions—East Asia (China, Japan, Hong Kong, Macao, Mongolia, North Korea, South Korea, Taiwan), Southeast Asia (Brunei, Burma/Myanmar, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Vietnam) and South Asia (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka) (European Commission, 1994, p.3) – the remainder of the document illustrates Europe’s actual priorities by focusing overwhelmingly on the East and Southeast Asian regions.
in Asia is related to economic matters”, though contextualised within a “political and security balance of power in the region” (p.3). In terms of trade, a particular fear of increased US economic involvement in the region was exhibited, with reference made to America’s development of a “more pragmatic relationship” with Asia, involving the “delink[ing] of trade and human rights” (p.8). The Community/Union had lost out in the past by not shadowing the US move into Asia, they were not about to do so again. In addition to this classic balancing goal, the Union expressed an interest in integrating Asian countries into the market-based world trading system (p.13). Again, as outlined above, this constitutes an important facet of the balancing function of inter- and transregional relations. With reference to ASEAN specifically, the New Asia Strategy declared the Association a cornerstone of its dialogue with the region (p.19)

In addition, the New Asia Strategy made explicit reference to a key underlying feature of the EU’s external relations – that “[t]he European Union is entrusted with the task of developing a common foreign and security policy to enable it to protect its interests and values as well as playing a constructive role in world politics” (p.7). In so doing, it pointed to one of the core goals behind developing new, and strengthening existing, relationships with Asia and the rest of the world – the drive to make the Union a global actor; to give it the political presence that its economic weight demanded.

The New Asia Strategy was followed in September of the same year by the eleventh AEMM, held in Karlsruhe. The Karlsruhe Meeting produced a number of important conclusions in terms of recasting the EU-ASEAN relationship, including:

- in line with the New Asia Strategy, that the EU-ASEAN relationship be a partnership of equals (European Commission, 1994, pp.1-2, 18);
- that the two cooperate to ensure the implementation of the Uruguay Round decisions and the creation of an open multilateral trading system (AEMM, 1994, para.9);
- that a 16 strong Eminent Persons Group (EPG) be created, charged with the task of enhancing future EU-ASEAN relations (para.22).

The first two outcomes are clearly balancing related. The first recognises a new global economic architecture premised upon triadic relations with ASEAN constituting a

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145 See also AEMM (1994, para.3).
The second recognises the need to ensure an open trading system as a way of maintaining growth in two-way trade between Europe and Asia (para.9) as a balance to trans-Atlantic and trans-Pacific trade. This was made more clear through the Ministers’ expression of “support for mutual efforts to consolidate, enlarge and continue to open their markets as a means to further expand trade and investment flows between the two regions” (para.7). The pattern developed by the *New Asia Strategy*, with the attendant emphasis on economic matters, was continued in the 1996 Commission Communication *Creating a New Dynamic in EU-ASEAN Relations* (European Commission, 1996a).

The process of reformulation begun at Karlsruhe was given added impetus when Singaporean Prime Minister Goh Chok Tong, on an official visit to Paris in October 1994, proposed the convening of an Asian-European Summit (Camroux and Lechervy, 1996, p.443), an idea that quickly gained support from ASEAN leaders (Ya, 1996, p.8). Despite the fact that the *New Asia Strategy* emphasised the expansion and deepening of ties between the Union and, in particular, East and Southeast Asia, Prime Minister Goh’s proposal initially received reactions in Europe ranging from skepticism to outright hostility, notably from German Chancellor Helmut Kohl (Camroux and Lechervy, 1996, p.443). It was not until a Council of Ministers meeting during the French Presidency of the EU in the first half of 1995 that the Europeans were to sign up to the idea. The first Asia-Europe Meeting (ASEM) was subsequently held in Bangkok in March 1996.\(^{146}\)

Despite the many and repeated assertions as to the need to expand two-way trade between the two groupings, little progress was in evidence leading up to the Asian economic collapse of 1997. While the dollar value of trade increased significantly, doubling in the period to 1995, with EC/EU imports from ASEAN increasing from US$23.3 billion to US$46.7 billion and EC/EU exports to ASEAN

\(^{146}\) While the following discussion of the EU-ASEAN economic relationship in the post-1990 period is presented as a whole, the fact is that a fundamental shift occurred in the nature of relations between the two regions. The convening of the first ASEM, along with certain other factors (most notably the accession of Burma/Myanmar to ASEAN), led to the privileging of transregionalism over interregionalism as the organising factor in dialogue between the Union and the Association. Given the concentration on balancing, ASEM itself is considered only briefly in discussion of economic balancing (see below), being given detailed consideration under the Institution Building and Collective Identity Formation sections of the thesis.
rising from US$22.3 billion to US$48.0 billion (Table A.4),\textsuperscript{147} and while ASEAN’s market-share in the EC/EU increased by around 50 per cent from 4.4 per cent of exports and 4.1 per cent of imports to 6.3 per cent of both exports and imports (Table 3.4), EC/EU market-share in ASEAN declined from 15.6 (ΔM 15.3) per cent of exports and 15.3 (ΔM 14.3) per cent of imports to 14.1 (ΔM 13.7) and 14.5 (ΔM 13.3) per cent of exports and imports respectively (Tables 3.3, A.9). The Community/Union thus maintained in 1995 the second place ranking for imports and third place ranking for exports among the big trilaterals that it had held in 1990. The EC/EU was not alone among the major traders in losing market share in ASEAN, however, with Japan registering the only increase as its imports rose to 23.9 per cent from 23.1 per cent (Table 3.3).\textsuperscript{148} What is perhaps indicative, however, is the increase in intra-regional trade, with the completion of the Single Market Project and the launching of the ASEAN Free Trade Area constituting significant events of the early 1990s. During the course of the Single Market programme, which was launched in 1985, intra-European investment, on a ΔM calculation, increased significantly, with intra-Community imports and exports rising from 53.1 per cent and 54.5 per cent in 1985 to 63.1 per cent and 66.2 per cent by 1990 (Table A.3). Intra-ASEAN trade, too, rose in the years following the 1993 introduction of AFTA, with an increase, again based on a ΔM calculation, from 14.7 per cent and 18.7 per cent of imports and exports respectively in 1990, to 17.6 per cent and 23.8 per cent in 1995 and 22.7 per cent and 22.6 per cent by 2002 (Table A.9).

Perhaps the most dominant characteristic of economic relations between the European Community/Union and the Association of Southeast Asian Nations in this period was that of trade tension, predominantly over the issue of market access, with the qualification of preferential access and the application of protective measures against perceived trade distortion being core themes. In this respect, one of the major sticking-points has been the Generalised System of Preferences, a revisiting of which took place in the early 1990s. While initially, and repeatedly, asserting the importance of the GSP scheme as a “tool to diversify and increase ASEAN exports to the EC”

\textsuperscript{147} The discrepancy in values given between those reported by the EC/EU (Tables A.4, A.5) and ASEAN (Tables A.10, A.11) are a result of many factors, including a difference in reporting techniques, the time of reporting (an item counted as an export near the end of a reporting period may not show up as an import until the beginning of the subsequent reporting period) etc.

\textsuperscript{148} Japan also, however, measured the largest decline among the trilateral economic powers with their export share contracting by almost 25 per cent from 18.9 per cent to 14.4 per cent in the five years from 1990.
by 1994 the writing was on the wall for GSP exports from more advanced ASEAN members, with the Union having decided that revision of the scheme was necessary. The Union’s underlying premise for continuing revision\textsuperscript{149} of the GSP is that of change in the multilateral trading system, and in the comparative status of developing countries. As asserted by the Union (European Commission, 2002c, s.3):

The rationale of the GSP is that developing countries cannot compete with developed countries. At present, some developing countries cannot face the competition of other developing countries. Thus, there is a need to target the tariff preferences available under the GSP to those countries which need them most.

As competitive developing countries, the ASEAN member states would be the most effected by a greater targeting of preferences. Some disquiet was therefore expressed at moves to alter what was effectively the only preferential access scheme open to ASEAN members in trade with the European Union.

The revised GSP scheme, which was phased in from 1996 to 1998, was consequently simpler and better able to be targeted than the scheme that had been operative since 1971. The new scheme saw the elimination of preferential limits or quotas, a reform welcomed by developing countries. In addition, however, and causing some considerable opposition among ASEAN member states, was the inclusion of graduation and exclusion mechanisms into the GSP (Chee, 1997, p.21). Introduced in order to better target preferences towards those countries most in need, the new mechanisms allowed the removal of preferences from a particular country (exclusion) or specific sector (graduation). While exclusion was broached in the 1996 Council Regulation (Council of the European Union, 1996), it was not elaborated and brought into force until 1998 (Council of the European Union, 1998) by which time the Council had had time to assess Commission proposals. It was subsequently further revised in the 2001 Council Regulation on the GSP (Council of the European Union, 2001b). Exclusion, according to the 1998 formulation, applied where either (i) a country had a per capita income of greater than US$8210 for 1995 as calculated in the most recently available World Bank statistics (Art.1.4), later revised to refer simply to a country defined by the World Bank as high-income (Council of the European

\textsuperscript{149} Almost identical wording was used in 1991 (AEMM, 1991, s.47) and 1992 (AEMM, 1992, s.12).
Union, 2001b, Art.3.1), or; (ii) where said country’s *development index* exceeded −1 as calculated according to the formula reproduced below (Council of the European Union, 1996, Annex II, pt.2; 1998, Annex II, pt.2):

\[ \frac{\log\left(\frac{Y_i/POP_i}{Y_{ue}/POP_{ue}}\right) + \log\left(X_i/X_{ue}\right)}{2} \]

where:
- \( Y_i \) = the beneficiary country’s income
- \( Y_{ue} \) = the European Union’s income
- \( POP_i \) = the beneficiary country’s population
- \( POP_{ue} \) = the European Union’s population
- \( X_i \) = the value of the beneficiary country’s manufactured exports
- \( X_{ue} \) = the value of the European Union’s manufactured exports

This was simplified (purely cosmetically) in the 2001 regulation (Council of the European Union, 2001b, Annex II) by removing the per capita GNP calculation and replacing it with a per capita GNP figure (see below), though the formula’s effect remained unchanged.

\[ \frac{\log\left(\frac{Y_i}{Y_{ue}}\right) + \log\left(X_i/X_{ue}\right)}{2} \]

where:
- \( Y_i \) = the beneficiary country’s gross national product per capita
- \( Y_{ue} \) = the European Union’s gross national product per capita
- \( X_i \) = the value of the beneficiary country’s manufactured exports
- \( X_{ue} \) = the value of the European Union’s manufactured exports

As can clearly be seen, the above calculation produces a ratio between a country’s per capita income and the value of its manufactured exports, thus calculating its level of industrial development, and compares this to the same ratio calculated for the EU. A resultant value of ‘0’ would therefore indicate parity of development between the EU

\[ ^{150} \text{The Union’s GSP is implemented following a cycle of ten years based on the original 10-year GATT waiver (see above) which, in 1979, was renewed for an indefinite period.} \]
and the beneficiary country. Where a result greater than −1 is calculated, that country will be excluded\textsuperscript{151} from the GSP (Art.3.1).

The graduation mechanism, too, uses the development index formula, combining this with a \textit{sectoral specialisation} calculation to produce a rather confusing array of instances in which sectoral graduation would occur (Council of the European Union, 1996, Annex II, p.2; 2001b, Annex II). In addition, graduation would occur where a country’s market-share exceeded 25 per cent in a given sector (Art.5.1). It would not occur where market-share fell below 2 per cent (Art.5.2). This was further refined in 2001 such that graduation shall be invoked where the calculation resulting from the above development index formula produces an index higher than −2, and where either (i) the Community’s imports from that country constitute a 25 per cent or greater market-share of Community imports in that product sector from all countries listed (in Annex I) as beneficiary countries and territories of the GSP (Art.12.1.a), or; (ii) where the specialisation index of that country exceeds the allowable threshold (see Annex II) and that country’s market share exceeds 2 per cent of Community imports from all countries and territories listed in Annex I. Also introduced in 2001, in order to promote stability, was the qualification that the relevant conditions must be met over a period of three consecutive years for that beneficiary country to be excluded or sector to be graduated from the GSP scheme (Art.12.1).\textsuperscript{152}

In addition to the graduation and exclusion clauses, the revised GSP introduced clauses pertaining to what the Europeans term an ‘evolving concept of development’ which now placed emphasis on ‘sustainable development’ (European Commission, 2002e). As such, “new arrangements… [were] put in place which are meant to promote sustainable economic and social development by fostering environmental protection and the respect of fundamental human rights” (s.2). In other words, further tariff incentives were held out to those countries adhering to specific standards with respect to human rights and environmental protection.

As has been previously highlighted, such social issues had come to occupy a greater place in the European Community/Union’s external relations. In the context of EU-ASEAN relations, the inclusion of punitive social clauses within any European trade agreement with the Association had, as early as 1994, been broached and

\textsuperscript{151} That is, it will be removed from Annex I (Annex III in the 1996 Regulation), which lists all those countries and territories to which the GSP scheme applies.
strongly supported by the European Parliamentary Committees on the Environment, Public Health and Consumer Protection (CEPHCP) and Development and Cooperation (CDC) (Dent, 1999, pp.64-65; Palmujoki, 1997, pp.274-275).\textsuperscript{153} Indeed, the Commission’s \textit{New Asia Strategy} prioritised the consolidation of democracy and the rule of law, and respect for human rights and fundamental freedoms in relations with Asia (European Commission, 1994, pp.3, 6, 12). The inclusion of such clauses, or \textit{social incentives} as they came to be known, within the GSP came, therefore, as no great surprise.

The new social incentives, which were primarily targeted at the protection of labour rights (Council of the European Union, 2001b, Title III, s.1)\textsuperscript{154} and the environment (Title III, s.2),\textsuperscript{155} evinced particular unease among ASEAN members, with the ASEAN Ministers “stressing their concerns” at the Karlsruhe Ministerial Meeting (AEMM, 1994, para.10). Despite the EU Ministers ‘taking note’ of their remarks (ibid.), their protestations had little effect. The revised GSP scheme, therefore, was to affect ASEAN nations considerably. Unwilling to sign up for the incentives offered through satisfying the demands of the social clauses, the advanced ASEAN members were also among the most affected by the exclusion and graduation mechanisms now integral to the scheme. As has previously been highlighted, manufactured goods had come to comprise a greater portion of Association trade with the European Union, rising to 78.6 per cent by 1993 (Dent, 1999, p.59). Such a sizeable component of manufactures in trade would correspondingly result in a high development index as calculated in the EU formula. Further to this, these manufactures were predominantly concentrated in a small number of product sectors – footwear, electronics, clothing and textiles – which were, incidentally, those sectors in

\textsuperscript{152} Correspondingly, where, over a consecutive three year period, none of the conditions are met, the country will again be included under the GSP (Council of the European Union, 2001, Arts. 3.2, 12.2).

\textsuperscript{153} For a solid discussion of the differing views within the European Parliament’s committee system on the inclusion of social clauses in any trade agreement with ASEAN, see Palmujoki (1997).

\textsuperscript{154} The document asserts that: “The special incentive arrangements for the protection of labour rights may be granted to a country the national legislation of which incorporates the substance of the standards laid down in ILO Conventions No 29 and No 105 on forced labour, No 87 and No 98 on the freedom of association and the right to collective bargaining, No 100 and No 111 on non-discrimination in respect of employment and occupation, and No 138 and No 182 on child labour and which effectively applies that legislation” (Art.14.2).

\textsuperscript{155} Concerning the environment it is stated that: “The special incentive arrangements for the protection of the environment may be granted to a country which effectively applies national legislation incorporating the substance of internationally acknowledged standards and guidelines concerning sustainable development of tropical forests” (Art.21.2).
### Table 3.9: Withdrawal of GSP Preferences from East Asian States as at 1996

<table>
<thead>
<tr>
<th>Country</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei Darussalam</td>
<td>jewellery and precious metals</td>
</tr>
<tr>
<td>Indonesia</td>
<td>wood, footwear</td>
</tr>
<tr>
<td>Malaysia</td>
<td>plastics and rubber, wood, clothing, consumer electronics</td>
</tr>
<tr>
<td>Philippines</td>
<td>electro-mechanical equipment (including consumer electronics)</td>
</tr>
<tr>
<td>Singapore</td>
<td>plastics and rubber, leather and fur-skins, clothing, footwear,</td>
</tr>
<tr>
<td>Thailand</td>
<td>jewellery and precious metals, miscellaneous products (chapters 94-96)</td>
</tr>
<tr>
<td>Vietnam</td>
<td>chemicals (excluding fertilisers), leather and fur-skins, clothing,</td>
</tr>
<tr>
<td>China</td>
<td>footwear, glass and ceramics, ECSC (steel) products, base metals (non-ECSC), miscellaneous products</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>leather and fur-skins, clothing, jewellery and precious metals,</td>
</tr>
<tr>
<td></td>
<td>consumer electronics, optical instruments, clocks and musical</td>
</tr>
<tr>
<td></td>
<td>instruments, miscellaneous products</td>
</tr>
<tr>
<td>South Korea</td>
<td>plastics and rubber, leather and fur-skins, textiles, clothing,</td>
</tr>
<tr>
<td></td>
<td>footwear, ECSC (steel) products, electro-mechanical equipment</td>
</tr>
<tr>
<td></td>
<td>(including consumer electronics), vehicles, miscellaneous products</td>
</tr>
<tr>
<td></td>
<td>(chapters 94-96)</td>
</tr>
</tbody>
</table>

*Source: Dent (1996, pp.27-28)*

which the Union sought to increase the protection offered its own manufacturers. Again, this would lead to a relatively high calculation in terms of the ASEAN states’ sectoral specialisation. The expected result, then, was that the original ASEAN-5 at least would be significantly effected by the new graduation and exclusion mechanisms. Indeed, within a year of the introduction of the revised GSP, all but two of the then ASEAN-7 had been graduated from specific product areas (see Table 3.9).  

Through the course of the 1990s, Malaysia and Thailand were to find themselves graduated from developing country status, and were thus forced to extend reciprocity in their trading relationship with the European Union. This was to have a significant impact particularly on the fisheries sector in Thailand, and a number of sectors in Indonesia (Gilson, 2002, p.68).

The second of the market access issues to challenge EC/EU-ASEAN relations in the post-bipolar period was that of protective measures against perceived market distortions, in particular the application of Anti-Dumping Duties (ADDs). Dumping

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156 Remembering that GSP exclusion was not to enter into force until 1998.

157 Dumping refers to price discrimination between national markets (i.e. selling products more cheaply in the export market than they are available in the country of origin), or to selling a product at a level below the cost of production (European Commission, 2002c, p.10).
was acknowledged as early as 1947, under the original GATT, as a threat to markets, with the agreement allowing members to take action where material injury to domestic industry occurred. As a result of the rapid industrialisation and aggressive export-oriented trade strategies of the ASEAN members, the Community/Union increasingly resorted to the use of investigations into alleged dumping of ASEAN products on the EC/EU market. Between 1991 and 1997, the Community/Union launched a total of 47 investigations into the trade practices of the original ASEAN-5, compared with only 11 in the period 1985 to 1990. In relative terms, the investigations undertaken in the 1991 to 1997 period constituted 20.9 per cent of all European investigations into the practices of their trade partners, a rise from 5.3 per cent in the five years to 1990 (Dent, 1999, p.62). As Dent acknowledges, however, while the number of investigations launched saw a significant increase, relatively few led to the actual imposition of definitive ADDs. The anti-dumping procedure, however, allows for the application of provisional duties for the term of the investigation, a process that may take up to 15 months (European Commission, 2002c, p.13). Definitive duties, therefore, need not necessarily be imposed for an effect on market access to be felt.

By the mid-1990s, Asia had cemented it’s place as the most important destination for Foreign Direct Investment, having overtaken Latin America and the Caribbean during the 1980s. With FDI stock in developing Asia more than doubling between 1988 and 1993, the grouping accounted for almost half of all FDI stock in developing countries by 1994, totaling over US$320 billion (European Commission/UNCTAD, 1996, p.24). This trend continued throughout the 1990s, with UNCTAD reporting a quintupling of annual FDI flows to the region in the period from the late 1980s to the late 1990s, leading to a doubling of the region’s share of global average annual flows from 9 per cent to 18 per cent, though its share of developing country FDI remained steady at around 55 per cent (UNCTAD, 2000). Of this, almost half of the FDI came from a triadic\textsuperscript{158} source. Increasingly, however, triad FDI was replaced by intra-regional investment, with the region’s share of global FDI stock increasing from 6.7 per cent to 13.2 per cent, and of developing country FDI stock from 29.8 per cent to 52.3 per cent, between 1980 and 1994 (European

\textsuperscript{158} Then tagged as the EC/EU, the United States and Japan.
Indeed, between 1980 and 1993 the share of nine Asian economies in the total inward FDI stock for those same nine economies increased from 25 per cent to 37 per cent (p.27).

While Asia has emerged as an important host region for Foreign Direct Investment, it is yet to emerge as a home region, at least as far as investment in Europe is concerned. During the period 1991 to 1995, the developing East and Southeast Asian region was by far the major source of FDI outflows (accounting for around 78 per cent of all flows and, by 2001, for 81 per cent) (Table A.13) and outward stocks (accounting for 76 per cent of all stocks by 2001, up from 45 per cent in 1990 and 20 per cent in 1980) (Table A.14) from developing economies. In terms of global FDI outflows, the developing East and Southeast Asian share increased significantly from 2.2 per cent in 1980, to 9.8 per cent in 1995, peaking at 12.5 per cent in 1996 before declining to 4.8 per cent by 2001 (Table A.13). The share of outflows of ASEAN specifically, though doubling, remained marginal for the entire 1980 to 1995 period, reaching 1.9 per cent of global FDI outflows in 1995 from 0.8 per cent in 1980. By 2001, ASEAN had fallen to a 1.8 per cent share of global outflows from a peak of 3.1 per cent in 1996 (Table A.13). In terms of FDI stock, ASEAN saw their share rise from 0.8 per cent in 1980 to a high of 1.8 per cent in 1995, falling to 1.4 per cent in 2001 (see Table A.14). Putting this in regional context, the four ASEAN nations of Indonesia, Malaysia, the Philippines and Thailand had combined outflows between 1991 and 1995, and a combined stock in 1995, only equal to that of South Korea (UNCTAD, 1996, p.8). Singapore, too, punched below its weight, recording, as a comparison, only 12 per cent of the level of outflows and 16 per cent of the level of stock of Hong Kong over the period, despite the two cities being roughly comparable in terms of income per capita (ibid.).

The bulk of FDI outflows from the developing East and Southeast Asian region generally, and ASEAN particularly, historically remained within the same region. In 1980, over 80 per cent of outward stocks were located in other developing Asian countries. This had fallen to around 65 per cent by 1992 (p.15). In terms of outflows of investment from ASEAN, a significant shift in destination was experienced throughout the 1980s and early 1990s; from a level of 89 per cent of all

\[159\] The share of the Triad in cumulative FDI flows to the broader developing East Asian region has been in decline since the 1980s, falling from 69.7 per cent in 1985 to 33.1 per cent by 1996 (Table
ASEAN FDI outflows in 1980, intra-ASEAN investments had fallen some 97 per cent to a mere 3 per cent of investment outflows by 1993 (ibid.). The bulk of this investment has been channeled to the newly opened economies of China (accounting for 44 per cent of ASEAN outflows) and Vietnam (30 per cent) (p.15). FDI from Asia to the European Union, too, remained low throughout the 1990s. In this respect, the FDI inflows of the European Union tell an interesting story. In 1995, ASEAN contributed a share of only 0.2 per cent to total Union inflows, down from 0.4 per cent in 1992.  

Community/Union FDI in the ASEAN region was relatively heavily concentrated in the primary sector; that is to say, the EU’s share of primary sector FDI as a percentage of its total FDI in developing Asia was approximately 20 per cent, compared to a 10 per cent share in its global FDI (European Commission/UNCTAD, 1996, p.32). The reverse was true for European FDI in the service sector which, at 16 per cent, was just half of the 32 per cent share of the service sector in the Union’s global FDI. Manufacturing FDI in developing Asia, on the other hand, was directly comparable to that in global FDI (ibid.). The most important sectors of European investment were (and continue to be) chemicals, petroleum, other services and financial services (in that order), which together constituted 70 per cent of all EC/EU FDI in the region (p.22).

Over the course of the mid-1980s to the early 1990s, while recording an increase in EC/EU cumulative stocks of Foreign Direct Investment in ASEAN from US$7675 million to US$23313 million, the Community/Union’s share of cumulative FDI in the region fell from 21.7 per cent in 1985 to 16.7 per cent in 1993, constituting almost half of the drop in the Triad share of cumulative FDI for the period\textsuperscript{161} (see Table 3.7). While the numbers may seem significant, European FDI to the developing Asian region, as a proportion of total Union FDI outflows, was still only 1.7 per cent in 1995 (Table A.17). In terms of external FDI outflows, a peak of 6.3 per cent was reached in 1994 (Table A.19). This was despite both sides having clearly asserted the importance of EC-ASEAN investment, particularly of Community investment in the Association, as early as 1985 (AEMM-Econ, 1985, s.15), at which time they

\textsuperscript{15} This decrease was proportionate to the expansion of the Asian NICs’ investments in the region (Chirathivat and Preeyanon, 2000, p.3).

\textsuperscript{161} In terms of external inflows, ASEAN constituted 0.9 per cent in 1992, and 0.3 per cent by 1995 (Table A.20).
established a High Level Working Party on Investment to “study ways and means of facilitating European investment in the ASEAN countries” (s.16).

The European under-performance in investment in ASEAN may be credited to a number of factors, the first of which was the strategic imperatives of European Transnational Corporations (TNCs). From the outset, investment opportunities were present in Asia, but TNCs registered in the EU were initially slower than their US and Japanese counterparts in taking them up. As has been previously mentioned, the investment strategies of the TNCs were such that they have been significantly hindered in entering the FDI market through lack of sufficient networks in the region. US and Japanese firms, on the other hand, are significantly further advanced in this respect, with Japanese TNCs in particular possessing well established regional core networks characterised by intra-firm division of labour and the attendant intra-firm exchanges of goods and services (European Commission/UNCTAD, 1996, p.57; UNCTAD, 1991, pp.44-48). In the United States, from the 1980s onwards, there was a growing recognition among TNCs of the investment opportunities stemming from growth in the Asian region, with a resultant increase in outflows of FDI from the US to developing Asia, and an increased share of total US FDI outflows to Asia (see Table A.12).

A further major factor in the European failure to invest in Asia was the Single Market, or EC-1992, programme. The move to eliminate barriers to trade, and to introduce the free movement of goods, services, capital and people among member states, in other words to regionalise the European market, led in turn to a regionalisation of investment. As a result, intra-EC investment flows grew at an average rate of 38 per cent per year between 1980 and 1987, compared to a 17 per cent average increase for extra-European investment flows. Looked at in another way, while only one quarter of EC inward stock came from an EC source in 1980, that total had reached 40 per cent by 1988, and 58.7 per cent by 1992 (Chirathivat and Preeyanon, 2000, p.3; Table A.18). By the beginning of the 1990s, the EC was the

161 The United States’ share of FDI stock dropped by 4.3 per cent from 17.5 per cent to 13.2 per cent, while Japan’s share dropped by 2.4 per cent from 26.0 per cent to 23.6 per cent.
162 The eventual recommendations of this group included the creation in each ASEAN capital of Joint Investment Committees (JICs). Endorsed by the Ministers at AEMM 6 (1986, s.21), the first JIC was established in Thailand on 31st March 1987. While the broad objective of promoting European investment in ASEAN members was shared by all of the JICs, the exact terms of reference differed from committee to committee.
dominant investor\textsuperscript{163} in six member states, compared with only one in 1980. Most interesting, however, is the period immediately after the introduction of the Euro in 1999. From 1999 to 2000, the share of intra-EU inward investment, as a percentage of total inward investment, increased from €302049 million to €634396 million. In 1999, 76 per cent of all inwards FDI flows (excluding re-invested earnings) came from an EU source, a figure that had reached 83.4 per cent by 2000 (Table A.18). In terms of outward flows, in 1999 some 51.8 per cent of all investment leaving an EU Member State was destined for another EU Member State. This had reached 65.7 per cent by 2000 (Table A.17).

This increase in the Community/Union share of investment stock in the EC/EU came at the expense of other players, notably the US, whose share declined from a top-ranked 42 per cent in 1980 to 36 per cent in 1987 (UNCTAD, 1991, pp.33-34), 18.5 per cent in 1999 and 13.6 per cent by 2000\textsuperscript{164} (Table A.18). The initial strength of the US position had come as a result of the drive by US-based TNCs to develop pan-European networks. Correspondingly, the drive towards greater economic regionalisation inherent within the 1992 programme, and its encouragement of the development of pan-European companies, resulted in moves by European TNCs to rationalise their operations on a regional scale. A number of key elements were visible in this shift (UNCTAD, 1991, p.34):

- the removal of non-tariff barriers led to the consolidation of previously fragmented industries, particularly those of telecommunications, semiconductors, computer services and white goods;
- as a response to the Single Market push, TNCs in certain sectors, notably chemicals, moved to divest themselves of all but their core activities in order to better face international competition;
- the consolidation of markets led to an increase in cross-border mergers and acquisitions, particularly in the paper and automotive industries, in order to achieve economies of scale and improve competitiveness locally and internationally;

\textsuperscript{163} Counting for over 50 per cent of total inward investment.

\textsuperscript{164} The US still remained the main external investor in the EU, in 1999 counting for 74 per cent of all inward investment from a non-EU source, and in 2000 for 68.6 per cent (Table A.20).
- TNCs moved to develop regional distribution systems, with the result that wholesale distributors constituted the largest element in EC cross-border acquisitions in the first half of 1990.

What was occurring, therefore, was a restructuring of European TNCs along the lines previously successfully adopted by their Japanese and US counterparts (see UNCTAD, 1991, p.44-48; 1996, p.57). European TNCs were, in effect, elevating the concept of ‘home’ upwards from the individual member state level to the regional Community/Union level.

By the 1990s, Foreign Direct Investment had become a major element of the EC/EU-ASEAN relationship, constituting a significant agenda for discussion in AEMMs 9 to 12 (see Table A.22), with a rapidly growing recognition of Europe’s poor record to date, and a corresponding fear of being left further behind. Indeed, at AEMM 9 it was asserted that “industrial and investment cooperation should be accorded high priority in EC-ASEAN relations as they are the thrust of economic cooperation between the two groupings in the future” (1991, s.40). Further, European worries became particularly evident at AEMM 10 when the Ministers emphasised that industrial and investment cooperation “was becoming more urgent because the EC had not kept pace with the post-1988 investment boom in ASEAN” (1992, s.14).165 In the late 1980s and early 1990s, therefore, increased emphasis was placed on investment promotion activities. As such, the functions of the previously established Joint Investment Committees (see above) were expanded, and an ASEAN Industrial Joint Ventures (AIJV) scheme was extended in duration.166 This latter scheme was designed to attract industrial cooperation and investment by acting as an effective bypass around restrictive domestic ownership regulations in ASEAN nations. It accomplished this by allowing a 60 per cent non-ASEAN equity participation limit on joint ventures under the AIJV initiative.

In addition to the Joint Investment Committees and the AIJV scheme, in September 1988, a European Community Investment Partners (ECIP) programme was established. The ECIP provided financial assistance to roughly 60 countries in Asia, Latin America, the Mediterranean and South Africa (the ALAMEDSA group),

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165 Indeed, as has been previously mentioned, the EC’s investment share in ASEAN declined from 21.7 per cent to 16.7 per cent between 1985 and 1993 (see Tables 3.7, A.15).

166 From 31st December 1990 to 31st December 1993.
covering all phases involved in putting together a joint venture.\textsuperscript{167} Between 1988 and 1999, some 3781 formal requests were received by the Commission under the ECIP, of which 2587 received approval, involving some €291.7 million (European Commission, 2000a, s.1.3). The programme was discontinued in 1999\textsuperscript{168} despite its success due to, among other reasons, the rise in the number of projects outstripping the capacity of the Commission staff to cope, and the delays introduced both by new financial standards required by the Court of Auditors and by the separation of the technical and financial elements of the process (Patten, 2001).

Along with investment promotion issues, access became an increasingly important component of EC/EU-ASEAN relations. In this respect, the conclusion of Bilateral Investment Treaties (BITs) gathered momentum during the 1990s (see Figures A.2, A.3). Bilateral Investment Treaties constitute the most important means for protecting external investments, and as such may be taken as a reasonable indicator of the perceived importance of investment in a given economy. Traditionally entered into between a developed and developing country,\textsuperscript{169} BITs secure additional and higher standards of legal protection and guarantees for the investments of home country firms in foreign markets than do the national laws of those foreign markets (UNCTAD, 2000, p.1). Following the signing of the first BIT, between Germany and Pakistan, on 25\textsuperscript{th} November 1959,\textsuperscript{170} the number of such treaties steadily increased throughout the 1960s, 1970s and 1980s. The 1990s saw an explosion in the number of BITs, reaching 1857 by the end of the decade, up from just 385 ten years previously, and involving 173 countries\textsuperscript{171} in all (p.iii). The number of Bilateral Investment Treaties between the European Community/Union Member States and those of ASEAN have also increased significantly in the 1960-1999 period, rising from 3 in the 1960s to 33 in the 1990s (Figure A.2), with a cumulative total of 59 treaties by 1999 (Figure A.3).\textsuperscript{172} Of the 25 EC/EU and ASEAN member states, only Ireland and

\textsuperscript{167} Including partner search, feasibility studies and capital participation through grants and interest-free reimbursable advances (European Commission, 2000a).

\textsuperscript{168} Though the last disbursements for projects agreed in the period to 31\textsuperscript{st} December 1999 were not made until 2001.

\textsuperscript{169} This pattern has changed during the 1990s. See UNCTAD (2000, p.4) for discussion of these changes.

\textsuperscript{170} The Treaty entered into force on 28\textsuperscript{th} April 1962.

\textsuperscript{171} Up from 102 at the end of 1989.

\textsuperscript{172} See Table A.21 for a matrix of all Bilateral Investment Treaties concluded between the member states of the European Community/Union and ASEAN, China, Japan and South Korea in the period 1959 to 1999.
Myanmar failed to conclude any treaties with a state from the other grouping, with Germany and Malaysia having the most such treaties among the EC/EU and ASEAN states respectively. Significantly, this increase in the number of BITs between Union and Association members occurred in the years following the completion of the Single Market Project, indicating a clear expansion of interest in the developing Asian nations as investment locations.

The next major event in EU-ASEAN relations was the Asia-Europe Meeting (ASEM). ASEM was a classic balancing response to changes in the global system. Indeed, in suggesting the creation of a new Asia-Europe dialogue framework, Goh Chok Tong had referred to the need for Asia to balance previously established ties with the US (Goh, 1995). Further, for Noordin Sopiee, a Malaysian policy advisor, ASEM I was a “polite and quiet earthquake” that would make it “that much harder for anyone to kick Western Europe... and... East Asia around” (Sopiee, 1996). “The unnamed kicker”, in the words of Bobrow, “was surely the United States” (Bobrow, 1999, p.104). ASEM, after signing on to the idea, played a crucial role in recruiting other states to the cause, working hard to overcome Japanese scepticism, Chinese disinterest and fear that it would be singled out for criticism, and South Korean hesitancy as it undertook a re-positioning of its foreign policy (Camroux and Lechervy, 1996, pp.443-444). By the time of the second ASEM Foreign Ministers’ Meeting in Berlin in March 1999, the ASEM process, due to a number of factors, not the least of which was paralysis in the EU-ASEAN dialogue over the issue of Burma/Myanmar, had become the primary mode of Asia-Europe interaction.

The four ASEM meetings held to date have, in terms of economics, focused on very much the same issues as do the EU-ASEAN meetings. The priority areas of the ASEM process may be summarised as follows (ASEM, 1998a; ASEM, 2000a):

- trade and investment liberalisation;
- promoting two-way trade and investment flows;

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173 Ireland has concluded only one Bilateral Investment Treaty (with the Czech Republic on 28th June 1996, entered into force on 1st August 1997), as has Myanmar (with the Philippines on 17th February 1998, entered into force on 11th September 1998). Japan, too, has failed to conclude a BIT with an EC/EU or ASEAN member state.
174 BITs with nine ASEAN members plus China and South Korea.
175 BITs with 11 EC/EU members.
176 See Table 3.10 for a breakdown of the major meetings of the ASEM process by date, location and level.
177 See discussion in the Institution Building chapter for further consideration of these events.
- promoting dialogue and cooperation in priority industrial sectors, including agro-technology, food processing, bio-technology, information and telecommunication, transport, energy etc.;
- promoting dialogue and cooperation on financial issues including of financial supervision and regulation, customs procedures and against money-laundering; and
- promoting scientific and technological cooperation and exchange.

In addition, the ASEM process saw the quick launch of two action plans: the Trade Facilitation Action Plan (TFAP) and Investment Promotion Action Plan (IPAP).

The Trade Facilitation Action was proposed by the first Senior Officials Meeting on Trade and Investment (SOMTI) in Brussels in July 1996, and endorsed by the first Economic Ministers Meeting (EMM) in Makuhari in September 1997. The framework was finalised, and concrete goals for the 1998 to 2000 period agreed, at SOMTI III in Brussels in February 1998, and was finally adopted at ASEM II in April 1998. The TFAP is aimed primarily at “reducing non-tariff barriers (NTBs), increasing transparency and promoting trade opportunities between the two regions while complementing and considering work being carried out in bilateral and multilateral fora” (ASEM, 2000c). In short, the goal of the TFAP is the promotion of trade between the European Union and the Asian ASEM grouping. The keywords in relations to TFAP are facilitation and voluntarism. The items outlined as goals of the TFAP primarily involve creating an environment which facilitates trade, including for example streamlining and harmonising customs procedures, standards, testing, certification and accreditation procedures, cooperation on intellectual property rights and so on. The mode of cooperation is essentially voluntarism – while various seminars are held concerning achievement of the above goals, their conclusions are not enforceable.

The Investment Promotion Action Plan, too, saw its genesis in the mid-1990s, being brought into the ASEM framework with the adoption of the IPAP proposal at the first ASEM, held in Bangkok in 1996. Seen as a flagship initiative in terms of Asia-Europe cooperation, the IPAP’s aim is to improve two-way investment flows between Europe and Asia. This is to be achieved, as with the TFAP, by creating a
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HoSaG – Heads of State and Government
more positive investment environment through the reduction of barriers of all kinds to investment in ASEM nations. As such, its functions were broadly classified, in the expected European manner, under two pillars: (i) investment promotion issues; and (ii) investment policy issues. The IPAP had been the compromise solution, after certain Asian ASEM members had rejected Union advocacy of a more binding investment code. The resulting IPAP was an informal document, containing no timetables or rules of compliance. Further, it had been limited by the unwillingness of the Asian partners to consider the improved protection of intellectual property rights (IPR), with the Union position being rejected both at ASEM I and at EMM 1 in Makuhari on 27th-28th September 1997.

On 23rd to 24th November 1998, the first meeting of the Investment Experts Group (IEG), was held in Evian. Set up under IPAP to discuss national investment regimes, the IEG’s particular focus was on the progress of the partners in liberalising national regimes, later against a benchmark of Most Effective Measures (MEMs) as agreed by the second Economic Ministers Meeting in Berlin in 1999. Again, as with TFAP, these measures are not enforceable. Six further IEG meetings have subsequently been held. The IPAP has also led to the introduction of investment related websites including ASEM Invest Online (AIO) and ASEMConnect, with the aim of increasing the transparency and accessibility of investment information. Such efforts have subsequently been judged to be a success, though repeated requests for the ASEM partners to update and ensure the accuracy of their sections of the AIO site suggest that voluntarism has raised problems even in this the simplest of cooperative endeavours.

Despite these somewhat lacklustre approaches to trade and investment promotion, the ASEM provided a new sphere of cooperation not before seen in

178 Unlike those of the TEU, these pillars are of form rather than substance.
179 China, Japan and Korea plus a number of the ASEAN members.
180 The IEG was established by IPAP, but under the aegis of the Senior Officials Meeting on Trade and Investment (SOMTI).
181 Previously Virtual Information Exchange (VIE).
182 Indeed, a quick reading of the Chairman’s Statements from the six IEGs to date reveals a disturbing amount of time devoted to the functioning of said websites, including discussions on the updating of links to other websites (Singapore, for example, made clear at the third IEG that there would indeed be a link to the AIO website on the ASEMConnect site) (IEG, 1999, s.6), and the number of hits received (an average of 2200 per month from September 2001 to April 2002 for AIO) (IEG, 2002, s.5).
183 Though inquiries conducted by Commission Delegations in Southeast Asia during 2002 as to the awareness within the business community of these investment promotion activities (including the websites much touted by the IEG) provided a somewhat different picture, with results suggesting that
EC/EU-ASEAN dialogue, that of the cultural. Camroux and Lechery (1996, p.445) contend that:

There is an Asian perception of close US-European ties which, it is felt, should be emulated. While such a view is based more on a sense of cultural cohesion than institutional reality it is nevertheless persuasive. ASEM seemed to offer the opportunity to balance this axis with one between Asia and Europe.

Such perceptions are reinforced by US global dominance, a fact of which both the Europeans and Asians are keenly aware.

The belief in the need for closer cultural ties is premised on the idea that “[a] strengthened mutual awareness of European and Asian cultural perspectives will be a key supporting element in... two-way political and economic linkages” (European Commission, 1996b, p.9). Cultural cooperation in this respect is a key element of balancing. Two elements are integral to this belief. First, that by fostering cultural linkages at the social rather than the elite level, the ASEM process will enable member populations a greater understanding of the cultures of each. Secondly, a deeper cultural understanding will both strengthen the ASEM process itself by constituting a firm foundation to which it may be anchored, and provide a context within which trade and investment, as well as further cultural linkages, will be facilitated. In the words of Goh Chok Tong (1997, p.17), “[a] long-lasting relationship needs to be built on a solid foundation of mutual understanding and trust, one based on closer people-to-people contacts”.

ASEM I provided the clearest indication of cultural cooperation, being described by the Thais as a process of “get[ting] to know one another”, with further emphasis being placed on “the overcoming of stereotypes and ‘ignorance reduction’” (Wiessala, 2001, p.34). At this elite level, the cultural pillar of ASEM is broadly conceived, including education, the environment and science and technology. In this respect, while science and technology are directly recognised as “the key factors and chief engines... for economic growth and prosperity” (ASEM, 1999, para.25), education and the resultant “[h]igh quality human resources” are seen as “crucial for motivating investment decisions, [and] thereby sustaining economic growth” (AEVG, 1999, p.16).
1999, p.22). As such, the Asia-Europe Vision Group went on to assert the goal of “an improved balance between the numbers of Asian foreign students studying in North America and those studying in Europe” (ibid.).

In terms of realising greater cooperation below the elite level, the ASEM process quickly developed a ‘second track’ along the lines of the ASEAN Regional Forum. This has allowed the integration of non-governmental organisations, experts, interest groups and business into the process of Asia-Europe dialogue and provides a greater depth to the process than is the case in, for example, EU-ASEAN relations. Again, in keeping with the TFAP and IPAP processes, the ASEM process in this respect has been about creating a ‘permissive’ context within which business, in particular Small and Medium Enterprises (SMEs), will seek both markets and investment opportunities.

With respect to trade and investment, a multitude of Track I and Track II meetings, groups etc. have emerged. As examples, an Asia-Europe Business Forum (AEBF) has been established, bringing together on an annual basis business representatives and members of economic associations from both Asia and Europe. At the elite level, in addition to the SOMTIs and EMMs, a financial core group meets annually in the wings of IMF/IBRD meetings (Köllner, 2000, p.428). Linking the two tracks, a number of elite-generated social programmes have been established, an example of which is the Junior EU-ASEAN Managers (JEM) exchange programme, initiated to provide opportunities for young professionals from each region to take part in training attachments or work placements with companies in the other. The success of this cultural pillar in creating an environment that will foster trade and investment is yet to be proven.

Despite the new Asia-Europe Meeting process and the introduction of the Trade Facilitation Action Plan, by 2000 little had changed in terms of trade, with the EU ranking a poor third among the trilaterals in terms of ASEAN imports, at 11.2 per cent compared to 19.8 per cent for Japan, and 14.3 per cent for the United States (Table 3.3). In terms of ASEAN exports, the EU ranked as the second destination, absorbing 14.8 per cent of exports compared to 13.6 per cent for Japan and 19.2 per cent for the United States (Table 3.3). While an examination of Table 3.3 reveals a decline in market share, the true extent of the decline in trade with ASEAN in the

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184 A more cynical reading of this may be that ‘if only they knew better, they would invest in Europe’.  

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post-crisis years is not clear until trade volumes are looked at. Between 1995 and 2000, despite the drive during the preceding years to develop and cement in place a strong Asia-Europe partnership, the European Union suffered the greatest setback of all the trilaterals, with ASEAN imports from the Union declining by a massive 25 per cent from US$52285 million to US$ 39011 million. This was by far the largest decline among the trilaterals, with Japan registering a 20 per cent reduction in volume, while the US marked a paltry one per cent decline (Table A.10).

The period to 2002 saw some good news for the European Union, which registered a far smaller decline in trade volume than that of Japan or the US. In 2002, the Union retained the third place in terms of ASEAN imports at 11.0 per cent, though the gap between it and the other trilaterals had dropped, with Japan’s share counting 16.4 per cent, and that of the US 13.1 per cent. The EU also registered a far smaller drop in its ASEAN export share, falling to 14.0 per cent in 2002, compared to 12.5 per cent and 17.8 per cent for Japan and the US respectively (Table 3.3). Looking to trade volume reinforces this trend, with ASEAN imports from the Union declining to US$38885.7 million, maintaining the figure of a 25 per cent reduction over 1995 levels. Japan too registered a reduction, with its US$58211.5 million volume amounting to a 22 per cent drop over the 1995 amount. The United States saw the greatest fall in its volume, however, to US$46571.4 million. This amounted to a 7 per cent decline on its 1995 volume, a significant figure given that only a 1 per cent decline was noted in the period 1995-2000 (Table A.10).

ASEAN exports to the trilaterals rose significantly in volume by 2000, however, as EU, US and Japanese markets agreed to remain open to the now significantly cheaper Association products, allowing the grouping to export its way out of the crisis. As a result, export volumes to the EU saw a rise of 36 per cent from US$45478 million to US$62190 million, while those to the US rose 35 per cent from US$59832 million to US$80985 million, and to Japan grew by 23 per cent from US$46365 million to US$57236 million. By 2002, however, as the crisis was left behind, trade volumes again dipped. Export volumes to the EU witnessed a decline of 10 per cent to US$56490.6 million in the 2000-2002 period, while the US and Japan both witnessed drops of 11.5 per cent to US$71732.1 million and US$50653.7 million respectively (Table A.10). Thus overall trade volume increases for the Union, the United States and Japan for the 1995-2002 period registered 24 per cent, 20 per cent and 9 per cent respectively.
The biggest winner of the crisis, however, was China. ASEAN imports from China rose from 3.1 per cent in 1995 to 5.0 per cent in 2000, with its share of exports to China also registering growth, from 2.7 per cent in 1995 to 3.7 per cent in 2000 (Table 3.3). In terms of volume, imports and exports of ASEAN from and to China rose by 55 per cent (from US$11180 million to US$17307 million) and 79 per cent (from US$8753 million to US$15685 million) respectively. This trend continued in the period to 2002, with ASEAN imports from China reaching 7.6 per cent, and its exports to China hitting 5.3 per cent (Table 3.3). In terms of trade volume, imports and exports between ASEAN and China increased by 56 per cent to US$27154.9 million, and by 36 per cent to US$21316.4 million respectively, thus registering overall import and export increases in the 1995-2002 period of 143 per cent (Table A.10).

As far as Foreign Direct Investment is concerned, the result of the increased emphasis on investment between the European Union and the Association of Southeast Asian Nations, combined with the re-emergence in the 1990s of Asian natural resources as an important component of investment strategies (Gilson, 2002, p.83), was an expansion in the European component of ASEAN’s FDI inflows. By 1996, Union cumulative FDI stock in ASEAN had risen to US$66249 million, an increase of 185 per cent over the 1993 level, elevating the Union share from 16.7 per cent to 25.3 per cent and making it the largest source of FDI for the Association (Table 3.7). This still constituted only 2.2 per cent of European outflows (4.6 per cent of external outflows) (Table A.17, A.19). In the years after 1996, flows of FDI from the Union to the Association suffered something of a setback. From a peak of 5.1 per cent of all external outflows in 1996, the Europeans registered a 3.4 per cent disinvestment in 1998, immediately after the onset of the Asian financial crisis (Table A.19). Inflows from ASEAN into the EU fell too, with a disinvestment of 0.3 per cent in 1998 from a peak inflow of 4.0 per cent in 1997 (Table A.20). By 2000, investment had begun to bounce back, but was still far from peak levels, with 3.4 per cent of European outflows destined for ASEAN, and 1.8 per cent of inflows coming from the Association (Tables A.19, A.20).

Again in the post-bipolar period, no evidence was found of the sort of sophisticated balancing most often highlighted by theorists in discussion of the functions of inter- and transregional relations. That is to say, there is no evidence of cooperation at the EC/EU-ASEAN or ASEM levels to seek rectification of measures
by trade partners. Perhaps the single example where such would have been expected was in relation to the introduction by US President George W. Bush of tariffs on the import of steel. On 20th March 2002, the US imposed restrictions on the import of steel from the rest of the world, putting in place tariffs of up to 30 per cent. Aside from the obvious factor of the higher costs to be faced by all steel producing states when seeking to export to the US market, the EU feared that, as the only remaining steel market of any size, the Union would be flooded by steel diverted from the US (European Commission, 2002a). Given the fact that, alongside the EU, Indonesia, Malaysia and Thailand, along with China, Japan and South Korea, are all steel producers, with the three Northeast Asian states being major producers, it could be expected that cooperation in combating the new US tariff regime would take place. This was not the case however.

In a meeting in Brussels on 13th June 2002 between the Thai Prime Minister, Thaksin Shinawatra, and Commission President Romano Prodi and Trade Commissioner Pascal Lamy, the issue of steel tariffs was not broached, a decision deemed surprising by one Commission official, given the prominence accorded the issue in the Thai media (Interview Material). It also seems somewhat surprising in the context of the Joint Statement issued by Thaksin and Prodi after the meeting highlighting the need for further economic and sectoral cooperation, and cooperation in relevant multilateral organisations such as the WTO. The US action was subsequently raised at the eighth SOMTI, convened in Bali on 17th July 2002, with a portion of the meeting’s agenda euphemistically devoted to ‘The Situation in the International Steel Market’, though the result was simply an agreement “that measures inconsistent with the WTO rules should be eliminated immediately” (SOMTI, 2002, para.26). Coordination on the issue did not, however, result.

In the post-1990 period, then, as with the pre-1990s, the suggestion of balancing has been present, though not to the extent to be anticipated from a fully developed inter- or transregional relationship, with a similar pattern of relations pre- and post-1990 being evident. Balancing related goals have routinely been expressed, but the achievement of these goals has been less than exemplary. Indeed, the rhetoric of partnership has more often than not been belied by the reality of the relationship in the post-bipolar era.

At the heart of the European drive to strengthen relations with ASEAN were balancing considerations: the rejection of its request for observer status in the new
APEC grouping, the perceived emergence of the ASEAN grouping as a ‘worthy’ partner in the international environment, a belief reinforced by region-building in the form of AFTA, and, to a lesser extent, the ARF. Combined with the dynamism that seemed a permanent factor in Asian economies, this resulted in a European fear of marginalisation. On the ASEAN side, an increasing wariness of ‘fortress Europe’ was becoming evident, exacerbated by a less than whole-hearted commitment by the Europeans to the GATT Uruguay Round. Further, specific fears of a loss of Community/Union interest in the Association seemed to be validated by the continuing European ‘obsession’ with the Central and Eastern European neighbours. The massive growth in trade between the EC/EU and CEECs in the immediate post-bipolar period served to reinforce ASEAN concerns. Finally, the Association was less than enthusiastic about its role in APEC, believing that the US would use the forum to pry open their markets to its own advantage. In addition, the two groupings were fully aware of the lopsided nature of the newly emerging trilateral economic architecture of the post-bipolar period, and the resulting dominance exercised by the United States.

All of this would tend to suggest, therefore, that a privileging of economic relations between the European Union and the Association of Southeast Asian Nations as a means for building partnership and balancing other economic powers would be a logical step in overcoming the regions’ respective fears. Indeed, the immediate result of EU and ASEAN concerns was a drive on the part of both partners to elevate the place of economic relations between the two groupings. In the early 1990s, clear evidence of this is provided by the New Asia Strategy and the various chairman’s statements of the AEMM summit meetings. Following the emergence of transregional ties with the broader East Asia and the downgrading of EU-ASEAN interregional links, further evidence of these underlying goals was provided by the chairman’s statements of the ASEM summit meetings, as well as through the launching of the Trade Facilitation Action Plan and the Investment Promotion Action Plan. Unfortunately, however, this did not progress much beyond grand statements and assertions of partnership.

As has been discussed, even during the period of dynamic growth in Asia prior to the 1997 financial crisis, trade relations between the two did not appear to considerably advance. Trade volumes increased in absolute terms, but both the Union share of the ASEAN market, and the Association share of the EU market, declined in the period up to 1995. The reasons seem clear – the completion of the Single Market
Project on the part of the EU, and the launching of AFTA led to a further concentration of intra-regional trade and investment and, correspondingly, trade and investment divergence. In other words, the opportunities close to home were far too good to pass up in favour of those much farther afield. Indeed, during the course of the Single Market programme, which was launched in 1985, intra-European investment, on a ΔM calculation, increased significantly, with intra-Community imports and exports rising from 53.1 per cent and 54.5 per cent in 1985 to 63.1 per cent and 66.2 per cent by 1990 (Table A.3). Intra-ASEAN trade, too, rose in the years following the 1993 introduction of AFTA, with an increase, again based on a ΔM calculation, from 14.7 per cent and 18.7 per cent of imports and exports respectively in 1990, to 17.6 per cent and 23.8 per cent in 1995, 21.5 per cent and 23.0 per cent by 2000 and 22.7 per cent and 22.6 per cent by 2002 (Table A.9). This concentration on the building of regional economies, as in the pre-1990 period, had a significant detrimental effect on the motivation to seek trade and investment opportunities at considerable remove from the home region.

The reduction of tariff barriers and the facilitation of trade that had been asserted as important both in the EU-ASEAN and the ASEM dialogue processes were premised upon voluntarism rather than upon binding targets, with the result that progress towards achievement was slow or, indeed, non-existent. This was the direct result of the underlying structure of the two organisations as premised upon a so-called ‘ASEAN’ or ‘Asian’ way, characterised by an emphasis upon personal relationships and the creation of a ‘positive climate’ rather than upon the legalistic and target-based approach favoured in Europe. This may be reduced to the recognition that ASEAN as a regional grouping, premised as it is upon intergovernmentalism, is currently incapable of collectively achieving set targets. The result is that the speed of the relationship between the Union and the Association is reduced to that of the slowest partner. As such, opportunities for trade and investment in Asia sufficiently attractive as to outweigh those available closer to home have not emerged. The direct result has been continued region-building in Europe. This, therefore, is one significant observation of what happens when qualitatively different regional actors meet.

Despite repeated references to partnership and the need to increase two-way trade and investment flows, the trade relationship in this period was characterised more by increased protectionism than by further region-specific liberalisation. Throughout the 1990s, the more advanced ASEAN states found themselves gradually
excluded from the Generalised System of Preferences, and increasingly subject to measures such as Anti-Dumping investigations. As in the pre-1990 period, but to a much greater extent, there was a dissonance between the rhetoric of partnership and relationship building, and its practice. As has already been highlighted, geo-political events provided significant trade and investment opportunities close to home, with region-building the clear preference. Thus, while at the beginning of the 1980s around half of all EC/EU trade was external, by the beginning of the 1990s this had fallen to just over a third, and still hovered around 45 per cent in 2002 (Table A.2). ASEAN external trade, too, registered a decline, though not of the magnitude of the EC/EU, from around 85 per cent in 1980, to less than 80 per cent in 2002 (Table 3.3).

Foreign Direct Investment between the European Union and the Association of Southeast Asian Nations, too, has been strongly affected by a continuing process of region-building, though it is in this area that we can see the strongest evidence of balancing behaviour. Strong fears of marginalisation on the part of the European Union, as evidenced in AEMM discussions throughout the 1990s, led directly to a drive to invest in the Asian region. Joint Investment Committees were created, and an ASEAN Industrial Joint Ventures scheme and European Community Investment Partners programme established, supplemented later by the Investment Promotion Action Plan under the new transregional ASEM process. The direct result of these efforts, and perhaps in spite of the IPAP, has been an increase in European Union investment in Asia such that, at the same time that intra-EU investment has expanded significantly to 76.0 per cent of inflows in 1990, and 83.4 per cent in 2000, the Union has come to be the largest investor in ASEAN, holding a 25.3 per cent share of cumulative stocks in 1996. In addition, an intention to maintain its place has been evidenced by the rapid increase in the number of Bilateral Investment Treaties between EU and ASEAN partners over the course of the 1990s. Given ASEAN’s classic balancing goal of diversifying dependence away from the US and Japan, the emergence of the European Union as a strong source of FDI inflows is a positive result.

While FDI performance has proven positive, it remains to be seen whether this will continue, or indeed whether trade will follow the flag of investment. For the immediate future, there is a clear risk of trade and investment divergence, and thus a possible retrenchment of the economic relationship, as a result of the incomplete nature of both regional projects. On the European side, this comes down to the
forthcoming enlargement. It is likely, in this respect, that the trade and investment opportunities to be expected from the forthcoming enlargement will have a positive effect in favour of the new Central and Eastern European members of the EU, but to the detriment of economic links with ASEAN and the broader East Asian region. On the Asian side, AFTA, should it proceed as planned, will have a similar effect on ASEAN trade and investment flows to the EU. In addition, the broader regional awareness that is now being expressed through the emergence of such ties as those of the ASEAN+3, an East Asian Economic Caucus in all but name, may too result in a more attractive trade and investment climate in the immediate neighbourhood, with obvious flow-on effects.\footnote{See, for example, Kim (2002) for an investigation into increases in intra-ASEAN+3 trade using a gravity analysis.}

The post-1990 relationship, therefore, as with that pre-1990, has not performed to a great extent those balancing functions to be expected of it, though with investment flows from Europe to Asia providing a faint light at the end of the tunnel. This again is a result of the relatively immature status of the relationship between the two. While the two have focused on the internal region-building component of balancing, there has again been an absence of cooperative endeavours to balance specific actions of the third pole in the triad. A general balancing in this respect has, however, occurred, with the development of the ASEM process to fill in the missing link in triadic relations. ASEM may be seen in another light, however – the failure to cement in place a strong relationship prior to 1990 has meant that the EU and ASEAN have effectively had to build their interregional foundations afresh in the changed circumstances of the post-bipolar period. This has been done, as will be discussed in greater detail in subsequent chapters, through the addition of transregionalism and the ASEM process.

**THE POLITICO-SECURITY SPHERE:**

Despite its elevation to the ministerial level, the political side of the Asia-Europe relationship has continuously come a poor second to its economic sibling. During the bipolar period, the failure of the political dialogue to make significant progress was largely attributed to the pre-eminence afforded US-Soviet political interaction. Asia-Europe relations, in this respect, were of secondary concern. Indeed, as has been
illustrated in previous discussion, only two, inter-linked, political issues became the subject of EC-ASEAN political cooperation: the occupations of Afghanistan by the Soviet Union and of Cambodia by Vietnam; both issues that were defined by the bipolar conflict. With the lifting of the exigencies of bipolar interaction, therefore, it could be expected that political relations between the Asian and European partners would flourish. This has not been the case. The EC-ASEAN relationship in particular, showed very little ‘constructive’ interaction on political issues, with declaratory statements at AEMMs again being the norm. Further, what limited dialogue did occur was characterised more by tension than cooperation, with topics such as the Indonesian occupation of East Timor, and the Community/Union’s Article 11 (TEU) concern for human rights and democracy coming increasingly to cause unease.\(^{186}\)

As with cooperation on the Cambodia and Afghanistan issues, it was as a reaction to a specific event that the EU and its partners in ASEAN and the broader East Asia began to consider political issues. On 11\(^{th}\) September 2001, the World Trade Center in New York was destroyed, and the Pentagon in Washington was damaged, the result of being struck by aircraft piloted by terrorist agents of the Al-Qaeda network. As a direct consequence, and largely due to the fact that these attacks occurred on US soil, terrorism became the newest, and premier, global political issue. Initially, sympathy for the US, and a general belief in the justness of its retaliation, meant that the international community remained largely unified. On 19\(^{th}\) September 2002, however, George W. Bush proclaimed a new security doctrine for the United States in which the willingness to fight pre-emptive wars against ‘rogue states’ held central place, subsequently relegating all but the US and its closest or most willing allies to the second-tier of actors in combating terrorism. The European Union and the Association of Southeast Asian Nations were regarded as two such minor powers. It is not the place of this chapter to provide a blow-by-blow description of the actions of the European Union, ASEAN or the broader East Asia in relation to the events following September 11, but rather to consider cooperation between the two on the issue of terrorism, and specifically the evidence of balancing behaviour therein. Given the essential irrelevance of Europe-Asia cooperation on this issue, the following discussion is necessarily brief.

\(^{186}\) For consideration of the human rights issue, see Collective Identity Formation chapter below.
Combating terrorism, by its very nature, requires a comprehensive approach (Duke, 2002, p.153). It is for precisely this reason that the relationship between the European Union and ASEAN contributed very little to initial efforts in this field. When the response to the attacks in New York and Washington quickly came to be defined as a ‘War on Terror’, it was clear that EU and ASEAN contributions would be only minor, with neither possessing the ability to present a credible military threat. When the war on terror combined with Bush’s doctrine of pre-emption to target Iraq, EU-ASEAN cooperation was again largely irrelevant. This was the result of two factors. First, the confrontational balancing of an ‘errant’ power is constrained by context, which itself will largely dictate the tools necessary to achieve the desired outcome. In most academic approaches to balancing in inter- and transregional relationships, such activity is envisioned as being undertaken within global multilateral fora, with the World Trade Organisation and the United Nations being the primary examples. Multilateral fora are posited as the arena for such balancing activity as they are governed by agreed rules and norms of decision-making, with an expectation that all participants will adhere to the decisions taken. In the debate over military intervention in Iraq, however, it quickly became clear that the US saw no need, largely as a function of its likely inability to achieve a desirable outcome, to seek the legitimacy of multilateral approval. Said Kolko (2003, p.294), “Washington has decided that its allies must now accept its objectives and work solely on its terms… This applied, above all, to the war against Iraq – a war of choice”. Even when the US, at the urging of Secretary of State Colin Powell, submitted the Iraq issue to the UNSC, it was clear that the US would not be bound by an unfavourable outcome. By stepping outside of this framework, the US had made any possible inter- and transregional cooperation between the EU and its Asian partners to balance its activities irrelevant. Outside of the rules and constraints of global multilateral fora, Asia-Europe cooperation possessed none of the tools necessary to ‘correct’ the behaviour of the US.

The second factor mitigating against balancing of this form is the limitations on the European Union and ASEAN as actors. On the ASEAN side, cooperation is purely intergovernmental. As such, terrorism could be addressed at the regional level only to the extent Member States were willing to do so, resulting largely in discussion
of only ‘soft’ issues (financing of terrorism etc).\textsuperscript{187} The Association therefore, particularly when the issues in question involved ‘hard’ security issues such as pre-emptive intervention in Iraq, remained wholly irrelevant as a grouping. This is not to say that the issue was not discussed at the ASEAN level, for such was indeed the case, with significant division being the result (Interview Material), but rather that there was no obligation to achieve unity. As such, the Member States of ASEAN were able to adopt a variety of positions on the military aspects of combating terror, with the Philippines, for example, supporting US activity, while Malaysia and Indonesia opposed an intervention in Iraq, without there being any resulting debate about the value or future of ASEAN as a regional grouping.

On the Union side, despite concerted efforts in recent years to develop a Common Foreign and Security Policy worthy of the name, intra-EU cooperation was quickly broken, with its internal structures proving insufficient to deal with differences among Member States. This was most apparent in the events following the meeting of the General Affairs Council on 27\textsuperscript{th} January 2003. At this meeting, a set of conclusions on Iraq was adopted reaffirming, the goal of disarming Iraq, and asserting that “[t]he responsibility of the UNSC in maintaining international peace and security must be respected” (General Affairs Council, 2003, p.14). This was followed on 30\textsuperscript{th} January, however, by an open letter, initiated by Spanish Prime Minister José María Aznar and subsequently signed by the leaders of Denmark, Italy, Portugal, Spain and the UK, as well as the Czech Republic, Hungary and Poland (the so-called ‘Gang of Eight’), urging that Europeans join with the US in ousting Saddam Hussein, and asserting that unless it enforces its previous resolutions on Iraq, the UN Security Council would lose credibility.

The signing of the letter by five Member States and three Accession States was a significant blow to the unity of the EU, and violated two key articles of the Treaty on European Union. Under Article 11 (2) of the consolidated Treaty, it is required that “[t]he Member States shall support the Union’s external and security policy actively and unreservedly in a spirit of loyalty and mutual solidarity”, and that “[t]hey shall refrain from any action which is contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations”. It is

\textsuperscript{187} See, for example, the 2001 ASEAN Declaration on Joint Action to Counter Terrorism (ASEAN, 2001a) and Work Programme to Implement the ASEAN Plan of Action to Combat Transnational Crime (ASEAN, 2002c).
further required by Article 16 that “Member States shall inform and consult one another within the Council on any matter of foreign and security policy of general interest in order to ensure that the Union’s influence is exerted as effectively as possible by means of concerted and convergent action”. Clearly, none of this was followed in the issuing of the letter. While these provisions of the TEU are legally binding, a situation previously defined as increasing actoriness,\textsuperscript{188} there is no mechanism for enforcement. Indeed, no penalties for non-compliance are set out in the Treaty, and the European Court of Justice, one role of which is to rule on treaty breaches, has no jurisdiction over Pillar Two issues. This combination of intergovernmental decision-making and the absence of enforcement measures means that in practice, rather than Articles 11 and 16 being viewed by the Member States as legal requirements, “they are seen as political objectives” (Spinant, 2003), a far weaker formulation.

The subsequent and so-called ‘extraordinary’ European Council on 17\textsuperscript{th} February was an exercise in damage limitation, with Union leaders agreeing a joint statement on Iraq papering over the breaches between the Member States. In essence, the statement affirmed the importance of the UN, which remains “at the centre of the international order” and bears “the primary responsibility for dealing with Iraqi disarmament” (Council of the European Union, 2003, p.1). Furthermore, it was agreed that, while war was not inevitable, force would be used as a last resort. However, the meeting failed to overcome major divisions between Member States over the amount of time Baghdad was to be given to comply with UN Resolution 1441, and whether a second Security Council Resolution was necessary, or politically desirable, before resorting to the use of force. On the issue of Iraq, therefore, the EU remained unified in name only.

Where balancing behaviour may be seen in the inter- and transregional relationships between the European Union and Asia is in the, albeit less ‘sexy’, process of mirroring developments in other dialogue structures. In the wake of September 11, the notion of combating international terrorism has become all-pervasive. Indeed, it quickly became necessary for all actors to consider the issue if they did not wish to be marginalised, or at worst the object of attack, in the global security environment. The EU-ASEAN and ASEM relationships were no exception.

\textsuperscript{188} See discussion of actor capacity in Theoretical Framework.
Given that neither the EU nor ASEAN are military actors, and indeed that neither were major players in the military side of the debate, discussion between the two quickly focused on the softer side of combating terrorism. Further, given that the EU-ASEAN dialogue was effectively on hold due to differences primarily over Burma/Myanmar, the ASEM process quickly became the locus for such discussions. Indeed, the first dialogue between ASEAN and the EU over terrorism did not occur until the fourteenth AEMM on 27th-28th January 2003,\textsuperscript{189} at which point it simply re-stated the positions agreed in the ASEM process.\textsuperscript{190}

The shape of the dialogue on terrorism within ASEM was defined directly by the shape of intra-regional dialogues, and specifically those of the European Union and ASEAN. As has been asserted, the EU was unable to achieve agreement on the contentious issue of intervention in Iraq, and even the earlier discussion of the invasion of Afghanistan was less consensual than it may seem, with the neutral or non-aligned Member States greeting the action with some nervousness (Duke, 2002, p.161). Discontent over this issue\textsuperscript{191} was exacerbated by the convening of a mini-summit involving France, Germany and the United Kingdom prior to the Ghent European Council, a process seen to exclude the smaller nations from discussions on military involvement in Afghanistan. What was rapidly agreed, however, was a Plan of Action for combating terrorism, focusing on Pillar Three issues such as the establishment of a European arrest warrant, which had originally been agreed at the 1999 Tampere European Council,\textsuperscript{192} the sharing of intelligence via EUROPOL, and the establishment of an anti-terrorist unit within EUROPOL, the strengthening of air transport security and so on (Council of the European Union, 2001a). Its external approach was also made clear, with the Action Plan asserting that “[t]he integration of all countries into a fair world trade system of security, prosperity and improved

\textsuperscript{189} Earlier discussions had taken place within the Post-Ministerial Conference and the ASEAN Regional Forum, though these were not purely EU-ASEAN interregional dialogue processes.
\textsuperscript{190} See the Joint Declaration on Co-operation to Combat Terrorism (AEMM, 2003b).
\textsuperscript{191} As Duke (2002, p.161) comments, discontent was not felt over the legitimacy of the military action in Afghanistan, for such had already been accepted through UN Resolution 1368, but rather over the extent of possible action in the wake of US Ambassador John Negroponte’s comment that “our self defence [may] require further actions with respect to other organizations and other states”, by which he was widely believed to be referring to Iraq.
\textsuperscript{192} While the European Arrest Warrant was slated for implementation by 1st January 2004 for European Member States and 1st May 2004 for the accession states, the Justice and Home Affairs Council of 19th February 2004 reported that only eight Member States (Belgium, Denmark, Ireland, Finland, Spain, Sweden, Portugal and the United Kingdom) were so far in compliance, though the remaining seven had indicated they would do so by 1st April. The accession states all reported they would meet the 1st May deadline (Justice and Home Affairs Council, 2004, p.7).
development is the condition for a strong and sustainable community for combating terrorism” (ibid.). The Action Plan also referred to a need to foster collaboration with partners in the Arab and Muslim world on the subject of terrorism. Dialogue involving ASEAN, therefore, is a necessary element of the Union approach, numbering as it does three Muslim Member States, including Indonesia, the world’s most populous Muslim state.

The outline of the security dialogue within ASEAN was virtually identical and purely autochthonous, EU and ASEAN positions having developed separately, even if along the same lines. The Association, too, was divided on Afghanistan, with Indonesia, Malaysia and Vietnam opposed (Reiterer, 2002, p.143). As with the EU, what was achievable in terms of intra-regional cooperation was focused on justice and overcoming the causes of terrorism. Thus again emphasis was placed on economic development, enhancing the cooperation of law-enforcement agencies and the exchange of intelligence (ASEAN, 2001a; 2002b).

The fourth Foreign Ministers’ Meeting, held in Madrid on 6th-7th June 2002, was the first occasion in the wake of the September 11 events that the EU engaged with its Asian partners at the inter- or transregional level. Here, what were to become the characteristics of the ASEM approach were laid out, directly reflecting what was able to be agreed in intra-regional security discussions, as outlined above. Thus leaders agreed to focus efforts not only on the obvious issues such as cooperation between law enforcement agencies (EUROPOL, ASEANAPOL and the agencies of China, Japan and South Korea), intelligence sharing and fighting transnational crime, widely seen as the source of terrorist funding, but also the causes of terrorism, with emphasis being placed on issues such as migration, sustainable development and cultural interaction (FMM, 2002, para.8). This was reinforced at the fourth ASEM Summit on 22nd-24th September 2002, with the leaders highlighting the need to “take into account the multiple reasons leading to the emergence of terrorism” (ASEM, 2002a). As a result, the Cooperation Programme on Fighting International Terrorism (ASEM, 2002b), agreed at the summit meeting, placed emphasis on enhancing cross-cultural understanding through an ASEM dialogue on Cultures and Civilisations, preventing prejudice and building mutual understanding through the activities of

193 Specifically in relation to the Middle East conflict.
194 Brunei, Indonesia and Malaysia.
195 In the broader East Asia, China too expressed reservations.
ASEF, and promoting sustainable economic development. These are all in line with established ASEM priorities, with references to the fight against terrorism amounting largely to minor cosmetic changes.

Political dialogue between the European Union and the Association of Southeast Asian Nations, and indeed the wider East Asia, in the post-bipolar period was very much a secondary affair, with the previously discussed economic sphere dominating the relationship as far as the balancing function of inter- and transregional dialogue is concerned. The above discussion of the most visible political issue to emerge in the Asia-Europe relationship shows that where balancing was performed, it was of a nature largely insignificant in global terms. Indeed, until the European-Union and ASEAN are able to overcome intra-regional difficulties over political issues, it is unlikely that inter- or transregional activity in this sphere will occur.
4. **Institution Building**

The second function of inter- and transregional dialogues, institution building, is informed primarily by institutionalist literature. It is here that Vinod Aggarwal’s concept of ‘institutional nesting’ is of importance. Aggarwal (1994) asserts that cooperation within lower level institutions can be facilitated when ‘nested’ within a broader institution. This may be taken a step further with the assertion that such nesting may indeed inhibit or prohibit cooperation. In this way, the development of inter- and transregional dialogues may facilitate, or even necessitate, cooperation at the regional level.

Interregional dialogues encourage institution building in three primary ways. The first and most obvious way is through the creation of cooperative structures. This has two facets. The first is the institutionalisation of dialogues between the cooperation partners, thus going beyond simple *ad hoc* into a more formal arrangement. Institutionalised dialogues facilitate cooperation in that they are a concrete part of the external relations of each grouping in a way that *ad hoc* meetings can never be, and as such provide the framework within which issues may be raised for discussion that may not otherwise feature on an agenda for dialogue between the states or regions in question. In this respect, such dialogue structures are an end in themselves, not simply a means to some other goal. The second facet occurs in the post-negotiation phase: it is often necessary to develop new institutions/organisations in the post-negotiation phase in order to implement agreements. These may be in the form of concrete institutions (e.g. a secretariat) to oversee the implementation of an agreement, or it may be through the enactment of agreed rules and regulations which
thus become a part of the institutional/legal structures of the regions in question. The result, therefore, is the emergence of subsidiary inter- or transregional institutions.

Cooperative structures, be they institutionalised dialogues or institutions for the implementation of agreements, may be premised on three distinct foundations or styles of output: informal, semi-formal and formal. The informal structure is essentially a talk-shop, with non-binding agreements being the result. In such structures little or no effort is made to seek compliance with negotiated positions. The semi-formal institution, too, is a structure dedicated to the negotiation of non-binding agreements, though seeks to mitigate this weakness through non-coercive means. Typical measures for such may include the setting of achievement-oriented targets and the keeping of progress ‘score-cards’. The formal institution falls at the opposite end of the continuum from the informal structure, possessing a contractual, legalistic character, with negotiated agreements binding on all parties. This is the ideal form for institutionalised dialogues, but requires a significant level of actorness and significant commitment to the goals in question on the part of all parties concerned in order to avoid deadlock.

The second element of institution building concerns not so much the creation of institutions as it does adherence to them. That is, inter- and transregional dialogues can serve as a means for incorporating states or groupings of states into the structures of global governance. In engaging such states in dialogue, interregional relations effectively serve to socialise them into the web of rules, norms and values that increasingly facilitate and constrain global relations. In this respect, Rüland (1999, p.9), providing the classic example of the inclusion of China in both the ASEM and APEC fora, asserts that such dialogues “help to inculcate cooperative principles and norms into the players, especially if they engage great powers with potentially hegemonic ambitions”.

Third, given the exigencies of interregional cooperation, it is necessary for regional groupings to coordinate positions leading into negotiations, or for expression in the structures of cooperation already referred to. The result of this is the development or reinforcement of regional coordination structures to facilitate such cooperation among members of a regional grouping. Said Soesastro and Nuttall (1997, p.84), “[r]egional coordination is... strengthened by the requirements of
engagement in region-to-region dialogue”, leading Hânggi (1999) to comment of the ASEM dialogue that while it may only result in the development of lowest common denominator cooperation among East Asian states, it is important in that it does foster East Asian cooperation with a view to shaping a common position. Given the above, this aspect of institution building is perhaps best referred to as region building. This chapter, therefore, considers evidence of institutional development both within and between regions, and attempts to trace these to the dialogue process itself. In addition, it considers the use of these dialogue relationships in facilitating the entry of states into the structures of global governance.

1967-1990

The history of institution building in the Asia-Europe relationship, at least in the 1967 to 1990 period, is paradoxical: a proliferation of structures at all levels of dialogue, but with only mixed benefit. Of the three strands of institution building outlined, it was only the first, the creation of cooperative structures, that became clear in early relations between the two regions. In terms of this, it is often asserted that it is political cooperation that was the main element in the dialogue relationship between the European Community and ASEAN in this period, and indeed it was certainly the most visible. This can largely, however, be credited to the elevation of political consultations to the ministerial level, while economic matters remained at the technical bureaucratic level rather than to any great innovations or successes in terms of cooperation and institution building. The profile of political dialogue was further elevated by the occurrence between 1967 and 1990 of a number of crises on which the EC and ASEAN found it desirable to cooperate, though as will be seen, the effects of this on institution building were again somewhat limited. On the economic side, technical dialogue, and the expansion of structures for such, continued apace, though again there is some question as to the quality of outcome of such developments. Given the fact that the building of institutions for political and for economic dialogue between the Community and the Association was almost inextricably inter-linked, no division will be made in discussion of the two below.

196 See, for example, Cammack’s (1999) discussion of interregionalism in relation to the ASEM process.
As has already been suggested, certain economic and politically-strategic imperatives combined in the late 1960s and 1970s to pressure ASEAN into seeking out new patterns of regional engagements and new relationships in the wider world. In the European context this meant economic engagement, with the pending UK accession to the EC creating concern in Singapore and Malaysia about potential market access. Such a move, which was foreshadowed in the ASEAN Declaration’s asserted desire to “maintain close and beneficial cooperation with existing international and regional organizations with similar aims and purpose” (Art. 7), is traceable to the fourth ASEAN Foreign Ministers’ Meeting, hosted by the Philippines in March 1971. Following on from this, 1972 saw the establishment of the Special Coordinating Committee of ASEAN Nations (SCCAN) comprising ASEAN Trade Ministers, and chaired by the Indonesian Minister, in an effort to break out of its self-absorption and to begin to foster closer institutionalised linkages with the European Community.

The SCCAN was to focus primarily on market access, with a particular interest in ASEAN’s position under the GSP scheme. In June of the same year, the first of a series of ASEAN third country committees to be set up as “the outpost of ASEAN” (ASEAN, 1979) in major cities around the world was created in Brussels. These third country committees met at least once a month, and as often as deemed necessary, and have a specific chain of communication with the Association. The Committees were immediately responsible to the ASEAN Standing Committee (ASC), with the third country committee using the resources of the country chairing the ASC to transmit communications and documents to the chair of the ASC, and copies to the ASEAN Secretariat. The chairman of the ASC is then responsible for circulating documents to other ASEAN member states, and to other third country committees as needed (ibid.).

The ASEAN Brussels Committee (ABC), made up of the EC-accredited Ambassadors of the ASEAN members, was intended initially to focus on trade issues and to assist the SCCAN, but over the years has developed into a broader arena for the advocacy of ASEAN interests in the EC, and a useful ASEAN finger on the pulse of European affairs. The ABC was to undertake the task of maintaining the day-to-day relationship with the Community in Brussels, both assisting the work of SCCAN, and acting as a first port of call for the EC in dialogue with ASEAN. However, as Indorf (1983) suggests, a lack of common issues on which ASEAN could take a collective
stand resulted in a low profile for the ABC, leading in turn to a re-delegation of the Committee’s authority both downwards to trade technocrats (technical matters) and upwards to the SCCAN itself (policy initiative).

What dialogue did occur between the two groupings at this stage was centered mainly around the form the relationship between the two should take. ASEAN’s frustration at the lack of progress in the relationship was evidenced at the sixth ASEAN Ministerial Meeting, held in Pattaya, Thailand, in 1973, where the members, couched in a typically non-confrontational ASEAN manner, asserted that, while they “appreciat[ed] the work of the Special Coordinating Committee of ASEAN Nations (SCCAN) and ASEAN Brussels Committee (ABC)”, they “hop[ed] that [the] EEC would extend meaningful cooperation to ASEAN in order to have a more constructive ASEAN-EEC relationship” (ASEAN, 1973, para.10).

In 1974 the idea of a Cooperation Agreement between ASEAN and the EC was first mooted by the Community, though there was no consensus over the form this agreement should take. The Europeans favoured concluding a Commercial Cooperation Agreement modeled on that signed the previous year with India. The agreement concluded with India in Brussels on 17th December 1973, the Community’s first such agreement with a non-associate state, had as its major themes the reciprocal granting of Most Favoured Nation status in commercial relations (Art.2), the liberalisation of imports and exports (Art.3) and trade promotion both between the EC and India as well as with third countries (Arts.4-5). There is no common position as to why such an agreement was rejected in 1974, though one explanation given is that while the EC advocated the creation of individual cooperation agreements along this

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197 As will be seen below, and as was suggested in the Balancing chapter, a lack of common issues on which cooperation could be based proved to be a problem that occurred not only internally within the EC and ASEAN themselves, but also in cooperation between the two groupings.

198 Despite the acknowledged lack of discussion of key issues such as trade, members of the ASEAN Brussels Committee in the twenty-first century nevertheless count their meetings as an important and useful event (Interview Material), providing ASEAN member states with the opportunity to garner support among their peers in order to combat perceived unfair treatment from the Union on specific, often trade-related, issues. Said one committee member, “sometimes there are issues that concern one or two ASEAN countries... which the other ASEAN countries can also support... [There is] the concern that if today we don’t speak out, what effects one ASEAN country today might also effect us tomorrow” (Interview Material). In addition to its problem solving function, allowing members to consider such issues as the diversion of EU FDI from ASEAN to China, the modern ABC has taken on a role as advocate of what one ambassador calls “a more positive consciousness of ASEAN” (Interview Material), seeking to balance negative reports coming out of the region about, for example, Indonesia, Burma/Myanmar or the Mahathir-Anwar situation in Malaysia, with a positive image through organising cultural events etc.
line, the ASEAN states pushed for a relationship premised on the regions themselves, recognising, however, that they needed time to establish mechanisms for intra-ASEAN cooperation (Redmond, 1992, p.144). It has also been asserted that, being purely commercial in nature, the Agreement was not to the satisfaction of ASEAN, which was seeking not simply economic linkages with the EC, but the creation of a politico-diplomatic dialogue (Teo, 1985, p.117). The Community itself, in its communication to the Council and the European Parliament on *Creating a New Dynamic in EU-ASEAN Relations*, later claimed that the failure to conclude an agreement rested not on ASEAN's desire for broader political cooperation based on a regional foundation, but on the Association's lack of sufficient institutional structures to facilitate commercial cooperation (European Commission, 1996a, p.66).

Regardless of the actual reasons for the failure to conclude a cooperation agreement in 1974, institution building continued apace with the SCCAN being superseded by the creation of a Joint Study Group (JSG), the result of the visit of an EC delegation, led by Commission Vice-President Sir Christopher Soames, to the Association in September of the same year. Consisting of EC and ASEAN officials meeting annually (from June 1975 until its abolition in April 1979) on a rotating basis between Brussels and Southeast Asia, the JSG was charged with considering the further development of the relationship between the two groupings, specifically in the areas of commercial, economic (focusing on market access and commodity price stabilisation) and eventually industrial and development cooperation, and in this respect had far broader functions than did the SCCAN. In concrete terms, the JSG did lead to the financing of a number of technical studies on regional integration projects, such as the development of port facilities in ASEAN, as well as to assistance on ASEAN trade promotion in Europe and to investment seminars being held in Brussels in April 1977 and in Jakarta in February 1979 (Dijiwandono, 1998, p.207). Despite this, the JSG was still a somewhat weak link between the two, with a lack of corporate confidence on the part of ASEAN, and only limited commitment on the part of the EC, reducing the cooperative possibilities. Nevertheless, the JSG was successful enough for the EC to credit the drive to develop relations further, subsequent to the
ASEAN Bali summit, to its greater success in promoting dialogue and cooperation than was the case with the SCCAN (European Commission, 1981, p.7).¹⁹⁹

A further means of dialogue, though not restricted exclusively to the EC-ASEAN relationship, was the ASEAN Post-Ministerial Conference (PMC), an annual meeting, which emerged in the mid-1970s, between ASEAN Foreign Ministers and their counterparts from ASEAN’s ‘dialogue partners’ – initially the EC, the USA, New Zealand, Australia, Canada and Japan, with South Korea, North Korea, China, Mongolia and India later included. While the focus of the PMC was primarily economic, political issues played a part in the wake of the Vietnamese invasion of Cambodia. Tellingly, the PMC was characterised by Indorf in the early 1980s as “noticeably futile” (1983, p.99). Quoting the Chairman of ASEAN’s Standing Committee in early 1982, S. Dhanabalan, as saying “…it will be useful to repeat to them some of the arguments we have used in the past… We will also have general discussions with them and try to assess what their attitudes and views are in this region… We will also discuss with them economic matters, trends…” (ibid.), he emphasised the repetitiveness of the discourse, and queried whether it made sense for the Europeans to travel to Southeast Asia for a three hour meeting which would cover essentially the same ground that is trodden in other, bilateral, EC-ASEAN fora. This questioning of the value of a forum that is characterised by dialogue repetition is a theme that retains considerable salience in Europe-Asia relations today.

The historic first ASEAN Summit, held in Bali in 1976, was significant for the steps taken by the Association in developing internal structures and an external identity. Held in the aftermath of the fall of Saigon (later Ho Chi Minh City) to the North Vietnamese Army in April 1975, it was marked as “a turning point in ASEAN’s career” (Asian Recorder, 1976, p.13089). Lee Kuan Yew, Prime Minister of Singapore, drew the analogy that the Vietnamese victory in Indochina constituted the same spur to regional organisation as had the Soviet threat with respect to the creation of the EEC (Lee, 1976). In the words of Teo (1985, p.116), “[a]s the five leaders watched Vietnam weaving its ‘special relationships’ with their northern flanks, there was an increasing awareness that ASEAN had to pull its resources together in the face of communist consolidation in Indochina”, in other words by developing its own web

¹⁹⁹ See also the Joint Declaration of the First ASEAN-EC Ministerial Meeting where the two noted that “the work of the ASEAN-Commission Joint Study Group had strengthened relations between the two regional groupings” (AEMM, 1978, para.39).
of external relationships. Integral to this was the building of ASEAN itself. In this respect, President Soeharto of Indonesia asserted that ASEAN must create a common ground from which to reach out to other regional groupings and world economic powers (Asian Recorder, 1976, p.13089), a statement which could be applied equally to the political sphere. The desire to reconstitute ASEAN in this manner was reflected in the signing of the Declaration of ASEAN Concord (DAC), the Treaty of Amity and Cooperation (TAC) and the Agreement on the Establishment of an ASEAN Secretariat. These three agreements served dual purposes in terms of ASEAN external relations. First, particularly in the case of the TAC which was effectively an extended version of the Bangkok Declaration of 1967, and the Secretariat Agreement, they sought to “vigorously develop an awareness of regional identity and exert all efforts to create a strong ASEAN community” (DAC, para.8) for expression in the wider world by outlining fundamental principles (independence, sovereignty, equality, freedom from external coercion, renunciation of the use of force, cooperation, economic and social development etc.) and creating machinery, most clearly in the form of the Secretariat, to streamline cooperation. Secondly, the DAC and TAC set goals for pursuit in the global environment, including:

- accelerating joint efforts to improve market access outside of ASEAN for raw materials and finished products by “seeking the elimination of all trade barriers in those markets… and adopting common approaches and actions in dealing with regional groupings and individual economic powers” (DAC, para.B(3)(iv));

- establishing common approaches in dealing with international economic and commodity problems such as “the reform of international trading system, the reform of international monetary system and transfer of real resources, in the United Nations and other multilateral fora, with a view to contributing to the establishment of the New International Economic Order” (para.B(4)(i));

- giving priority to the “stabilization and increase of export earnings of those commodities produced and exported by ASEAN through commodity agreements” (para.B(4)(ii)).

In doing this, they expressed a desire to act externally in the creation of “mutually advantageous relationships” (para.8) with other powers, with the Malaysian Prime Minister, Dato Hussein Onn, asserting the need to strengthen the trend of ASEAN

At the same time, on the European side the 1960s and 1970s, too, constituted a period of flux in terms of European external relations with the Community seeking to develop a political role as a balance to its economic one. As previously mentioned, the Davignon Report of 1970 ushered in the era of European Political Cooperation (EPC), a somewhat immature attempt by the Europeans to introduce foreign policy cooperation into the broader process of European integration. Whilst EPC was weak and experimental, it served as a useful signpost for an increasing European interest in establishing a diplomatic policy based in some way on the Community itself rather than solely on individual member states. This interest on the part of the Europeans, combined with the desire of ASEAN to develop an external presence, constitutes the critical convergence of interests that led to the launch of what Teo describes as a “new era of ASEAN-EEC diplomatic ties” (1985, p.116).

In July of 1977 the Foreign Ministers of ASEAN expressed a wish to establish more direct ties with the EC’s Council of Ministers, as a result of which a dialogue was initiated between the ASEAN Brussels Committee and the Committee of Permanent Representatives (COREPER) of the EC Council beginning in November of that year. Here ASEAN again requested an escalation in the level of dialogue, asking for a ministerial meeting as, in the words of Teo, “a kind of ‘extension’ to their successful August 1977 summit held between the five heads of state or government and the Prime Ministers of Japan, Australia and New Zealand” (p.118). Subsequently, at the second ABC-COREPER meeting in June 1978, it was agreed to hold the inaugural ASEAN-EC Ministerial Meeting (AEMM) in Brussels in November of that year.

The AEMM was the first occasion on which the EC, acting within the Community framework, had met with counterparts from a developing regional grouping not already associated with the Community (**European Commission**, 1996a, p.66). The meeting was very much a German affair, being held not only under the German Presidency of the Community, but also as a result of intense German lobbying to the point where the then German Foreign Minister, Hans-Dietrich

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200 See discussion in the Balancing chapter.
201 The setting of a firm date was undertaken at the request of the Germans, an early manifestation of what was to be a pro-active German Asia policy.
Genscher, personally telephoned all European Foreign Ministers to urge their participation (Teo, 1985, p.119). The AEMM, while establishing a structured political dialogue itself, included two significant elements in terms of further institutionalisation of relations between the groupings. First, the EC stated that the Commission would open its first liaison office in the Far East, to be located in Thailand (AEMM, 1978, para.41). As Mols (1990, p.68) points out, while “[i]ts geographical competence was certainly not limited to the territory of ASEAN member states,... by taking its seat in Bangkok, it gave a clear and well-understood signal about the priorities of EC cooperation in the region”. Secondly, ASEAN and the EC came to common agreement that, in the light of discussions at the meeting, it would be desirable to place relations on “a more formal footing”, to which end they would begin discussions on a possible cooperation agreement between the groupings (AEMM, 1978, para.42). The resulting EC-ASEAN Cooperation Agreement was negotiated and ready for signature by the end of 1979, and was finally concluded at the second AEMM, held in Kuala Lumpur on 7th-8th March 1980. The Agreement, which institutionalised both the political and economic channels of cooperation between the groupings, is memorable in dialogue terms only for the creation of the Joint Cooperation Committee (JCC) (Art.5).

The JCC, which meets annually, was created to “facilitate the implementation and further the general aims of th[e] [Cooperation] Agreement” (EC-ASEAN Cooperation Agreement 1980, Art.5(1)). This effectively created a division between EC-ASEAN economic and political cooperation, with the economic sphere falling to the essentially technocratic JCC, typified by the direction that consultations be held at “an appropriate level” (ibid.), while the political sphere was reserved for the ministerial level. These lower-level structures within which economic ties were posited were, by their very nature, limited in what they could do. They did not have the authority to make sweeping policy changes, or to chart the future path of economic relations between the two, meaning that cooperation in this sphere increasingly came to be characterised by relatively minor programme development (capacity-building measures) and tinkering.

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202 See Table 3.6 for a list of the major meetings of the EC/EU-ASEAN dialogue.
203 This need for an individual to act as a driving force is indicative of the low level of interest in Southeast Asia within the European Community. Throughout the 1970s and even into the 1980s, developments in Asia were of little importance to the Europeans. In terms of the developing world, it
Meetings of the JCC comprised mostly bureaucrats, jointly chaired by a European and an ASEAN representative ranging, on the European side, anywhere from Director-General External Relations to Advisor Hors Classe of the Commission, and on the ASEAN side from Ambassador to the Head of the ASEAN Desk of a member state foreign ministry. This concentration of political matters at the ministerial level, and economic matters at a more technical/bureaucratic level, as Harris and Bridges (1983, p.73) comment, “must to a certain extent reflect the priority given by EC Ministers to political rather than economic questions in their ASEAN links”.

The Committee itself, aside from acting as the main forum through which ASEAN sought an expansion and liberalisation of the GSP scheme, began what would be a rapid proliferation of EC-ASEAN programmes, working groups and networks. At its first meeting in Manila in November 1980, it established and delegated responsibility for trade matters to a Working Group on Trade Issues (Indorf, 1983, p.100) and created conferences in various industrial sectors with the aim of instituting an ASEAN-EEC Business Council (JCC, 1980, para.6), a programme of cooperation in science, technology and energy (para.7), and a seminar for ASEAN experts on access to European capital markets (para.8). At subsequent meetings, the dialogue process was further supplemented by the creation of issue-specific groups and programmes, including a trade experts group, conferences of agro-based industries, a tourism cooperation programme, an ASEAN-EC Management Centre for Human Resource (HR) Development Cooperation, and a programme for this HR cooperation, to name but a few. A wide array of projects, too, were a result of this cooperation, ranging from a regional collaboration programme on post-harvest technology for grains, to studies on commercialisation of timber resources or aquaculture development (Reyes, 1981, pp.4-5). In-plant training programmes, management training and technology transfer have also been major features of cooperation, with fellowships, experts seminars and studies being primary tools for this. What is clear from the nature of these interactions is that EC funding and assistance was utilised with an undoubted focus on capacity-building.

Despite the initial optimism over the Cooperation Agreement, it is generally agreed that it failed to create a ‘special relationship’ between the two regional
organisations, comprising “more of form than of substance” (Leifer, 1998, p.203). Problems with implementation of the Agreement, which is essentially a collection of only vague declarations of intent, have been attributed by Luhulima (1984, p.42) to a number of factors, including: cumbersome bureaucratic procedures in the EC limiting its ability to respond to ASEAN submissions (which itself was exacerbated by delays in initial completion of such proposals) and ASEAN’s slow response time to queries made on submissions during JCC meetings and its tendency to resubmit previously rejected proposals without having made the necessary modifications.

Even with the expansion in the number of fora available for dialogue between the two, the economic relationship, as we have previously seen, failed to develop to the extent anticipated in the period before 1990, and indeed over the following decade seemed to be virtually over-shadowed by the politico-diplomatic relationship between the EC and ASEAN.\textsuperscript{204} This can be seen most clearly in the ASEAN-EC Ministerial Meetings,\textsuperscript{205} arguably in this period the primary forum in the EC-ASEAN relationship. This is not to say that the economic relationship was not important, but simply that it did not lead to the anticipated change in trade flows between the regions. The reasons for this are clear. The most obvious is that neither grouping was willing to open its markets to such an extent that imports and exports of the other partner, as a percentage of total imports and exports, were likely to substantially change. On both sides this was primarily the result of a preoccupation with internal matters: creating the single market in the case of the EC, and building national economies in the case of the ASEAN members. To this may be added a recognition of the domestic complexities of making economic and trade concessions. A further reason was that the focus of economic cooperation and dialogue, as was discussed above, was on a non-reciprocal endeavour – capacity-building within ASEAN – with a steady flow of information, funding and assistance from the EC to the Association. While such capacity-building was important, it was not high-profile – a study on grain does not spark the public imagination in the same way as does a trade and market

\textsuperscript{204} As has been previously discussed, while some saw the political relationship to be dominant, others held the reverse to be true. Either way, the politico-diplomatic dialogue certainly had a higher profile.

\textsuperscript{205} For a detailed breakdown of the issues discussed at the fourteen ASEAN-EC/EU Ministerial Meetings held between 1978 and 2003, see Table A.22.
access agreement. This, to an extent, along with the nature of the AEMMs, can explain the profile of political dialogue compared to that of economic dialogue.

Two trends are evident in the AEMM dialogue process over the course of the 1980s. The first is, as mentioned, the elevation in profile of political over economic dialogue, and cooperation at the ministerial level. The second is the extent to which external events dominated the development of the relationship — interregional institutions tended to be responsive rather than proactive mechanisms for cooperation. This is a function of the generally reactive nature of both EPC cooperation and ASEAN political cooperation. The pattern of political and economic discussion at the ministerial level is illustrated by a simple comparison of the number of paragraphs, as a percentage of the total number of paragraphs, devoted to political and economic dialogue in the AEMM process, as depicted in Figure 3.1 below. The graph clearly shows a slight elevation of political over economic discussions. Indeed, over the eight AEMMs concerned, the average for political issues is 10 per cent greater (at 51.75 per cent) than for economic issues (at 41.75 per cent). While this is significant, it is not as great a disparity as would be indicated by the profile of political issues. Further, the graph also shows interesting increases in political discussions at key historical points; the rise of détente in 1988 and the end of the Cold War in 1990 being key examples.

The result of the reactive nature of cooperation was that political dialogue was dictated by a small number of core issues. This became clear from the outset when the second AEMM, despite its inclusion of such a significant matter as the signing of the Cooperation Agreement, was dominated by a limited number of events, with the invasions of Cambodia and Afghanistan by Vietnam and the Soviet Union respectively overshadowing all other matters. Indeed, a separate Political Statement (AEMM-Pol, 1980) devoted to these topics was released in addition to the Joint Declaration of the Foreign Ministers (AEMM, 1980). The approach taken in relation to the two invasions at this meeting was to set the tone of EC-ASEAN cooperation for the next ten years.

\(^{206}\) The uninteresting nature of the bulk of the economic process is probably one of the reasons so little has been written about the institutions for economic cooperation. Indeed, of fourteen Joint Cooperation Committee meetings held between 1981 and 2001, only five (the first, sixth, seventh, thirteenth and fourteenth) released any kind of joint declaration or statement.

\(^{207}\) See Balancing chapter.
External events, too, dictated the agenda of the third AEMM, held in London in 1981. Convened in the immediate wake of the International Conference on Kampuchea (ICK), the meeting was again largely devoted to the Third Indochinese War and the Afghan situation, though with a far greater weight on the former than the latter (see Table A.22). Indeed, European Ministers were strongly in favour of limiting discussions at the AEMMs to political issues,209 approaching economic matters only in a very broad manner such as through discussions on the general global situation, while leaving specifics to the European Commission (Luhulima, 1995, p.187), though ultimately on this matter the Europeans were not to get their way. In the course of the ministerial meeting, the Ministers expressed their ‘satisfaction’ with the ICK (AEMM, 1981, para.3), though noted the absence of Vietnam and other concerned states (read ‘the Soviet Union’) (para.4). Despite the purported satisfaction

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208 The remaining 6.5 per cent constitutes other non-political and non-economic issues.
209 This push by the Europeans must be contextualised within the release of the Council of Ministers’ 1981 London Report. The Report somewhat ambitiously (Holland, 1993, p.47) called upon the Community to “increasingly seek to shape events and not merely react to them” (ibid.). This goal was never achieved in the EC/EU-ASEAN relationship.
of the Europeans and ASEAN, the ICK has otherwise been considered in a less positive light, with Leifer (1989, p.117) contending that, "[i]f not exactly an embarrassing failure, the outcome of the conference was nothing less than a diplomatic defeat for ASEAN, whose collective efforts had been frustrated". This reference in the AEMM Joint Statement was probably more a matter of enabling ASEAN to save face than of any real sentiment with regard to the conference’s success.

It was also at this third ministerial meeting that the French began to confidently express a different line, raising concerns over the ‘supple coalition’ comprising the three anti-Vietnamese forces of Sihanouk, Son Samn and the Khmer Rouge (Teo, 1985, p.120), otherwise known as the Coalition Government of Democratic Kampuchea (CGDK). Indeed, it had been a somewhat vaguely worded and flavourless French proposal that had been accepted as the compromise formula at the ICK, though on the ASEAN side this was through US pressure rather than a positive commitment to the French solution (Leifer, 1989, p.117). The other major issue for discussion was determined by the recent holding of the Ottawa Summit, with Ministers exchanging views on the international economic situation and welcoming the call for “continuing resistance to protectionist pressures” and “reaffirm[ing] their commitment to an open international trading system” (AEMM, 1981, para.14).

Referring to the fact that, while behind-the-scenes ‘negotiations’ had been underway at the official specialist level since February 1983, no common position was agreed upon until the day of the meeting itself, Teo (1985, p.120) termed this the most controversial of the first five ministerial meetings. Numerous developments in the 18 months since the previous AEMM meant that AEMM 4, held in Bangkok in 1983, continued the tradition of privileging the issues of Cambodia and Afghanistan. Again, the meeting was driven by external developments rather than by a proactive agenda for the development of cooperation between the two groupings. Perhaps somewhat ironically, considering the attention given to political issues in the form of the Cambodian and Afghan crises at this and prior ministerials, at AEMM 4 the Europeans took the opportunity in an opening address delivered by Commission Vice-President Wilhelm Haferkamp to suggest that the ministerials widen their scope of discussion, “talk[ing] the relationship out of the merely commercial and localized

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210 Teo refers to ‘haggling’.
political sphere and into a global political context [sic]" (Watts, David, 1983, p.6), thus stating a firm commitment on the part of the Europeans to continue the AEMMs’ externally-oriented focus. This is a clear indication of the desire of the Europeans to have a clear voice on the global stage, as enunciated in the London Report. Unfortunately, at least as far as dialogue with ASEAN was concerned, they didn’t have a great deal to say.

At the same time, perhaps as a result of the fact that dialogue had been effectively narrowed to these core issues, strain became evident in the relationship, with the French (supported by Ireland and the new European Member State Greece) voicing opposition to the proposed bans on all humanitarian aid to Indochina, as well as to recognition of the CGDK and the wording of a condemnation of the attacks on the Nong-Chan refugee encampments. The first objection was overcome through a banning of all aid likely to “sustain and enhance” (AEMM, 1983, para.8) the Vietnamese occupation, leaving the door open for humanitarian contributions. The second objection was overcome through simple semantic changes; the Coalition Government of Democratic Kampuchea became, in the final formulation, the Coalition of Democratic Kampuchea, the advent of which was a ‘significant’ rather than ‘positive’ step in progress towards a political settlement (para.9). Finally, the Nong-Chan Condemnation was reduced from a reference to ‘Vietnamese attacks on un-armed civilians’ to one of attacks against “encampments, schools and hospitals built for Kampuchean civilians by international relief agencies” (para.13). Further external political developments resulted in the inclusion in the Joint Declaration for the first time of paragraphs dedicated to the situation in the Middle East. Finally, in the wake of the 1982 GATT Ministerial, the two emphasised their commitment to the liberalisation of the global economy. In terms of economics, ASEAN demands were such that the European Ministers were unable, as had been their preference, to avoid specific economic issues altogether, with three paragraphs of the Joint Declaration being devoted to the EC-ASEAN Cooperation Agreement, in addition to various broader topics.

AEMM 5 was, to a great extent, a ‘steady-as-she-goes’ ministerial characterised by the reaffirmation of positions on Cambodia, Afghanistan and the Middle East decided at previous ministerials. In this it is indicative of the extent to which cooperation on these political issues had become, in certain respects, formulaic and ritualised. The fifth AEMM, however, also saw the introduction of a new agenda
item – East West relations – with the Ministers calling for “continued progress toward genuine détente” (AEMM, 1984, para.16). Again, this was a direct response to external factors, with the downing of a KAL aircraft, the Rangoon bombing and US President Reagan’s announcement of the Star Wars initiative leaving inter-bloc relations at something of a low. In addition, given the upcoming expiration of the first five year period of the EC-ASEAN Cooperation Agreement, it placed an increased emphasis on economic matters, highlighting the success of the Agreement (para.2) and determining to hold an ASEAN-EC Ministerial Meeting on economic matters to reflect on the previous five years of cooperation and to consider intensified relations over the next five (para.3). Economic dialogue was extended in the areas of capacity-building (including science and technology transfer, training etc.) (paras.4, 36-37), commodities (paras.28-33), trade expansion and market access (paras.24-26) and investment promotion, with the ASEAN-EC Business Councils (para.35) being discussed for the first time since the 1980 AEMM 2.

In 1985, in the wake of renewal of the Cooperation Agreement for another five year term, the first ad hoc Economic Ministers’ Meeting was held on 17th-18th October in Bangkok “to take stock of… [EC-ASEAN] cooperation, in particular its economic aspects” (AEMM, 1984, para.3), and with the specific goal of strengthening trade ties between the two. Given the existence of ministerial level dialogue between the EC and ASEAN since 1978, it is somewhat surprising that it took seven years for the Economic Ministers themselves to meet, with economic issues having been discussed by Foreign Ministers in the AEMM up to this point. Indeed, the ad hoc and infrequent nature of such meetings was confirmed and reinforced by the Joint Statement’s reference to its “special and unique” (AEMM-Econ, 1985, para.2) nature. Welcomed by the Economic Ministers themselves as having been “a valuable contribution to the promotion of closer relations between the two regions” (para.25), the meeting sought to expand economic ties through the promotion of technology transfers and the inter-linking of research (para.21), as well as increasing cooperation between investment institutions (particularly the European Investment Bank) (paras.15-19) with the goal of capacity-building in the ASEAN region (Subhan, 1985). It was the outcomes of this meeting which were to dominate the sixth, and probably least inspiring, AEMM, with political issues, at least in raw number terms, significantly overshadowed by economic matters. This is not to say that AEMM 6 introduced anything surprisingly new into the dialogue mix, being if anything a re-
hashing of previously asserted positions both in the political and economic fields. Statements on Cambodia, Afghanistan and the Middle East were effectively abbreviated versions of those of AEMM 4 and AEMM 5 with passing references to Southern Africa and Terrorism thrown in for good measure. In the same vein, while the space devoted to economic issues in the Joint Declaration outweighed that given to political matters, it too was essentially repetitive with the declaration simply summarising the findings of the Ministerial Meeting on Economic Matters (AEMM-Econ, 1985) held 12 months earlier.

The seventh and eighth AEMMs again followed the formula of those preceding them, and serve to further illustrate the point that it is external developments that shaped the EC-ASEAN dialogue. Global events in the form of détente gave new impetus to discussion of East-West relations, with the Ministers at AEMM 7 expressing “satisfaction [with] signs of improvement” (AEMM, 1988, para.9). This was extended at AEMM 8 to a specific recognition of the changes taking place in Central and Eastern Europe and the challenges and opportunities involved (AEMM, 1990, paras.3-4). Added to this was the launching of the GATT Uruguay Round which meant increasing attention was devoted to multilateral trade negotiations and liberalisation.

By the 1990s, then, an extensive and institutionalised interregional dialogue between the European Community and ASEAN had been established.211 These contacts ranged from the bureaucratic working group level characteristic of economic cooperation, up to the ministerial level where political cooperation and the setting of broad objectives for the relationship in general were undertaken. While these institutions were in place, it seems that little came out of them in terms of real economic or political cooperation. In terms of the political sphere as evidenced by the ASEAN-EC Ministerial Meetings, there was a real tendency for discussions to become formulaic. The main areas of discussion at the AEMMs were the situations in Cambodia and Afghanistan, with the later inclusion of the Middle East, all areas in which there is no obvious concurrence of essential interests. That is to say, while it may be comfortably asserted that neither the Community or the Association were in

211 On the EC side, this state of affairs was, to a great extent, the work of one man, Hans-Dietrich Genscher, whose near two decades as German Foreign Minister (1974-1992), which coincided almost entirely with this seminal period in EC/EU-ASEAN relations, and whose unflagging advocacy of building contacts between the two groups, meant that Europe's Asia policy was, in effect, almost a direction translation of German Asia policy.
favour of the occupation of these two countries, and were therefore able to agree that they desired the withdrawal of Vietnamese and Soviet forces, their experiences of the situations were of such a different nature that no comprehensive dialogue was able to be undertaken. It may also be reasonably claimed that ASEAN interests in the occupation of Afghanistan, or in the later crisis in the Middle East, were fairly minimal; there was an absence of strong ties between the Association and either of these regions, be it of a political or economic nature, and there was no perceived direct security threat to any ASEAN state. The lack of an ASEAN stake, therefore, served to both enable and limit cooperation: it enabled cooperation in that there was no overriding interest that prevented the situation being placed on the agenda, but it correspondingly limited dialogue in that there was no perceived threat to act as a trigger for more advanced forms of cooperation or coalition-building.

In contrast to the Afghan situation, historic ties complicated the situation with respect to European interests in the Third Indochinese War. While it still held true that there was no obvious threat to the EC posed by the Cambodia crisis, there was an interest which served to make dialogue on the issue more difficult. As has been seen, French relations with Indochina were such that it was unwilling to provide ASEAN with effectively a free hand in the way that the Association had done for the EC over the issue of Afghanistan. At the same time, however, French interests were not of such a nature, namely a direct threat to security, to facilitate closer cooperation in seeking resolution of the conflict. The result was a fault-line in EC-ASEAN cooperation, with French interests serving to fracture any cooperative agenda. This was most obvious at the fourth AEMM in 1983. This was by no means limited to the EC-ASEAN relationship proper for, as was previously shown, the same fracturing was evident at times within ASEAN\textsuperscript{212} and the EC\textsuperscript{213} themselves. In the ASEAN case, a divergence in interests between Thailand, a frontline state, and Indonesia which was unable to be effectively and efficiently reconciled within ASEAN's intergovernmental framework, led to a near collapse of a collective ASEAN approach to the crisis. In the EC, a difference in Member State interests was evidenced in UN voting on the CGDK. When we reflect back on the framework for actorness outlined in earlier theoretical discussion, what can be seen, both on the part of the Community and of the Association, is the absence of a collective action trigger. An action trigger did exist in

\textsuperscript{212} See discussion of intergovernmental regional actors in Theoretical Framework.
the form of a response to a crisis situation, but this was *individually* rather than *collectively* experienced. This in turn limited the capacity to take decisions. What therefore emerged was a situation in which the actorness of the EC and ASEAN was at times questionable, with the internal dissonances outlined above providing concrete examples of this. These problems in relation to actorness meant that institutionalised dialogue on the issue was unable to progress significantly, resulting in a situation where this dialogue was unable to deliver more than relatively clean declaratory cooperation. Even if the results of cooperation are questionable, however, it is arguable that coordination between the European Community and the Association of Southeast Asian Nations on these issues, even to the limited extent that it did occur, would not have taken place at all had an institutionalised relationship of some kind not previously existed. In this can be seen the positive side of institutionalisation between the two, and the flip side of the role of external events in determining agendas within the AEMMs in particular – that the presence of an institutionalised and routine dialogue process allows discussion of current events and matters of importance that otherwise, due to lack of interest on the part of one or both parties, would not normally be elevated to this level.

The focus of the ASEAN-EC Ministerial Meetings on such situations as the Cambodian, Afghan and Middle East crises, along with only general discussion on economic issues, limited to broad occurrences in the global economy, meant that the institutionalisation of dialogue could only proceed in a very half-hearted manner. While it may be argued that discussions on the issues listed were useful with regard to balancing and agenda setting functions of interregionalism, the same cannot be said for the institution building role. Due to the divergence in interests, or lack of interests, in relation to the Cambodian, Afghan and Middle East issues, discussions were not as comprehensive or as important as they may have been had there been a true concurrence of interests. This in turn was further exacerbated by a dissonance of interests within the regions themselves, and the effect this had on the ability of each group to formulate a policy. The resulting formulaic and ritualised nature of discussions meant that there was no pressure for the continued development or deepening of the dialogue process. This was exacerbated by the effective limiting of dialogue within the AEMMs to these issues, as well as to simple *reportage* of events.

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213 See Balancing chapter.
occurring within their respective regions, which in turn was a symptom of the differing interests of the regions. As was previously asserted, when actors at the intergovernmental end of the regional actorness continuum meet, cooperation is bounded by the extent to which there is a dissonance of interests both within and between the regions. Thus, when intergovernmental actors, themselves affected by division and possessing only limited means for overcoming these, attempt cooperation based on an agenda about which there is no true concurrence of interests, the results are likely to be at best flavourless and at worst a disaster. In terms of institution building, this limited the drive for the further development and deepening of cooperative dialogue. As such, while the ASEAN-EC Ministerial Meetings themselves were increasingly institutionalised, being held roughly every 18 months between 1978 and 1990, this was clearly of a formal rather than substantive nature, leaving cooperative institutions in this respect little more advanced in 1990 than they had been after the first AEMM in 1978.

In terms of the economic sphere, cooperation appeared far less successful than was the case with the political sphere. A number of factors contributed to this impression. The first was the nature of the cooperation that actually resulted from the 1980 agreement. While it was anticipated that efforts would be made to increase trade between the two, little was actually done to achieve this. The institutions that proliferated to deal with economic issues developed very much along technical lines, with a clear focus on creating capacity-building programmes. High profile issues such as market access and trade promotion were largely avoided. Indeed, subsequent to the signing of the Cooperation Agreement in 1980, only three paragraphs devoted to trade promotion and market access appeared in Joint Declarations/Statements at the AEMM level in the third (1981) to sixth (1986) AEMMs combined, with the issue only really re-emerging at the seventh (1988) and eighth (1990) ministerial meetings (see Table A.22). This was largely a result of the internal market’s diversionary effect on EC attention, and the desire of ASEAN members to build their own economies rather than sell them wholesale into foreign ownership. What cooperation did exist was directly related to economy building in ASEAN, focusing to a great extent on capacity-building, with flows of information and funding from the EC to the Association rather than the reverse. Thus, while the institutionalisation of dialogue did not lead to a great

214 'Quasi-institutionalised' in the formulation of Teo (1985, p.119, 123).
expansion in trade, it did allow for the targeting of a small number of capacity-building programmes. These were, however, of such a limited nature and number that it is unlikely a significant effect on economic development was felt.

Thus, it was not a case, as is so often portrayed, of the economic dialogue doing rather little while the political dialogue did rather a lot. This was simply a false impression generated by a variety of factors, not the least of which was the positing of political discussion at the ministerial level and the relegation of economic issues to the technical/bureaucratic level. This created a highly visible form of cooperation which, combined with the positive messages conveyed in the Joint Declarations/Statements of the ASEAN-EC Ministerial Meetings, gave the impression of positive and significant political advancement. Added to this is the fact that the political sphere was an arena in which the EC and ASEAN cooperated on international issues that were seen to be successfully resolved. This is not to say that these outcomes were determined as a result of EC-ASEAN joint efforts, but that the reputation of cooperation between the two was effectively able to ride upon the coat tails of successful crisis resolution. This was the case in relation to the Vietnamese invasion of Cambodia. Here, the reputation gained by the EC-ASEAN dialogue is to an extent analogous to that gained by ASEAN itself over the issue. Just as ASEAN, perhaps solely due to the amount of noise it made, was seen to be an effective and internationally engaged grouping as a result of the crisis, so too was the dialogue between the two groupings seen in a more positive light than would otherwise be deserved. Discussion between the two was boosted in profile as it was one of the first responses, and definitely the first interregional response, to the invasion. In reality, however, just as was the case with ASEAN intra-regional cooperation, there was a struggle to maintain some kind of united front between the two. In this respect, EC-ASEAN political cooperation gained a reputation it did not fully deserve.

While EC-ASEAN relations were certainly not a situation of economic cooperation constituting a poor cousin to political cooperation, nor were they a case of the former being as advanced as the latter was perceived to be – as we have seen, the relationship’s economic institutions were unable to make major innovations, leading instead to the proliferation of limited programmes, working groups and projects in the narrow area of capacity-building. Rather, it may more accurately be said of the relationship in this early period that political cooperation accomplished just as little as
economic cooperation, but with more style. This led to the impression of a marked disparity in achievement that is often portrayed.

1991 – Present

The 1990s began very much as the 1980s had ended, with the institutional structure of the relationship between the European Community/Union and the Association of Southeast Asian Nations dominated by the 1980 Cooperation Agreement, and by the ASEAN-EC/EU Ministerial Meetings. The period from 1991 to 2004 was characterised by a number of key factors, including the continuing reactive nature of EC/EU-ASEAN relations, the relative marginalisation of the AEMM process, the rise of a new transregional forum, and the increasing tendency to push EC/EU-ASEAN cooperative endeavour and discussion to the sub-summit level. The thirteen years to 1993 were also characterised by the issuing of four strategy documents relating to the Southeast Asian region, occurrences symptomatic of the Union’s struggle to find an approach to this longstanding dialogue partner in the post-bipolar period.

Unlike the pre-1990 period, where only the first of the three strands of the institution building function of inter- and transregional fora – the creation of cooperative structures – was present in the relationship, the post-bipolar period saw the emergence of all three. The first still continued apace, with the creation of a new transregional forum providing new ground on which cooperative structures could be built. The second, involving the incorporation of states or groupings of states into the system of global governance, was evidenced through the inclusion of particularly China, but also Vietnam, in the ASEM process. This became ever clearer as the nesting of ASEM in broader multilateral governance structures became more entrenched as a foundation for the various fora associated with the process. Finally, the third theorised element of institution building, the development of regional structures to coordinate positions leading into inter- and transregional dialogues, emerged as a side-effect of the creation of the Asia-Europe meeting. Such a function, with ASEAN seeking to work more coherently and effectively when confronting the EC/EU, was not performed in the bipolar period, with ASEAN’s cooperative structure remaining largely unchanged up until present day. With the creation of ASEM, however, it became necessary for the Asian ASEM participants to develop a means of
coordination among themselves, spurring a process of soft institutionalisation in the broader East Asian region.

In February 1991, the ninth Joint Cooperation Committee meeting was held in Kuala Lumpur, the first significant meeting of the EC-ASEAN dialogue partners in the post-1990 period. Here, the first hint as to the continuing place capacity-building measures were to occupy in relations was given, with the establishment of Basic Guidelines for ASEAN-EC Regional Projects being a core outcome. These guidelines outlined the roles of the partners in cooperative projects, acknowledging the principal contribution of the EC as being in relation to training and the transfer of knowledge. The JCC went on to urge the expansion of cooperation in the science and technology sector, with the Community, with a nod to the regionalising imperative inherent in its external relations, requesting that ASEAN develop more pan-regional projects in this area.

By the ninth Asia-Europe Ministerial Meeting on 30th-31st May 1991, the first such in the ‘modern period’, the structure of the international system had changed completely. As such, while giving attention to pre-existing external issues such as the situation in Cambodia and the problem of Indochinese refugees, AEMM 9 marked the beginning of the process of coming to terms with post-bipolar changes to the international system, and at the same time may be seen as a continuation of the reactive approach to the dialogue characteristic of the bipolar period. Not surprisingly, then, AEMM 9 witnessed a leap in political content, evidenced by a rise in space in the Chairman’s Statement from just over 50 per cent of total content at AEMM 8 to slightly more than 65 per cent, and a drop in economic content from just under 45 per cent to 30 per cent (Figure 4.2). In this respect, aside from discussion of the transformations in Central and Eastern Europe, a number of new issues emerged which were deemed important enough to be discussed. These included Burma/Myanmar (AEMM, 1991, para.7), environmental protection (paras.61-64) and human rights and fundamental freedoms (paras.4-5, 7). Of most importance was the issue of human rights, with the assertion that “international cooperation to promote and encourage respect for human rights and for fundamental freedoms for all without distinction to race, sex and religion should be enhanced” (para.7), and a reference to Burma/Myanmar and Vietnam being made in this respect. This was subsequently to become a major issue in EC-ASEAN relations, and in particular in the AEMM
dialogue process, introducing a little fire into a politico-security dialogue that otherwise tended towards the generic and declaratory.

To these may be added the re-emergence of the issue of narcotics, which had previously been raised in a cursory manner at AEMMs 5, 6 and 7, mostly with reference to support for the first International Conference on Drug Abuse and Illicit Trafficking (ICDAIT) on 17th-26th June 1987. International efforts in combating the abuse and trafficking of narcotics were stepped up in the wake of the 1987 conference, and at the 6th plenary meeting of the ICDAIT in Vienna on 19th December 1988 the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (the Vienna Convention) was adopted, entering into force on 11th December 1990. It was subsequently signed by the EC and its Member States, and four of the then six ASEAN member states. 215 Singapore did not accede to the

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215 Signature and ratification/approval/confirmation dates are as follows:
Convention until 1997, and Thailand remains outside of the Convention, though within several years of the Convention’s entry into force had largely complied with all provisions except those on money laundering. The primary goal of the Vienna Convention was fostering cooperation among signatory states in the fight against narcotics. As a result of the Convention’s almost universal acceptance by EC and ASEAN states, at the ninth AEMM in 1991, Ministers, for the first time, agreed that there was a need for greater EC-ASEAN cooperation in the area (para. 57). The first Senior Officials’ Meeting on Drug Matters was subsequently convened in Bangkok on 4th-6th May 1992, the less-than-inspiring follow-up to which was the dispatch of two EC experts to ASEAN to “consult with relevant authorities in paving the ground work for formulating future programmes on the control of heroin” (ASEAN, 1992), illustrating once more the general failure in the EC-ASEAN relationship to make substantive progress. Again, therefore, it had required an external event, in the form of increasing international cooperation in the fight against narcotics, to trigger consideration of a given issue within the EC-ASEAN partnership. While the issue of narcotics continued to appear on the EU-ASEAN agenda up until, and including, AEMM 12 in 1997, cooperation was less than inspiring. Commented one Commission official, “[w]e never even managed to get the drugs committee to meet... [b]ecause they are not willing to discuss the things that interest us [the Commission] and the EU Member States. So the EU Member States are not willing to deliver the expertise” (Interview Material). Much of this has been the result of a failure to develop a regional policy for combating narcotics within ASEAN itself, with most Association initiatives involving rehabilitation and training, leading to the blunt comment that, in terms of drug policy, “they are not delivering the goods” (Interview Material).

The proliferation of structures that was by now almost synonymous with EC-ASEAN cooperation, continued apace at the ninth AEMM. Reference was made to the Joint Investment Committees, with all parties acknowledging them as a useful
body for facilitating EC investment in ASEAN, while at the same time recognising a need to make them more effective by improving their functioning and expanding the scope of their activities (para.41). Further, the ASEAN Ministers put forward the suggestion that the EC establish a network of European Business Information Centres in the region, with one per ASEAN Member State, to facilitate industrial and investment cooperation (para.40). It is unclear how the investment-related activities of the proposed Information Centres were to differ from, or provide additional value to, the institutional framework already in place in the form of the Joint Investment Committees and the European Community Investment Partners programme.

In addition, ASEAN took the opportunity at this meeting, building on some of the decisions taken at the JCC, to forward a number of proposals for the continued institutionalisation of the relationship, including the establishment of a consultative mechanism to resolve trade and investment disputes, the establishment of a comprehensive plan to identify industrial complementarities and, in the area of capacity-building, ASEAN participation in Europe-based research with commercialisable outcomes. These were to be addressed in the revised Cooperation Agreement.

The following AEMM, held in Manila from 29th-30th October 1992, was, as a whole, a comparatively undistinguished meeting, with little new dialogue content other than generic recognition of the situations in the Balkans (paras.36-37) and the South China Sea (paras.39-40), both newly emergent situations. For the first time, reference was made to the issue of Intellectual Property Rights, though this was little more than to “[commend] the 7.5 million ecu ASEAN-EC Patents and Trademarks Programme” (para.17). What was interesting about AEMM 10 was that it was the first meeting held in the wake of the collapse of negotiations to revise the 1980 Cooperation Agreement. In this respect, it must be remembered that agreement had already been reached on the technical provisions of the proposed agreement, with the sticking point being the human rights issue – the EC wanted to include a political annex with specific reference to human rights and fundamental freedoms, ASEAN didn’t. Given this general consensus on technical cooperation, the subsequent EC/EU-ASEAN relationship was characterised by a search for an alternative path forward.

without the need for either side to back down over its fundamental principles. The further creation of capacity-building, and particularly sub-summit level dialogue structures, must be seen in this context.

Capacity-building in EC-ASEAN relations was pursued at AEMM 10 through consideration of cooperative efforts to strengthen the institutions of ASEAN, joint research under the Community's 'Life Science and Technologies for Developing Countries' programme, and the transfer of technologies (para.25). In the field of human resource development, the participating Ministers also welcomed the establishment of an ASEAN-EC Management Centre in Brunei (ibid.), though this had first been mooted at the Experts Meeting on Human Resources Development held in Jakarta from 12th-13th June 1986 in response to the priorities set by the participants at the 1985 ASEAN-EC Ministerial Meeting on Economic Matters (AEMM-Econ, 1985, para.20). In parallel with AEMM 10, the tenth JCC meeting was held. This continued the process of finding new fora for communication, with increased institutionalisation being the result. In particular, the meeting agreed to expand the sub-summit dialogue structure through the creation of four sub-committees to support the JCC process. These focus on: Economic and Industrial Cooperation; Trade; Drugs; and Forests. The initial four were subsequently supplemented by a sub-committee on Science and Technology.

In the aftermath of the signing of the Maastricht Treaty and the subsequent creation of the European Union, EU-ASEAN relations undertook a profound structural shift, the triggers for which have previously been outlined. This led to three key events: the publication of the New Asia Strategy, (European Commission, 1994); the convening of the eleventh ASEAN-EU Ministerial Meeting in Karlsruhe in 1994 (AEMM, 1994); and Goh Chok Tong's proposal for the establishment of a transregional Asia-Europe forum. In the New Asia Strategy can be identified a number of key elements relating to the institutional structure of the relationship. These include:

- the notion of a partnership of equals (European Commission, 1994, pp.1-2, 18);
- the goal of supporting Asian efforts at regional and subregional cooperation (p.4);

216 See Balancing chapter above.
the aim of extending and deepening dialogue with Asian countries and
regional groupings (p.24).

Despite this ostensible goal of expanding contacts with the Asian region, the New
Asia Strategy failed to provide for any new structures, instead relying on the
institutional and procedural framework already in place, including, with respect to
ASEAN, that established in the wake of the Cooperation Agreement of 1980. In
addition, while one of the initial spurs to Commission action had been the belief that
the relationship was dominated by EC Member States and tended too heavily toward
bilateralism (Forster, 1999a, p.255), the strategy failed to provide any special
recognition of ASEAN or of the interregional EU-ASEAN dialogue process.
Something of a palliative was provided to ASEAN through the recognition of the
Association as a cornerstone of the Union’s dialogue with the broader Asian region
(European Commission, 1994, p.19), though this still did not single out ASEAN as an
important means of strengthening the Union’s relationship with this area (Forster,
1999a, p.256). The final product is, therefore, best summarised as “something of a
damp squib” (ibid.).

AEMM 11, held in Karlsruhe on 22nd-23rd September 1994, was perceived,
coming as it did immediately after the creation of the Union and the publication of the
New Asia Strategy, as the beginning of a new era in the relationship. Indeed, the
eleventh AEMM was the first ever meeting between ASEAN and the new European
Union. Often, however, perception is simply that, with reality being a somewhat
different animal.

The Karlsruhe ministerial produced two key outcomes relating to institution
building:
- reinforcing the approach of the New Asia Strategy, that the EU-ASEAN
  relationship be a partnership of equals; and
- that an Eminent Persons Group be created to enhance future EU-ASEAN
  relations (AEMM, 1994, para.22).

The Eminent Persons Group subsequently met three times: in Madrid in December
1995; in Manila in March 1996; and in Vienna in June 1996. At its final meeting, the
EPG submitted a report entitled ‘A Strategy for a New Partnership’, setting out the
means by which both the EU and ASEAN might effectively support the multilateral
trading system and enhance regional and global security and stability, as well as
enhancing intra-regional economic prosperity and the well-being of their populations.

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The previously established process of creating specific cooperative structures was again a key focus of relations, with Ministers asserting a need for the development of new, primarily capacity-building, entities, including a network of Regional Technology Centres (para.11), and for new means of interaction, including Inter-University Cooperation (para.18), while at the same time welcoming the establishment of the ASEAN-EU Management Centre, the agreement for Phase II of the EC-ASEAN Cogeneration from Biomass (COGEN) programme,\textsuperscript{217} the launching of an ASEAN-EU Energy Management Training and Research Centre (AEEMTRC)\textsuperscript{218} and of the Fourth Framework Programme to promote joint scientific and technological research and technology transfer (ibid.). The meeting also acknowledged moves to establish an ASEAN Regional Centre for Biodiversity Conservation (ARCBC) (para.18), which had been proposed by the Philippines at the eleventh JCC meeting in Davao City.

Sub-summit dialogue structures were not to remain the bridesmaid, however, with the first meeting of the EU-ASEAN Business Conference being held in Stuttgart on 23\textsuperscript{rd}-24\textsuperscript{th} September, immediately after the Ministerial Meeting. This was a relatively uneventful affair, with discussions held by private sector business representatives on possibilities for improving economic cooperation, and a joint report being delivered to the Foreign Ministers of ASEAN and the EU on the conclusions of the conference. This economic dialogue was followed on 2\textsuperscript{nd}-4\textsuperscript{th} May 1995 with the convening in Singapore of the first Senior Officials’ Meeting on Political and Security

\textsuperscript{217} Cogeneration is in essence the simultaneous production of electricity and heat, both of which are used, therefore allowing up to 90 per cent efficiency in energy generation. The EC-ASEAN programme utilises biomass (agricultural remains and forest waste), coal and gas as fuel, in an effort to limit the dependence of the ASEAN nations on oil. COGEN provides an interesting example of the types of capacity-building programmes typical of the EU-ASEAN relationship. The project began with COGEN Phase I (1991-1994) in which technical issues were identified for Phase II. COGEN Phase II (1995-1998) was a demonstration phase to illustrate that European technologies were available to support cogeneration through biomass in ASEAN. Phase II was assessed as directly increasing EU-ASEAN economic cooperation by: approx. €60 million; contributing 354 MWth (thermal megawatts)/74Mw (electrical megawatts) to the ASEAN energy supply; avoiding 250000 tons of carbon emissions per year; increasing the availability of European technologies; and increasing the competitiveness of European suppliers in the ASEAN market. COGEN Phase III (2002-2005) expands beyond biomass to include gas and coal, and is focused on the implementation of self sustaining cogeneration plants in ASEAN through partnership between ASEAN industry and power producers, and European technology providers. Europe has contributed the entire project budget of €25 million. (see: \url{http://www.deikhm.cec.eu.int/en/asean/projects.htm} and \url{http://www.cogen3.net}).

\textsuperscript{218} The AEEMTRC ran from 1988 to 1998, providing independent and authoritative energy information, and acting as a strategic body to support the formulation of energy policy, including resource evaluation, production optimisation and utilisation, in ASEAN Member States (European Commission, 2003; ASEAN, 1999). It was superseded in January 1999 by the ASEAN Centre for Energy (ACE).
Issues. Subsequently, and unsurprisingly, ASEAN reported this meeting to have “successfully forged closer understanding between the two sides and established common ground on a broad range of political and security issues” (ASEAN, 1995). These issues were not identified. The core achievement, however, from the ASEAN perspective was a firm endorsement by the Union of the initiative for an Asia-Europe summit, tentatively named ‘The Asia-Europe Meeting’.

By the time the twelfth JCC meeting was held in Brussels in 1995, European priorities in the region were becoming clearer, namely, the pursuit of economics. The development of a network of European Business Information Centres (EBICs) proposed at AEMM 9 had begun, with centres opened in Bangkok, Kuala Lumpur and Manila, and with plans for another in Jakarta, and a regional EBIC in Singapore. The JCC meeting itself launched an Asia-Invest Programme, as well as a range of instruments for the promotion of business cooperation, including sectoral meetings (e.g. Asia-Enterprises) and multi-sectoral events (e.g. EU-ASEAN Partenariat), thus ensuring that dialogue structures would continue to proliferate. Capacity-building structures were again a central component of cooperative activity, with the formulation of a Junior EU-ASEAN Managers (JEM) programme by the JCC, and, in late 1995, with the first steps being taken towards implementation of the EU’s €580,000 ‘Institutional Development Programme for the ASEAN Secretariat’ (IDPAS). IDPAS consisted of three core modules – Human Resource Development, Institutional Networking and Information and Database Development – and two core aims (European Commission, 2003b):

- to enhance the professionalism of the staff in the ASEAN Secretariat by introducing them to a wider range of perspectives and methods in regional policy-making; and
- to develop the Secretariat into a central institution and information centre capable of providing technical support to major ASEAN activities and collaborative endeavours with institutions outside ASEAN.

These goals were to be achieved particularly through the familiarisation of Secretariat staff with relevant organs in the European Union. Indeed, the ASEAN Secretariat considered the establishment of contacts with their counterparts in the European

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219 This programme was envisaged as serving as a ‘human bridge’ between the EU and ASEAN at the private-sector level. It is funded by the Union (two-thirds) and the participating businesses (one-third),
Commission as being a particularly useful outcome of the institutional development programme.

Throughout the course of IDPAS, which was concluded on 31st December 1998, Secretariat officials undertook 15 missions to the European Union. When the programme was concluded, it was deemed by ASEAN to have benefited the Secretariat. Reported the Association, "[t]his programme not only augmented the competence of the Secretariat's professional staff in regional policy-making but also helped the Secretariat to develop its information technology capabilities and networking with institutions in Europe" (ASEAN, 1999).

The IDPAS itself constituted an overt attempt by the EU to fulfil the second theorised element of institution building – the development of intra-regional cooperative structures. The involvement of an external actor in the creation of intra-regional institutions constitutes an external federative role, similar to that in collective identity formation, and is symptomatic of a significant difference in comparative actoriness. The external federative role refers to the choice by an actor to conduct its dialogue with a grouping of states, and its determination as to what that grouping will be. Here, however, we see a deeper form of federative behaviour, whereby the first actor chooses not simply to deal with a particular coalition of states, but also helps to define the organising principle of that coalition. In this respect, the European Union, through the agency of the European Commission, by seeking to build the ASEAN Secretariat into a central institution modelled, to some extent on the Commission itself, was effectively influencing the definition of ASEAN regionalism and affecting its intra-regional institutional structure. Its ability to do this was facilitated by its comparative strength as a regional actor, providing both a model to which the Association's Secretariat could aspire, and possessing the policy instruments necessary to promote this aspiration. With regard to the latter, the legal basis for Commission activity was the 1992 Council Regulation number 443/92 on the provision of financial and technical assistance and economic cooperation to the countries of Asia and Latin America, in which it was stated that "[r]egional cooperation between developing countries shall be considered a priority area for

and was projected to involve 675 ASEAN and 300 EU participants between its launch in 1996 and 1999.

220 See discussion in Collective Identity Formation chapter.

221 This may be overt, involving the creation of a new grouping for the purpose of dialogue (as is the case under the Cotonou Agreement), or passive, involving the acceptance of a pre-defined grouping.
financial and technical assistance” (Council of the European Union, 1992, Art.5), with measures being adopted by majority in a committee of Member State representatives.

In July 1996, the European Commission published its communication on *Creating a New Dynamic in EU-ASEAN Relations* (European Commission, 1996a). This document was intended to meet criticism of the *New Asia Strategy*, in which the role of ASEAN had been minimised, while at the same time operationalising both the Eminent Persons Group report, which had been submitted the previous month, and the *New Asia Strategy* itself. Regardless of its intent, the *New Dynamic* was anything but. While asserting the need for greater political and security cooperation, the document continued the pattern established by the *New Asia Strategy*, and by subsequent Union activity in relation to the Association, of privileging the place of economics. In both the politico-security and economic fields, the *New Dynamic* continued the, by now to be expected, approach of creating a long list of recommendations of the ‘enhancing’ and ‘encouraging’ variety. Its final suggestion was for a new ‘Active Partnership’ to be embodied in a future ‘Declaration and Action Plan’ (pp.27-29). This was to be launched at AEMM 12 (p.29), but, apart from a passing mention in the Chairman’s Statement (para.18), sank without a trace.\(^{222}\) It was to emerge again at the thirteenth Joint Cooperation Committee meeting in May 1999, which purportedly “transcribed into action the decision of the 12th ASEAN-EU Ministerial Meeting... which agreed to launch a “new dynamic” in EU-ASEAN relations” (JCC, 1999), though the Work Programme developed again failed to be either new or dynamic.\(^{223}\)

While the *New Dynamic* failed to become a particularly influential document in EU-ASEAN relations, a number of elements indicative of the perceptions of the EU at the time may be drawn from the body of the text. The first is the Union’s view of the timetable for Myanmarese accession to the Association, with the Commission anticipating entry by 2000, and, intriguingly, asserting of the membership of Burma/Myanmar, along with that of Cambodia and Laos, that, while this would likely cause economic problems for ASEAN, “[i]t is clear... that at the political level their integration should have positive effects” (European Commission, 1996a, p.7). In terms of the institutional structure of the EU-ASEAN relationship, it was deemed by the Commission to be essential to avoid unnecessary duplication of work in the

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\(^{222}\) It is interesting, and perhaps indicative, to note that the *New Dynamic* is the only major document relating to EU-ASEAN relations not available online through the Union’s website. Further, academic consideration of the document has been almost non-existent.
existing and emerging dialogue framework, including the new ASEM process (p.8). At the same time, the New Dynamic mourned the lack of “a vision of the future and a strong political impetus... [or] a common project of grandeur and... instrument to promote it” in EU-ASEM relations (ibid.), and acknowledged the “regrettably static application” of the Cooperation Agreement (p.10). However, the document suggested a role for the ASEM process in developing the dialogue (ibid.), and asserted that, should ASEM lay the “foundations for a modern concept of Europe-Asia relations, the links between Europe and ASEAN should reflect and amplify this insight within a specific framework” (p.8). In other words, should ASEM prove to be effective in fostering dynamism in, and providing a ‘project of grandeur’ for, the Europe-Asia relationship, then the EU-ASEM dialogue should be used as a means for supplementing the transregional structure through application at an interregional level. As such, the process of devolving dialogue and cooperation downwards to sub-summit institutions now had the prospect of being reinforced by the movement of dialogue upward and outward to a transregional framework, further bleeding the ASEAN-EU Ministerial Meeting of content.

Subsequently, reassurances were made at AEMM 12 on the place of the meeting in the Union’s external relations, with an explicit acknowledgement of “the central role of the ASEAN-EU Ministerial Meeting as the policy-formulating and coordinating organ of the ASEAN-EU Dialogue” being included in the Chairman’s Statement (AEMM, 1997, para.4). Aside from this, few results were evidenced by the meeting in the field of institution building, apart from the welcoming of a previous agreement to launch an ASEAN Regional Centre for Biodiversity Conservation (ARCBC) in Manila (para.15(iv)). The Joint Declaration did, however, contain what ASEAN optimistically referred to as an “action plan for cooperation over the next few years” (ASEAN, 1997a). This involved the expression of a desire to develop further interregional dialogue structures primarily in the field of economic cooperation, but also those of political and security cooperation, development cooperation and people-to-people interaction. Economic issues played a significant role at the meeting, and indeed AEMM 12 constituted a peak in economic discussion.

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223 See discussion of JCC 13 below.
224 The ARCBC Headquarters was eventually situated in Los Baños. The financing protocol was signed on 18th (EU) and 22nd (ASEAN) July, 1997, and the centre began operation in October 1998 (note that the EU lists the project start date as February 1999, the date on which the Technical Assistance Contract was signed by the consortium of European businesses to be involved).
not only in the post-bipolar period, but since the convening of the first ASEAN-EC Ministerial Meeting in 1978 (see Figures 4.1, 4.2).

By 1997, the issue of human rights and fundamental freedoms, sparked initially by their inclusion in discussions at AEMM 9, had become a full-fledged conflagration. In this respect, the primary sticking point was Burma/Myanmar, which had been granted observer status in ASEAN on 21st July 1996. As a result, the human rights issue held a prominent place in the Chairman’s Statement of AEMM 12, with the meeting also providing the Union and the Association with the first opportunity in the wake of the granting of observer status to Burma/Myanmar to discuss the issue. The two had what was described as “an exchange of views on Myanmar” (para.10(vi)) as part of their “productive and wide-ranging exchange of views” on political issues (para.1), though the opposition to eventual Myanmarese accession by the EU was not to have the desired effect.\(^{225}\) Burma/Myanmar acceded to the Association a scant six months later in July 1997, considerably quicker than the prediction contained in the New Dynamic. The Union’s subsequent perception of the accession was one in which the ‘positive political effects’ mentioned in the New Dynamic did not feature prominently.

In response to Burma/Myanmar’s entry into ASEAN, the Union declared that it would not be extending the EC-ASEAN Cooperation Agreement to cover the new member, as had previously been done in the case of Vietnam. Further, disputes over the participation of Burma/Myanmar in the upcoming thirteenth Joint Cooperation Committee meeting resulted in its indefinite postponement. This was supplemented by delays in the convening of AEMM 13, which was eventually held almost four years after AEMM 12.

The thirteenth JCC was eventually held in Bangkok on 24th-27th May 1999 in a “spirit of friendship and cooperation, and cordial atmosphere” (JCC, 1999). This was made possible after a compromise solution had been reached, allowing Burma/Myanmar to take part as a ‘passive presence’ only. The meeting produced no new revelations, instead building on the work of the twelfth JCC and AEMM, where it had been agreed to launch a ‘new dynamic’ in the relationship, by adopting a Work Programme, essentially agreeing to “strengthen cooperation through concrete actions in areas of mutual interests, especially market access, trade facilitation, standards,

\(^{225}\) See Collective Identity Formation chapter below.
intellectual property, customs, trade in services, investment, energy, environment, development cooperation, regional integration, science and technology, education and training, cultural cooperation, promotion of mutual understanding, business cooperation, transport, tourism and narcotics” (ibid.). In other words, in all those areas that have emerged as foci of cooperation since 1980. This was also seen as being an aid to economic recovery in a region that had been hit by a devastating economic crisis. Importantly, the Work Plan reaffirmed the commitment of both ASEAN and the EU to moving cooperation forward in a manner consistent with the priorities of the Association in enhancing its regional integration. The JCC continued to devolve dialogue to sub-summit structures, with the creation of a further sub-committee, this time concerned with the environment.226 The JCC also agreed to the establishment of a new Informal Coordination Mechanism to supplement the Joint Cooperation Committee, the first meeting of which was held the following October, and was deemed by both sides, in their customary manner, to be “a useful and practical means to further ASEAN-EU cooperation” (ASEAN, 2000).

Capacity-building and dialogue structures saw further expansion in 1998 through the creation of Asia Urbs,227 with an initial assignation of €30 million in Commission funding to be spent over three years (subsequently extended to December 2003), with a one year, €10 million, second phase later being agreed for 2004. The Asia Urbs programme, agreed to in 1997, saw the combining of the capacity-building and dialogue devolution trends inherent in modern EU-ASEAN relations through the creation of an institution for “decentralised (city-to-city) cooperation with elements of technical and economic co-operation, capacity building, partnership development, good governance and poverty alleviation” (Asia Urbs, 2003). Originally opened to, among others, nine of the future ten ASEAN Member States (excluding Burma/Myanmar), Brunei and Singapore have since been reduced to participation as associated, rather than primary, partners, while Burma/Myanmar remains unable to participate. The main objectives are to foster dialogue and the exchange of information through the creation of durable links between European and Asian cities, and the policy communities associated with them, and to aid in capacity-building in Asian partner cities through promoting technical assistance and the transfer of technologies. This was to take place particularly in the fields of urban

226 The first meeting of this subcommittee was held on 23rd-24th November 1999.
socio-economic development, urban infrastructure and environment, and good governance (Asia Urbs, 1999; 2003).

October 1999 saw the convening of the first Senior Officials’ Meeting on economic matters, in which the participants were able to “exchange views” on international economic issues, as well as trade and investment. This was supplemented in April 2000 by the third ‘ASEAN-EC Ad-Hoc IPR Experts Meeting’, which provided an opportunity to “discuss how to increase understanding” between ASEAN and EU Member States on intellectual property, trademarks, patent and copyright issues.

The thirteenth ASEAN-EU Ministerial Meeting was held in Vientiane on 11th-12th December 2000. Burma/Myanmar, Cambodia and Laos, as new members of ASEAN, participated for the first time, with two of them (Cambodia and Laos) also acceding to the EC-ASEAN Cooperation Agreement. The meeting was a valueless affair, with nothing of any real significance to the relationship being discussed. Almost the entire content of the meeting’s Chairman’s Statement was devoted to the reviewing of events, with no proactivity present at all. The participants did, however, restate at the ministerial level a goal previously iterated in the Work Plan adopted at the thirteenth JCC; asserting that “economic cooperation should focus on actions to support regional integration” (AEMM, 2000, para.22). Aside from the contentless discussions, participation too was somewhat indicative of EU and ASEAN views of the AEMM. While ASEAN sent a full complement of Foreign Ministers and the Secretary-General of the Association, Union representation consisted almost entirely of ambassadors and junior Ministers, with the Commission and Council dispatching a Principal Advisor from DG External Relations, and a Principal Administrator for External Relations respectively. The most senior European delegates in attendance included the Deputy Prime Minister of Sweden, and the French Minister of Cooperation and Francophony.228 In contrast, AEMM 12 had been a meeting of the

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227 Illustrating once again a European penchant for Latin nouns.
228 The following is a full list of the ranks of those in attendance: Ambassador to Laos (Austria); Ambassador to Laos (Belgium); State Secretary (Denmark); Deputy Minister for Foreign Affairs (Finland); Minister of Cooperation and Francophony (France); State Minister (Germany); Ambassador to Laos (Greece); Minister of State at the Department of Finance (Ireland); Deputy Minister for Foreign Affairs (Italy); Personal Envoy of the Minister of Foreign Affairs (Luxembourg); Secretary of State for Foreign Affairs and Cooperation (Portugal); Deputy Minister for Foreign Affairs (Spain); Deputy Prime Minister (Sweden); Minister of State, Foreign and Commonwealth Office (United Kingdom); Principal Advisor, Directorate General for External Relations (Commission); Principal Administrator, External Relations (Council).
Foreign Ministers of ASEAN and the EU (AEMM, 1997, para.1). ASEAN’s subsequent characterisation of AEMM 13 as “signifying the desire of both sides to resume cooperation and consultations at the political level” (ASEAN, 2001b, p.112) was accurate, if not necessarily with the precise meaning intended.

In 2001, the European Commission updated the 1994 New Asia Strategy with the publication of the Communication Europe and Asia: A Strategic Framework for Enhanced Partnerships (European Commission, 2001). The Strategic Framework is a self-celebratory document, crediting the ‘tremendous evolution’ of the EU-ASEAN dialogue in the post-1994 period to “the balanced and comprehensive approach called for in the 1994 [New Asia] Strategy” (p.11) – a far cry from Forster’s (1999a, p.256) ‘damp squib’ appraisal. Further, the communication trumpeted the place of the ongoing EU-ASEAN dialogue, heralding the thirteenth AEMM in Vientiane as a ‘success’, and as having “set the scene for further strengthening this longstanding relationship” (European Commission, 2001, p.14). If this was indeed the case, then the AEMM 13 Chairman’s Statement was a far from accurate depiction of the meeting.

In terms of goals, the Strategic Framework was anything but new, with four of its six key objectives (pp.3, 15229) simply a restatement of those in the New Asia Strategy (European Commission, 1994, p.3), and the two new additions – on the building of alliances and partnerships for expression in global multilateral fora and on strengthening the awareness of Europe in Asia and vice versa – being drawn directly from the Chairman’s Statements of various ASEAN-EU Ministerial Meetings and ASEM I, as well as the New Dynamic.230

In addition to providing a broad outline of goals and objectives for the European Union’s Asia policy, the Strategic Framework outlined action points for the different regions of Asia. In this respect, rather generic statements were made on the topic of strengthening the Union’s long-standing relationship with ASEAN (p.22),

229 On contributing to peace and security; strengthening mutual trade and investment flows; promoting the development of less-prosperous nations; and the protection of human rights, and the spread of democracy, good governance and the rule of law. While these issues had previously been raised in various cooperative dialogues with ASEAN and the broader East Asia (human rights and democracy, for example, having an early provenance in EC/EU dialogues), the New Asia Strategy marked their first inclusion in a strategic document in the post-Cold War period.

230 References to the need to cooperate in global multilateral fora may be found in: ASEM (1996, para.11); AEMM (1997, para.10); the New Dynamic (European Commission, 1996a, ss.1, 3.1.3). References to cultural cooperation and the strengthening of the awareness of each region in the other
including the desire to encourage trade and investment facilitation, and educational, intellectual and cultural links, as well as the promotion of human rights, good governance and the rule of law (p.21). It was also made clear that ASEAN and the ASEAN Regional Forum were to be the major focus of politico-security dialogue. Interestingly, and reinforcing the notion that Commission strategic documents tend to consist less of proactive strategy than they do of a revisiting of existing practice, reference was made, no doubt with the Asia Urbs programme in mind, to the need for a particular effort to address urban issues (ibid.). Finally, echoing statements made in the Work Plan adopted at JCC 13 and in the Chairman’s Statement of AEMM 13, a nod was given to institution building through an assertion of the need to provide active support for regional integration (p.22). Operationalisation of this latter goal was to quickly follow through moves to create a successor to IDPAS in the form of the ‘ASEAN Programme for Regional Integration Support’ (APRIS).

The APRIS, which was endorsed at the fourteenth JCC meeting, builds on both the previous IDPAS programme established by the European Commission, and upon developments within ASEAN itself, and, as with IDPAS, constitutes an external federative element in institution building.\textsuperscript{231} The Association’s enlargement to ten Member States, including four less developed countries, led to the agreement at the fourth ASEAN Informal Summit, held in Singapore on 22\textsuperscript{nd}-25\textsuperscript{th} November 2000, to launch an Initiative for ASEAN Integration (IAI) in order to focus efforts to narrow the development gap within ASEAN. This was supplemented by the adoption, during the seventh ASEAN Summit in Bandar Seri Begawan on 5\textsuperscript{th} November 2001, of a Roadmap for the Integration of ASEAN (RIA) to accelerate intra-regional integration (ASEAN, 2001c, para.13). The APRIS was designed to support the Roadmap process, as well as the successor to the Hanoi Plan of Action (HPA),\textsuperscript{232} which itself ends in 2004, and the EU-ASEAN dialogue.

The APRIS programme focuses on providing assistance with policy development, and with increasing the institutional capacity of ASEAN, and

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\textsuperscript{231} See discussion of IDPAS above.

\textsuperscript{232} The Hanoi Plan of Action was designed as the first of a series of plans to realise the goals contained in ASEAN’s Vision 2020 document, with the life-dates 1999-2004. The Vision 2020 document set a broad agenda for the creation of “a concert of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies”(ASEAN, 1997b).
particularly the Secretariat, with the overall objective of improving its capacity for
the preparation, promotion and facilitation of ASEAN’s regional integration policies
by making use of prior European Union experience (European Commission, 2002b,
s.2.2). It is intended that, as a result, the Secretariat “should receive more competence,
more staff… and more resources in order to be more proactive in the [policy and
integration] process, and not simply fulfil a secretariat function” (Interview Material).
This is to be enabled through the provision of technical assistance for the preparation
of proposals for possible agreement by ASEAN and/or developing new actions.

The first APRIS financing proposal provides for €4 million of Union
funding, the bulk of which is channelled into technical assistance (€1.3 million) and
institutional development and training (€1.9 million). Technical assistance
under the programme is geared to providing a number of core inputs (European
Commission, 2003b, s.2.3; 2003c, s.7):

- support for ASEAN’s on-going integration, by way of policy papers and
cost/benefit analyses, while making use of EU experience;
- development of new policy initiatives for ASEAN’s future integration, as
well as the preparation of related projects; and
- assistance to ASEAN, and particularly the Secretariat, with institution
building by way of training, and by developing improved mechanisms for
coordination and communication systems to facilitate ASEAN’s integration.

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233 It must be noted that APRIS is a programme between the European Commission and the ASEAN
Secretariat, with the Financing Agreement to be signed by the Secretariat rather than by the ASEAN
Member States.
234 Provided under budget line B7-3000.
235 The total project value is €4.5 million, with the remaining €500,000 being supplied by ASEAN as a
contribution in kind, with €300,000 constituting local personnel costs, and €200,000 comprising other
operating costs.
236 Given legal basis under Council Regulation (EEC) 443/92 of 25th February 1992 on financial and
technical assistance to the developing countries in Asia and Latin America (Council of the European
Union, 1992).
237 This is particularly important as the Secretariat’s training budget amounts only to the paltry sum of
around US$6000, a situation described as ‘embarrassing’ by one Association official (Interview
Material). The view of the ASEAN Member States is that training allowances are unnecessary as all
Secretariat officials should already be experts in their field and therefore require no additional training,
a situation seen by some officials as being untenable in an era when information changes with such
rapidity. As such, the new Secretary-General, Ong Keng Yong, has placed an emphasis on the training
and retraining of Secretariat staff (Interview Material)
The institutional development and training component is to involve studies relating to streamlining ASEAN procedures, including the optimal use of information technology, as well as training, seminars, exchanges, study tours and peer contacts.

APRIS possesses its own formal structure. Under the leadership of two co-directors, one drawn from the European Commission and the other from the ASEAN Secretariat, it is administered by a permanent Programme Management Unit (PMU) hosted by the Secretariat in Jakarta. In addition, a Programme Steering Committee (PSC), comprising the directors of relevant directorates within the Secretariat under the chairmanship of the Secretary-General of ASEAN, meets quarterly to provide policy guidance and coordination between the institutions and groups involved in APRIS. The European Commission possesses observer status in the PSC, with the right to speak, while the APRIS co-directors act as observers and constitute the secretariat of the Steering Committee. As can be seen from this structure, and in contrast to the IDPAS for which the European Commission was the executing agency, the ASEAN Secretariat is the executing authority for APRIS.

As with IDPAS, the APRIS seeks to build the ASEAN Secretariat as an influential institution within ASEAN, and as an effective dialogue partner, with one Commission official asserting that one “weak point... of the EU-ASEAN relationship is that the ASEAN Secretariat is really a secretariat” (Interview Material). The programme is explicitly designed “to give the Secretariat some ammunition in order to go to the Member States and, using the Union experience as an example, argue for a supranational rather than intergovernmental approach to an issue” (Interview Material). These goals are to be achieved through the realisation of sub-projects under three Annual Work Plans covering the period 2004-2006. The implementation of the first of these Work Plans, comprising 14 sub-projects, began on 8th January 2004. Whether the experiences of the EU are broadly applicable in the ASEAN cultural and integration context is one question that is yet to be answered, though at least one official involved was less than overwhelmingly confident (ibid.).

On 18th-19th September 2001, two weeks after the publication of the Commission’s Strategic Framework, the fourteenth Joint Cooperation Committee was

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238 Of these 14 sub-projects, 5 requiring external assistance have been publicised. These are sub-projects: 04/04 for the development of a model MRA on standards for services; 04/05 for the provision of support for the ASEAN customs reform and modernisation programme (including training); 04/06 for the development of a Single Window approach to ASEAN customs; 04/07 for a study on ASEAN NTBs and; 04/08 for the development of an ASEAN copyrights work plan and associated training.
convened, and promptly agreed on a new approach to EU-ASEAN dialogue. Gone was the ‘new dynamic’ of the recent past, with the participants instead proclaiming a common commitment to a ‘new momentum’ in their interregional relations, continuing the direction and pace set the previous year by the Vientiane AEMM (JCC, 2001). The JCC also launched a “joint reflection on the future of EC-ASEAN cooperation to buttress the long-standing partnership”, with the aim of examining the structure and mechanisms of cooperation, which, importantly, was to include “the enhancement of the bilateral relations between the EC and the ASEAN member countries as a complement to EC-ASEAN relations” (ibid.). The place of enhancing bilateral ties at the JCC was significant, indicating a pace of change outstripping the slow pace set and in a direction apparently not considered by AEMM 13.239

The JCC was immediately preceded by meetings of the sub-committees on Economic and Industrial Cooperation, Environment and Forestry, and followed in February 2002 by a meeting of the sub-committee on Science and Technology. These committees continued the process of expanding institutional dialogue by reaching agreements for enhanced policy discourse and cooperation in a number of sectors. Further, February 2002 also saw the convening of the first ASEAN-EU Experts Group Meeting on Maritime Security, where the increasing problem of piracy was discussed. The participants considered the possibility of exchanges of technical and practical information, the convening of anti-piracy seminars including sponsorship of participation by ASEAN students, sharing experience in managing integration between national procedures, and establishing appropriate training institutions in ASEAN (ASEAN, 2002a, p.126).

The fourteenth, and most recent, AEMM, convened in Brussels on 27th-28th January 2003, slightly more than two years after AEMM 13, saw representation return to the expected norm. Content, however, remained somewhat flavourless, indicating that the real meat of cooperative endeavour between the two groupings has moved from the ASEAN-EU Ministerial Meetings to other cooperative institutions. The meeting continued the process of devoting the bulk of its time to the reviewing of events within the respective regions and on the world stage, and reiterating the need to promote bilateral trade and investment flows, development, cultural contacts, and respect for human rights, democracy and the rule of law (AEMM, 2003a, para.26). As

239 At least as indicated by the Chairman’s Statement of that meeting (AEMM, 2000).
such, the content of the Chairman’s Statement tended strongly to the political. Indeed, the post-bipolar period has seen an evening-out of political content in AEMM discussions, with such content maintaining a relatively consistent level (see Figure 4.2). Economic content, on the other hand, has dropped precipitously from its peak in 1997 at the height of the Asian crisis. The AEMM continued to illustrate the highly reactive nature of relations, with the events of 11th September 2001 leading to the re-emergence of terrorism on the agenda for the first time since AEMM 7 in 1988.\textsuperscript{240}

**THE ASEM PROCESS:**

At the same time that the trend towards the devolution of dialogue to newly created institutions and programmes at the sub-AEMM level was becoming more apparent, EU-ASEAN relations witnessed the creation of an entirely new, transregional, dialogue structure. The genesis of the idea is to be found in a series of meetings held in the Singaporean Ministry of Foreign Affairs and the Prime Minister’s Office during August of 1994 concerning the best method of bringing Europe and Asia closer together (Pou Serradell, 1996, p.186). This led to a recommendation by the participants in the Europe-East Asia Economic Summit of the World Economic Forum in Singapore in October 1994 for the convening of a multilateral summit between Asian and European Heads of State and Government (Shin and Segal, 1997, p.139). The idea was subsequently taken up during an official visit to Paris, also in October 1994, by the Prime Minister of Singapore, Goh Chok Tong. Goh’s preference that the dialogue centre on economic and commercial issues in a manner similar to APEC was an early indication of what was to remain a clear Asian position. Initial European reactions were less than positive. The EU “war h"öfflich interessiert bis sich zeigte, daß der ASEAN-Vorschlag einen Weg eröffnete, die neue Asien-Strategie auf eine reizvolle Weise in die Praxis umzusetzen”\textsuperscript{241} (Pretzell, 1998, p.133). The principle was finally accepted during a Council of Ministers meeting held under the French Presidency on 6th March 1995.

A key element in European support for the ASEM, along with the balancing-related motivations previously discussed, was that the proposed Europe-Asia dialogue offered an alternative to the EU-ASEAN relationship, which had, particularly with the

\textsuperscript{240} See discussion in Balancing chapter.

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failure of negotiations to renew the EC-ASEAN Cooperation Agreement, become “deadlocked and rather stale” (Forster, 1999b, p.752). This deadlocking occurred primarily as a result of the emergence of what had in the bipolar period been second tier issues, but which post-1990, and particularly post-TEU, became significant elements in international relations, and major planks of the European Union’s external policy. These included human rights, democracy and the rule of law, but also trade-related issues such as fair trade and intellectual property rights, as well as workers rights and other elements grouped under the heading of social legislation. These issues were not a part of the initial EC-ASEAN Cooperation Agreement, and were difficult to introduce into this forum – one drawback to the Cartesian approach. By the mid-1990s, there was dissatisfaction on both sides, but particularly in Europe, over the EU-ASEAN dialogue. Significant internal and external pressure was being placed on the EU for revision of the relationship, but the Union had difficulty establishing a stable coalition around any particular path forward (Forster, 2000, p.795). Here, one of the key difficulties lay in the actorness of the regions, specifically their decision-making processes/structures.

Neither the EU nor ASEAN is a monolithic regional actor. ASEAN cooperation is premised upon intergovernmental cooperation, with an emphasis on state-sovereignty, and therefore rises only slightly above the baseline expectation of regional actorness. This, in interregional relations, results in a reactive rather than proactive approach to dialogue. The Union, on the other hand, is a far more advanced regional actor, though still, even in the highly regionalised economic sphere, suffers problems in relation to decision-taking. In the EU-ASEAN dialogue, decision-taking on the Union side was complicated by Member State disagreements over priorities and the requirement for unanimity. Thus the pragmatism of the larger Member States clashed with the normative demands of the smaller Member States, creating a situation in which the EU itself was unable to express the coherence and strength required to push the EU-ASEAN dialogue in one or the other direction.²⁴² This, combined with the reactive nature of ASEAN regionalism, resulted in an interregional dialogue unable to adapt to a changing international situation. The result was a failure

²⁴¹ The EU “was politely interested, until it became clear that the ASEAN proposal opened a path to putting the new Asia Strategy into practice in an attractive manner” [author’s own translation].
²⁴² See Collective Identity Formation chapter for further discussion of this point.
to revise the basic framework of the relationship with a ‘deadlocked and stale’ dialogue being the final product.

The Asia-Europe Meeting offered a number of key advantages to both sides. For ASEAN, it was far from coincidental that the new Asian grouping within the ASEM framework, which included the then ASEAN-7 plus China, Japan and South Korea, mirrored the previous conception of an East Asian Economic Caucus (EAEC). This would have two benefits. First, it would serve to regularise contact with the Northeast Asian states, particularly China, which had emerged as a significant strategic threat and economic competitor. The opening of China to greater foreign investment had seen a significant shift of FDI away from ASEAN and towards the PRC, thus, in the words of one Commission official, “costing them money” (Interview Material). The same official went further, arguing of ASEAN motivation for greater engagement with their northern neighbour that “China is better and cheaper on all of the products that they [ASEAN] are producing. It’s as simple as that. So they need to find a way to deal with that” (Interview Material). The incorporation of their competitor into a structure premised greatly on global trading rules would be a useful tool allowing ASEAN economies to work towards greater trade and investment penetration of the massive Chinese market.

The second key advantage was the perception that the creation of a relationship between an East Asian caucus and the Union would generate a greater profile for, and create a reality of, the EAEC concept and would also allow this grouping to reduce its dependence on the US, both by creating a new link in the global trilateral structure and through generating a habit of cooperation, strengthening its position in APEC through the reinforcement of an EAEC pillar. Additionally, and somewhat contra-intuitively, the inclusion of ASEAN within a new, broader, Asian grouping, rather than diminishing its coherence would serve to further strengthen its position at the centre of a network of intra-Asian relations (see Figure 4.3).

From the Union’s perspective, the paramount advantage was a redefinition of its ties with the region. Given that the main thrust of EU policy in Asia was economic (European Commission, 1994, p.3), it was seen as an advantage to be involved in dialogue with a grouping involving the Asian economic great powers of China, Japan

\[243\] This is discussed in greater detail below.
and South Korea. The inclusion of China, however, was to serve another purpose than simple dialogue with an economic actor. For both ASEAN and the EU, the emergence of China as a major economic, political and military power, and the expectation of its future superpower status, led both groupings to see a need for constructive engagement with this nation. It has already been asserted that a core element of the institution building function of inter- and transregional dialogues is the incorporation of states or groupings of states into the structures of global governance. It is just such a socialisation of China into the web of global rules, norms and values that the ASEM process was expected to aid in achieving.

Figure 4.3: ASEAN-Centred East Asian Institutional Network

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244 In the series of interviews conducted for this thesis, when questioned on motivations for regional integration or for the development of ASEM, the threat of China was almost universally included in responses.
In addition, the new process offered the possibility of excluding problem states. The two regions reached an agreement on membership whereby, while each side was to choose its own members, the accession of new candidates would be subject to approval by all ASEM states – the so-called ‘double key’ approach. Thus, when on 23rd July 1997 Burma/Myanmar acceded to the Association, this did not automatically entitle it to membership in ASEM. This allowed the Asia-Europe Meeting to avoid what had been the major cause of deadlock in the EU-ASEAN relationship.245

Another important advantage offered by ASEM, from the Union perspective, was its open and informal structure, raising the possibility of developing a truly dynamic partnership. No a priori exclusions were made from the possible subject matter of ASEM, thus holding out the prospect of discussing topics previously marginalised within the EU-ASEAN dialogue. Further, ASEM cooperation is semi-formal in nature, based on a non-binding, peer-pressure approach rather than legal obligation, and privileging consultation over negotiation, again removing structures likely to lead to intractability, though with the obvious downside that there is no requirement for states to fulfil negotiated agreements, and indeed no penalty for non-compliance. The potential for dynamism is further increased in ASEM through the reinforcement on the EU side of actoriness. In contrast to the situation under the Cooperation Agreement of 1980, the tools available to the Union for the pursuit of cooperative ASEM goals have been simplified to basic economic and political protocols, removing the European Parliament and its committees from the decision-taking process/structures, and allowing a significantly less complicated path to goal achievement (Forster, 2000, pp.796-797).

It is not necessary to consider the exact path followed from the initial agreement in principle to the convening of the first ASEM, other than to acknowledge that from the outset, the European Commission’s involvement in the preparations was intense, indicating that the process was not to be an APEC-style multilateral forum

245 It is likely, however, that Burma/Myanmar will join ASEM as a quid pro quo for the entry of the Union’s ten new Member States.
premised on its constituent states, but was to be a dialogue between regions, of which
the Commission was the primary coordinator of one.246 Expectations for the first
summit were not high, though a number of core goals were clear leading into the
meeting. The main aim, particularly from the Union’s perspective, was the
establishment of a framework for future dialogue on an equal footing (European
Commission, 1996b, p.4), with the ASEM being seen as an “open, transparent and
evolutive process, of informal nature, that should pursue nevertheless, concrete and
substantial results” (European Council, 1995, p.43). It was made explicit by the Union
that the new transregional forum should be accompanied by concrete steps for the
expansion of cooperation (p.10), while at the same time ensuring that the new
framework “strengthen[ed], rather than displace[d], the existing dialogues at both
bilateral and sub-regional level” (p.11). Further, the new cooperative partnership was
envisaged as being a comprehensive one, “based on the promotion of political
dialogue, the deepening of economic relations and the reinforcement of cooperation,
and... contribut[ing] to the global development of societies in both Asia and Europe”
(p.1). It was, therefore, to have a three-pillared structure, incorporating the economic,
political and cultural247 spheres (see Figure 4.4).

The inaugural Asia-Europe Meeting, comprising sixteen participants on the
European side248 and ten on the Asian side,249 was convened in Bangkok on 1st-2nd
March, 1996, forging a “new comprehensive Asia-Europe Partnership for Greater
Growth” (ASEM, 1996, para.3) covering all aspects of economic, political and
cultural relations.250 Two key institutional issues, both with a direct influence on the
future success of the forum, were resolved during the meeting. The first relates to
decision-taking, with the Asian preference that all follow-up activities be the subject
of unanimous agreement being modified to an arrangement whereby consensus was
necessary only when follow-up actions were to involve all ASEM members. In this
way, flexibility was maintained, reflecting the recognition at ASEM I that “the
process needed to be open and evolutionary” (para.18).

246 A relatively detailed discussion of the period leading up to ASEM I may be found in Pou Serradell
(1996).
247 Cultural/Intellectual/People-to-People in the ASEM formulation.
248 The fifteen European Union Member States plus the European Commission.
249 The seven ASEAN Member States (Brunei, Indonesia, Malaysia, the Philippines, Thailand,
Singapore and Vietnam) plus China, Japan and South Korea.
250 See Table 3.10 for a list of the major meetings of the ASEM process.
The second institutional element resolved at the meeting was that of the place of controversial issues. Reservations had initially been expressed about the presence of such topics in discussions, with fears that ASEM could follow the path of the EU-ASEAN dialogue. The Asian side had made clear a preference for an economics-only process, and had conveyed to the Euro-Asian Steering Committee in Rome on 8th February the conclusions of the Asian Foreign Ministers’ Meeting of 2nd-3rd February that “sensitive, controversial and irrelevant issues”, including East Timor, child labour and human rights, democracy and fundamental freedoms, should not be raised during the summit (Pou Serradell, 1996, p.200). In contrast, the Europeans favoured an all-inclusive framework, covering economic, political and security issues, and felt significant pressure from domestic publics to include such issues as human rights in any discussions with their Asian partners. Faced with the need to address these sensitive issues, while at the same time ensuring that they would not lead to deadlock within the new forum, the two sides reached a compromise which, argues Pou Serradell (ibid.), “facilitated by the Thai Presidency… allowed all subjects, even the most controversial, to be tackled in a positive, non-confrontational way”. In this manner, while the Chairman’s Statement offered only a bland reference to human rights, contextualised within an affirmation of commitment to the UN Charter, the Universal Declaration on Human Rights and so on (ASEM, 1996, para.7), bilateral meetings were able to be held under the ASEM umbrella, including, for example, a meeting between the Portuguese Prime Minister Antonio Guterres and President Soeharto of Indonesia on the topic of East Timor. This compromise was to result in the effective excising of political and cultural dialogue from the ‘comprehensive’ partnership.

The approaches of the two sides to the summit could not have been more different. Camroux and Lechervy (1996, p.446) point to this as a paradoxical situation, whereby the Union adopted the consensual approach seen as the ‘Asian way’, while the Asian states focused on the advancement of individual national interests in a manner more consistent with the West! This is a false paradox, with the approaches of the two groupings to the meeting being very much characteristic of their styles of regional actoriness. The European Union approached ASEM I as a supranational regional actor, a factor dictated as much by the particular circumstances of the meeting as by the institutional structure of the Union. In this respect, the Commission’s role in the establishment of the dialogue, the fact that it to a great
extent set the agenda and its relative authority on economic matters on which the first Asia-Europe Meeting was heavily focused, served to push it to the forefront in coordinating a Union position at the meeting,\textsuperscript{251} with the Commission subsequently playing a significant role in discussions.\textsuperscript{252}

The Asian ASEM grouping, on the other hand, with ASEAN as its core, adopted a strongly intergovernmental approach. The regional actoriness of the Association itself falls at the intergovernmental end of the continuum, and this was exacerbated by the fact that the Asian side of ASEM included three non-ASEAN Asian economic great powers. At best, had ASEAN managed to surpass its regional structure and act in a completely unified manner, the Asian grouping would still have comprised four powers, with no overarching framework in place to mitigate pure intergovernmentalism. The lack of a cooperative framework was exacerbated by the fact that two of the three Northeast Asian states, China and Japan, remained only weakly committed to ASEM. The Chinese, despite asserting that “there was no obstacle to discussions on even the most sensitive issues” (Pou Serradell, 1996, p.201), were eager to conclude an agreement in advance of the final communiqué “so as to leave no room for the emergence of ‘extraneous’ subjects in discussion” (Camroux and Lechervy, 1996, p.446). The Japanese were simply less than enamoured with the new forum, seeing in it a possible eventual downgrading of their ties with the EU from an exclusive EU-Japan dialogue, to a transregional process in which Japan was a participant. Thus cooperation continued to be, in the words of Avila (1999, p.6), “shaped by primordial concerns about sovereignty and a desire to sustain domestic political stability and national unity... [with] [i]nternational cooperation [being] conditional on sustaining, even enhancing national sovereignty and autonomy”.

\textsuperscript{251} Camroux and Lechervy (1996, p.446) also assert that the approach of the Europe Union was affected by the struggle for influence between Sir Leon Brittan (Vice President of the Commission and Commissioner for the Common Commercial Policy, Relations with the OECD and WTO and External Relations with North America, Australia, New Zealand, Japan, China, Korea, Hong Kong, Macao and Taiwan) and Manuel Marin (Vice President of the Commission and Commissioner for External Relations with the Southern Mediterranean Countries, the Middle East, Latin America and Asia, except for Japan, China, Korea, Hong Kong, Macao and Taiwan) asserting that, by aligning himself with the ASEAN style, Marin gave it a certain amount of credibility, and also countered the state-centred approach favoured by Brittan. This argument, again, may be overstated, crediting significant influence to a commissioner who was not universally admired by his colleagues or the Member States.

\textsuperscript{252} Both the President of the Commission and the Presidency of the European Union were given equal speaking time with the other participants at the meeting.
It has already been mentioned that the core goal in the first ASEM meeting was the establishment of a new dialogue structure. As such, it was not expected that a great deal would be delivered in terms of content, and indeed, the bulk of the Chairman’s Statement was devoted to the declaration of general areas of future dialogue, grouped under the headings ‘fostering political dialogue’, ‘reinforcing economic cooperation’ and promoting cooperation in other areas. In this respect, one of the most constructive agenda items (Ku-Hyun and Lehmann, 1997) was the agreement that ASEM should complement and reinforce WTO-based trade liberalisation, which also included the concrete goal of gaining membership in the WTO of all ASEM countries (ASEM, 1996, para.11). Given, however, that the new forum was a dialogue of Heads of State and Government, it was anticipated that, following the initial ‘getting to know one another’ stage, this meeting could lead to far greater innovation, and a far more expansive approach, in relations between Europe and Asia than was the case with, for example, the ASEAN-EU Ministerial Meetings which involved, at the highest level, the Foreign Ministers of the participant states, but often only junior Ministers or senior officials.

In addition to establishing the basic framework for the new transregional dialogue, and in contrast to the professed desire for a non-institutionalised structure, ASEM I launched a process of rapid institutional proliferation. In this respect, the Senior Officials’ Meeting, which had been established to coordinate the first ASEM, was supplemented by an Economic Ministers’ Meeting, a Government and Private Sector Working Group tasked with drawing up an Investment Promotion Action Plan, an informal Senior Officials’ Meeting on Trade and Investment and an Asia-Europe Business Forum. The participants went on to agree to consider the convening of a Finance Ministers’ Meeting and a study group on enhancing technological

253 The language of these headings themselves is somewhat indicative of what it was hoped that the ASEM process would provide, namely: ‘fostering’ a political dialogue (as opposed to the EU-ASEAN deadlock) where none currently existed; ‘reinforcing’ economic cooperation, already the primary plank in the Union’s relations with any Asian partner; and ‘promoting’ cooperation in fields that had often been only a minor adjunct to discussions, for example cultural cooperation. In other words, it was hoped that the ASEM would remedy the disequilibrium in these three pillars, and in so doing create a complete and coherent dialogue.

254 The IPAP was not the outcome the EU had sought. The Union sought the negotiation of an investment code, or at the very least a pledge for early negotiation of such within the WTO. This, however, was seen by the Northeast Asian, and some ASEAN, states as being a step too far towards foreign control of local economies, a point of opposition on which the EU possessed insufficient actoriness to overcome. The IPAP was a compromise solution, with authorisation being given to Thailand to investigate such a proposal in a manner similar to the APEC Non-Binding Investment Principles (ANIP) (Bobrow, 1999, pp.116-117).
cooperation and exchange, and the development of an Asia-Europe Cooperation Framework and a framework for cooperation on customs matters. Further, a strong desire was evidenced by certain Asian states, particularly ASEAN states, for the achievement of certain concrete outcomes, mostly relating to infrastructure needs perceived as limiting their economic growth, and usually involving funding from wealthier ASEM participants, most notably the EU. Thus the meeting agreed to the launching of an initiative for a trans-Asian rail network to be coordinated by Malaysia, the establishment of an Asia-Europe Environmental Technology Centre in Thailand and the creation of an Asia-Europe Foundation (ASEF) in Singapore. These were supplemented with the initiation of programmes for intellectual and youth exchanges between Asia and Europe. (ASEM, 1996, para.19).

The period between ASEM I and ASEM II saw the development of a dense web of meetings and working groups. A network of meetings for the consideration of economic matters, characterised by a high level of interactivity between the various bodies, was launched with the convening of the first Customs Directors General and Commissioners Meeting on 21st June 1996 in Shenzhen, initiating cooperation on the simplification and harmonisation of customs procedures. This was followed on 7th-9th July in Bangkok by the first meeting of the ASEM Working Group on Investment Promotion (WGIP), where a proposal for the Investment Promotion Action Plan (IPAP) was formulated. The outcomes of these initial meetings were subsequently reviewed at the first Senior Officials’ Meeting on Trade and Investment (SOMTI), held in Brussels on 25th July. Here, the participants focused on the core issues of the WTO and the upcoming Singapore Ministerial, and on measures for the facilitation of trade and investment. Further, with the Bangkok ASEM’s call to focus on the liberalisation and facilitation of trade (ASEM, 1996, para.19), the SOMTI tasked the Philippines and the European Presidency and Commission with elaborating a Trade Facilitation Action Plan (TFAP). Progress on the TFAP was later reviewed and endorsed at SOMTI II in Tokyo on 6th June 1997, while the mechanisms for its

255 See Figure 4.4 for the full institutional structure of ASEM.
256 The SOMTI is the Senior Officials’ forum supporting the Economic Ministers’ Meeting. Each of the main ministerial fora, including the FinMM and FMM, is supported by a Senior Officials’ Meeting (SOM), the function of which is to undertake much of the cooperative work, under the oversight of the respective Ministerial Meeting. The SOMTI is the most developed of these, a direct result of the privileging of economic dialogue over political and cultural dialogue in the ASEM process. SOMTI is also the one Senior Officials’ Meeting to publish a Chairman’s Statement, thus making it the only SOM about which anything is really known. For these reasons, it has become one of the premier dialogue structures within the ASEM process.
implementation, and the concrete goals to be achieved in the period between ASEM II and ASEM III, were agreed upon by the representatives at SOMTI III in Brussels on 5\textsuperscript{th}-6\textsuperscript{th} February 1998. In addition to consideration of TFAP, SOMTI II surveyed progress made on IPAP, and reviewed the draft agenda for the first Economic Ministers' Meeting (EMM). By the time SOMTI III was held, IPAP had already been endorsed by the EMM, leaving the senior officials with the task of urging its speedy implementation and arranging the first meeting of the Investment Experts Group (IEG) created by the meeting of Economic Ministers.

The first ASEM Finance Ministers' Meeting (FinMM) was held in Bangkok on 19\textsuperscript{th} September 1997, where it was agreed that concrete steps should be taken to cooperate in combating money-laundering, and a study into the development of a computerised communications network among ASEM finance ministries was launched. Importantly, the Finance Ministers’ Meeting recognised that the ASEM fora were a component, and could not exist independently of global multilateral fora, through the inclusion of the Managing Director of the IMF in the meeting. This was a practice that was to continue, and was later also to include representatives of the Asian Development Bank (ADB), the European Central Bank (ECB), the Bank for International Settlements (BIS) and the World Bank (WB). The FinMM is supported by an irregularly convened Finance Deputies’ SOM, the first meeting of which took place in London on 5\textsuperscript{th} February 1998. Finally, the first Economic Ministers’ Meeting (EMM) was convened on 27\textsuperscript{th}-28\textsuperscript{th} September 1997 in Makuhari. The EMM reviewed the work of the other economic structures, and established an Investment Experts Group to assist the SOMTI in follow up on the initiative of the now completed IPAP.

These government-level fora were supplemented on 14\textsuperscript{th}-15\textsuperscript{th} October 1996 with the convening of the Asia-Europe Business Forum (AEBF), establishing a dialogue between entrepreneurs, and between the representatives of business and government, thus bringing the private sector into the process of expanding Europe-Asia trade and investment relations. The meeting went on to establish a Steering Committee and various Working Groups. At AEBF II in Bangkok on 13\textsuperscript{th}-14\textsuperscript{th} November 1997, discussions were taken beyond the introductory and general nature of the first AEBF by agreeing action-oriented recommendations for cooperation in the fields of Small and Medium Enterprises (SMEs), infrastructure, trade, investment and tourism. These recommendations ranged from the establishment of concrete institutions, particularly in the case of SMEs which were viewed by the participants as
“a vital engine of growth for the economies of many Asian and European countries” (AEBF, 1997, s.1), including the establishment of ASEMConnect to provide online consultancy and business-matching services to SMEs, and SME Centres to provide support to small and medium enterprises in relation to information, skill and human resource development, the market, finance and technology, to activities such as the facilitation of visas and the organisation of conferences and exhibitions. These activities were continued at the third AEBF, held in London on 1st-3rd April 1998, with consideration being given to the discussions of various working groups.

On the political side, a Senior Officials’ Meeting, reporting to the Foreign Ministers, has been established. This was first held in Dublin on 20th December 1996, and met two further times prior to ASEM II, in Luxembourg on 30th-31st October 1997 and in London on 19th-20th February 1998. While a Chairman’s Statement is compiled after each meeting and distributed among participants, it is not made publicly available. In addition to the SOM, a Coordinators’ Meeting comprising the EU Presidency, the European Commission and one representative from each of Northeast and Southeast Asia, meets on an ad hoc basis. The primary sub-Heads of State and Government institution for political dialogue, however, is the ASEM Foreign Ministers’ Meeting (FMM), the first of which was held in Singapore on 14th-15th February 1997. Here, little substantive progress was made, with the meeting serving more as an introductory familiarisation get-together.

ASEM II, held in London on 3rd-4th April 1998, was a more sombre occasion than ASEM I, convened as it was in the wake of the Asian financial collapse. The summit, however, achieved comparatively little in addressing the financial crisis, though it did establish a World Bank administered ASEM Trust Fund to investigate ways to reform the financial sector, and to study effective ways of dealing with poverty in Asia, as well as a European Financial Expertise Network (EFEX) to provide expert advice to Asian governments. In addition, the Europeans agreed to keep the door open to Asian goods, maintaining at least the existing level of market access and thus allowing Asian nations to attempt to export their way out of the crisis. “More seriously”, comments Rüland (2001b, p.63), “Asia’s economic decline was a source of thinly veiled schadenfreude for those Europeans who felt offended by what they viewed as the hubris of Asianists in the boom years prior to the crisis”. Now that

257 For a fuller view of the proposals for ASEMConnect and the SME Centres, see Annexes 1 and 2 to
profit was not to be so easily had from the region, and with the corresponding feeling in certain sectors that the expediency of privileging economics over politics was no longer necessary or useful, calls came from some Europeans for the exertion of pressure on Asian governments to address certain social and political ills that it was felt were the direct cause of the crisis. As such, if it was the role of the first ASEM period to create a new partnership, it became the place of the second to ensure that this new process did not fall apart under the pressure of the crisis and surrounding tensions.

In addition to the few measures outlined, the ASEM II summit released a *Statement on the Financial and Economic Situation in Asia*, which effectively amounted to a victory for those ASEM members, primarily the European Union and its Member States and Japan, in favour of a multilateral global economic governance architecture, and a defeat for those, predominantly ASEAN, participants that had been opposed to what were seen as Western-dominated machinery for economic imperialism. A change in power relations resulting from the crisis gave more force to the EU’s position, which in turn was a part of a broader Western approach to economic governance, allowing the composition of such a statement. The Statement, unanimously agreed by all ASEM participants, effectively endorsed the role of the WTO, IMF and World Bank in addressing the crisis, and recognised the rules, norms and values of these organisations as underpinning the fabric of the global economy. Of particular importance were:

- calls for “a strengthened capacity of the IMF to respond to financial difficulties in a timely and decisive manner”, combined with strengthened IMF-led “cooperation, regulation and supervision in financial sectors”, including an investigation into ways to increase transparency in financial and capital markets, and the creation of a regional surveillance mechanism (ASEM, 1998c, s.4);

- support for the efforts of the World Bank and the Asian Development Bank in financial sector reform (s.7) and in addressing the socio-economic impact of the crisis (s.11); and

the Chairman’s Statement respectively.
- a commitment to resist protectionist measures, to pursue further multilateral liberalisation, and to act in a manner consistent with WTO rules (s.14).

These commitments to multilateral fora were combined with specific undertakings for the full and rapid implementation of the IPAP and TFAP (s.16), themselves premised upon multilateral liberalisation initiatives, and for improvement of the climate for private investment (s.5).

Aside from consideration of the financial crisis, ASEM II continued the role established in 1996 of allowing leaders an opportunity to discuss a broad range of issues in an atmosphere absent of recriminations, and of outlining general foci for the next two years, while also allowing a review of progress to date. Indicative of the desire to keep the process going was the absence from general discussions of human rights, which had previously been included at ASEM I, but was pushed into the wings of the second summit where bilateral leader-to-leader discussions were held, including a discussion of East Timor between the Portuguese Prime Minister and the Indonesian President. The absence of human rights and democracy from the agenda was raised as a matter of concern at the Asia-Europe Peoples’ Forum (AEPF), a meeting of NGOs held in parallel to the ASEM Summit, which had itself pushed for a heavy human rights focus and the translation of commitments into action (ASEM Watch, 1998). Says Lim (2001, p.97), “[t]he informal nature of summits is designed to create an atmosphere conducive to good relations”. By pushing human rights discussion into the summit margins, “the atmosphere of camaraderie was maintained” (ibid.). The end result was a summit drained of contentious issues.

The meeting indicated a commitment to the continuation of the relationship by establishing an Asia-Europe Vision Group (AEVG) to develop a medium to long-term vision for ASEM, and by adopting an Asia-Europe Cooperation Framework (AECF) (ASEM, 1998b, para.21). The leaders also adopted the TFAP and IPAP, the development of which had been the foci of the economic dialogue since ASEM I (ibid.). In terms of concrete institutions, an Asia-Europe Environmental Technology Centre was launched, which was to be located in Thailand. Support was also expressed for the establishment of new institutions to address issues, exchange views and extend technical cooperation on the sustainable development of megacities through the creation of the Asia-Europe Forum of Governors of Cities (AEFGC), and
on agriculture with the setting-up of an Asia-Europe Agricultural Forum (AEAF) (para.22).

The network of sub-summit economic dialogues that took place between ASEM's II and III was extensive, including the second Finance Ministers’ Meeting\textsuperscript{258} and two finance SOMs,\textsuperscript{259} the second Economic Ministers’ Meeting\textsuperscript{260} the fourth, fifth and sixth Senior Officials’ Meetings on Trade and Investment\textsuperscript{261}, the second Investment Experts’ Group Meeting\textsuperscript{262} and the fourth and fifth Asia-Europe Business Forums.\textsuperscript{263} In addition, a range of seminars and meetings were held to explore specific areas of cooperation, such as customs,\textsuperscript{264} intellectual property\textsuperscript{265} and so on.\textsuperscript{266}

During this second inter-Summit period, the structure and working practices of the economic dialogue became more firmly established, with it rapidly becoming clear that the institutional framework of ASEM differed, at least in terms of economic cooperation, from that of the EU-ASEAN dialogue in two key ways. The first was its recognition of the need for an orientation towards goal achievement, with a gradual move in all structures towards the promotion of concrete deliverables. The second Economic Ministers’ Meeting was a clear indication of this. Here, in addition to providing an overview of progress since the previous EMM, Ministers took note of deficiencies in cooperation and, in contrast to the established pattern of the EU-ASEAN framework, set priorities and methods for overcoming these deficiencies. This was the case specifically with regard to the TFAP, in relation to which it was recognised that more concrete steps towards the removal of trade barriers needed to be achieved. As such, SOMTI was directed to prepare a full report of concrete

\textsuperscript{258} Held in Frankfurt on 15\textsuperscript{th}-16\textsuperscript{th} January 1999.
\textsuperscript{259} Held in Vienna on 18\textsuperscript{th} December 1999, and Paris on 14\textsuperscript{th} September 2000.
\textsuperscript{260} Held in Berlin on 9\textsuperscript{th}-10\textsuperscript{th} October 1999.
\textsuperscript{261} Held in Singapore on 11\textsuperscript{th}-13\textsuperscript{th} February 1999, Brussels on 7\textsuperscript{th}-8\textsuperscript{th} July 1999, and Seoul on 12\textsuperscript{th}-13\textsuperscript{th} May 2000.
\textsuperscript{262} Held in Singapore on 11\textsuperscript{th}-12 February 1999.
\textsuperscript{263} Held on Seoul on 29\textsuperscript{th} September-1\textsuperscript{st} October 1999, and Vienna on 29\textsuperscript{th}-30\textsuperscript{th} September 2000.
\textsuperscript{264} These include: the first TFAP Thematic Meeting on Standards, Testing, Certification, Accreditation and Technical Regulation, held in Brussels on 30\textsuperscript{th} September-2\textsuperscript{nd} October 1998; Seminar on Simplification and Harmonisation of Customs Procedures, held in Manila on 23\textsuperscript{rd}-25\textsuperscript{th} February 1999; the second TFAP Thematic Meeting on Standards, Testing and Certification, held in Korea on 10\textsuperscript{th}-12\textsuperscript{th} March 1999; second Seminar on Quarantine and SPS Procedures, held in Beijing on 23\textsuperscript{rd}-26\textsuperscript{th} November 1999; fourth Meeting on Standards Conformity and Assessment, held in Bangkok on 28\textsuperscript{th} February-1\textsuperscript{st} March 2000; third Seminar on Quarantine and SPS Procedures, held in The Hague on 11\textsuperscript{th}-14\textsuperscript{th} September 2000.
\textsuperscript{265} Including: first Seminar on Intellectual Property Rights, held in Paris on 24\textsuperscript{th}-25\textsuperscript{th} June 1999; second Seminar on Intellectual Property Rights, held in Nakornratchasima on 16\textsuperscript{th}-18\textsuperscript{th} March 2000.
achievements prior to ASEM III, the first step in what was to become a continuing process of goal-setting and performance evaluation involving all of the primary economic dialogue structures. While actual achievements were only modest, the recognition of the desirability of such, combined with a slow movement in that direction, were themselves factors almost entirely missing in interregional EU-ASEAN relations.

The second element of difference that was increasingly established post-ASEM II and pre-ASEM III was the nature of the institutional structure as a cooperative network. In contrast to the EU-ASEAN framework where inter-institutional dialogue was minimal, involving at most an acknowledgement of the activity of another institution, links between the various organs of ASEM cooperation proliferated, leading to an increasingly active and dynamic dialogue between these various institutions in, for example, the formulation of recommendations to be channeled to the ASEM Summit Meeting, and in the search for solutions to specific problems. Thus it was recognised that trade and investment were so closely linked, that it was necessary to establish and maintain lines of communication between the TFAP and IPAP Shepherds (SOMTI, 1999a, para.8), and that the TFAP and IPAP Taskforces established by the AEBF could provide contact-points channelling private sector inputs to senior officials on the implementation of these respective action plans (SOMTI, 1999a, para.10; 1999b, para.7), with the officials at SOMTI VI asserting that “these linkages are a positive step toward enhanced communication and understanding between officials and the business community” (1999b, para.17). The result was a regular system of channelling queries and recommendations between institutions. The AEBF, for example, conducts a continuing appraisal and reappraisal of trade and investment issues as they affect the private sector through its IPAP and TFAP Task Forces, and through its Working Groups, which by AEBF VII in 2002 numbered eight, addressing the topics of: trade, investment, financial services, information and communication technology, infrastructure, life sciences and healthcare, food, and environment. These Working Groups regularly issue recommendations for actions which the Business Forum would like to see adopted into the ASEM process. Importantly, these recommendations are actually considered

266 Also included: Seminar on Public Procurement, held in Germany on 14th-15th September 1999; Seminar on the Distribution Sector, held in Belgium in September 1999; Seminar on Industrial Districts and International Technology Transfer, held in Bari on 4th-5th October 1999.
by SOMTI, with the proposals from AEBF V, for example, triggering an extensive, formal, point-by-point response from the senior officials. Further to this, interaction between the various institutions evolved to the point where representatives from one body regularly participate in the meetings of another, with one example being the presence of AEBF representatives at the second Economic Ministers’ Meeting in 1999.

In contrast, the political process did not see substantive improvement in the period between ASEMs. Four Senior Officials’ Meetings were convened, though only one of these, held in Bangkok on 27th-28th October 1998, met prior to the Foreign Ministers’ Meeting. The Bangkok SOM, however, established a set of criteria to be followed in organising ASEM activities, with their recommendations subsequently being accepted by the second FMM. The FMM, convened in Berlin on 28th-29th March 1999, then went on to utilise these new guidelines in endorsing a range of new ASEM activities including an ASEM Experts’ Meeting on the Protection and Promotion of Cultural Heritage, a conference on the role of the state and market, seminars on labour relations and on traditional and modern medicines in healthcare, and the establishment of ASEM Education Hubs. Aside from these few concrete achievements, the Ministerial Meeting remained largely declaratory in nature, with the 36 paragraphs of Chairman’s Statement providing little that was substantive or new.

If ASEM I, occurring as it did during a period of economic optimism, was seen as an opportunity to introduce a new form of partnership between Asia and Europe, and ASEM II taking place during the financial crisis, was largely characterised by ensuring continuance of the new forum and a steady-as-she-goes attitude, ASEM III was expected to reinforce the place of the process in the external relations of the participant states. Indeed, the European Commission asserted in its pre-ASEM III working document that the summit “will have the task of confirming and enhancing the importance of this partnership... and indeed of maintaining its momentum and relevance, to counter any sentiments of “fatigue” in the ASEM process” (European Commission, 2000b, s.1).

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268 The other three SOMs were convened in Rovaniemi on 2nd-4th November 1999, Lisbon on 2nd-3rd May 2000 and Seoul on 19th-20th September 2000.
One of the key planks in the reinforcement of the process was the work of the Asia-Europe Vision Group (AEVG). The AEVG, which had first been mooted by Korea in the wake of ASEM I and formally established at the second ASEM Summit, had met five times between April 1998 and February 1999. It delivered its report to the second Foreign Ministers’ Meeting in Berlin in March 1999, prior to ASEM III, asserting that, “[a]fter four years, it is time to move to a new and deeper phase of Asia-Europe relations… guided by an overarching vision which articulates the overall goal of strengthening relations between the two regions” (AEVG, 1999, p.i). Importantly, the report also stated that “[i]t should be the vision which drives the process, and not vice versa” (ibid.). In other words, it was necessary to develop a proactive dialogue process. Further, it was made clear by the Vision Group that this proactive process would be characterised by a move “systematically to implement projects which can make significant contributions toward achievement of the vision”, rather than the “disorderly multiplication of ASEM activities” (p.2). The AEVG’s terms of reference had characterised the ASEM process as “aimed at developing a comprehensive partnership” (p.36), the phrase recalling the emphasis on dialogue across the economic, political and cultural spheres at the launching of the process. This expansive characterisation of relations was further reinforced with the assertion that the group was to examine the ‘full-scope’ of relations, with a focus on identifying both the close ties and weak links in the dialogue, and on “identify[ing] and recommend[ing] practical measures for advancing the development of ASEM through cooperation in the political, economic, cultural and other spheres” (ibid.).

The final Vision Group Report, despite the initial emphasis on a comprehensive partnership, and reflecting the pattern during the previous years, focused more on economics than on any other sphere. It made nine major recommendations of which five fell under the heading ‘Sustaining Economic Partnership’, one under ‘Meeting the Environmental Challenge’, two under ‘Enhancing Educational, Cultural and Societal Changes’ and one, the affirmation of the principles of good governance, under ‘Promoting Political and Security Cooperation’. Further, it is yet to be seen whether the goals set out by the Vision Group constitute an overarching vision toward which cooperation may be geared in the years to come. While valuable targets for cooperative endeavour, the recommendations contained in the report seem to be either a step too far, or too easily accomplished. In the case of the former, it is as yet unclear whether the ASEM
partners are willing, or more to the point, able to accomplish such goals as ‘free trade in goods and services by 2025’ (p.5). It seems unlikely that ASEAN let alone the European Union or China will be willing in the near future to effectively roll-back protection on sensitive sectors of their economies, or even that certain member states, Vietnam in the first instance accompanied by Laos and Cambodia when they eventually join, will be able to do this without suffering economic hardship. Questions may also be raised as to whether non-tariff barriers to trade in goods, for example human rights and labour standards,\textsuperscript{269} will be either dropped by, particularly, the EU, or met by, for example, China. Put simply, it seems unlikely that the two primary regional partners within ASEM, the European Union and the Association of Southeast Asian Nations, will possess sufficient actorness in the coming years to achieve this objective, and it is perfectly clear that at the present they do not. Such goals, therefore, may at this stage be simply a step to far, resulting in lip-service to the principles, but lack of any real endeavour to achieve them.\textsuperscript{270} This is exacerbated by the nature of most ASEM outputs as informal or, at best, semi-formal.

On the flip-side, certain recommendations by the Vision Group may be too easily accomplished to constitute a sufficient plank in a broader ‘vision’. As an example, the AEVG’s third major recommendation is for the establishment of a network of Asia-Europe Business Advisory Councils (BACs) “to institute high level dialogue to promote Asia-Europe investment, with a membership including national government leaders and the CEOs of companies, domestic and foreign” (p.10).\textsuperscript{271} This is a goal that can be comparatively easily achieved in the short term, the EU and

\textsuperscript{269} The use of prison-labour on production lines in China being one interesting example.

\textsuperscript{270} In this category may also be included recommendation nine on affirming the principles of good governance, involving fulfilling the following (AEVG, 1999, p.28):
- respect for civil and political rights, as stipulated in the International Covenant on Civil and Political Rights;
- respect for social, economic and cultural rights, as stipulated in the International Covenant on Economic, Social and Cultural Rights;
- the establishment and maintenance of institutions and practices that guarantee the above rights.

Given past experience in, for example, the EU-ASEAN dialogue, and in relations with China, it seems unlikely that any comprehensive solutions to difficulties relating to the above outline of ‘good governance’ are achievable. What seems more likely is that the premising of good governance on the twin covenants will have the effect of reinforcing the oft-stated position that economic, social and cultural rights are both more important for developing states, and the necessary foundation on which civil and political rights must rest, and that the achievement of these is paramount, therefore justifying an ‘ostensibly’ lack of progress in guaranteeing civil and political rights.

\textsuperscript{271} See also: recommendation five – an ASEM Information Technology Council (AEVG, 1999, p.14); recommendation six – an ASEM Environment Centre (p.20); recommendation seven – a Declaration on Education (p.22); and recommendation eight – an ASEM Scholarship Programme (ibid.).
ASEAN do, after all, have significant experience in creating new advisory councils and information centres, even if many of them do not do a great deal in the long run. Indeed, as with much institutional proliferation between Europe and Asia, the underlying question is whether such councils and information centres will be substantive or merely formal in nature. In sum, therefore, the AEVG’s report misses the target of creating an overarching vision, its shots fired being either too long or too short.

Reflecting the failure of the Vision Group to provide a new and dynamic focus for the Asia-Europe relationship, ASEM III, held in Seoul on 20th-21st October 2000, failed to fulfil the expectations initially heaped upon it. The leaders present welcomed the AEVG report, and adopted the Asia-Europe Cooperation Framework (AECF) 2000, expanding on the foundation set by ASEM II’s AECF which set out the visions, principles, priorities and mechanisms of ASEM cooperation. AECF 2000, however, was not a revolutionary document, simply outlining the process as it had emerged over the previous four years. Its only real contribution to ASEM was the introduction of a new dialogue on the sustainable development of the two regions and of the global economy, including important socio-economic issues (ASEM, 2000e, para.16).

Korean assertions that the third summit had provided the momentum necessary to renew the ASEM process, with the meeting’s chief planner Yim Sung-joon asserting that “[t]he Seoul ASEM was like an injection administering nutrition” (Shin, 2000a), notwithstanding, discussions at ASEM III were less than captivating, with leaders reading from prepared statements rather than engaging in real dialogue (Yeo, 2002). On the political side, the ASEM Chairman’s Statement saw the expression of commitment to a number of issues, including, after their exclusion from ASEM II, the re-emergence of reference to the promotion and protection of human rights, democracy and the rule of law (ASEM, 2000b, para.8), as well as migration, transnational crime, narcotics (para.9) and so on. The resurrection of human rights dialogue at ASEM III had been forecast in the recommendations of the AEVG, and also in a speech delivered by Commissioner Chris Patten to the European Chamber of Commerce in Hong Kong on 18th October 2000, the eve of the summit meeting. In it, he placed a strong emphasis on human rights, democracy and the rule of law, arguing that the positions of those who asserted economic growth need not be accompanied by political rights and clean government were “swept away in the storms of 1997 and 1998”, attesting that “countries like Thailand and South Korea have recovered by
recognising the close connection between economic and political freedom” (Patten, 2000).

Despite expressed commitments on a number of such issues, the European and Asian participants were hesitant about discussing ‘hard’ political and security issues (Fouquet, 2002, p.3). As a result, the bulk of discourse, revolved around reviewing events, with no proactive summit-level actions to address issues of common concern. Interestingly, the summit itself was characterised less by Asia-Europe issues, than it was by intra-Asian issues, with the meeting being, in the words of Fouquet (p.1), “heavily influenced by the drama and publicity surrounding the historic steps undertaken by its host, President Kim Dae-jung, to move towards reconciliation and ultimate reunification between North and South Korea”. In this respect, the Seoul Declaration for Peace on the Korean Peninsula was agreed by the ASEM III leaders, though it too failed to introduce anything dynamic into the political dialogue process, again amounting to a review of progress, coupled with an assertion of willingness to contribute to peace and confidence-building measures on the Korean Peninsula (ASEM, 2000d). Indeed, the Seoul Declaration had only been possible when the Europeans acceded to a request by China and some other Asian states for the deletion of a clause referring to weapons of mass destruction (Shin, 2000). Leaders also agreed on the first day of the summit to reduce in future the scope of their discussions to just one or two key topics, with observers asserting that this indicates “that the ASEM will develop from a ceremonial gathering of leaders from the two continents into a consultative body” (Shin, 2000b).

Economic dialogue again dominated the Chairman’s Statement, though simply because there was more to review, with the leaders, in essence, welcoming progress to date in the various fields of Asia-Europe economic cooperation, and recognising the need to reinforce the multilateral economic order. In addition, ASEM III endorsed a number of new initiatives, running the gamut from a roundtable on globalisation to an initiative on lifelong learning (para.19).

The period between ASEM II and ASEM III saw the convening of more sub-summit dialogue structures than ever before. Two Foreign Ministers’ Meetings were held, in Beijing on 24\textsuperscript{th}-25\textsuperscript{th} May 2001, and in Madrid on 6\textsuperscript{th}-7\textsuperscript{th} June 2002, along with their accompanying SOMs, one in Sweden on 25\textsuperscript{th}-27\textsuperscript{th} April 2001, and another in Lanzarote on 4\textsuperscript{th}-5\textsuperscript{th} April 2002. The 2002 SOM was also the opportunity for the first ASEM Ministerial Conference on Cooperation for the Management of Migratory
Flows between Europe and Asia, which was held on the 5th of April in Lanzarote. Again, these meetings did little more than reflect on global events, though two key ASEM trends were also highlighted. First, the participants placed an important emphasis on the enhancement of the role of the UN in the global system, pointing to it as the intergovernmental organisation with the most universal representation and participation (FMM, 2001, para.6). In this respect, they demonstrated opposition to unilateralism, and recognised the nesting of the ASEM process within a broader global architecture. Secondly, the ASEM states considered the future modalities of dialogue within the Asia-Europe Meeting process, with the goal of making discussions, particularly those among leaders, less formal and more interactive. New guidelines on ASEM Working Methods were therefore established at the fourth FMM, which included a suggestion that there be informal intervals and retreat sessions during summits, and that agendas be focused on just a few issues, rather than continuing the ‘everything plus the kitchen sink’ approach that had been standard up to that point. In other words, an effort was being made to recognise what had largely already become practice – that the basic cooperative endeavours were taking place below the summit level, and that leaders were increasingly undertaking only a general oversight and goal-setting function, with a liberal dose of ceremony on the side.

On the economic side, the Finance Ministers met twice, in Kobe on 13th-14th January 2001 and in Copenhagen on 5th-6th July 2002, while the Finance Deputies’ SOM met in Tokyo on 15th December 2000. These meetings were supplemented by other collaborative efforts under the FinMM umbrella including the completion of the report of the Kobe Research Project for the facilitation of interregional research,272 and the Public Debt Management Forum.

The Economic Ministers’ Meeting too convened twice during the inter-ASEM period, in Hanoi on 10th-11th September 2001 and Copenhagen on 18th-19th September 2002, immediately prior to the fourth summit. These were accompanied by two SOMTI meetings, in Brussels on 4th-5th July 2001 and Bali on 17th July 2002. In addition, the Asia-Europe Business Forum convened in Singapore on 8th-9th October 2001 and in Copenhagen parallel to EMM 4 on 18th-19th September 2002. No major innovations were the result of the EMM and SOMTI meetings, though the third Economic Ministers’ Meeting tasked the Senior Officials with exploring Vietnamese

272 Originally launched at FinMM 3.
proposals within the framework of AECF 2000 for cooperation in selected industrial sectors, including agro-technology, food processing, bio-technology, environmental technology, information technology and telecommunications, transportation and energy. Importantly, the Economic Ministers showed a wariness of structural proliferation by requiring that the SOMTI use existing frameworks such as IPAP, TFAP and AEBF, and as much as possible avoid the duplication of existing ASEM activities such as those of the Science and Technology Ministers and the Environment Ministers (EMM, 2001, para.7). The fourth EMM (2002, paras.18, 19), acting on a SOMTI proposal with a view to the further improvement of ASEM's economic pillar, charged the Economic Coordinators with a full review of current economic priorities and activities and the formulation of recommendations for consideration by EMM 5. Further progress was also made in relation to the goal achievement orientation of the ASEM process, with officials at the seventh SOMTI reaching agreement that country reports on measures taken to address Generic Trade Barriers in line with the goals established under TFAP be put online,\(^{273}\) thus making publicly available what is effectively a ‘score-card’ of achievement. Finally, the nesting of ASEM within broader fora was again recognised, with an expression of interest in operationalising at the transregional level, through the organisation of a seminar on the issue, the importance given to the concept of Public-Private Partnerships at the World Summit on Sustainable Development and at the World Water Forum.

The eighth SOMTI, convened in Bali on 17\(^{th}\) July 2002, did illustrate clearly an item previously highlighted as intrinsic to the nature of institutionalised dialogues. It was earlier asserted that such dialogues facilitate cooperation in that they are a concrete component of the external relations of an actor in a way that \textit{ad hoc} meetings can never be, and as such provide frameworks within which issues may be discussed that would not otherwise be raised. The issue of the introduction of tariffs on steel by the US was one such case. The fact that no cooperation occurred between the European and Asian partners has already been discussed.\(^{274}\) What is interesting to note here, however, is an explicit acknowledgement by a senior Commission official involved in the process that the institutionalised ASEM process allowed the issue to be raised where otherwise “you would probably not organise a meeting of ASEM partners just to discuss steel” (Interview Material). The possibility of raising such

\(^{273}\) Through the European Commission website.
issues is deliberately facilitated by ASEM through two key innovations. The first is the rule that no issue will be excluded *a priori*, thus allowing participants to broach a wide range of topics of interest to them. The second is the inclusion within the agenda of a section entitled ‘Regional Developments’, which is not defined in advance. This again allows participants to put forward at the meetings further subjects of specific interest (Interview Material).

The Asia-Europe Business Forum, through its sixth and seventh meetings in Singapore on 9th October 2001 and Copenhagen on 18th-20th September 2002 respectively, continued the process of considering key sectoral issues and making recommendations to ASEM governmental fora. A key innovation in this respect was the introduction at AEBF 7 of an horizontal component into debate, such that the key themes were discussed not only in the plenary session, but also in the various working groups, and were correspondingly reflected in the recommendations of these groups (AEBF, 2002). The seventh AEBF also made a contribution to the further development of inter-institutional dialogue, being convened as it was simultaneously with the fourth EMM. As a result, a number of linkages took place, including a joint opening reception, the invitation of Economic Ministers to AEBF’s formal dinner, and the participation of Economic Ministers in the closing plenary session of the Business Forum (ibid.). This closer interaction was deemed valuable enough that the Economic Ministers recommended it as a useful model for the future (EMM, 2002, para.28).

Finally, ASEM Environmental Ministers met for the first time in Beijing on 17th January 2002. The Environmental Ministers’ Meeting (EnvMM) adopted a broad definition of environmental issues, urging cooperation in the fields of poverty eradication, energy and environment, water, combating desertification, forest degradation (including land and forest fires and illegal logging), release of chemicals into the environment, urban environment, bio-safety, coastal and marine protection, cleaner production technologies, ecological conservation, climate change, environmental policies and legislation and promoting sustainable livelihoods (EnvMM, 2002, para.10). In recognising the global nature of environmental problems, the ASEM forum was once again seen as a transregional support for multilateral fora, with reference being made to the need to ensure ratification of the Cartagena Protocol on Biosafety and Persistent Organic Pollutants (POPs) Convention (para.11), as well

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274 See Balancing chapter.
as expressing a commitment to the United Nations Framework Convention on Climate Change and the Kyoto Protocol as the framework for multilateral cooperation on environmental issues. With respect to sustainable development, EnvMM also highlighted multilateral fora, particularly the United Nations Conference on Conservation and Development (UNCED) and the World Summit on Sustainable Development (WSSD).

ASEM IV, held in Copenhagen on 22nd-24th September 2002, was convened a little more than a year after the Twin Towers and the Pentagon were struck by aircraft piloted by Al-Qaeda terrorists.\(^{275}\) The long shadow of these events hung over the summit, effectively dictating much of its content. Indeed, said the Danish Prime Minister, Anders Fogh Rasmussen, "[t]he overall theme of the summit... can be summed up in two main issues – globalization and counter-terrorism" (Sun, 2002). The meeting was again confronted by what Fouquet terms its "permanent challenge of producing convincing results from what was begun as an informal process" (Fouquet, 2002, p.1), and by the need to prove itself by rising above conflicts over contentious issues and the heavy emphasis on economics that had been characteristic of ASEM's I to III, to establish a truly comprehensive dialogue between the European and Asian partners. Recognising these past deficiencies, Romano Prodi (2002, p.62) stated in his opening address to the summit that ASEM IV "must send a strong message [that] Asian and European leaders meet regularly to discuss issues of mutual interest and concern". In this respect, the terror attacks provided a much-needed catalyst.

Given the continuing inability to set proactive agendas, the events of September 11 provided the spur needed for the expansion of discussions in the Asia-Europe relationship into areas other than economics. The European Commission working paper on the fourth ASEM summit indicated the place the events of September 11 would have in determining dialogue, with a section on the impact of international events on politics being dedicated entirely to the terrorist attack. Indeed, in his opening speech to ASEM IV, the Danish Prime Minister asserted that, "[i]n the light of the tragic events of September 11, the bridge-building role of ASEM is even more called for" (Rasmussen, 2002, p.56). For the first time, then, dialogue worthy of the name was conducted under the political and cultural pillars, making this summit the high-water mark to date in the ASEM process.

\(^{275}\) Greater consideration of Asia-Europe relations and the War on Terror is given under Balancing.
September 11 affected ASEM IV in two key areas. First, it injected a sense of urgency into political discussion, introducing an issue not obviously one of contention between the parties, but which nevertheless concerned both. “The focus on politics rather than just trade and business marks”, in the words of Islam (2002, p.10), “an important victory for Europe which has long insisted that ASEM must be about more than promoting Asia-Europe economic relations”. The summit’s political dialogue allowed a free exchange of views on international terrorism, and produced two documents relating to this – the Declaration on Cooperation against International Terrorism (2002c) and the Cooperation Programme on Fighting International Terrorism (2002b) – recognising that “acts of international terrorism constitute one of the most serious threats to international peace and security and a challenge to all states and to all of humanity” (ASEM, 2002c, para.1).

In institutional terms, the political dialogue at ASEM led to range of measures targeting terrorism, including the establishment of an informal ad hoc consultative mechanism allowing the exchange of information among relevant regional and national agencies to facilitate cooperation in the fight against international terrorism and transnational crime (para.9) and allowing ASEM Coordinators and Senior Officials to ‘confer expeditiously’ on significant international events (ASEM, 2002b). Further, agreement was reached on the convening of an ASEM anti-terrorism seminar and a symposium on underground banking (ibid.). With the US becoming more belligerent over Iraq, the summit also made clear a common fear among European and Asian states of American unilateralism, leading to an assertion of the need for multilateral approaches, with an emphasis on the central role to be played by the UN, in combating terrorism (ASEM, 2002a). The ASEM states thus reached an agreement to seek the full implementation of UN Security Council Resolution 1373 (ASEM, 2001)\textsuperscript{276} and to cooperate with the UN Counter-Terrorism Committee, as well as pursuing early accession to, and implementation of, international conventions and protocols on terrorism and organised crime, including facilitation of the early entry into force of the UN Convention against Transnational Organised Crime and finalisation of the new United Nations Comprehensive Convention on International Terrorism and the International Convention for the Suppression of Acts of Nuclear Terrorism.

\textsuperscript{276} On strategies to combat terrorism.
The second effect of September 11 was felt in the cultural pillar, previously the poor cousin to economic and political dialogue in the ASEM process. Growing fears of an apparent ‘clash of civilisations’ provided an impetus for cultural discussion and cooperation in order to refute the scenario. The Commission’s pre-summit working paper, tellingly titled *Unity and Strength in Diversity*, emphasised the cultural element of dialogue, and highlighted the need for greater civil society involvement. Indeed, Romano Prodi asserted that public discussion in the wake of the terror attacks had demonstrated a need for “a debate between cultures and civilisations” (Prodi, 2002, p.63), and Chris Patten (2002), in a speech to a plenary session of the European Parliament prior to the summit, stated that “[o]ne of the major assets of ASEM is the opportunity to engage leaders from various cultures and civilisations... in order to draw strength from unity in diversity”.

For the first time at ASEM IV, the leaders held a retreat session under the heading ‘Dialogue on Cultures and Civilisations’. “Strangely”, in the analysis of Subhan, there is no summary of discussions, leaving us only with the assertion that the encounter was conducted “on the basis of respect for the equal dignity of all civilizations and the conviction that cultural diversity is an asset” (ASEM, 2002a) to mull over. Some progress must nevertheless have been made, as a concept paper proposed by Singapore and co-sponsored by China, Denmark, France, Indonesia and Malaysia was issued in its aftermath, calling for the convening of an ASEM Conference on Cultures and Civilisations to be held in the first half of 2003. This, alongside the building of mutual understanding through the activities of ASEF, became a central element in the Cooperation Programme on Fighting International Terrorism (ASEM, 2002b).

Finally, despite the events of September 11, ASEM IV was again dominated by economics, much of the groundwork for which had been laid by the fourth Finance Ministers’ Meeting in July and the fourth Economic Ministers’ Meeting, convened in Copenhagen immediately prior to the summit in September. Participants considered the increasing globalisation of the economy, and reaffirmed their commitment to an open multilateral trading system, and to the work of the WTO in this respect. Again, much emphasis was placed on the need to cooperate within a multilateral framework,

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277 This title had effectively become the Commission catch-phrase in the lead-up to, and during, ASEM IV. No speech by a Commissioner was considered complete without the inclusion of some formulation of this theme.
with the apparent view of ASEM being nested within broader regimes being reinforced by an agreement that ASEM participants would hold two rounds of consultation on WTO issues prior to the Cancun Ministerial on 10th-14th September 2003. On the institutional side, measures were agreed to foster a closer ASEM economic partnership, including the establishment of an ‘action-oriented’ taskforce to consider improved cooperation and closer integration in the fields of trade, investment and finance, including investigation of the creation of a Eurobond market in Asia, and the use of the Euro as an international currency (ASEM, 2002a).

On its conclusion, Chinese Premier Zhu Rongji praised the summit as having been a milestone in the Asia-Europe Meeting process, claiming that “ASEM has proved it has boundless vitality and vigour” (Sun, 2002). This is somewhat over-optimistic, with Yeo (2002) providing perhaps the best characterisation of the fourth summit with the assertion that “[t]here was no sparkle, no heat and no climax” and that “it was not sexy, but was as good as it gets”. Indeed, the period following ASEM III, including the fourth summit and more recent meetings, have demonstrated the concretisation of a trend that had been apparent since the launching of the process in 1996 – the move to push cooperation to the sub-summit level. Thus, the bulk of negotiation has taken place in the various FMMs, FinMMs, EMMs and so on, with the summit increasingly exercising a simple authoritative legitimation and goal-setting function.

Only a handful of major ASEM meetings have been held since ASEM IV in late 2002, all in the wake of the Bali bombing of 12th October 2002. This continuing volatility in the global security situation led to further emphasis in these meetings on improving the functioning of the ASEM architecture. The fifth Foreign Ministers’ Meeting, convened in Bali on 22nd-24th July 2003, was dominated by the changed international situation, with particular attention devoted to the War on Terror, including such issues as post-War Iraq, and with the Korean Peninsula and the Middle East Peace Process also being addressed (FMM, 2003, para.7). The participants continued the recent trend in ASEM, declaring a multilateral approach to be the preferred option when confronting the modern politico-security situation. The FMM also endorsed the proposals of the SOMs, convened in Jakarta on 12th-13th May and Bali on 22nd-23rd July, for the strengthening of consultation on political issues,

278 The conference was eventually convened in Beijing on 3rd-4th December 2003.
including a commitment to convene *ad hoc* consultative meetings of ASEM partners when deemed necessary by consensus, singling out the community of Permanent Representatives at the UN in New York for particular mention in this instance (para.5).

Improvements to procedure were a major theme under the economic pillar too, with SOMTI 9 in Paris on 6th June issuing recommendations stemming from the Economic Coordinators’ review of ASEM economic activity. Among the institutional changes suggested, three core contributions to the continuing process of bureaucratising cooperation may be identified:

- that SOMTI meet annually, irrespective of the EMM’s timetable, and that the essential part of their meetings be devoted to policy debate;
- that the Economic Coordinators be given an enhanced coordination role to confer with ASEM partners and to identify key issues for SOMTI policy debate or procedural decision; and
- that dialogues be focused on carefully defined and time-limited projects.

These recommendations were endorsed by the Ministers at EMM 5 in Dalian on 23rd-24th July.

Multilateralism was again endorsed in the economic sphere, with Ministers at EMM 5 devoting considerable attention to the WTO, and to the achievement of WTO goals through ASEM cooperation, to the UN and to the continuing process of ASEM experts’ discussions in the wings of multilateral fora. WTO goals, too, were a theme in the fifth Finance Ministers’ Meeting, held in Bali on 5th-6th July 2003 (FinMM, 2003, paras.4-5). The trend toward the reinforcement of multilateralism had been further highlighted on 24th-25th March 2003 with the meeting of the ASEM Symposium on Multilateral and Regional Economic Relations in Tokyo, which brought business, academic and government representatives together to consider three main topic areas: the contribution of ASEM to the Doha Round of WTO negotiations, lessons from EU integration for closer economic partnership in Asia, and Asia-Europe cooperation beyond the Doha Round.

In addition to the creation of cooperative structures, the second element of institution building, that of socialisation into, and adherence to, the web of rules, norms and values that facilitate and constrain global relations was also evident as a result of the ASEM process. In the post-Cold War world, conflicting views were held of the emerging international architecture. While on one side it was held that a new
trilateralism would emerge to replace US-Soviet bipolarism, it was feared by some that the lack of an overarching security concern drawing states together, combined with the increasing paramountcy of economics in international relations, would lead inevitably to a trade war among the trilateral economic powers – the US, the EU and Japan in most conceptions (Hänggi, 1999, pp.58-59). Such fears were given added saliency by trade tensions between the US and Japan, and, on agricultural matters, between the US and the EU, which resulted in deadlock during the Uruguay Round of GATT negotiations. As Hänggi (p.59) points out, however, “[n]either the (liberal) vision of a trilateral concert nor the (realist) fears of a trilateral struggle came true”, though continuing worries over a possible falling-out among the three poles of the triad led to calls for a strengthening of the links between them, and the establishment of mechanisms for the amicable settlement of disputes. By the mid-1990s, the conception of an US-EU-Japan triad had been replaced by a triad of major regions – the European Union, a US dominated North America, and a Japan dominated East Asia. Calls for a strengthening of the tri-polar architecture continued, and it was in this respect that the Asia-Europe Meeting was initially proposed. ASEM was originally envisaged as an economic and commercial forum, designed to fill in the missing link in trilateral relations, and to provide a forum, similar to APEC, for the alleviation of trade-related tensions and the negotiation of collective agreements. It is in this respect that ASEM has been explored by Cammack (1999) as a problem-solving institution.

Cammack argues that, while ASEM emerged as a means of facilitating inter-regional dialogue, it has increasingly been utilised domestically “as an auxiliary means of imposing – developing and reinforcing – the hegemony of capital” (p.14). In other words, it can serve as a means of reconstituting domestic societies along specific lines. Such ‘institutional nesting’ (Aggarwal, 1994) is not new to regional integration theory, with it having often been argued that their participation in regional arrangements may be utilised by political elites in order to overcome domestic resistance to political or economic change, with such bodies acting as a scapegoat with whom it may be claimed responsibility lies. This has been explored particularly in the case of post-bipolar reforms among the Central and Eastern European Countries (CEECs) and their future accession to the European Union (Smith, 1999). In Cammack’s formulation, it is argued that the ASEM process, at least prior to the 1997 crisis, served as a means for European states to convey to their publics the self-
discipline and self-reliance of domestic populations seen to have been essential components in Asia's economic success. Thus, in 1995 former British Prime Minister Margaret Thatcher noted the "fundamentally vigorous values" of Asia, including the perception that the citizenry are "very hard working, they are very keen on self-improvement, are very family-minded", identifying these as "some of the fundamentally vigorous virtues which are enabling [Asia] to achieve a rate of growth that is phenomenal" (Weekend Australian, 1995, p.4). It was these perceptions that led many prominent Western practitioners to muse on the value of introducing similar values and ethics into their own social structures. The belief that something could be learnt from Asian values in order to achieve economic success through the strengthening of the hegemony of capital over labour lasted only as long as Asian economic ascendancy, and largely disappeared in the wake of the economic crisis that began in 1997. Looking at the other side of the equation, Cammack (1999, p.14) points to the role of ASEM in "transmit[ting] into Asia the message that there is no alternative to global neoliberalism". In this respect, the ASEM process has, it is argued, particularly since the economic crisis, been instrumental in enforcing the disciplines of neoliberalism and the global market on Asian societies.

To this domestic purpose of ASEM in spreading neoliberal economic ideals may be added its role in reformulating and projecting such ideals on a global scale. Comments Archer (1992, p.168) of socialisation, "over a period of time, states' governments can become 'socialized' to act in a certain way that is acceptable to the rest of the international community, or to adopt a certain common value system". Socialisation is seen in this formulation as a support for multilateral endeavours, corresponding, therefore, to a 'building-block' rather than a 'stumbling-block' characterisation. This does not necessitate a blind loyalty to the goals of multilateral fora, but rather to the maintenance of such fora themselves, and of the broader multilateral project. This will involve bringing the practices of regional partners into line with global multilateral practice or agreements or, alternatively, altering global multilateral practice to reflect that of inter- and transregional structures. The incorporation of states into governance structures has occurred in the ASEM process in relation to the two communist participants, China and Vietnam, though it is with the former that the following discussion is primarily concerned.

279 The agenda setting function of inter-and transregional dialogues.
China's rise as an economy, combined with its increasing political and security influence, has been one of the major elements in post-bipolar international relations. Deng Xiao-Ping's economic and political reform programme, introduced to China in the early 1980s,\(^{280}\) marked the beginning of a remarkable economic ascension. Deng's reforms, undertaken under such non-Maoist slogans as 'to get rich is glorious' (Council for Asia-Europe Cooperation, 1997, p.60), led directly to China's emergence as a great power, and potentially the world's next superpower, in the 1990s. Subsequently, questions were raised as to China's political and military intentions in its immediate neighbourhood, and as to "whether China will be an integrated member of the global economic community, or a pariah, an outsider, potentially a rogue" (p.61), with Maitland and Hu (1998, p.20) warning that "[i]f China remains not a full part of the international system, it will probably become more, and not less, difficult to deal with as time passes". Put in a more positive light, one Singaporean practitioner commented that "at the end of the day, a China that has a stake in the region is good for everybody, rather than a China that is cut out of the region" (Interview Material). Calls to integrate China into the international order were therefore increasingly heard.

China's co-existence with the West, more particularly the US, was uneasy at best. As Jung and Lehmann (Council for Asia-Europe Cooperation, 1997, p.60) explain, "the relationship between China and the United States can hardly be described as healthy. Not only have the two countries a propensity for escalating tension between them, but also... their mutual relationship has been captured in internecine domestic politics", with both Chinese and American politicians using an image of being tough on the other as a useful tool in gaining political support and legitimacy at home. In Europe, however, despite concerns with regard to the Chinese regime, human rights abuses and worries over China's regional intentions, China is not a domestic political issue, and relations with China are less likely to be linked with domestic political considerations (pp.60-61).

Further, the European Union and the United States had starkly different perspectives on the Chinese threat to international security. The US, along with China's neighbours in Asia, were increasingly concerned with questions of military

\(^{280}\) An impressive achievement for a man who had twice been purged from among the Chinese leadership (the first time during the Cultural Revolution in the late 1960s, and a second time at the
security, and sought to neutralise the threat of possible Chinese aggression though the positing of a counter-threat in the form of the US, and through the incorporation of China into regional security institutions such as the ARF\textsuperscript{281} and the ASEAN PMC.\textsuperscript{282} In this vein, China acceded to the Treaty of Amity and Cooperation on 8\textsuperscript{th} October 2003. Chinese and European roles in each other’s regions, at least in military security terms, were not, argues Yahuda (1998, pp.183-184), significant compared to the United States and Japan which “impinge upon China’s security and its emergence as a rising power in ways that Europe never will”. This is not to say that the EU was not concerned with such issues. Indeed, in the 1995 \textit{Long Term Policy for China-Europe Relations} (European Commission, 1995a), the Commission, considering global and regional security, asserted that it was “in everybody’s interest... to see China demonstrating a cooperative and responsible attitude in the international community” (s.A.2). Rather, this is to say that the core European interests fell outside the military-security sphere.

It was on the economic side that European Union concerns about the emergent China were most apparent. The EU’s liberal economic security position has already been mentioned,\textsuperscript{283} and it was in the economic arena that the European Union felt its security to be most threatened. A ‘rogue’ China, it was feared, could introduce massive instability into the global economy. It was in countering this possibility that it was felt the European Union could play a constructive role. The Union’s stated focus, therefore, was to “integrate into the open, market-based world trading system those Asian countries such as China, India or Vietnam which are moving from state controls to market-oriented economies” (European Commission, 1994, p.13), and more specifically, to ensure that “China takes its place as a major player in the world system of economic rules and policies” (European Commission, 1995a, s.A.2). Indeed, non-compliance with multilateral trade rules and norms had been the source of most of the EU’s commercial disputes with China (Dent, 1999, p.144). The primary means identified for incorporating China into this system was through its accession to the WTO.

\textsuperscript{281} China has participated since the first meeting in Bangkok on 25\textsuperscript{th} July 1994.

\textsuperscript{282} Beginning at the 29\textsuperscript{th} PMC, held in Jakarta on 24\textsuperscript{th}-25\textsuperscript{th} July 1996.

\textsuperscript{283} See Theoretical Framework.
It would be wrong, however, to associate the Union’s positive position on Chinese accession to the WTO solely with economic stability, for EU penetration of the Chinese market played an equally, if not more, important role. In this respect, the process of seeking to draw states into the web of global economic governance may be viewed as a tool of EU economic actorness. The European Union does not have access to the same range of power resources to be utilised in bargaining as do its main competitive rivals, primarily the US and Japan. Its actorness in this respect is greatly limited and essentially only economic. It has already been suggested that the United States has been able to use its political and military resources to leverage market access in Asia.\(^{284}\) This is a characteristic of an holistic actor, the ability to formulate coordinated strategies comprising a range of resources including political, military and economic power. Given this comparative advantage in bilateral negotiations, the US position towards economic relations with China displayed a continued proclivity for bilateral agreements throughout the period of GATT/WTO negotiations (Dent, 1999, p.146). This, argued Dent, “provided greater incentive for the EU to promote China’s accession to the WTO so as to circumvent these agreements which were effectively disadvantaging European firms” (p.147).

China formally applied to join the multilateral trading structure in 1986, though this was phrased in terms of a resumption of its place.\(^{285}\) The negotiation of Chinese membership was to become the most protracted in GATT/WTO history, with accession not taking place until some 15 years later on 11\(^{th}\) December 2001. Under WTO rules, with which China was forced to comply, having not gained membership in the GATT prior to its supercession by the WTO on 1\(^{st}\) January 1995, the PRC was required to negotiate bilateral accession agreements with all existing WTO members, a process that led to difficulties on a number of issues, including China’s developing country status, tariff levels and exemptions. It is unnecessary to go into detail on the nature of the various negotiations, being sufficient simply to acknowledge that for these reasons, the accession process was slow, during which time a non-holistic actor such as the Union had a difficult time securing the market access agreements that the other triadic powers were establishing. When accession negotiations failed to proceed

\(^{284}\) See Balancing chapter.

\(^{285}\) The Republic of China had been a founding member of GATT in 1948, but two years later in 1950 as the Republic of China (Taiwan), had withdrawn from the agreement. The People’s Republic of China argued that the ROC’s withdrawal was not legitimate as it had not been the will of the majority of Chinese.
with any pace, an incentive was provided for the EU to seek alternative market access strategies. Indeed, as early as the New Asia Strategy in 1994, the Union had made it clear that its essential objectives in the region would include “reinforce[ing], or where it does not yet exist, establish[ing] a non-confrontational dialogue of equals to address questions of bilateral [and global] concern” including particularly “the maintenance of an open rule-based world trading system” (ASEM, 1994, p.18). Enter ASEM, which, through the participation of China, provided the opportunity to inculcate not only principles of economic governance, but also of multilateral diplomacy in the politico-strategic sphere (Interview Material). Indeed, said one MEP, “[t]he ASEM process is an attempt to create a well-ordered relationship which opens up mutual trade with... [Asia]. This attempt is necessary, especially because it includes China” (Interview Material).

China has been a member of ASEM since its launch in 1996, but, until 2001, was not a member of the WTO. The ASEM partnership has, since the outset, been dedicated to global multilateralism. Indeed, the European Commission, in its pre-ASEM I position document, made clear its belief that “[t]he ASEM meeting should... be seen in its broader geographical context... provid[ing] both European and Asian partners with the opportunity to build further on ongoing global dialogues (in the context both of the UN and of WTO) within a specific inter-regional context” (European Commission, 1996b, p.2). The Chairman’s Statement of the first Asia-Europe Meeting subsequently formally adopted broader multilateralism into the ASEM framework, asserting of the economic sphere that cooperation should “be based on the common commitment to market economy [sic], open multilateral trading system, non-discriminatory liberalisation and open regionalism” (ASEM, 1996, para.10) and should “complement and reinforce efforts to strengthen the open and rule-based trading system embodied in the WTO” (para.11). Commitment was also made in the politico-security sphere to multilateral fora such as the UN (paras.7-8). These commitments have since been a routine part of statements from ASEM institutions at all levels, and indeed, as the ASEM process has progressed, a perception of its nesting within a broader multilateral framework has become more entrenched. This perception has been reinforced as ASEM has explicitly sought to avoid non-WTO consistent, or for that matter on the politico-security side non-UN consistent, cooperation. This in turn has further served to reinforce multilateral governance structures, giving life to Abe and Plummer’s (1996, p.5) hypothesis that
"the future of the world trading system will be built around how these [triadic] poles develop internally and between each other". As has already been discussed, ASEM II was particularly forceful in dragging the participants into a global WTO-World Bank-IMF constructed neoliberal economic order. A comparative strengthening of European Union actorness as a result of the Asian crisis had effectively allowed the EU to push its perspective more strongly, leading to the introduction into ASEM of a position on the structure of global governance that had previously been opposed by a number of the Asian participants, and thus strengthening the place of global economic rules and norms in the Asia-Europe Meeting process. In this respect, the use of ASEM to achieve market access and conformity to multilateral trade principles had been a successful gambit by the Europeans.

The premising of ASEM cooperation on rules and norms generated in multilateral fora such as the WTO, despite the non-binding nature of ASEM commitments, has served to cement participants into the web of global governance, and to draw in those members such as China and Vietnam that have not previously been a part of that system. Further, the building of inter- and transregional cooperation on such foundations serves to ensure that the respective regional integrations, too, follow this pattern. Thus the major initiatives for economic cooperation in ASEAN have remained outward-looking and WTO-consistent, and fears of a fortress Europe have been almost entirely alleviated. This again has had an effect on China through the medium of the ASEAN+3 configuration.

While ASEM has served to integrate China into the international system in an oblique manner through its own adherence to multilateral principles, it has also been an explicit aim of the process since the first Heads of State and Government meeting in 1996 to achieve full membership in the WTO by all ASEM partners (ASEM, 1996, para.11; 1998b, para.12; 2000b, para.11; 2002a). This overt goal of ASEM was useful in contextualising the objections of the EU and Japan to Chinese membership, providing reassurance that, specific objections aside, the two were still in favour of China's accession in general terms. Further, the adherence of the various ASEM fora to these norms has meant that the Asia-Europe Meeting process has served as an effective training ground, where those states not already members of the multilateral economic order – China and Vietnam – have been able to learn multilateral diplomacy

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286 See discussion of ASEM II above.
(Interview Material). ASEM has thus served as both a means for introducing China to the expectations for participation in WTO-led economic multilateralism, while at the same time effectively testing the resolve of Chinese leaders to participate. With China’s accession to the WTO at the end of 2001, Vietnam remains the only ASEM participant not a member of the World Trade Organisation.

The third and final institution building role of inter- and transregional dialogues is that of the development or reinforcement of intra-regional institutions. This is a recognition that extra-regional actors can have an impact on intra-regional integration through what Zimmerling (1991) refers to as ‘positive’ or ‘negative external cogency’. This may occur in a number of ways, including, for example, extra-regional echoing, or through the role of an external federator. Extra-regional echoing suggests the use of a given regional integration arrangement as a model, either to be reproduced or avoided. The external federator is a more purposive role, suggesting that a regional grouping may provide impetus for, or reinforcement of, region-building in a partner region by choosing to conduct dialogue on a group-to-group basis. Alternatively, in one of the 1997 Council for Asia-Europe Cooperation (CAEC) Task Force Reports on The Rationale and Common Agenda for Asia-Europe Cooperation, Maull and Tanaka (1997, pp.34-35) suggest the role of what can best be termed a regional integrator (Hänggi, 2003, p.198), whereby, faced in an inter- or transregional dialogue by an integrated regional ‘other’, a grouping is effectively forced to coordinate more closely in order to make its position heard. It is this category that most clearly corresponds to an increase in East Asia intra-regional integration as a result of the ASEM process.

This process of integrating as a reaction to involvement with an external other is a feature common both to the institution building and collective identity formation functions of inter- and transregional dialogues. In order for such a regional integrative reaction to occur, much depends on the nature of the dialogue partner. Most fundamentally, it is necessary that the ‘other’ with whom dialogue is being conducted is itself organised in a regional manner. If this is not the case, there is no external ‘other’ per se, but rather a group of external ‘others’. In this scenario, there is

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287 This aim has also been routinely reiterated in sub-summit dialogues such as the EMM and SOMTI.
288 This is discussed in more detail in the Collective Identity Formation chapter.
289 A particularly useful consideration of this topic is to be found in Hänggi (2003).
no clear advantage to be gained by establishing a coordinated approach with other states in the region. This is not to say that there are not benefits to be had from participating as a member of a regional arrangement in a dialogue with a grouping of single states, but rather that such benefit is not sufficient to act as a trigger for the development of regional cooperation. Further, the greater the difference in comparative integration/actoriness, the more likely that an integrative response will occur among the weaker of the groupings in question. Thus a strong or supranational regional actor conducting a dialogue with a grouping of independent states is highly likely to trigger an integrative response among those states, while this likelihood is considerably reduced for a weak or intergovernmental regional actor (see Table 4.1). Two such scenarios may be found in post-bipolar East Asia: the EAEG/EAEC and ASEAN+3.²⁹¹

The EAEG was the first proposed by Mahathir in December 1990, with an East Asia comprising the ASEAN states, China, South Korea and under the leadership of Japan. Says Terada (2003, p.256), “East Asia was a new regional concept since most of these countries had so far been involved in ‘Asia Pacific’, ‘Southeast Asian’

²⁹⁰ See discussion of reactive and adoptive identity formation in Collective Identity Formation chapter.
²⁹¹ The notion of defining an Asian community, as Oklen (2003, pp.4-5) asserts, is not a new one, with calls for such traceable back to the late nineteenth century Asianist ‘School of the East’ (toyoshi) in Japan, a reactionary grouping of intellectuals rejecting the Westernisation of the Meiji era. In terms of a broad East Asia, incorporating both Northeast and Southeast Asian states, examples may be found in the ‘Greater East Asian Co-Prosperity Sphere’, begun with the establishment of puppet-states in Korea and Manchuria in 1931 and ending with the Japanese defeat in 1945, South Korea’s 1970 suggestion for the establishment of an Asian Common Market, and Japan’s 1988 proposal for an Asian Network. It was not until the post-bipolar period, however, that the concept of a broader East Asian institution, or institutionalised cooperation, began to be taken seriously.

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or 'Pacific' regional institutions for economic cooperation, including APEC, ASEAN and the Pacific Economic Cooperation Council (PECC)'. The EAEG was viewed by Mahathir primarily as a balancing institution, providing a counterweight to perceived regional fortresses emerging in Europe and North America, and as a specifically East Asian alternative to APEC (Hänggi, 2003, p.205). The retaliatory nature of the EAEG concept was made clear by Malaysian Foreign Ministry officials, who commented that ‘the Prime Minister has called it a spade for a spade [sic]… you see the growing existence of trade blocs… smaller developing countries like Malaysia are extremely vulnerable’ (quoted in Terada, 2003, p.260). As Mahathir himself explained (Ishihara and Mahathir, 1995, p.44):

Suppose Malaysia goes alone to Brussels to lodge a complaint against European protectionism. Our voice would simply be too small. Nobody would listen. But if the whole of East Asia tells Europe that it must open up its markets, Europeans will know that access to the huge Asian market obliges them not to be protectionist. That was the reasoning behind the EAEC proposal.

The EAEG concept was finalised at the second ASEAN Working Group, held in Singapore on 23rd-24th September 1991, but at the twenty-third ASEAN Economic Ministers’ Meeting (AEM) in Kuala Lumpur on 7th-8th October, opposition from other ASEAN states led to the dilution of the East Asia Economic Grouping into an East Asia Economic Caucus (EAEC) within the APEC forum. It was also agreed that the EAEC would meet on an ad hoc basis, expanding intra-regional cooperation in East Asia through the provision of a collective approach to issues of concern in international economic fora. Further, it was explicitly stated that it would ‘[n]ot be an institutionalized entity and would not be a trading bloc’ (ASEAN, 1992). In the event, although several informal meetings were held in the following years, and although the EAEC concept was the subject of discussion at various ASEAN meetings, the growth of APEC, the establishment of an APEC Secretariat and the establishment of targets for trade liberalisation meant an effective supercession of East Asian by Asia-Pacific cooperation. Said Terada (2003, p.256), ‘[i]t was difficult for regional countries to accept the ‘East Asia’ concept initially because APEC loomed as a useful

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292 See, for example, the twenty-eighth (1995) to thirtieth (1997) ASEAN Ministerial Meetings (AMMs). Interestingly, however, even at the thirtieth AMM in 1997, the EAEC was treated as potential rather than actual, with the Joint Communiqué noting “with satisfaction the increasing cooperation among the potential EAEC members and express[ing] the hope that the Caucus would soon be formally instituted for the benefit of its members” (ASEAN, 1997c, s.39).
regional institution and many countries in East Asia thus found it unnecessary to rush into the creation of another concept of regionalism". The EAEC thus became little more than a hollow East Asianism, given lip-service by its participants as a way to mollify Mahathir, but involving no real cooperation or institutionalisation as a forum.

A number of factors have been credited with the failure of the EAEG/EAEC concept, among them the opposition not only of potential participant states, including the proposed leader Japan, but also the strong opposition voiced by other Asia-Pacific states, primarily the United States. Terada (p.258) lists two key reasons for Japan’s less than enthusiastic response to the Malaysian proposal: its international focus and its US-centred foreign policy. With regard to the first, he points to Japan’s self-imposed ‘bridging role’ between Asia and the West, a factor mitigating against its promotion of pan-Asianism as a retaliatory measure against Western economic strength. In relation to the second, Terada asserts that the US-centred nature of Japanese foreign policy meant that it was particularly prone to US opposition to the EAEC concept. The United States expressed strong opposition to the East Asian caucus from the outset, fearing that it would split the Asia-Pacific and APEC and thus threaten American economic interests in the region. Indeed, then US Secretary of State James Baker (1995) later trumpeted his success in stymieing the integrative impulse through exerting pressure on Japan, writing “in private, I did my best to kill [the East Asian Economic Caucus]” (p.610) and that “without strong Japanese backing, [the EAEC] represented less of the threat to [the United States’] economic interests in East Asia” (p.611).

A further integral element in the failure of the EAEC to integrate following its establishment as an East Asian caucus within APEC relates to the role of the regional integrator as outlined above. While inter- and transregional fora are the natural location for intra-regional institution building to be triggered, premised as they are on group-to-group relations, intra-regional integration, as has been suggested, is in no way an automatic response to involvement in inter- or transregional dialogues. Rather, it is dependent to a great extent upon the comparative actorness of the identifiable groupings involved. Intra-regional integration is more likely to be fostered where the dialogue partner itself has comparatively greater actorness. The APEC forum, the primary location for proposed EAEC cooperation, is a multilateral forum, where
participant states meet as individual states rather than as constellations of states. While APEC members could roughly be divided into Western/Anglo-Saxon and Asian groupings, they did not coordinate and interact as such. As a result, no regional ‘other’ existed to trigger corresponding cooperation among East Asian participants. The EAEC subsequently withered through lack of use.

From the mid-1990s the situation changed. The creation of the Asia-Europe Meeting process in 1996 explicitly posited an East Asian grouping, coincidentally comprising the membership of the abortive EAEC, against a European grouping embodied in the highly integrated European Union. Unlike in APEC, the Asian states were confronted by a definable regional other that would be acting as a coherent whole in the course of the dialogue process. Furthermore, this regional other existed at the supranational end of the actoriness continuum in terms of economic dialogue, and, in ASEM political dialogue, was explicitly attempting to cooperate to a greater level than was usually the case. In order to be effective in negotiations with such a partner, it became necessary for Asian participants to coordinate positions for expression in the various ASEM fora.

Intra-regional coordination on the Asian side began prior to the Bangkok meeting. The Asian participants were required to come to some kind of agreement on a number of basic, though contentious, issues, including, for example, the structure and agenda of the meeting. As host of the inaugural ASEM, it was decided that Thailand should act as coordinator for the Asian side in agreeing such matters, with the end result being an Asian discussion paper on the ASEM process. The rapid proliferation of institutional structures that has occurred since ASEM I has served to make the necessity for Asian coordination more acute, requiring not simply cooperation for a leaders’ summit every two years, but a coordinated approach to a dense network of meetings at all levels. It was therefore seen as valuable to cement in place the coordinating role that had been filled by Thailand in the run-up to ASEM I, though the rotation of meetings between Asia and Europe removed the possibility of leaving this function to the host nation. ASEAN was already possessed of a cooperative structure, though such was lacking among the Northeast Asian partners. Indeed, antagonism rather than cooperation had tended to be characteristic of the relationships between these states, particularly in Chinese and South Korean relations with Japan. As a result, it was decided that a system of Joint Coordinators be put in place, with one ASEAN and one Northeast Asian state performing these functions on
a rotating basis. These Coordinators meet at the Senior Official level two to three times per year, and coordinate with the other participant states in their respective regions on an *ad hoc* basis, primarily by telephone and telegramme. Agreed Asian positions are then presented at an ASEM Coordinators meeting which also includes the European Presidency and Commission as European Coordinators. Thus, in the words of Soesastro and Nuttall (1997, p.84), “Asian Coordinators... [are] responsible not only for internal coordination but also for representing the results of that coordination in negotiations with the European side”.

While such cooperation is a positive step, the effectiveness of the system of coordinators has been brought into question, with Hänggi (2003) asserting that “[t]he fact that the two countries speak on behalf of the major East Asian countries is certainly a novelty in the region’s institutional relations. But the substance should not be overestimated” (p.211). Two difficulties are highlighted by Hänggi. The first is the point previously raised by Soesastro and Nuttall (1997, p.84) that not all Asian participants are entirely in favour of other countries in their region being mandated to represent their interests and negotiate on their behalf. If ASEM is to remain a dialogue based on regions, however, it is unclear what the alternative is. The second, related to the first, is that the Northeast Asian countries, lacking as they do a history of cooperative endeavour, often do not see the need to coordinate their positions with their East Asian partners, preferring instead to use their own positions as the basis for negotiation in the ASEM process. This is a symptom of the fact that their previous experience of international fora has been of the multilateral variety, premised upon sovereign states, APEC being a clear example. The result of this weakness of policy formation structures/processes is, as has previously been highlighted in relation to the European Union, the generation of what are often only lowest common denominator positions. Further, it is often the case that, even when a common East Asian position has been established, individual state positions re-emerge in ASEM fora (Interview Material).

Regardless of the quality of cooperative endeavour on the East Asian side, there is a definite perception on the European side that this has become a positive component of the ASEM process. Said one Commission practitioner, “from a practical operational point of view, these people meeting and coordinating... is very useful and important” as it simplifies negotiation at the ASEM level, making the
process itself more useful (Interview Material). In this respect, East Asian cooperation is performing a rationalising function for the ASEM process.

While far from perfect in its application, the cooperation undertaken by the Asian ASEM states as a result of their participation in the ASEM process has been a key catalyst in the development of closer East Asian cooperation. A further catalyst for East Asian institutionalisation has been provided by the Europe-Asia dialogue through the fostering of identity formation, particularly in relation to the Asian values debate, thus increasing a perception among the East Asian states of a sense of ‘we-ness’. At the same time, changes in the international environment have provided an impetus for such cooperation. A remarkable period of economic growth in the United States led to increasing confidence and reduced fears about the division of the world into competing regional fortresses, resulting in the toning down of US opposition to an EAEC-like grouping. At the twenty-ninth ASEAN Ministerial Meeting’s Post-Ministerial Conference (PMC), held in Jakarta on 24th-25th July 1996, a US representative, Secretary of State for Economic, Business and Agricultural Affairs Joan E. Spero, made clear that the US would not oppose the EAEC so long as it did not split the Pacific Rim (Stubbs, 2002, pp.442-443). Further, China and Japan were seeking to expand their ties with ASEAN, and in this respect a regular series of summit meetings had already been proposed. Finally, the advent of the Asian economic crisis called into question both the commitment of Western powers to the region, and the utility of existing institutions such as APEC, the fortunes of which at any rate were at rather a low ebb, in dealing with the crisis, and provided a situation which the East Asian states experienced collectively. As such, a need to come up with particularly East Asian solutions was felt, giving a considerable push to the tentative process that had begun with the first ASEM.

These events led to the first ASEAN+3 meeting, convened at the second ASEAN Informal Summit, held in Kuala Lumpur on 14th-16th December 1997. A certain reluctance was exhibited by Japan, but it quickly came on board after China accepted the ASEAN invitation, out of fear that China would gain a leadership position in the region (Stubbs, 2002, p.443). Joint statements between ASEAN and each of the three Northeast Asian states were issued, with those agreed with both China and South Korea explicitly stating a desire to continue close coordination and

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293 See Rationalising and Agenda Setting chapter.
cooperation to promote common interests in ASEM (ASEAN, 1997d, para.5; 1997f, para.2). The joint statement with Japan (ASEAN, 1997e), reflecting its initial reluctance, contained no reference to the Asia-Europe Meeting whatsoever.

ASEAN+3 cooperation, while continuing to reject any binding agreement or treaty basis, has begun to develop an extensive web of dialogues. Leaders met again at the sixth ASEAN Summit in Hanoi on 15th-16th December 1998 where agreement was reached to convene an ASEAN+3 Summit on an annual basis in conjunction with each ASEAN Summit. Subsequent ASEAN+3 meetings were premised on full ASEAN participation, thus going beyond the more limited membership of the Asian ASEM grouping to include Cambodia, Laos and Burma/Myanmar. Also at the Hanoi meeting, Japan proposed the semi-formalisation of the process through the preparation of indicative agendas for summit meetings, as well as tasking senior officials with discussing follow-up activities and the actual implementation of agreed initiatives. A telegraphing of a continuing commitment to ASEAN+3 as a mode of cooperation is also to be seen in South Korean President Kim Dae-jung’s suggestion for the establishment of an East Asia Vision Group (EAVG) “to explore ways to expand cooperation in all sectors and at all levels among the countries of East Asia… [and to] formulate a common vision, reflecting the rapidly changing regional and global environment and offering the direction for future cooperation” (ASEAN, 1999). The EAVG, comprising 26 private sector experts, was eventually established at the Manila summit on 27th-28th November 1999.

The web of ASEAN+3 relations has subsequently expanded to the point where it includes meetings of Agriculture and Forestry, Economic, Environment, Finance, Foreign, Health, Labour, Tourism and Trade Ministers, as well as of Deputy Finance Ministers and Deputy Central Bank Governors, agriculture officials, science and technology officials, energy officials, an e-ASEAN+3 working group and so on. More recently, support has been expressed for the convening of a ministerial meeting to consider transnational crime. In order to coordinate the expanding process, an ASEAN+3 Directors-General Meeting was established in August 2002. Specific collaborative projects have also been established, including the Asia e-Learning Initiative and the ASEAN+3 Satellite Image Archive for Environmental Study. Agreement in principle has also been reached on such ASEM-like projects as human

294 See Collective Identity Formation chapter.
resource development and people-to-people exchanges among researchers, academia, business people and professionals. Since 1999, the ASEAN+3 has also been involved in another transregional dialogue, the East Asia-Latin America Forum (EALAF),\textsuperscript{295} incorporating 27 countries from East Asia, Latin America and the Pacific.\textsuperscript{296} Interestingly, in proposing the establishment of the EALAF, Goh Chok Tong returned to the rhetoric of a ‘missing link’ (Seneviratne, 1999). In addition, while not specifically an ASEAN+3 undertaking, the Chiang Mai Initiative (CMI) for currency swaps\textsuperscript{297} was adopted in May 2000, involving identical membership.

A small number of key documents have so far emerged from the process, extrapolating East Asian cooperation into the distant future. A Joint Statement on East Asia Cooperation (ASEAN+3, 1999) was published on 28\textsuperscript{th} November 1999, outlining specific areas for cooperative activity. However, as Okfen (2003, p.7) notes, “the joint statement does not specify the intention of building an East Asian community”. This was the focus of the private sector East Asia Vision Group, and of the East Asia Study Group, comprising government officials, set up to consider the report of the EAVG. The EAVG report envisioned an “East Asia moving from a region of nations to a bona fide regional community with shared challenges, common aspirations, and a parallel destiny” (EAVG, 2001, p.14), and made a number of far-reaching recommendations. The most important of these to subsequently be supported by the EASG and by ASEAN+3 leaders are the evolution of the ASEAN+3 summit into an East Asian Summit and the establishment of an East Asia Free Trade Area (EAFTA).

In addition to utilising Maull and Tanaka’s regional integrator model in the above manner, Hänggi (2003) expands its scope, recognising a second, system-centred, element in fostering intra-regional integration. To the need for regional coordination stemming from the exigencies of inter- and transregional dialogue,

\textsuperscript{295} Originally proposed by Singapore’s Goh Chok Tong on a visit to Chile in October 1998, and introduced to the other ASEAN+3 partners at the Hanoi Summit the following December.
\textsuperscript{296} These participant states are: the Latin American States of Argentina, Bolivia, Brazil, Chile, Columbia, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela; the East Asian states of Brunei, Burma/Myanmar, Cambodia, China, Indonesia, Japan, Laos, Malaysia, the Philippines, Singapore, South Korea, Thailand and Vietnam; and the Pacific states of Australia and New Zealand. Given the involvement of Australia and New Zealand, it was proposed at the first summit, in Singapore on 1\textsuperscript{st}-3\textsuperscript{rd} September 1999, that the name be changed to reflect the inclusion of these Pacific states. The participants, however, failed to reach a consensus.
\textsuperscript{297} The CMI is effectively an extension of the ASEAN Swap Arrangement (ASA) to cover the full membership of ASEAN+3. It allows for short-term swaps of foreign currency reserves among
Hänggi adds the assertion that "regional states may use interregional relations for their own regionalist objectives" (p.199). Thus Jung and Lehmann (1997, p.53) have referred to a "hidden Asian agenda" in the ASEM process of "bring[ing] the three North-East Asian nations in closer dialogue, but more significantly in creating de facto, if not de jure, the East Asian Economic Caucus" (pp.53-54). In this respect, Hänggi (2003, p.212) specifically points to ASEM as having allowed the East Asian countries to portray themselves as the third pole in the post-bipolar triadic architecture, thus creating what one ASEAN practitioner referred to as a "balancing force" (Interview Material). Said the official, "we ASEAN countries... with the +3, we feel that we have a stronger mandate and negotiating position" (Interview Material). To this may be added the desire of individual Asian states to foster relations with their neighbours as an end in itself. The role of ASEM has already been discussed in socialising China into the structures of global governance. In a similar manner, ASEM may be portrayed as having allowed the incorporation of China into a broader East Asian framework. Its success in doing this has been noticeable, with China now being heavily involved in expanding cooperative structures with its Northeast and Southeast Asian neighbours, including having agreed to negotiate its first FTA, with ASEAN as its partner. Gilson (1999, p.741), in an investigation of the role of Japan in the ASEM process, makes a similar claim, asserting that "[t]he real value of Japan’s participation in ASEM in the future may be in its ability to bring Tokyo into closer contact with its neighbours" and that "[f]rom its earliest preparations, the Japanese government regarded its participation largely in Asian terms". Gilson goes on to trace the Asian-centred focus of Japanese participation in ASEM, highlighting, for example, its utility in rehabilitating the former regional colonial power back into the Asian family of states (p.743).

This tentative East Asian regionalism, while clearly involving certain external elements,\footnote{298 The Asian crisis, the position of the US etc.} has emerged in the framework of the ASEM process, and as the direct result of interaction with a supranational regional actor in the form of the European Union. Without this catalyst, it is unlikely cooperation and institutionalisation would have proceeded quite so far, or with as much pace, as it has. This is recognised by practitioners on both the European and Asian side of the dialogue, with one ASEAN

\footnote{298 participant states in order to stabilise exchange rates that are experiencing pressure as the possible result of a speculative attack. It is a direct outcome of the Asian financial crisis.}
official referring to the ASEAN+3, and the issues discussed therein, as an “offshoot” of the ASEM process, and a Commission counterpart explicitly stating that “ASEAN+3 and eventually, in the future, an East Asian Community, was prompted by the necessity to organise themselves in order to be able to speak with us Europeans, who are relatively coordinated” (Interview Material).

By 2003, then, the importance of the EU-ASEAN dialogue structure had declined significantly, mostly as a result of the failure to revise the agreement on which it was premised, and of its later deadlocking over human rights and the inclusion of Burma/Myanmar. More recently, this has been recognised in the Commission’s New Partnership strategy document. As a consequence of the failure to revise the 1980 Cooperation Agreement in the early post-bipolar period, EU-ASEAN relations came to be characterised by both the absence of substantive cooperation, and by the search for an alternative path forward. This quest was made more difficult by the fact that the relationship had initially been forged less out of any fundamental belief in the need for such relations or coherent vision for their future, and more out of the desire to develop a network of global links as a reflection of the respective groupings’, and particularly the then EC’s, vision of themselves as actors on the world stage.299 On the EU side, this search led to a proliferation of strategy documents and position papers, while within the EU-ASEAN dialogue it led both to the proliferation of sub-summit level dialogue structures, and to the continuing tendency to create new capacity-building programmes and institutions, mostly funded by the European Union, without any real rhyme nor reason. Much of this can probably be credited to a desire to accomplish something in a dialogue process that was increasingly stripped of content and direction. Commented one Commission official, “[i]t’s clear that we have tried… over the last ten years, in different areas to get to a deeper level of integration with ASEAN, and we have failed. What we have been doing is financing left and right certain projects, which are maybe, if you take it all together, not very coherent, but were more or less giving in to the shopping-list of wishes on the ASEAN side” (Interview Material).

Despite their proliferation, capacity-building and sub-summit dialogue structures and institutions, for the same reasons as in the bipolar period, did not improve the dialogue process in any demonstrable manner. The one possible, and

299 See discussion of EPC and European diplomatic relations in Balancing chapter.
ongoing, exception is the development of institution building programmes specific to the ASEAN Secretariat, beginning with the Institutional Development Programme for the ASEAN Secretariat (IDPAS) and followed by the ASEAN Programme for Regional Integration Support (APRIS). It is still too early to tell what effect these programmes will have, but their design and method are promising, potentially leading to the creation of a genuine role for the Secretariat in inter- and transregional dialogues.

The lack of direction and the proliferation of sub-summit structures served increasingly to strip AEMM-level discussion of content, making them ever more formulaic and uninteresting. This process was furthered by the eventual deadlocking of the dialogue over the issue of human rights, and specifically the accession of Burma/Myanmar to ASEAN. Congruently, the removal of the security constraints of the bipolar period and the explosive economic growth being experienced by Southeast Asian nations, led the European Union to declare its primary interest in the region as being economic. Paradoxically, the deadlocking of EU-ASEAN dialogue and the rise of ASEM created a situation in which elevated economic interests in Southeast Asia were accompanied by a precipitous decline in economic discussions at the AEMM level.

At the same time that discussions in the EU-ASEAN dialogue were being pushed down to the sub-summit level, the creation of ASEM saw content pulled upwards to a transregional level involving, in addition to ASEAN, the Northeast Asian states of China, Japan and South Korea. The newer structure was vested from the outset with far more dynamism than was apparent in the older dialogue, involving, for example, the exclusion of problem states, actorness enhancements for the EU and so on.

The new process, too, continued the trend of pushing discussions to the sub-summit level, in this case a new, ASEM specific, sub-summit level, but has done this in a far more comprehensive and effective manner than is the case in the EU-ASEAN dialogue, gradually evolving from a process driven by heads of state and government-level discussions to one increasingly managed by bureaucrats on a day-to-day basis. Further, the ASEM Summit has been transformed from the engine of cooperation into an opportunity for reflection, and for the provision of a stamp of approval. With regard to the institution building role of inter- and transregional relations, the ASEM process has taken the institutionalisation of cooperative dialogues through the creation
of specific and formal structures to an entirely new level. The trend outlined has resulted in the process developing what is effectively a life of its own, meaning that cooperation will continue to tick over, regardless of disagreements among leaders. Indeed, barring major crises, leaders have become essentially irrelevant to the process. Further, since its inception in 1996, ASEM structures have evolved in such a way as to set the process firmly in the broader multilateral framework, reinforcing and implementing on a local scale the work of global multilateral institutions such as the WTO, IMF, UN and so on.

On the downside, the process still remains highly reactive in nature. As with the EU-ASEAN dialogue, this has much to do with the imperfect actorness of those involved, as well as with the lack of an overarching vision. Attempts were made to overcome this latter deficiency through the establishment of the Asia-Europe Vision Group, though, as has been seen, the results of these efforts were insufficient for the task of creating such an overarching vision. On the issue of actorness, it may be an EU-ASEAN programme that makes a critical difference to the development of ASEM. Should APRIS be successful in fostering cooperation within ASEAN through the creation and reinforcement of a role for the Secretariat, a situation could emerge in which the Association becomes a real engine for coordination on the Asian side of the process. This in turn could lead to a greater ability for ASEM partners to conclude substantive agreements, and to the development of proactive agendas.

Evidence has also been seen in the post-bipolar period of ASEM’s role in the second and third modes of institution building, namely the incorporation of states or groupings of states into the structures of global governance, and the fostering of region building. In terms of the second institution building function. This has occurred both in a general and specific manner in ASEM to date. In general terms, the premising of ASEM cooperation on global multilateral rules and norms has led to the strengthening of the commitment of its participant states to this framework, and has promoted the place of such approaches within the respective regional integrations. In specific terms ASEM has sought to incorporate states such as China and Vietnam into this framework of rules, norms and values, leading eventually to China’s admission into the WTO.

Finally, the Asia-Europe Meeting has shown evidence of the third theorised role of institution building through the fostering of a broader East Asian cooperation. This has been a direct result of the difference in comparative levels of actorness
between the two groupings within the ASEM process. As a comparatively strong regional actor, the European Union provided a trigger for closer coordination within its counterpart, acting as a definable and strong regional other in response to which the Asian partners were required to coordinate positions leading into dialogue. This practice of cooperation within ASEM was subsequently applied by the Asian participants outside of ASEM, leading to the emergence of the ASEAN+3 grouping.

In sum, therefore, the post-bipolar period has seen fundamental changes in the nature of the European Union’s relations with Southeast Asia, to the extent that a specifically EU-ASEAN dialogue, for a variety of reasons, has been overtaken by a broader, transregional, EU-East Asia dialogue as the primary Union relationship with the Asian region. Importantly, the emergence of this transregional dialogue has been accompanied by evidence of the second and third roles of institution building, evidence entirely absent from the earlier relationship. These roles were enabled specifically by differences in levels of actorness. The premising of ASEM cooperation on multilateral rules was given critical impetus at ASEM II, where a change in power relations/comparative actorness between the Union and its Asian partners as a result of the Asian economic crisis was clear. In addition, as has been illustrated immediately above, the fostering of East Asian regional cooperation was a direct result of their involvement with a more integrated regional actor.
5. **Rationalising and Agenda Setting**

Drawing on institutionalist theory, the place of inter- and transregional dialogues in global multilateralism is the focus of this chapter. While realism is concerned with power as the primary organising principle in international relations, institutionalist theory looks to cooperation, and the role of international regimes, defined, in the formulation of Krasner (1982, p.185), as “principles, norms, rules, and decision-making procedures around which actor expectations merge in a given issue-area”, and by Keohane and Nye (1989, p.19) as “networks of rules, norms, and procedures that regularize behavior and control its effects”. Institutionalism asserts that such regimes/institutions play a role in promoting security and stability in the global system through the facilitation of communication and cooperation (by lowering transaction costs), which in turn leads to a reduction of distrust among states. However, given the nature of these institutions as (theoretically) global, there is the (often realised) threat of becoming ‘bogged down’ through over-population at the negotiation stage of regime/institution formation or modification. It is as a remedy for such that the rationalising and agenda setting role of inter- and transregional relations stands.

Two assertions are made. First, with respect to rationalising, it is argued that interregional dialogues allow global issues to be debated at a median level between global institutions/ regimes and nation-states, thus alleviating some of the problems inherent within truly global negotiations. In this respect they effectively serve as
clearing houses for these global multilateral fora (Dent, 1997-1998, p.498; Maull, 1997, p.51-52; Rüland, 1999, p.7; Telò, 2001a, p.14). As such, Maull’s (1997, p.51) assertion that “[i]n both the economic and political/security realms of international governance, regions may be crucial building blocks for peace, prosperity and stability by discharging some of the functions needed to sustain international governance” is a good characterisation of the rationalising function of interregional dialogues in global institution building. Thus, the founding of APEC in 1989 was the result, among other objectives, of the desire to create a consultative body in GATT negotiations (Higgott et al, 1990; Funabashi, 1995). Interregional dialogues further encourage the process at the regional level by providing the impetus for regional groupings to coordinate a position prior to entering into inter-regional negotiations.

In addition, and closely related to this rationalising role, is the second of the functions to be addressed in this chapter, the notion that smaller numbers and a greater sense of consensus and common interests lead to the possibility of concerted agenda setting for the global level. That is to say, a combined negotiating agenda is able to be established at a lower level in the structure of global governance for expression in global negotiations. This occurs both at the regional (i.e. coordination within a region) and at the interregional level (i.e. coordination between regions) for expression at the global multilateral level. Looked at in another way, agenda setting may be conceived as simply proactive rationalising. Where rationalising involves intra- or inter-/transregional coordination on an issue already the subject of negotiation at the global multilateral level, agenda setting involves the same process for an issue the groups wish to introduce to the global multilateral level. It is for this reason that the two are linked in this chapter.

In exploring the place of inter- and transregional relations in facilitating the functioning of global multilateral fora, it must be acknowledged that this cannot be separated from the place of regionalism in multilateral institutions, the one being, after all, the extension of the other. Asserts Rüland (2000, p.188) of the rationalising and agenda setting role, “[i]f the iron law of small numbers still holds in decision-making processes, breaking down negotiations into a step-by-step process at various levels of a multi-tiered system of global governance promises speedier results than previously when all issues were referred to global institutions”. In earlier discussion, these various levels were defined as including three distinct tiers of governance (interregional, regional and subregional) falling between the global multilateral level
and the state level.\textsuperscript{300} As such, the following discussion acknowledges the central place of regionalism in overcoming the problems associated with multilateralism, and acknowledges inter- and transregional relations as a logical extension thereof.

The concept of multilateralism was largely defined by the newly pre-eminent United States in the wake of the Second World War as the organising principle for a raft of newly created international organisations.\textsuperscript{301} The experience of the inter-war years had illustrated that the use of exclusive bilateral agreements, combined with the tendency to resort to unilateral action, were not the recipe for global stability, having significantly contributed to the degeneration of the international system and the onset of World War II. While the Cold War period provided relative stability as a result of bipolar competition between the superpowers of the US and Russia, resulting in what Mistry (1999, p.117) refers to as “the geopolitical equivalent of neutral equilibrium in physics”, multilateralism came to occupy an increasingly prominent place. Within the Western camp, the development and functioning of multilateral fora occurred in the context of US hegemonial dominance, which underpinned the emergence of the Bretton Woods institutions and the GATT.

In the post-bipolar period, multilateralism has become a more significant phenomenon. The ending of the bipolar conflict lifted the lid on, particularly economic, globalisation, and led to a “disorganized and rapid transition from \textit{concentrated bipolarity} in global regime management to \textit{diffused multipolarity}” (p.117). With the emergence of new centres of power and the desire of more states to make their voices heard on the world stage, combined with the de-spacialisation and increasing interdependence that have been characteristic of globalisation, multilateralism and multilateral institutions have both become truly global in nature, moving away from the minimalistic ‘three plus’ to a maximalist ‘as many as possible’ membership,\textsuperscript{302} and have emerged as the preferred institutions of global governance. Increasingly, ‘new’ issues have emerged, cooperation on which necessitates a multilateral basis. At the global level, environmental protection, including accords on the ozone layer and global warming,\textsuperscript{303} is one such example, with cooperation on the

\textsuperscript{300} See discussion of the international system in Theoretical Framework.
\textsuperscript{301} This is not to say that multilateral institutions first appeared in this period, for this was not the case, the multilateral League of Nations, for example, having been created in 1919. Rather, this is to assert that it is only gradually in the wake of WWII that multilateralism has become the dominant organising principle in global governance.
\textsuperscript{302} Characterised by such institutions as the United Nations and the World Trade Organisation.
\textsuperscript{303} The Kyoto Protocol being the latest example.
Indonesian ‘Haze’ providing an illustration of regional multilateral efforts. Further, issues previously seen to be the domain of bilateral cooperation have increasingly emerged into the multilateral spotlight. Arms control, particularly relating to nuclear weapons, has become increasingly multilateral due to the development of such technologies by ever more states, and, in the immediate wake of the collapse of the USSR, to the inheritance of nuclear arms by a number of successor states to the Soviet Union.\textsuperscript{304}

In addition to the need for multilateral solutions to issues that are ever more global in nature, the norm of multilateralism has increasingly come to be seen as a legitimising mechanism for international negotiation and decision-making processes in a way that, for example, bilateralism has never been (Ruggie, 1992, p.584). Thus the United States sought to define its, at worst unilateralist and at best ‘minilateralist’ (Kahler, 1992), approach to the war on terror as ‘effective multilateralism’, defining it in contrast to unilateralism and to what it termed ‘international paralysis’ (Bush and Blair, 2003, p.1658), though the latter may perhaps better be characterised as large-\textit{n} multilateralism without US hegemony.

The principle of multilateralism, asserts Kahler (1992, p.681), was established “particularly in opposition to bilateral and discriminatory arrangements that were believed to enhance the leverage of the powerful over the weak and to increase international conflict”. As such, multilateralism has often been defined in a purely quantitative manner as coordination or cooperation among three or more states. Ruggie (1992, pp.565-566), however, quite rightly insists on introducing a qualitative dimension into the mix, asserting that purely quantitative definitions lead to the mis-categorisation as multilateral of institutional structures best seen as an expression of bilateralism, pointing to the League of the Three Emperors, comprising Austria-Hungary, Germany and Russia, as one such example. As such, he defines multilateralism as ‘relations among three or more states on the basis of generalised principles of conduct’, and ascribes it with two corollary principles: indivisibility and diffuse reciprocity (p.571). Indivisibility is a social construction, referring to the fact that relations within the group are not particularised in any manner, in contrast to

\textsuperscript{304} In the mid-1990s, these newly independent states agreed to cede their nuclear arms to the Russian Federation. The number of weapons involved was not small. The Ukraine, for example, had been the western-most bulwark of the Soviet Union, and was therefore heavily fortified. As such, following its independence, it became the possessor of the third greatest nuclear arsenal in the world, following the US and Russia.
bilateralism which compartmentalises states into multiples of dyads. Ruggie provides the example of GATT/WTO member states' adherence to the most favoured nation (MFN) norm, which thus makes the trading system an indivisible whole. Diffuse reciprocity refers to the notion that agreements among members will lead to a rough equivalence over time, in contrast to the specific balancing of quid-pro-quo exchanges that is characteristic of bilateralism (pp.571-572). Thus, multilateralism is about the adjustment of participants' goals and interests and the subsequent taking of a joint decision to which all are bound requiring, according to Martin (1992, p.768), "that states sacrifice substantial levels of flexibility in decision making and resist short-term temptations in favor of long-term benefits". The following discussion considers two problematic areas in global multilateral negotiation: the place of great powers and the complexities of large participant numbers.

The place of great powers has become an increasingly common area of debate in relation to global multilateral organisations and regimes in the post-bipolar period, and is, albeit tangentially, of interest when considering rationalising and agenda setting. In the bipolar period, the US held effective hegemony over Western multilateral fora, most of which were economic in nature, and sparred with its Soviet rival in the single pan-bloc multilateral political forum, the United Nations. Since the beginning of the 1990s, however, further significant actors have emerged and are continuing to emerge, including post-Soviet Russia, as well as China and India, not to mention the European Union which, in the past decade, has advanced significantly as an international actor, albeit primarily in the field of economics. Two fears have been expressed in relation to multilateral fora, those of abdication and domination. The concern in relation to abdication is, in the words of Kahler (1992, p.682), that "multilateralism will fail because great powers wish to exploit their advantages and pursue their national interests in bilateral bargaining, immune from the scrutiny of other states". In other words, great powers will perceive their interests as being best achieved outside of fora that risk domination by the many. The actions of the select few in favour of the US-led invasion of Iraq in 2003 are an example, with a 'coalition of the willing' formed outside of the UN, the premier global security institution, due to overwhelming opposition within. In a slightly different light, abdication may occur where great powers recognize the impossibility of achieving consensus at the global
multilateral level, or more precisely, of achieving a consensus that delivers something worthwhile. In this respect, abdication is a function of the effectiveness of such fora.

The second concern, that of domination, refers to great power influence over multilateral fora. This may include the traditional meaning of the domination of such fora by specific great powers, primarily the US and historically the USSR, but has also increasingly come to include a newer formulation. Asserts Mistry (1999, p.126), “decision-making power in these multilateral institutions continues to reflect obsolete Cold War power balances... It does not yet reflect the significant regional distribution of global power which has occurred in the aftermath of the cold war’s demise”. Indeed, the emergence of new great powers and middle powers in the post-bipolar period is an event that has not been reflected in the structuring of global institutions, the bulk of which continue to be dominated by, and serve the interests of, Cold War powers, the G-7 states in Mistry’s view. These “obsolete rules of engagement” (p.127), combined with a rapidly changing global system, have resulted in a tendency toward obstruction and resistance to change, and have led to a diminution in the belief in the efficacy of multilateral fora. Characteristic of this are, for example, accusations that the Bretton Woods institutions serve to enhance the Western good rather than the global good.

It is conceivable that the effective use of the rationalising and agenda setting functions could serve to remedy to an extent certain aspects of the problems of abdication and domination. First, insofar as the use of alternative levels of governance (regional and inter-/transregional) in the manner outlined improves the effectiveness of global multilateral fora, it is plausible that this will reduce the likelihood of abdication of great powers, at least where forum-exit is a result of the inability to achieve agreement, rather than a simple unwillingness to be scrutinised by other states. Secondly, rationalising and agenda setting may aid in addressing great power domination by fostering balancing at the global multilateral level. In forging cooperation between specific regional actors and individual states on issues of multilateral importance, such inter- and transregional endeavours are able to balance the power of other major players, thus mitigating the possibility of hegemonic dominance. In the case of fora that under-represent newly emergent powers, it is also feasible that such cooperative endeavours may allow these actors to force the

305 Mistry goes further, adding to his list of ‘littoral giants’ Brazil, Egypt, Israel, Nigeria and South
consideration of their collective positions through the sheer weight of numbers involved in coordinated negotiation with their partner states and/or regions.

The second, and most significant, issue raised when considering the utility of multilateral fora is that of participant numbers. Too many chefs spoil the broth, claims the old proverb. Equally, it is often argued, too many actors spoil multilateralism. Multilateral fora are the subject of a paradoxical situation where the benefits for participant states increase as membership nears universality, while at the same time the flexibility and decision-making capacity of such fora decreases. Thus in many respects the participant number issue in relation to multilateral regimes and fora is somewhat different to that of collective action in general, of which it is often asserted, in the words of Mancur Olson (1965, p.35), that “the larger the group, the farther it will fall short of providing an optimal amount of collective good”. Olson asserts this case for three reasons: that individual benefit decreases as group size increases, thus reducing the motivation toward group action; that because individual benefit is so small, individual states will not choose to bear the burden of providing a part of the collective good; and that as group size increases, so too do organisation costs, therefore increasing the difficulty of achieving the collective good (p.48). It may indeed be the case that certain collective goods are of only limited extent, and that their enjoyment will decrease with each extra participant state above optimum, but such is not the case with multilateral goods. In this respect, the benefits of large-n membership can most clearly be seen in such fora as the United Nations and the World Trade Organisation, and regimes such as the Law of the Sea or the Kyoto Protocol on climate change. In these examples, the nearer to universal membership the institutions become, the greater their utility. Indeed, the Law of the Sea would be of little use were it characterised by only partial membership, and environmental protection particularly where it concerns, for example, greenhouse gas emissions is less effective the smaller the number of participant states, or more precisely, of participant polluter states. Where Olson’s thesis has validity in relation to multilateral endeavour is in the recognition of the complexity of organisation and decision-taking in large-n institutions.

When looking at the organisational complexity of large participant numbers in multilateral fora, a number of difficulties are highlighted. Oye (1986, pp.19-20), for

Africa.
example, points to three major complexities. First, as participant numbers multiply, so too do transaction and information costs, with the result being a reduction in the ability to identify common interests. Secondly, large numbers increase what he terms ‘recognition and control problems’, by which is meant a reduction in the ability to predict the actions of partner states, and an increase in the possibility of defection among these states, thus, due to the value of universality, reducing the overall benefit of the multilateral forum. Finally, Oye points to the declining feasibility of sanctioning, arguing that if the defection of one state imposes costs on all, then the ability to sanction any given state is reduced, consequently introducing the problem of free-riding. Caporaso (1992, p.609), too, agrees with the formulation of Oye, stating that “[t]he costs of transacting almost certainly increase with an increase in actors. The costs of identifying the relevant others, of discovering their preferences and strategies, and of devising policies that are capable of discriminating among defectors and cooperators all go up”.

Others also put primary emphasis on the negotiation process. Midgaard and Underdal (1977, p.331) assert that “[o]ne of the most fundamental consequences of increasing the number of actors is that the negotiating situation tends to become less lucid, more complex, and therefore, in some respects, more demanding”. Again, the recognition is made that the numeric increase in participants will inevitably be reflected in a corresponding increase in the number of positions, interests and values to be incorporated, thus requiring actors to consider a much wider range of partner interests when formulating their own positions and strategies.

If, as is generally agreed, the “search for fair or integrative solutions will become more difficult as size goes up” (Midgaard and Underdal, 1977, p.334), then the obvious solution is to keep participant numbers down. This is very simply done by placing a limit on the number of states allowed to join, thus cementing in place a minilateral structure. However, as has already been noted, many of the most pressing issues for cooperative endeavour, by their very nature, demand cooperation that is as near as possible to universal. Indeed, Oye (1986, p.21) commented that “[s]trategies to reduce the number of players in a game generally diminish the gains from cooperation while they increase the likelihood and robustness of cooperation”. The principle means suggested, therefore, for reconciling the large-n multilateralism with the flexibility of small-n cooperation is through group decomposition.
Group decomposition refers not to the complete dissolution of multilateral fora, but rather to the creation of manageable negotiating units and small-\(n\) interactions within the broader umbrella of large-\(n\) multilateralism. A number of methods of such decomposition have been practiced, with the two most important being delegation and coalition formation. Delegation refers to the formal appointment of a subgroup by the multilateral forum in full session (Midgaard and Underdal, 1977, p.337). These groups have, as Midgaard and Underdal note, the character of committees, generally having been charged with considering a specific problem or set of problems. In the best case scenario, such a group should be a microcosm of the broader forum, thus incorporating the representation of as many participant values and interests as possible into consideration of the issue in question. At the domestic level, clear examples of a delegated subgroup may be found in the committee system established by legislatures. The preeminent example at the international level is the United Nations Security Council (UNSC). The UNSC has, under certain specific conditions, been delegated decision-making capacity and agenda control. This allows the UN to alleviate some of the large-\(n\) problems, and therefore to respond to emergent situations in a timely manner. In the words of Martin (1992, p.773), "[w]ithout such delegation, it is difficult to imagine swift, successful cooperation in crises".

Delegated subgroups, however, still premise cooperation on the self-interest of states, while at the same time excluding the majority of states from deliberation. This means that even in the ideal case situation of the subgroup as microcosm, delegated groups negotiate in a manner that does not necessarily take into consideration the specific interests of external participants, and indeed this would be virtually impossible, the multiplicity of interests being the key difficulty with multilateral negotiation. Such groups are, therefore, a rather blunt method for aggregating and reconciling differing agendas, and are no guarantee that states outside the subgrouping will be satisfied. A state’s subsequent perception that its interests have not been adequately addressed, to which it is possibly made more sensitive by the lack of active involvement in negotiation, combined with the requirement on the part of most multilateral fora that decisions be unanimous, in effect does little to improve on true large-\(n\) negotiations.

It is the second subgroup type, the coalition, that is of most importance for our investigation. Where delegation involves the formal creation of subgroups by decision
of the broader forum in question, coalition formation involves the self-initiated creation of a subgroup. Coalitions are generally established around a collective interest or viewpoint which the participant states wish to see expressed, or more negatively in opposition to another interest or viewpoint. They are seen as being better able to represent the interests of their constituent states than would be the case if said states were acting alone. Comments Touval (1989, p.161):

The implicit threat to others that if they do not accept the terms proposed, their relationship with all the members of the coalition will suffer is more impressive than a similar threat made by a single state. Threats to break off negotiations without reaching an agreement may also be more effective, for states will be perceived by their opponents as being better able to withstand the consequences of no agreement if they are members of a coalition.

In addition to the standard threat and counter-threat game, coalitions have shown themselves to be effective brokers in the face of great power antagonism, creating what Kahler (1992, p.706) refers to as “a focal point for negotiating equilibrium”. Higgott and Cooper’s (1990) exploration of the role of the Cairns Group of agricultural nations in achieving a consensus at the 1986 Punte del Este GATT meeting for a new round of trade negotiations, and in the conduct of the subsequent Uruguay Round, recognises just such a function. Arguing that the negotiating process cannot be understood simply in terms of the power of the US and the then EC as the two dominant actors, they assert that agenda setting and negotiating was greatly facilitated by the Cairns Group’s activities as bridge builder and consensus seeker between the major actors themselves and, at times, between the major actors and what they term the more ‘antagonistic’ developing countries.

While coalitions may seem the obvious solution, they too have been the subject of criticism, with Touval (1989, p.163) going so far as to assert that “[t]he workings of coalitions may also hinder agreement”. At their core, the arguments relating to the problematic nature of coalitions are reducible to the assertion that it is often difficult for these groups to agree a common negotiating position. The process of intra-coalition negotiation, and the need to satisfy even only a comparatively small number of coalition members, means that any consensus reached often leaves very little room for flexibility. Such a straitjacketed position is not conducive to subsequent multilateral negotiation, which itself is premised on give and take. The necessary renegotiation of intra-coalition positions in response to the broader multilateral
bargaining process would again be a difficult and time-consuming task, complicated by intra-group rivalries and the possibility of defection to rival coalitions. In such situations, say Midgaard and Underdal (1977, p.343), “there seems to be a serious risk that conferences that turn into bipolar bargaining between coalitions will end in breakdown because neither side is able to engage in a sufficiently constructive search for integrative solutions”. While coalition formation may, therefore, “reduce the cognitive complexity [of large-n negotiation] and render communication and information processing more manageable” (Touval, 1989, p.164), it may only slightly rise above the baseline expectation of true large-n negotiation. Much, therefore, depends on the nature of the coalition itself, with a key feature being the extent to which the coalition is able to promote unity among its members.

With reference to their pluralistic nature and limited decision-making capacity present in most critiques of coalitions in multilateral negotiations and fora, it is clear that the underlying problem being alluded to is that of limited actorness. If our base concept of actorness is used, it is evident that coalitions of the type described above fall at the lower end of the actorness continuum, and indeed, given their fundamentally ad hoc nature, may only cross the line between presence and actorness leading up to and during specific multilateral negotiations. The identity of such groups is generally single-issue based as is the case, for example, with the Cairns Group, which has coalesced around the theme of agricultural trade. The membership of such groups is also generally only semi-permanent changing as states become more or less concerned with a given issue in comparison to others, or defect as a result of dissatisfaction. Further, in most cases the possession of policy structures/processes by coalitions is extremely limited with consensus generally the decision-making rule, a factor made more problematic by the otherwise independent stance of constituent units, particularly in the case of single-issue coalitions. It is in these respects that the concept of the regional actor becomes important.

Regional actors constitute natural units for cooperation in multilateral fora, in many ways overcoming the limitations highlighted above. The extent to which they are able to do this will depend to a large degree on their level of actorness, though even regional groups at the intergovernmental end of the regional actorness continuum will possess important advantages over simple coalitions of interest. Put simply, regional actors already constitute important mechanisms for the aggregation and reconciliation of state interests. Indeed, it has already been asserted that the raison
d'être for the formation of regional organisations by states, and their ‘domestic’ purpose, is coordination with states banding together to create policy communities with greater weight in the international system. The resulting regional position may then be presented collectively at the global multilateral level (see Figure 5.1). Thus Brazil has advocated for further MERCOSUR-centered integration in South America as, among other things, “a way to get a better deal from rich countries in global trade talks” (The Economist, 2003, p.37). In doing this, regional actors have certain advantages over simple coalitions. First, while in most ad hoc coalitions, identity is weak, often being centered around only one core issue, for example agricultural trade in the case of the Cairns Group, a sense of collective identity is an intrinsic part of the regional actor. The result is that there is a far greater congruence, and a higher level of social aggregation (Wendt, 1994), of goals and interests within a given regional actor than in a coalition, which itself contributes to a willingness to cooperate and to make concessions to a greater extent than may otherwise be the case. Clearly this will have more effect where the sense of collective identity is more advanced.

The second advantage possessed by regional actors over coalitions is their institutional structure, that is, the norms and processes by which they function. An essential component of actoriness is the capacity to take decisions. Again, such structures fall along a continuum. At one end, a strong/supranational regional actor is one with a highly structured institutional process in which decision-taking is based on a simple majority vote, while at the other end, a weak/intergovernmental regional actor is characterised by the lack of an institutional structure and the premising of decision-taking on unanimity. In practice, the structure of a weak/intergovernmental regional actor may be little different from an ad hoc coalition, but the experience of having worked together and the knowledge that cooperation will continue, combined with the presence of some level of collective identity, effectively enhances the ability to negotiate collective positions for expression at the global multilateral level. Further, the nature of regionalism as involving expansive, rather than single issue, cooperation allows for the possibility of intra-regional trade-offs between policy actors, again increasing the likelihood of achieving some collective position. It is groupings at the supranational end of the regional actoriness continuum that will prove most beneficial in alleviating the large-n problem inherent in global multilateralism. It is these actors

See discussion of regional actors in Theoretical Framework.
that have the strongest sense of collective identity and the most cohesive and effective structures for the formulation of collective decisions, and it is these actors that have the flexibility to negotiate at the global level based on these collective positions, and the ability to easily modify these positions based upon the outcomes of negotiation.

If regional actors constitute the first step in reducing the difficulties inherent in large-n multilateralism, the next step is the utilisation of inter- and transregional fora for the same purpose, constituting as they do another arena of governance between the state and global multilateral levels. Put simply, such structures are to regional actors what regional structures are to state actors, operating as a means for the proactive or reactive determination of collective positions or the alleviation of conflicts between regional actors and/or extra-regional state actors (see Figure 5.2). Clearly, the process by which inter- and transregional fora negotiate collective positions will be facilitated by the extent to which their regional actor participants are able themselves to come to collective and flexible positions, in other words, their utility will be dictated to a great extent by the actorness of their constituent units.

There is some contention among academics as to the extent to which the rationalising and agenda setting functions are actually performed in Asia-Europe relations, a dispute exacerbated by the relative paucity of information on discussions conducted behind closed doors. There exists an academic standstill between sceptics and adherents on the performance of the rationalising and agenda setting functions generally, and in the EU-ASEAN relationship and ASEM process specifically.\textsuperscript{307} Indeed, the most that can be said of the rationalising and agenda setting functions in the European Union’s relationship with ASEAN and the broader East Asia is that evidence is tentative and incomplete at best. What follows, therefore, is merely a glimpse at a number of suggestive occurrences.

In arguing that rationalising and agenda setting has occurred, most academics have cited the events surrounding the Vietnamese invasion of Cambodia in the annual

\footnote{307 This was evident at a recent international conference on ‘Interregionalism in International Relations’ convened at the Arnold-Bergstraesser-Institut in Freiburg im Breisgau (Germany) on the 31st January to the 1st February 2002.}
Figure 5.1: Chain of Negotiation for Region-based Multilateralism

Figure 5.2: Chain of Negotiation for Region-based Multilateralism: Inter- and Transregional Variant
December 1978, asserting that EC-ASEAN cooperation was a central factor behind resolutions of the United Nations General Assembly, leading eventually to the withdrawal of Vietnamese troops. Similarly, the twinned issue of the Soviet intervention in Afghanistan is cited. Indeed, these are the earliest examples of EU-ASEAN agenda setting cooperation, but, as has been argued in earlier discussion of the Cambodia case, this was not all plain-sailing. Divergences were clear, with the result being the eventual breaking of the European bloc and therefore of EC-ASEAN cooperation, which at the best of times had produced only lowest common denominator cooperation, due to the inability to overcome entrenched state interests.308

In the same vein, cooperation on the issue of the exodus of boat-people from Indochina in the 1970s was less than spectacular. Rülund points out that it was the EC and ASEAN that brought the issue on to the global agenda, and Hong highlights the fact that “Europe and ASEAN, China and Japan co-operated to produce the Geneva Comprehensive Plan of Action on solving the boat-people refugee problem, working in conjunction with the UNHCR” (1998, p.214). There is, however, little evidence of concerted cooperation between the two groupings to achieve more than bare recognition of the issue. Indeed, divergence again emerged, with conflict over the treatment by ASEAN Member States, as first asylum countries, of the refugees, and over the pace with which the EC Member States, as resettlement countries, were responding to the crisis.

In the post-bipolar period, as a result of the ongoing process of globalisation and the lifting of the security constraints inherent in Cold War cooperation, academics and practitioners have increasingly come to recognise the need for extensive cooperation to achieve global multilateral goals. Unfortunately, this has not often been converted into practice. Chairman’s Statements of the EU-ASEAN dialogue and the ASEM process have routinely included global multilateral issues as among those discussed, and yet despite the routine professing of joint interests little cooperation has been evidenced in global multilateral fora. While reference to the need to cooperate on WTO and UN related issues became common in all EU-ASEAN and ASEM related fora throughout the 1990s and into the 21st century, it was in the Asia-Europe Meeting that this was most consistently expressed.

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308 See Balancing chapter for extensive discussion of this issue.
As early as ASEM I, rationalising and agenda setting functions were raised, with the Chairman’s Statement of that meeting expressing an agreement among the partners “to cooperate in promoting the effective reform and greater democratisation of the UN system, including inter alia the issues concerning the Security Council, the General Assembly, the Economic and Social Council and UN finances, with a view to reinforcing its pre-eminent role in maintaining and promoting international peace and security and sustainable development” (ASEM, 1996, para.7). In order to achieve this goal, it was further agreed that a dialogue between representatives of ASEM nations in New York would be initiated to consider UN reform. It was not, however, until some five years later at the third ASEM Foreign Ministers’ Meeting, held in Beijing on 24th-25th May 2001, that ASEM participants took any practical steps towards the promotion of cooperation at the UN level, agreeing “that before sessions of the [United Nations] General Assembly, ASEM partners would hold consultations at the appropriate level in New York or other agreed places to exchange views on agenda items” (FMM, 2001, para.6). The first such consultative meeting took place in New York on 9th September 2001, immediately prior to the convening of the UNGA. Discussions, held at the Heads of Mission level, were informal in nature, providing the opportunity to “figure out what our areas of interest are, and where we could do some work” (Interview Material). Unfortunately, the same practitioner comments, “the follow-up, for obvious reasons [the September 11 terrorist attacks], was not very good”. Nevertheless, the European Commission deemed the meeting to have been a positive experience, urged the continuation of such dialogues, and suggested the consideration of alternative informal means of consultation, including the possibility of giving coordinators and Senior Officials the flexibility to consult on issues of common interest on an ad hoc basis (European Commission, 2002d, p.1). Such consultations have subsequently become a regular event. Concrete outcomes, however, have been sparse with a handful of joint declarations on the Kyoto Protocol being the only tentative example identified by the officials in the European Commission and ASEAN Secretariat interviewed.

More attention has been given to the possibility of rationalising and agenda setting functions being performed in relation to global economic governance, with the WTO being seen as a natural arena for such. Again, the expression of an intent to cooperate in this manner may be traced back to the first ASEM meeting, with the Chairman’s Statement asserting that “Asian and European participants will consult
closely on new issues for the WTO agenda” (ASEM, 1996, para.11), a commitment
taken further at ASEM II with an expression of willingness to “prepare an agenda for
the next [Seattle] ministerial conference with a view to pursuing further trade
liberalisation” (ASEM, 1998b, para.11).

Comprehensive discussions on WTO matters were held for the first time at
SOMTI I in Brussels on 25\textsuperscript{th} July 1996, prior to the Singapore WTO Ministerial on
9\textsuperscript{th}-13\textsuperscript{th} December of the same year. In particular, the SOMTI considered the place of
trade and investment issues in the WTO work programme, with the participants
expressing a favourable attitude to “establishing a working group to begin discussion
on these matters, with a view to analysing problems and seeking possible convergence
of attitudes as regards multilateral solutions” (SOMTI, 1996, s.2). While critics have,
probably accurately, asserted that it failed to produce any tangible results (Godement
and Jacquet, 1997), it must be noted that this intent to work together in developing
and expanding the work programme for the WTO was, to an extent, built on prior
successful EU-Asia investment-related collaboration. In July 1995, cooperation
between the Union and its Asian partners had been essential in reaching an agreement
within the GATT on liberalising financial services. Commented one Commission
official, “[w]hen the Americans decided to stay out of the financial services deal this
summer, it was the Asian states that helped the EU win a WTO agreement” (Islam,
1995).

Despite the collapse of the Seattle WTO Ministerial in 1999 which asserted
Rüland (2002b) was due to the lack of prior consultation between Europe and Asia, by
ASEM IV in 2002, the possibility of using the Asia-Europe Meeting as a basis for
cooperation in the World Trade Organisation had become entrenched in the psyche of
the participants. This was evidenced in the Chairman’s Statement by the recognition
“that the ASEM process constitutes an effective means for consultation and dialogue
on the WTO Doha Round, particularly in the run-up to the WTO ministerial meeting
in Cancun” (ASEM, 2002a).\textsuperscript{309} The discussions at the Copenhagen ASEM Summit
had built upon decisions taken by the Economic Ministers at their meeting held in
Copenhagen several days earlier on the 18\textsuperscript{th}-19\textsuperscript{th} September. Here, too, the Ministers
had recognised the importance of ASEM, asserting that “through its informality,
multidimensionality and its emphasis on equal partnership, [it] could be a useful and
effective means for all sectors of society in Asia and Europe to improve their understanding of each other’s positions on various issues of the DDA [Doha Development Agenda]” (EMM, 2002, para.16). It was agreed that a consultative process on WTO issues would be launched, incorporating senior officials from central government and those based in Geneva responsible for WTO affairs. This dialogue was to be based on a number of key events, including: two rounds of consultations, the first convened in Hanoi on 17th-18th January 2003, and the second in Paris in conjunction with SOMTI IX on 5th-6th June of the same year; an ASEM Symposium on Multilateral and Regional Economic Relations in Tokyo on 24th-25th March; and a High Level Conference on Agricultural Cooperation in Beijing on 12th November.

While it seems clear that the European Union and its Asian partners have at least considered broader multilateral issues at the transregional level, anecdotal evidence suggests that consensus on such issues is rarely achieved. The result is that actual coordination at the global multilateral level does not often occur, and particularly not on complex issues, with one ASEAN official commenting that the most that has been accomplished is a common understanding on broad interests, such as that WTO negotiation should benefit developing countries (Interview Material). The extent to which even this has been achieved, particularly in the wake of the most recent negotiations, would be something on which developing countries would certainly have strong opinions. Going beyond the specifics of EU-Asia cooperation at the global level, the extent to which such inter- and transregional coordination in global multilateral fora occurs generally is questioned, with one senior WTO official bluntly asserting that “there is always a gap between what leaders and Ministers say and what happens”, and pointing to the fact that in expressing the intent to cooperate, “they are never specific” (Interview Material).

It has already been asserted that the extent to which the rationalising and agenda setting functions are performed will be dependent on the ability of the European and Asian partners to coordinate intra-regional positions, and the flexibility with which such positions are able to be modified. In other words, the level of actorness of the respective participants is fundamental. It is this that has led to the

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309 Indeed, EU-Asia cooperation has been credited with helping achieve agreement for the launch of the Millennium Round in Doha in November 2001 (Rülund, 2002b).
failure to achieve significant cooperation at the global multilateral level. The fracturing of the European group due to the inability to overcome entrenched state interests has already been highlighted as the key factor leading to the failure of cooperation on the Cambodia issue. In the post-bipolar period, the failure to cooperate, mostly in relation to economics, has been attributed by practitioners on both sides of the fence to the lack of actorliness of ASEAN. The Association has been criticised for not being an “interesting partner”, a factor which it was recognised could be overcome were they able to “offer the support of a real bloc, ten countries really of the same opinion” (Interview Material). ASEAN officials, too, admit the failing in terms of intra-ASEAN cooperation, acknowledging that “ASEAN’s negotiating capabilities are very weak”, a weakness that it is hoped the ASEAN Programme for Regional Integration Support (APRIS) will aid in overcoming (Interview Material).\textsuperscript{310}

Lack of actorliness at the regional level has affected the nature of cooperation at the global multilateral level. In the WTO case, for example, rather than the EU or ASEAN engaging with their dialogue partners at the inter- and transregional level in order to overcome what may be large differences in their respective initial positions, i.e. the clearing-house process suggested by the rationalising function, these groupings have tended to seek out partners at the WTO level with viewpoints already as similar to their own as possible, thus reducing the hurdle to be overcome. The result is that issue-based coalitions, such as the Cairns Group, have tended to be far more important (Interview Material). This, however, does not make achieving agreement at the global multilateral level any easier, as it leaves the most difficult negotiations, those between divergent positions, still to be addressed.

A further possible factor limiting the future performance of the rationalising and agenda setting functions will be the European Union’s impending enlargement. The General Affairs Council, considering the effectiveness of the EU’s external actions, has expressed a commitment to empowering the Union and developing a leadership role, in global multilateral fora. This is to be achieved by strengthening actorliness in two ways. The first is a concentration on intra-Union mechanisms, with the General Affairs Council (2004, p.5) pointing to the need for “strong internal coordination aimed at developing common positions”, i.e. strengthened policy

\textsuperscript{310} The fifth Economic Ministers Meeting subsequently agreed to continue these meetings of high level WTO experts throughout 2004 (EMM, 2003, para.12).
\textsuperscript{311} This is discussed in greater detail in the Institution Building chapter.
processes/structures. The second is EU enlargement, seen as being a catalyst for a stronger presence and profile. Indeed, in a recent publication dedicated to consideration of the enlarged EU at the UN, tellingly subtitled ‘Making Multilateralism Better’ (European Commission, 2004), it was trumpeted that the EU-25 will comprise more than one eighth of all votes in the General Assembly, and that the number of states aligning themselves with EU statements in the UNGA now amounts to almost one sixth of the total (p.5). As such, rationalising and agenda setting at the inter- and transregional level may too become the victims of the forthcoming enlargement, with the Union seeing no need in the near future to develop complicated coalitions with external partners when its own 25-strong membership will give it significant leverage in global multilateral fora.

Dent (2004), in a recent article, has forwarded a concept of multilateral utility, essentially and logically treating the functions of rationalising and agenda setting as a coherent whole. “[M]ultilateral utility theory”, he asserts, “is interested in the extent to which inter-regional frameworks help realise and even shape the ‘indivisible goals’ of... [multilateral] institutions” (p.11). In analysing this in relation to the ASEM process, he indicates another possible reasons for the failure of an inter- or transregional dialogue to act as, for example, an agenda setter at the global multilateral level. Referring to its structural power and influence, defined as an actor’s ability to shape the systemic structures and rule of the global system, Dent suggests that the EU possesses sufficient capacity not to require the support of its Asian ASEM partners (p.15). Again, therefore, performance of the functions of inter- and transregional dialogues is premised upon the level of actorness as a moderating variable, though in this case viewed from a slightly different perspective. Aside from Dent’s implicit support for the argument of this thesis, his work deserves mention as a stimulating approach to consideration of the functions of inter- and transregional dialogues.

While it is unlikely that the difficulties limiting the performance of rationalising and agenda setting functions, including the reorientation of the EU’s focus to dealing with new Member States, will be overcome in the foreseeable future, it is necessary that, if the relationship between European and Asian partners is to become a truly substantive one, these functions eventually be performed. Indeed, said one Commission official, “if there is any value in having a relationship with ASEAN,
or a relationship in ASEM... then it is as a clearing-house in which you try to get an agreement” (Interview Material).
6. Collective Identity Formation

Julie Gilson (2002, p.1)\textsuperscript{312} opened her contribution to the identity debate with the recognition that "'Asia' and 'Europe' are slippery characters". Rarely has there been a more eloquent and accurate summation of the complexity in approaching the two regions as concepts. It is not the function of this chapter to define Asia and Europe, but rather to look at the elements of their relationship that have an influence on the formation of collective identities. In so doing, this chapter outlines the method by which inter- and transregionalism may lead to collective identity formation, and relates certain elements of identity that have been elucidated as a result.

The rise of regions as cohesive units, particularly in the now famous 'second wave' of regionalisation, has served to complicate conceptions of Asia and Europe previously taken for granted. The regions have come to mean far more than a simple geographical congruence of states, with considerations of values and institutions coming to the fore. The notion of Europe as a region has developed to such an extent since the events of the late 1980s and the entry into force of the Treaty on European Union (Maastricht Treaty) in 1993, that even the most lackadaisical of foreign tourists has come to identify it with more than merely Paris, London, Rome and a hotchpotch of holiday impressions. Indeed, in the decade since it came into existence, the European Union has had great success in raising its profile outside of Europe such that the average foreign visitor has a clear perception of the EU as an international

\textsuperscript{312} Gilson's book is a stimulating and praiseworthy analysis of the process of collective identity formation as a result of interaction in the ASEM process. It is also the first book-length treatment of any of the five deduced functions of inter- and transregionalism.
Setting aside such fancies, it is sufficient at this point to assert the truism that regional identities have become far more advanced and complex as regional integration has become more advanced and complex. In the context of this thesis, it is here that the fifth theorised function of interregional relations becomes important.

The concept of collective identity formation as a function/role of inter- and transregional relations is deduced from the body of theory known as constructivism. The place of constructivist theory in the composition of this thesis has already been made clear through the use of structuration theory as the ontological foundation for modelling the global system. This chapter will not seek to provide a detailed outline or critique of the constructivist approach in its entirety; such has already been undertaken by numerous academics including most prominently, Alexander Wendt. Rather, and drawing mostly on the work of Wendt, what will be undertaken here is the simple highlighting of a number of key points in constructivist enquiry bearing an influence on the concept of collective identity formation.

As a beginning, it is interesting to note some of the factors to which the rise of constructivist theory, or of critical international relations theory more broadly, is attributed. Against the background of the end of the Cold War, Reus-Smit (2001) lists four elements instrumental in the emergence of constructivism in the 1990s. The first of Reus-Smit’s factors was the carpe diem attitude of constructivists, who leaped into the academic rift created when leading rationalists challenged critical theorists to move beyond narrow critique and into substantive analysis. While the critical theorists were unimpressed, the constructivists saw this as “an opportunity to demonstrate the heuristic power of non-rationalist perspectives” (p.216). The second factor was the lack of explanatory power of neo-realism and neoliberalism, and therefore their inability to cope with the systemic transformation taking place. Indeed, in the words of Rosenau and Durfee (1995, p.27), “the question of change is not an important one to realists”. Thirdly, Reus-Smit (2001, p.216) enthusiastically refers to the emergence by the beginning of the 1990s of a “new generation of young scholars... who embraced many of the propositions of critical international theory, but who saw

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313 The reader is directed to a study undertaken under the aegis of the National Centre for Research on Europe (Christchurch, New Zealand). Here it is indicated that New Zealanders have a clear perception of the importance of the European Union as a trade power and international actor, but lack specific knowledge about the nature of the Union itself (Holland et al, 2003). The project is currently being reproduced by the NCRE in Australia, South Korea and Thailand.

314 See Theoretical Framework for further explanation of deficiencies in various theoretical approaches, for it is in answer to these that the actorness framework of this thesis has been generated.
potential for innovation in conceptual elaboration and empirically-informed theoretical development". The final factor outlined by Reus-Smit as important to the emergence of the constructivist challenge to orthodox international relations theory was the ardent response of mainstream scholars frustrated by the failings of the rationalist theories that dominated the discipline. Regardless of the reasons for its emergence, constructivist theory, over the course of the last decade, has become a major element in debate on the nature of the international system.

Three elements contrast constructivism with more traditional rationalist approaches (Reus-Smit, 2001). First, as previously mentioned, where rationalists characterise actors as atomistic egoists, constructivists treat actors as "deeply social... in the sense that their identities are constituted by the institutionalised norms, values and ideas of the social environment in which they act" (p.219). Secondly, as also previously stated, constructivism treats identities as endogenously created, in contrast to the rationalist assertion that they are in some way exogenously given. Thirdly, "while rationalists view society as a strategic realm, a place where actors rationally pursue their interests, constructivists see it as a constitutive realm, the site that generates actors as knowledgeable social and political agents, the realm that makes them who they are" (ibid.).

Drawing on constructivism itself, of particular importance for this thesis is the concept of the construction of identity as the result of inter-subjective interaction within a structure of collective meaning. Structure in this context is a tripartite composition (Wendt, 1995, p.73). The first component is "shared understandings, expectations, and social knowledge embedded in international institutions... in terms of which states define (some of) their identities and interests" (Wendt, 1994, p.389). In other words, structure in the constructivist conception includes a normative and ideational component, in contrast to the rationalist approach that privileges material factors. This is not to say that constructivists reject material resources as being of importance, for indeed these constitute the second of Wendt's elements of structure. The assertion made by constructivism, however, is that these material factors "only acquire meaning for human action through the structure of shared knowledge in which

315 The following constructivist elements have been drawn primarily from the work of Wendt. For an in-depth discussion of the constructivist approach, see Wendt (1992, 1994, 1995, 1999), Wendt and Duvall (1989), Reus-Smit (2001), and Ruggie (1998).
316 See also Checkel (1998, p.326).
317 See also Reus-Smit (2001, p.216).
they are embedded” (Wendt, 1995, p.73). Finally, the third component is the recognition that structures “exist only in process” (p.74); it is practice that maintains them.

Institutions, as a structural feature of the international system, are defined by Wendt (1992) as a relatively stable arrangement of social identities and interests, often codified in formal rules and norms. These norms can serve to prescribe and regulate behaviour (regulatory effect), and to define and constitute identities (constitutive effect) (Acharya, 2001, p.24). Clearly it is norms with constitutive effect that are of most importance to collective identity formation, with Ruggie (1998, p.872) commenting that “[n]o consciously organized realm of human activity is imaginable without them, including international politics – though they may be relatively more ‘thin’ in this than in many other forms of social order”.

In line with the emphasis of constructivism on intersubjective understandings, these formal rules and norms are seen to bear force only as a result of actors’ “socialization to and participation in collective knowledge” (Wendt, 1992, p.399), leading to the further assertion that “[i]nstitutions are fundamentally cognitive entities that do not exist apart from actors’ ideas about how the world works” (ibid.). Institutions nevertheless constitute “coercive social facts”, while at the same time being a function of “what actors collectively ‘know’”, with the underlying premise or process of institutionalisation consequently being about “internalizing new identities and interests” (ibid.). As is often acknowledged, institutions conceived in this manner need not necessarily be cooperative in nature, with the Cold War providing the prime example of the opposite.

Importantly, and drawing on the structurationist approach developed by Giddens, while structures/institutions help to facilitate and constrain the behaviour of actors, they are themselves constantly reproduced and transformed through this self-same actor interaction. At the unit level, interaction serves not only to constitute and reconstitute sub-systemic structures, but also serves, in conjunction with the structural framework, to define identities. Indeed, “[i]dentities and... collective cognitions [which constitute structures/institutions] do not exist apart from each other; they are ‘mutually constitutive’” (Wendt, 1992, p.399). As such, identity is seen by constructivists as endogenous to interaction, a position in stark contrast to the rationalist position that identity is in some way exogenously given (Wendt, 1992, p.394). Such identities are defined as “relatively stable, role-specific understandings
and expectations about self" (Wendt, 1992, p.397). They are, in short, socially defined, premised upon understandings about self and other, and upon the agreed structure of interaction.

![Diagram of Institutions and Process](image)

**Figure 6.1: The Codetermination of Institutions and Process**


The creation and instantiation of inter-subjective social structures/institutions and identities is summarised in Figure 6.1. In essence, as a result of some stimulus, actor \( A \) undertakes a social act based on their interpretation of the situation. This, asserts Wendt (1992, p.405), affects inter-subjective understandings and expectations of future behaviour on both sides. Based on an interpretation of \( A \)'s action, \( B \) undertakes a new action, thus again effecting inter-subjective understandings by signifying the manner in which it will respond to \( A \). The process continues, either reinforcing perceptions, or introducing new elements leading to changes in perception, building a pool of knowledge and leading eventually to the creation of relatively stable concepts of self and other within this structure of interaction. Thus, in
the words of Coulter, "[t]he parameters of social organization themselves are reproduced only in and through the orientations and practices of members engaged in social interactions over time... Social configurations are not 'objective' like mountains or forests, but rather they are 'subjective' like dreams or flights of speculative fantasy. They are, as most social scientists concede at the theoretical level, intersubjective constructions" (1982, pp.42-43). Put bluntly, constructivists assert that identities are created through the process of interaction, understood as "the stories that social actors tell, and by which, in the process, they come to define themselves or to construct their identities and perceive conditions that promote and/or mitigate the possibility for future change" (Chin and Mittelman, 1997, p.32).

If identities are treated as always being in process during interaction, then it is clearly conceivable that this could lead to collective forms of identification. It has already been asserted that an intrinsic part of regional actorness is a sense of collective identity. Indeed, Deutsch (1988, p.271) viewed the creation of security communities, a cousin of regional integration arrangements, as an exercise in identity building. Jepperson et al (1996, p.54) argue that such identity incorporates the norms of interaction between a given grouping of states, including "expectations about proper behaviour for a given identity". Thus Eliassen and Børve Monsen (2001, p.114) defined the somewhat amorphous concept of 'regional awareness' as centering on "language and rhetoric, means by which definitions of regional identity are constantly defined and redefined", and Camroux and Lechervy (1996, p.449) assert that the very nature of nation-states, and by implication regional organisations, "is being defined by their interaction with other nation-states [and regional groupings] in the international arena". Indeed, said Bridges (1999, p.121), "the realities of inter-regional interactions – and in some cases merely the perceptions of the process and policies of integration in other regional groupings – can affect the intra-regional dynamics of the process within particular regional groupings". Such collective identity formation as a result of interaction with an external other is more likely to occur where no firm identity has previously been established. As such, it is most likely to be seen where groups are newly formed and relatively heterogeneous in composition.

318 See Theoretical Framework.
Collective identity formation within regional groupings occurs in a number of ways, and can be the result of internal influences (i.e. as a function of interaction among the grouping’s components), or external influences (e.g. interregional relations). Given the nature of this thesis, the focus of this chapter is on identity formation as a function of the way regions relate to the outside world (Hänggi, 2003, p.197). More specifically, this chapter concentrates on identity building that involves an external interregional element. This does not involve an attempt to define in some concrete manner the identities of either Asia or Europe. Acharya’s (2001, p.28) warning that “[m]easuring identity formation is one of the most difficult challenges for academic theorists” has been acknowledged. Indeed, as he goes on to query, “[w]hen can we know that a group of states have achieved a ‘we-feeling’?” What is therefore undertaken is the simple elucidation of elements of identity as they illustrate the process of collective identity formation as a result of engagement in inter- and transregional dialogue.

External influence resulting in collective identity formation occurs in a number of ways. Three are of importance for this thesis. The first is through the role of an external federator, with the clearest example of such being the European Union. Aside from major (economic) powers such as the US, the EU seeks to conduct dialogues with larger groupings rather than bilaterally with individual states. This exerts a certain amount of pressure upon third party states to form regional groupings, and in this way constitutes an intended result in relation to identity formation.³¹⁹ This is not to say, in the case of identity formation, that the external federator effectively ‘creates’ an identity, but rather to assert that they provide an impetus for that process by bringing the grouping together.

The second factor is the negotiation of what may be termed operational elements, of which there are two core ingredients. The first is the issue of the requisites of membership of a grouping. By reference to these criteria, some identifying shape can be determined in a regional grouping or in the parties to a transregional dialogue process, effectively defining the in-group versus the out-group.

³¹⁹ Alternatively, and in contrast to the purposiveness of the external federator role, the impact of regional groupings on regionalism elsewhere has been studied in the context of extra-regional echoing (Hänggi, 2003, p.197). In this process, one regional actor acts as a prototype or model which other regions use either as a pattern or as a counter-model for their own integration (Zimmerling, 1991, pp.154-155). While this can result in the echoing of identity, the role of such in the EC/EU-ASEAN relationship is marginal. A greater part is played by extra-regional echoing, however, in relation to institution building.
The second is the operational norms adopted, and in particular the association of these norms with (usually through the sourcing of them from) a particular grouping within an inter- or transregional dialogue.

The third way in which external influence affects collective identity formation is as a reactive or adoptive response to certain stimuli. Such identity formation is dependent to a great extent on the comparative actorness of the parties concerned. Drawing again on the EU example, and with reference to reactive stimuli, the Union as a grouping collectively holds to certain normative positions (often referred to as ‘Western values’) in its external relations. Such values are expressed through, for example, the use of conditionality clauses in agreements with third parties. This, particularly in the case of Asia, has triggered the formation of an alternative identity (Asian values) as a (primarily negative) reaction to the common ‘other’. This reactive approach is a result of the comparative levels of actorness of the two regions – in this respect, ASEAN is not sufficiently weaker than the EU, thus to a great extent removing the likelihood of an adoptive approach. A weak actor interacting with a strong other is more likely to be the subject of adoptive identity formation, that is, the adoption of elements of identity from its external other. This may occur in a manner similar to the extra-regional echoing process, or because the weak actor is unable to resist external pressure. In earlier discussion of the European Union as a supranational regional actor, the development of conditionality was considered in the context of EC/EU-ACP relations. The role of the ACP as a weak actor, and the process of ‘adoptive’ identity formation, can be clearly seen in the final stages of the emergence of conditionality, with ACP states too weak to resist the inclusion of fundamental rights clauses in agreements with the EC/EU. This is not to say that these states are now necessarily respecters of fundamental rights, but simply that this element, at some level, has been adopted. Anything subsequently done to align these states with the rights clause in such agreements is a clear example of identity formation as the result of the adoption of new identifying elements. A simpler illustration of this, not dependant upon comparative levels of actorness, would be the adoption of UN rights instruments, and subsequent moves to bring national practice into line with them.

While this seems clear, it has a more subtle element to it. If collective identity formation occurs in response to interaction with an external partner on a given issue,

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320 Wendt (1994) discusses identity as a construct of ‘otherness’.
human rights in the above example, then much of the process of identity formation is
dependant upon the issues raised in external dialogues, and is therefore reliant to a
great extent upon the interests, and therefore identity, of the dialogue partner. In the
case of the EU-ASEAN relationship, this has occurred most clearly with respect to
human rights. In contrast, it is highly unlikely that the human rights debate plays a
part in collective identity formation tied to the ASEAN-China or ASEAN-
MERCOSUR dialogues.

Collective identity formation is further enhanced by the process of regional
institution building which has previously been highlighted as a factor in inter- and
transregional relations. This results in a convergence of major values relevant to
decision-making within the grouping, and thus the strengthening of regional identities.
The process ties closely to the complex system model of the global arena outlined
above in that “[t]he structures of regional or global international systems constitute
interaction contexts that either inhibit or facilitate the emergence of dynamics of
collective identity formation” (Wendt, 1994, p.389). The incremental interactions and
socialisation that occur within regional groups, and within interregional dialogues, are
therefore of importance. It can be expected that aspects of collective identity
formation will be identifiable in the inter- and transregional relations occurring
between the European and Asian partners. Such identity formation, particularly
unintended identity formation, will be more evident in relation to issues of some
contention between the respective groups, for example over human rights or the
principle of non-interference.

Such collective identification is promoted by a number of structural and
systemic factors. The first factor is the level of ‘slack’ in the system allowing space
for collective identities to develop. The second factor of importance is rising
interdependence, which has an effect in two ways. The first is an increase in the
dynamic density of interaction as a result of, for example, trade flows (Wendt, 1994,
p.389). The second is the emergence or existence of a common ‘other’, either
personified in another actor – “denigrated, feared or emulated” (Ruggie, 1998, p.873)
– or as a newly arising or crisis situation. “As interdependence rises”, in the words of
Wendt (1994, pp.388-389), “so will the potential for endogenous transformations of
identity”. Thus it can be assumed that the thicker the structures of interaction, and the
broader their scope, the greater the chance of endogenous identity modification
occurring.
Rüland (2001, p.16) posited collective identity building as the most important function of EC-ASEAN relations, even during the earliest period of the relationship. In this respect, what did occur, as Rüland implicitly indicates, was low-level identity formation in the form of differentiation from the external environment.\textsuperscript{321} As has been previously indicated, an important component of such differentiation, falling under the heading of \textit{externally formulated structures}, is recognition achieved through interaction with third parties (Herrberg, 1997; Herrberg, 1998; Jupille and Caporaso, 1998; Rhodes, 1998), with Jupille and Caporaso (1998, p.215) commenting of the EU that “[t]hird parties that decide to interact with the EU implicitly confer recognition upon it”. This element of identification resulted, in the European case, in a broad network of relations of a \textit{formal} rather than \textit{substantive} nature.\textsuperscript{322} Rüland (2001, p.16) goes further, however, asserting that “[r]ecognition is certainly a factor strengthening the legitimacy and, as a corollary, the internal cohesion of an organization”, and crediting the relationship with boosting the newly created European Political Cooperation (EPC). Indeed, both the EU and ASEAN highlighted relationships with other regional groupings as a primary component of their external relations.

While collective identity formation did occur to a limited extent in the manner outlined, the mechanisms for such were greatly limited by the exigencies of Cold War politics. It was not until the transformation in the structure of global politics away from bipolar conflict that identity formation became a major component of the EC/EU-ASEAN relationship. In this respect, two core elements have been outlined as important factors in the formation of collective identities: system ‘slack’ and rising interdependence (including an increase in the density of relations and the emergence or existence of a common ‘other’).

An increase in system slack was realised in the post-1990 period with the alleviation of the exigencies of Cold War security politics. According to Wendt (1994, p.389), “[t]he greater the degree of conflict in the system, the more the states will fear each other and defend egoistic identities by engaging in relative gains thinking and resisting the factors that might undermine it”. While the perceived threat of the communist Eastern bloc prior to 1989/90 did encourage a certain degree of intra-regional identification, with ASEAN being formed partly as a grouping of anti-

\textsuperscript{321} This aspect of \textit{tangible} identity is discussed in more detail in consideration of the Theoretical Framework of this thesis.
\textsuperscript{322} See Balancing chapter.
communist Southeast Asian states, the structures of the period were such that security issues were privileged, resulting in a trend towards the reinforcement of individual state identities, and the preservation of state-autonomy, even among allied nations. Indeed, while the European integration project can be traced as far back as French Foreign Minister Robert Schuman’s 1951 call for the pooling of Franco-German coal and steel production in one supranational organisation, it had been in something of a lull until its ‘relaunching’ in the late 1980s with the Single European Market (SEM) project leading eventually, via a series of Intergovernmental Conferences (IGCs) during 1991, to the Maastricht Treaty on European Union (TEU).

Similarly, the post-bipolar period saw an increase in the dynamic density of interactions between the EC/EU and ASEAN, combined with the reinforcement of the concept of the EC/EU and ASEAN, each as a coherent ‘other’ to their counterpart’s ‘self’. Increasing interdependence operates both at an intra- and interregional level to promote identity formation. At the intra-regional level, increased interactions lead to a positive association with other regional partners, the creation of a ‘we’ feeling, and eventually to some level of common identification. This strengthened intra-regional identity then constitutes a more coherent ‘other’ to the interregional partner. Further to this, an increase in the dynamic density of interregional interactions serves to magnify the effects on collective identity formation of communication with this coherent ‘other’. In a nutshell, what is being suggested is the role both of region-building (as a strengthened ‘other’) and relationship-building in facilitating collective identity formation. Wendt (1994, p.389) points explicitly to trade and capital flows as an element effecting the dynamic density of relations. To this may be added institution building. In this respect it is useful to briefly revisit previous consideration of the trade, investment and institution building issues.\textsuperscript{323}

It has already been suggested that self-focused region-building was a more important element of balancing in the bipolar period than were any other expected balancing-related functions. An increase in intra-ASEAN and intra-EC/EU trade-related activity was in evidence leading up to, and during, the post-bipolar period. Two key events led to increases in intra-regional trade: the launching of the Single Market in 1986 and of AFTA in 1993. Both of these immediately resulted in the intensification of intra-regional trade patterns, with the previously quoted figures of a

\textsuperscript{323} Drawn from the discussion of Balancing and Institution Building above.
rise in intra-EC trade, as a percentage of total EC trade, from a ΔM level of 53.1 per cent of imports and 54.5 per cent of exports in 1985, to 63.1 per cent and 66.2 per cent by 1990 (see Table A.3), and a rise of intra-ASEAN trade from a ΔM level of 14.7 per cent of imports and 18.7 per cent of exports in 1990, to 17.6 per cent and 23.8 per cent in 1995 and 22.7 per cent and 22.6 per cent by 2002 (see Table A.9), being indicative. On the investment side, the story of intra-regional capital flows is one of contrasts. While intra-EC/EU investment increased significantly as a result of the Single Market project, rising steadily to reach a peak of 83.4 per cent of all EU investment flows by 2000 (see Table A.18), intra-ASEAN investment registered a steady decline, having fallen from 89 per cent of all ASEAN investment flows in 1980, to a mere 3 per cent by 1993 (UNCTAD, 1996, p.15).

In terms of intra-regional institution building, both the EC/EU and ASEAN progressed to the point where, by the post-bipolar period, they had a recognisable, and in the EC’s case an advanced, shape. This process continued into the early post-bipolar period such that a new organisation, the European Union, was erected around the skeleton of the EC, ECSC and EURATOM. ASEAN, too, advanced significantly in the period after its launch in 1967, with an institutionalisation of meetings and the creation of an, albeit under-utilised and essentially powerless, Secretariat. In sum, region-building had occurred to sufficient extent by the 1990s that each grouping was increasingly able to be perceived as a significant ‘other’. Thus ASEAN fears of a fortress Europe became particularly apparent at the same time that the Union increasingly began to see the Association as a valuable partner, both as a result of its economic performance and of the launching of such region-building initiatives as AFTA and the ARF.

Interregional relationship-building also took place, though the results were less than stunning in the fields of trade and investment. Interregional trade was significant, in global terms, particularly in the post-bipolar period, with the oft touted fact that in 1992 trade flows between the European Union and the broader East Asia had surpassed transatlantic trade being somewhat indicative.324 While trade flows did increase, the level of trade between the EC/EU and ASEAN as a percentage of their total trade remained comparatively low in the triadic context. EU-15 imports from and exports to the ASEAN-10 rose from 1.8 per cent and 2.2 per cent in 1968, to 4.1 per

324 See, for example, Dent (1999, p.22).
cent and 4.4 per cent by 1990, finally reaching a level of 6.2 per cent and 3.3 per cent in 2002 (Table 3.4). On the other hand, ASEAN-10 imports from and exports to the EU-15 moved from 13.5 percent and 25.8 per cent in 1968 to 15.3 per cent and 15.6 per cent in 1990, finally declining to 11.0 per cent and 14.0 per cent in 2002 (Table 3.3). Despite the comparatively low levels of trade, significant interregional interaction occurred on the issues of market access and tariff levels, though often characterised more by trade tension than trade cooperation.

Interregional investment has been a key factor in relations between the two regions, with a continuing interest in this area being evidenced by a proliferation of Bilateral Investment Treaties (BITs) between ASEAN and EC/EU member states, 33 having been signed in the course of the 1990s, raising the cumulative total to 59. Correspondingly, by 1996 the European Union had become the largest source of FDI inflows (at 25.3 per cent) into ASEAN, though with a certain amount of disinvestment occurring in the post-financial crisis years. ASEAN investment in the EU reached a peak of 4.0 per cent in 1997, though only registering 1.8 per cent in 2000. While interregional trade and investment relations were somewhat mixed, institution building took place apace. There was a proliferation of structures between the two groupings during the bipolar period, a process which was accelerated post-1989/90.

Interregional institution building also took place leading up to the 1990s, with a proliferation of structures, running the gamut from the institutionalisation of Ministerial-level political dialogue, to the creation of programmes and working groups to deal with technical economic matters, and projects to promote capacity building. While, as has been acknowledged in previous discussion of institution building, these were of limited utility in terms of concrete deliverables, the fact is that they were indicative of a more intensive interchange between the two regions.

What this indicates is that by the 1990s, and continuing throughout the early post-bipolar period, certain conditions had been met that would elevate the role of collective identity formation in the inter- and transregional relationship above that of the earlier period in EC/EU-ASEAN relations. The lid of security politics had to an extent been lifted, allowing a certain freedom of movement among states. The corresponding reduction in the priority of security politics, as well as the willingness to address a new range of issues, thus exposed states to a whole range of pressures and influences that had not been previously felt to the same extent. Combined with this, by the 1990s both the EC/EU and ASEAN had gone through a significant process of
region-building, a process that was accelerated in the post-Cold War world. The two have subsequently routinely been credited with being the most advanced and ‘successful’ regional integration arrangements. They are, in other words, easily identifiable as, and able to varying degrees to act as, a coherent body, as an ever stronger ‘other’ to their partners’ ‘self’. Finally, the relationship between the EC/EU and ASEAN expanded significantly, including through the increasing institutionalisation of dialogues, thus going beyond simple *ad hocism* and creating the basis for a more expansive and intensive dialogue process. In other words, a reduction in the exigencies of security politics, continued region-building, and the expansion and intensification of inter- and transregional ties effectively served to let the collective identity formation genie out of the bottle.

Drawing on constructivist literature, it has been asserted that identity is endogenous to interaction, and that such identities are treated as always being in process. Indeed, in the words of Scholte (1996, p.69), “[i]dentity is always *en route* rather than *rooted*”. This is a process that takes place within what is, in the case of the European Union and the Association of Southeast Asian Nations, an expansive institutional structure comprising the original EC-ASEAN dialogue, the newer Asia-Europe Meeting process, and all of the various structures falling under the umbrella of these core dialogues.\(^{325}\) In addition, an important element to note in any discussion of identity, and particularly relevant in the Asian values debate to be discussed below, is that identity may involve more of ‘belief’ than it does of ‘truth’, or in Acharya’s (2000, p.9) words, it “depends as much on representation as on ‘reality’”.

One of the core methods of collective identity formation highlighted above is that of the role of the external federator. The premise for this is simple: that a regional grouping may provide impetus for another group to cohere, or reinforce a process that has already begun, by choosing to conduct relations at the group-to-group level. This phenomenon tends to be more visible in relation to institution building, but is also reflected in collective identity formation. This occurs through the process of recognition,\(^{326}\) whereby the mechanism of interaction between two regional groupings confers a certain amount of legitimacy upon each grouping as an object of significance in the international system. Gilson comments (2002, p.20), “an inter-regional dialogue can only take place if the self can identify an other with whom to

\(^{325}\) See Institution Building chapter.
communicate". The identity aspect of this revolves around a conception as to what, exactly, constitutes this ‘object of significance’. In other words, the in-group is defined through interaction with, and acceptance by, an external other. An indicative comment is that of Mutalib (1997, p.77) that “[t]he holding of regular sessions with Dialogue Partners, that is, between ASEAN and others... is testimony of the standing and image of ASEAN in the eyes of the international community”. This is a process that has been applied equally to the EC/EU and ASEAN throughout their dialogue.

In terms of relations with ASEAN, the European Community explicitly conferred recognition on the Association with the conclusion of a Cooperation Agreement in 1980. In choosing not to sign bilateral agreements with these original five Member States, but rather to treat with ASEAN as a whole, the Community made it necessary for the grouping to conduct an intra-regional dialogue in order to determine goals and interests to be pursued in the EC-ASEAN relationship, and thus intensified the dynamic density of intra-regional relations. This, therefore, laid a groundwork for increasing interdependence and endogenous identity formation through intersubjective interaction. It is to be noted that the most recent strategy document, A New Partnership with Southeast Asia (European Commission, 2003a), sets the goal of concluding third generation bilateral agreements with the original ASEAN members as a means of ‘reinvigorating’ the relationship (s.4.a). The New Partnership recognises that there is “no realistic prospect of re-negotiation” (ibid.) of the EC-ASEAN agreement, which is the foundation for what is described as an ‘incomplete’ institutional framework for cooperation, as the EU Common Position on Burma/Myanmar prevents de facto the conclusion of new contractual relations with ASEAN. It is for this reason that a shift toward bilateralism is envisaged. The effect of such an endeavour on identity formation will greatly depend on the balance struck between bilateral and regional level dialogue. The impoverishment of the interregional dialogue in favour of bilateral links would reduce the intra- and interregional interaction deemed so important for the formation of collective identities. In other words, in the absence of regionally premised interaction, identity will no longer be in process as a result of EU-ASEAN dialogue which, in a worst-case scenario, would no longer actually exist.

326 As outlined above.
The second key factor in collective identity formation is the negotiation of operational elements, the first of which refers to membership criteria. Says Acharya (2001, p.29), "identity formation can be sensed from the boundaries and membership criteria of the group". As such, a dialogue over membership is essentially a dialogue about values. Acceptance of membership is usually automatic, with the decision to enter into an interregional dialogue implying the acceptance of the membership of the partner region. Membership criteria become particularly important in two key instances: (i) when the membership of a partner grouping changes at some point subsequent to dialogue launch; and (ii) during the configuration of a new grouping specific to the dialogue in question.

With regard to the first, the introduction of new elements into a region, and the corresponding adjustment both of regional identity as suggested by the constructivist discourse outlined above, and the interregional dynamic, can be a peaceful or contested matter. Disputes over membership changes occur only rarely, with accessions to the ASEAN grouping being the single example to date.\(^{327}\) To dispute the membership of a region is a serious affair, effectively constituting an interference in the internal affairs of the group in question. This was the situation when the EU, along with the US, objected to the accession of Burma/Myanmar to the Association of Southeast Asian Nations.\(^{328}\) The opposition of the Union, premised as it was upon the deficiencies of the Myanmarese in terms of human rights and democracy, was essentially an attempt to include these strands within the collective ASEAN identity. Correspondingly, the subsequent admission of Burma/Myanmar by the Association was effectively a restatement of what it means to be an ASEAN nation, one in which human rights and democracy played no formal role. Initially, the Union refused to accept the situation, declining to extend the 1980 Cooperation Agreement to cover Burma/Myanmar, or to issue permits in order for Myanmarese officials to travel to Europe to take part in the interregional dialogue. Further, Burma/Myanmar was denied membership in the transregional ASEM forum. The representation of Burma/Myanmar was to remain a deadlocked issue, with the Myanmarese government being blocked from all dialogue meetings until 2000 when at Vientiane, for the first time, they participated in the ASEAN-EU Ministerial Meeting. It has

\(^{327}\) Participation of Burma/Myanmar in the transregional ASEM process is a function of its membership in ASEAN, and therefore cannot be considered a separate example of a membership dispute.

\(^{328}\) See discussion of human rights and Asian values below.
remained outside the Cooperation Agreement framework, however, despite the agreement officially being one between the ‘member countries of ASEAN and the European Community’.

The membership component of ASEAN identity has again recently become the subject of debate, though not with the rancour associated with Myanmarese accession. In May 2002, after 450 years of foreign occupation, the tiny República Democrática de Timor-Leste became the world’s newest independent state. Discussions on the future of East Timor, including possible membership in ASEAN, have subsequently become a subject of dialogue between the European Union and ASEAN, again, therefore, raising the issue of the identity of the Association. Given the early stage of dialogue, and the more pressing matter of building a Timorese state, there is as yet little substance to the issue. A few elements relating to ASEAN identity can, however, be seen. The Europeans favour, and are perceived as exerting a certain amount of pressure for, the entry of East Timor initially into ASEAN, and eventually the ASEM process, but certain reservations remain on the part of existing Association members. Much of this debate over the entry of East Timor into ASEAN concerns the new nation’s identity. Said one Member State representative, “geographically one can argue that they are a part of ASEAN. But, on the other hand... we would say that ethnically they are closer to the South Pacific islands” (Interview Material). Further, questions have been raised on matters ranging from the official language (English, the lingua franca of ASEAN, versus Portuguese) to its foreign policy orientation. The result is a degree of uncertainty on the part of the Association over the comparative ‘Southeast Asianness’ of East Timor. A comparison is made by one ASEAN official to the accession of Vietnam: “when we took in Vietnam, it was very clear Vietnam wanted to be a part of Southeast Asia. In East Timor’s case, we don’t get that kind of... comfort” (Interview Material).

The second situation during which membership criteria become significant for collective identity formation relates to the configuration of a new grouping specific to a dialogue. This may be seen, for example, in the regionalisation process being undertaken as an outcome of the Cotonou Agreement. The usual motive, however, behind the creation of new interregional dialogue processes is the establishment of

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329 One ASEAN official acknowledged that “there is a kind of pressure from the European Union to accept East Timor as a member of ASEAN, and we will take some time before we decide” (Interview Material).
links with a pre-existing, more or less successful, and generally uncontested regional grouping. The establishment of a new grouping for the purpose of dialogue with an external regional partner occurs infrequently, and is most commonly premised on a region-plus or region-minus configuration. While region-minus dialogues focus on establishing links with a select subgroup of a given regional organisation, the region-plus approach involves the establishment of transregional fora.

Much of the process of identity formation in relation to establishment of a new inter- or transregional dialogue depends upon the nature of the institution created. The most prominent example of this is to be found within the Asia-Europe dialogue. First suggested in 1994 to fill the ‘missing link’ in the triadic architecture by providing a bridge between Europe and Asia, the Asia-Europe Meeting was first convened in Bangkok in 1996. ASEM set “side-by-side in an explicit and codified way, two ‘regions’ of ‘equal’ stature” (Gilson, 2002, pp.98-99). The subsequent interaction of the two groupings, tagged as ‘Europe’ and ‘Asia’, created, in the words of Gilson, “a self-receptor, or sense of ‘we-ness’” (p.24). As a result, “Asia acts as Asia for the purpose of engaging with the EU, and in the process of that interaction is responded to as though its interlocutor is responding to ‘Asia’, thereby reinforcing a sense of communal identity among a group not previously constituted for any other purpose” (ibid.). In other words, the identifying tag ‘Asia’ is associated with the grouping of Asian states participating in ASEM, and with the norms, practices and other identity fragments that come to be associated with them.

Having been launched first and foremost as an economic undertaking, the membership criteria of ASEM quickly took on an economic logic. It had been agreed, on the suggestion of a position paper delivered by the ASEAN Senior Officials’ Meeting of 2nd-4th May 1995, that “participation would be based on the principle that the EU will select the European participants and that ASEM will choose the Asian

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330 See, for example, Holland (2002a, 2002b).
331 It must be noted that Gilson approaches ‘Asia’ and ‘Southeast Asia’ in a slightly different manner to this researcher. She defines Asia as a ‘region’, but Southeast Asia as a ‘sub-region’, referring to the EU-ASEAN relationship as an instance of “quasi-inter-regionalism” (2002, p.98). This thesis, on the other hand, adopts the approach that ASEM constitutes a coherent region itself, identifying itself as such as implied by the Article 18 TAC decision to leave the Treaty open for accession by other states in the region, and reinforced by continual reference within the TAC to goals and strategies for the region. The ASEM process, therefore, which contains the European Union and a subset of ASEAN Member States and of states from the Northeast Asian region, is defined as a ‘transregional’ rather than ‘interregional’ dialogue.
332 For a more complete discussion on the identities of Asia and Europe as produced and reproduced through interaction with each other in the ASEM process, see Gilson (2002).
participants and that the two sides would consult each other on that matter” (quoted in Hänggi, 2003, p.208). The European component of the Asia-Europe Meeting was a simple matter to determine, with a viable grouping already in place in the form of the European Union. The reasons for this were clearly more structural than economic. The economic logic of ASEM became clear, however, on the Asian side. ASEAN asserted that “the most important consideration is to include dynamic economies which have contributed to the region’s prosperity and growth” (quoted in Hänggi, 2003, p.208). In this respect, Machetzki (2000, p.421) comments that Europe’s “Asian counterparts present at the meetings viewed themselves as belonging to a “club of high performers” to which the right of membership has to be earned by first demonstrating the national capacity to perform”. An indication of the extent to which such economic success had come to be associated with ASEAN in particular can be found when considering the place of the Association’s economic laggards, such as the Philippines and Vietnam. In this respect, it has been argued that “being members of ASEAN there had evolved a widespread feeling that via programmes for regional and international cooperation these less strong performers would be able to catch up within a relatively short span of time [while] [i]n contrast, this was not thought to be the case with other Asian countries” (ibid.).

This economic logic to Asian identity within ASEM was reinforced in two essential ways. One such was the coincidence of membership with the proposed East Asian Economic Caucus, which had been an explicitly economic undertaking. Subsequent association of the Asian grouping within ASEM with the EAEC by academics and practitioners alike, served to explicitly link the economic imperative, and a concept of an East Asian grouping, with the ten Asian ASEAN states. Secondly, given this economic performance requisite for membership on the Asian side of ASEM, Hänggi (2003, p.212) suggests an ulterior motive for Asian support for the establishment of the process. Adopting a system-centred approach in the context of triadic relations, he argues that by participating in the ASEM dialogue, these Asian states were able to portray themselves as representing the third pole in this architecture. Again, it is the association of an explicitly economic role (one pole in a
triadic world) with the Asian ASEM states that further reinforced economic performance as an identifying component.\textsuperscript{333}

While constituting the primary component for defining an East Asian grouping within ASEM, economics was not the sole membership criterion important in the formation of identity within the transregional dialogue. Also significant in this respect was the exclusion of states according to non-economic criteria. New Zealand and Australia had expressed their interest in participating in ASEM from an early stage, with the Keating government in Australia suggesting as early as 1995, to widespread Asian scepticism, that Australia was a nation of the ‘East Asian Hemisphere’ (Terada, 2003, p.254). Despite strong support from Japan, considerable opposition from ASEAN states has kept both nations out of ASEM. The main point of contention appears to be that, given their geographic location, New Zealand and Australia would be expected to join ASEM on the Asian side. Opponents of their membership, Mahathir in particular, have asserted that the two are essentially Western Caucasian states, and that their participation alongside the Asian ASEM countries would undermine the ‘Asianness’ of the de facto EAEC through the two acting as Trojan horses for Western values and beliefs. Indeed, Mahathir’s endogamous ‘Asians only’ policy towards his EAEC has led to its tongue-in-cheek re-designation as ‘East Asia Except Caucasians’ (Machetzki, 1996).

The second operational element concerns the norms adopted in an inter- or transregional dialogue, and the attribution of them to a particular grouping within that dialogue. In the case of the EU-ASEAN relationship, this has most clearly occurred in relation to the ‘ASEAN way’ or ‘Asian way’,\textsuperscript{334} the procedural norms of which included “the principle of seeking agreement and harmony, the principle of sensitivity, politeness, non-confrontation and agreeability, the principle of quiet, private and elitist diplomacy versus public washing of duty linen, and the principle of being non-Cartesian, non-legalistic” (Busse, 1999, p.47). This informal process was adopted as the framework of ASEM, with Commissioner Manuel Marín\textsuperscript{335}

\textsuperscript{333} Greater detail on the EU’s perception of Asia as an economic phenomenon may be found in Gilson (2002, pp.80-87).
\textsuperscript{334} The term ‘Asian way’ may be traced back to Michael Haas’ (1989) The Asian Way to Peace: A Story of Regional Cooperation, in which he posits the general principle that there be ‘Asian solutions to Asian problems’ as having increasingly come to underly the international relations of Asia.
\textsuperscript{335} Vice President of the European Commission, and Commissioner for External Relations with Southern Mediterranean Countries, the Middle East, Latin America and Asia (except Japan, China, Korea, Hong Kong, Macao and Taiwan) from January 1995 until March 1999 (Acting Commissioner until September 1999).
commenting that “we work almost like the Asians” (quoted in Gilson, 2002, p.60). In terms of collective identity formation, the utilisation of, and continual reference to, the ‘Asian way’ in the ASEM process has served to repeatedly reinforce the notion that there is a specifically Asian, as opposed to European, way of doing things or mode of behaviour (Gilson, 2001, p.117).

The final way in which collective identity formation is externally influenced is as a reactive or adoptive response to external stimuli. The clearest illustration of this process in the EU-ASEAN relationship may be found in the debate over human rights. In this respect, it is also a classic illustration of the nature of relations when qualitatively different regional actors meet.

While the end of the bipolar conflict and the corresponding loosening of constraints on international cooperation did not lead to a flowering of ‘positive’ political cooperation between the two groupings to the extent to be expected, it did allow the re-emergence of points of conflict previously subsumed within the Cold War structure. This was not unique, and must be contextualised within a change in Western focus after the end of the Cold War. The perceived ‘victory’ of the West, and the removal of the exigencies of security politics, led fairly rapidly to attempts to impose the ‘Western values’ of the victors upon the non-Western world, and to the creation of what the first US President Bush referred to as a ‘New World Order’. With security concerns no-longer occupying the pre-eminent place in the collective Western consciousness that they had in the bipolar period, toleration of nondemocratic regimes and support for ‘our bastards’ began to melt away. The place of human rights, democracy and the market economy in Western political strategies thus began to expand, with many Western powers, the European Union included, introducing conditionality clauses based upon these principles into trade and cooperation agreements with third parties, and developing Official Development Assistance (ODA) policies posited on the principle of good governance, including human rights and democratisation (Hernandez, 1998, p.34). In much the same way as the spread of liberal economic principles is seen as promoting stability in the global economic system, the spreading of such political ideals was seen on the Western side as a tactic for promoting stability in the international system though the consolidation

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336 See discussion in Theoretical Framework above.
of a framework of shared rules and norms. This process was increasingly regarded
in Asia and other parts of the Third World, however, as “a thinly veiled strategy to
establish a unipolar world order and to impose a new *Pax Americana* on the rest of the
world” (Rüland, 2001a, p.17). Whether one sees these events as a positive
development in international relations or as an intolerable interference in the internal
affairs of sovereign states, the ending of the bipolar conflict lifted a shroud that had
“obscured the conflicting interests between the different regions” (Palmujoki, 1997,
p.269).

The place of human rights and democracy is of a far greater significance for
the European Union than simple membership in the Western world would tend to
suggest, however. The increasing importance of human rights to European Union
foreign policy in the post-bipolar period was telegraphed by its inclusion in Article 11
of the Treaty on European Union, which entered into force on 1st November 1993.338
The Treaty, the text of which had been agreed on 11th December 1991 and signed on
7th February 1992, signaled the emergence of a consistent human rights focus in
relations between the Union and third parties. From 1992 all agreements concluded
between the EU and third countries have been required to include a ‘basic element’
clause referring to human rights. It is this clause that has become a bone of contention
between the Union and third country partners around the world. Indeed, it was the
human rights clause that prevented the signing of a Trade and Cooperation Agreement
with Australia in 1997, with Aboriginal rights proving problematic (Maitland and Hu,
1998, p.35). More significant than inclusion in the TEU, however, is the place of these
often-twinned issues at the heart of the regional integration project itself. In the words
of Palmujoki (1997, p.270), the underlying ideology of European integration,
formulated as it was in the tense environment of the Cold War, “[b]esides
functionalist economic models… include[s] all the elements lacking in the [former]
Soviet Union’s Eastern European satellites: democracy, the rule of law, human rights
and fundamental freedoms”.

By the 1990s, with an increase in its actorness, at least in the economic sphere,
the EC/EU was seeking to establish itself more visibly on the world stage. Given the

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337 This therefore constitutes a classic balancing goal as outlined above.
338 This followed a process which saw Community positions on human rights becoming “increasingly
operational in application” (European Commission, 1995c, p.2) with, for example, the Luxembourg
European Council of 28th-29th June 1991 adopting a declaration on human rights setting out “the
direct linking of its external policies to human rights and democracy, as outlined above, the Community/Union found itself increasingly pushing these issues in relation to its dialogue partners, including the linking of trade and aid to human rights through the use of conditionality clauses. Unsurprisingly, such a proactive approach was "bound to generate a certain resentment in the developing countries independently of any attempt to establish links or conditionality between human rights on the one hand and trade and aid on the other" (Maitland and Hu, 1998, p.36).

The European Community/Union’s approach to human rights can be codified into three core principles, drawn from the Universal Declaration of Human Rights 1948. These are (European Commission, 1995c, pp.5-6):

_Universality_, which implies that no provision of a national, cultural or religious nature can override the principles enshrined in the Universal Declaration of Human Rights;

_Indivisibility_, which precludes discrimination between civil and political rights, and economic, social and cultural rights; and

_Interdependence between human rights, democracy and development_, which is linked to a new definition of development of mankind as a holder of human rights and the beneficiary of the development process.

From the idea that rights are universal, as confirmed by the signature of the Universal Declaration of Human Rights by nearly every state, reinforced by the notion that these rights are also indivisible, it is a short step to the undertaking of a modern ‘civilising mission’, with rights rather than scripture being the canon preached. Further, and again by the nature of the European view of rights as universal, and by the external expression of such a view, the EC/EU has acted as the agenda-setter in rights based discussions with ASEAN. That is to say, it has fallen to the Asian states to refute the concept of rights forwards by the Europeans and the West.

While a general level of resentment and opposition to the policies of the Union and the broader West did exist in the developing world, it fell particularly to Southeast Asia to act as the _de facto_ leader of this opposition. As Ghai (1998, p.22) suggests, however, the Asian states were ‘unlikely candidates’ to lead this challenge, sharing as they did a wide set of interests with the West: “[t]hey were well integrated in the global economy and there was a large consensus on the market mechanism; they
needed Western capital and technology; they had close common interests in the security of the region...; they were heavy purchasers of Western weaponry; and they were not directly affected by earlier phases of conditionality and structural adjustment". Ghai posits two primary reasons for the Asian role: (i) their clientelist relationship was under threat in the post-Cold War world, particularly given the emergence of a human rights discourse in relation to which they could be criticised; and (ii) their version of the market was less than liberal, giving the state significant leverage over economic processes (p.23).

To Ghai’s two suggestions may be added a third, more obviously significant and widely recognised, factor: economic weight. As has been previously suggested, by the beginning of the 1990s, ASEAN was established as an economically dynamic region, with forecasts projecting continuing high economic growth (European Commission, 1994, p.14). This view of Southeast Asian economic prowess was further reinforced with the launching in 1993 of the ASEAN Free Trade Area, and later in the decade the expansion to include Vietnam (1995), Laos and Myanmar (1997), and Cambodia (1999). The combination of economic dynamism and regional economic integration gave the impression, both internally and externally, of a region increasingly capable of expressing itself, with the European Commission (1994, p.1) acknowledging in its New Asia Strategy that Asia’s “growing economic weight is inevitably generating increasing pressures for a greater role in world affairs”, and Kishore Mahbubani (1995, p.100) triumphantly announcing “[n]ow East Asia has arrived on the world stage. Its sheer economic weight will give it a voice and a role”. The human rights debate was thus “energized by East and Southeast Asia’s economic muscle and the ensuing self-confidence in international politics that the entire region gained up through the 1980s and 1990s until the Asian crisis began in 1997” (Bruun and Jacobsen, 2000, p.4).

In addition to the ability to stand up to the West, the Asian position was informed by a desire to contextualise their success. In this respect, Perttierra (1999) and Bruun and Jacobsen (2000, p.4) draw a comparison between 1990s East Asia and nineteenth century Europe, pointing to the self-celebratory tendency, in the wake of significant economic success, to search for “functionalist-type explanations of one’s principles” (ibid.).

339 See, for example: Bruun and Jacobsen (2000); Ghai (1998); Perttierra (1999); Thio (1997).
own superiority”. Similarly, Zakaria (2002, p.39) asserts that “[w]hen a society does prosper, its success often seems inevitable in retrospect. So the instinct is to examine successful societies and search within their cultures for the seeds of success”. Max Weber’s suggestion that the Protestant ethic helped establish modern capitalism is highlighted as the nineteenth century European equivalent of the Asian values debate. Economic success, therefore, was tied to what was seen as a uniquely Asian approach to development, and to political and social structure.

The Asian developmental model, placing an emphasis on stability and economic growth, has led to a somewhat different understanding of the place of individual rights, the role of the state and of regional integration. In terms of rights and the role of the state, it has resulted in authoritarian government with an emphasis on the good of society over that of the individual or individual rights. As Acharya (2000, p.59) indicates, “[a] common thread running through the shift toward authoritarianism was its justification by the ruling regimes in terms of communist threat, ethnic unrest, and the belief that economic development required a certain amount of authoritarian control”. As such, state control is exercised over, for example, labour, wages and exchange rates (Palmujoki, 1997, p.271). With emphasis being placed upon security and economic growth, and the role of the state in delivering them, the authority of the state was correspondingly premised to a great extent on its ability to actually deliver. With the reduction of the communist threat in the post-Cold War period, economic growth became a significantly more important foundation for state/government legitimacy. In terms of regional integration, a belief in stability, combined with the relative youth of Southeast Asian nations, has produced a form of integration premised upon state-sovereignty and the principle of non-interference in the internal affairs of others. Indeed, the notions of sovereign equality and non-interference were given a prominent place in the founding documents of the Association, including the Bangkok Declaration and the ZOPFAN Agreement.\footnote{The World Bank had projected that, by 2000, half of the economic growth in the world economy would come from East and Southeast Asia alone (European Commission, 1994, p.1).}

It is difficult to isolate completely the EC/EU-ASEAN component of the rights debate, and its influence on identity formation, from the broader Western World-Asia whole. It is, however, possible to say that within the Community/Union’s dialogue with the Association was undertaken the lion’s share of rights-based discussion, and
that it was an integral component of the identity formation process. This is a function of the increasing density of interaction between the two. The acknowledgement is therefore made that, while the following discussion refers specifically to the EC/EU and ASEAN, this does not imply that the formative influences on identity may be reduced solely to this relationship.

The Asia-Europe debate over human rights and democracy\textsuperscript{342} was truly a child of the post-bipolar era. Traditionally, European countries had been far less outspoken about human rights abuses in ASEAN countries than had been the US and NGOs. While the use of arbitrary arrest and torture had routinely been criticised by the US, certain NGOs, journalists and individual politicians, “European governments [did] not [act] in concert to use such leverage as they [had] on these countries” (Harris and Bridges, 1983, p.47). Indeed, despite being the most vocal of the European countries on human rights issues throughout the bipolar period (ibid.), the Dutch Foreign Minister made it clear in the lead up to the sixth AEMM in Jakarta in 1986 that human rights and freedom of the press, which had been raised by the European Parliament, were not issues that belonged in such multilateral discussions (Snitwongse, 1989, p.256). With the change of international context in the 1990s, however, human rights and fundamental freedoms became a recurring element in the Asia-Europe relationship and emerged as a subject for discussion at all ASEAN-EU Ministerial Meetings from AEMM 9 in 1991 up to the present.

Interestingly, the EC’s divorce from the human rights issue in Southeast Asia is in stark contrast to the contemporaneous situation of its direct involvement in attempting to end apartheid in South Africa. The 1985-1986 period saw the introduction of a more rigorous Community approach to South Africa, much of it engineered by Hans-Dietrich Genscher, the father of the EC’s Asia policy and one of the key initiators of the EC-ASEAN dialogue. The reason for this conflicting experience may be found in Holland’s (1995b, p.39) comment on the South African

\textsuperscript{341} See Ramcharan (2000) for a more extensive consideration of the place of sovereignty and non-interference in Southeast Asian regionalism.

\textsuperscript{342} This chapter does not consider the comparative merit of the two sides of the debate; that lays outside the ambit of the discussion at hand. The goal here is simply to use the Asian values debate as an example of collective identity formation within the context of an interregional relationship. Any interest in the validity of the arguments of each side on the nature of rights can be satisfied with reference to the following works, to name but a few: Brun and Jacobsen (2000); Cauquelin et al (1998); Dallmayr (2002); Hernandez (1998); Lawson (2001); Robison (1996); Rodan (1996); Tang (1995); and Thio (1997). A particularly scathing rebuttal of the Asian values position can be found in Kessler (1999).
situation that "[t]he political necessity to be seen to be doing something in response to the mounting international anti-apartheid pressure provoked the Community into reforming and extending its South African foreign policy". Equivalent pressure was not felt in relation to human rights in Southeast Asia, despite ongoing difficulties. In 1985, for example, Amnesty International reported widespread Indonesian abuses in East Timor over the previous decade, citing estimates that over 200,000 East Timorese, approximately one third of the population at the time of the Indonesian take-over, had been killed. Clearly the EC’s willingness to act, despite the London Report’s call for proactivity, was limited by external pressure, or perhaps more accurately by the possibility of embarrassment due to a failure to act.

When the human rights issue emerged in 1991, much was made of the corresponding Asian values debate being evidence of the validity of Huntington’s ‘clash of civilisations’ thesis, but whatever the appearance may have been, this was patently not the case. The Asian values debate, far from being a confrontation of the cultures and values of Asia and the West, was a clash between Western elites and, to a certain extent NGOs, representing a values or rights focus broadly shared by most modern Western publics on the one side, and Asian elites and their agents, Kessler’s (1999, pp.297-298) much reviled ‘public intellectuals’, on the other. Indeed, it has been characterised most aptly by Godement (1999, p.97) as “a tiff between former colonial or Cold War protectors and irate former students and junior allies searching for their roots after decades of elite Western acculturation”. The confinement of dialogue primarily to the elite level is a function of the nature of the Asian values thesis as, first and foremost, a reaction against Western pressure at the governmental level through, for example, European conditionality. In Europe and the wider West, the discourse on human rights at the state level is paralleled by, and often necessitated by, an open and active dialogue at the level of civil society. This is not the case in the states that were the voices of opposition to the Western rights approach, and the main advocates of the Asian values thesis. Here, the human rights debate was the domain of governments and their agents; it was not the result of a common sentiment or discourse at the civil society level, and often operated contra to

343 The most prominent of whom included Mahathir Mohamad, Lee Kuan Yew, Kishore Mahbubani, Ali Alatas, Goh Chok Tong and Bilahari Kausikan
the demands of civil society actors.\textsuperscript{344} Indeed, the resultant Asian values hypothesis is
conceived by Rüland (1997, p.77) as a “multipurpose ideological weapon” in that,
while the thesis was a reaction to international pressure, a defensive response to the
perceived Western attempt to remake the post-bipolar world in their image, it was also
targeted by Asian governments at domestic publics in order to “counterbalance a
massive internal push for greater freedoms and protections” (Bruun and Jacobsen,
2000, p.14). Rodan (1996, p.329) goes so far as to claim that “its potential to
marginalize views within Asia that pose some sort of challenge to authoritarian rule”
is the chief attraction of Asian values.

Human rights first became an issue of dispute in the post-bipolar EC-ASEAN\textsuperscript{345}
dialogue when, asserts Palmujoki (1997, p.273), at the 1990 Kuching Post-
Ministerial Conference\textsuperscript{346} the ASEAN grouping rejected the European Community’s
policy of imposing sanctions on China in the wake of the 1989 shooting of unarmed
“[t]he value of ASEAN in China’s human rights diplomacy since the 1989 Tiananmen
incident has apparently increased”. Indeed, in the events surrounding the 1989
massacre can be seen some tantalising hints of the process of collective identity
formation as a negative reaction to an external other, with ASEAN and China, in the
face of criticism from the EC and the rest of the West, beginning to realise a common
ground on which they could collectively express an Asian perspective. Disagreements
over human rights were subsequently to dominate discussion at the Post-Ministerial
Conference held in Kuala Lumpur in July 1991 (Palmujoki, 1997, p.273), and again at
the ASEAN-EC Ministerial Meeting in October 1992 at which time a possible
revision of the EC-ASEAN Cooperation Agreement was discussed. The Community
proposed the inclusion of an annex establishing a formal political dialogue, and which
would make explicit reference to human rights, within the Agreement, which resulted

\textsuperscript{344} A clear example of this is the ‘Asia-Pacific Non-Governmental Organizations’ Bangkok Statement

\textsuperscript{345} While the term ‘ASEAN’ is used, the main advocates of Asian values (Indonesia, Malaysia and
Singapore) were only a subset of that grouping. An explanation of the reasons for referring to ASEAN
as a whole is provided in later discussion.

\textsuperscript{346} Palmujoki makes the assertion that this occurred at a PMC in Kuching in 1990, and indeed is
referenced by other scholars in this respect (e.g. Forster, 1999b, p.751). However, no PMC was held in
Kuching in 1990, with the ASEAN Ministerial Meeting, to which the PMC is attached, having been
held in Jakarta on 24\textsuperscript{th}-25\textsuperscript{th} July. It seems likely that Palmujoki means the eighth AEMM, which took
place on 16\textsuperscript{th}-17\textsuperscript{th} February in Kuching, but in the absence of any other outstanding evidence to support
this, Palmujoki’s original assertion has been maintained in-text.
in an "acrimonious exchange of views" (McMahon, 1998, p.236). Difficulties in relation to human rights were again raised at a meeting between the two in the wings of the 1992 ASEAN PMC, with the Indonesian occupation of East Timor (particularly after the killing of unarmed demonstrators in Dili by the security forces of Indonesia in November 1991) being held out as a complicating factor by the Europeans, and with the Portuguese (supported by the increasingly active European Parliament) proving particularly intransigent over issues relating to its former colony. It was these difficulties over human rights that, despite a general consensus on the technical issues, led to a failure to revise the 1980 Cooperation Agreement.

Subsequent to the TEU, the issue of fundamental human rights was to be stressed by the Europeans in the New Asia Strategy of 1994 (European Commission, 1994, pp.3, 6, 12), and in the New Dynamic of 1996 which asserted that "the development and consolidation of democracy and the respect for human rights must be important elements of the political dialogue between the European Union and ASEAN" (European Commission, 1996a, pp.11-12). The European commitment to the issue was further stressed when, as a result of strong advocacy by the European Parliament’s Committees on the Environment, Public Health and Consumer Protection (CEPHCP) and Development and Cooperation (CDC), a social incentive clause was included in the Union’s revised Generalised System of Preferences, offering tariff incentives to those states adhering to the EU’s views on labour rights. In the event, the inclusion of the social incentive clause within the revised GSP was to lead to some considerable tension between the European Union and ASEAN. This is a clear example of the growing influence of the European Parliament, and its role in pushing the human rights agenda, having "through the budget and other powers insisted... on making its own support for external agreements (required under the EU’s Article 235) conditional on a commitment to democratic values, human rights, the protection of workers (fair trade) and environmental issues" (Forster, 1999b, p.750). Indeed, in 1995 the EP withheld its assent to the EU-Turkey Customs

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347 While no reference to the dispute, or to the inclusion of rights within the proposed Cooperation Agreement revision appear in the AEMM 10 Joint Declaration (AEMM, 1992), ministers made the contextually interesting assertion that “[w]hen differences exist... they should be settled in a peaceful and negotiated manner in accordance with the spirit of dialogue and cooperation existing between the EC and ASEAN and in accordance with the principles of the United Nations Charter” (Art.9).
348 See consideration of the Economic Sphere in Balancing chapter above.
349 Under Article 300 of the Treaty Establishing the European Community [Consolidated], the European Parliament must at least be consulted regarding Cooperation Agreements, and in some cases its assent is required, as it is for Association Agreements.
Union Agreement over human rights issues, relenting only when Turkey agreed to amend its constitution.

After the 1992 failure to renew the Cooperation Agreement, the momentum in the EU-ASEAN dialogue was significantly reduced, with only four Ministerial Meetings convened in the following eleven years (compared to eight in the eleven years from 1981-1992). This loss of momentum was the direct result of what has been perhaps the most visible tensions over human rights and fundamental freedoms to be experienced in the Europe-Asia relationship – the enlargement of ASEAN to include Burma/Myanmar.

ASEAN’s policy towards Burma/Myanmar was driven primarily by security concerns, most notably worries over Chinese hegemonial ambitions in the region. “Although the interests of ASEAN member states may have been at variance over Burma, and differences over how to deal with Burma were simmering under the surface, suspicion of China forged an early consensus that the grouping should not give in to Western pressures to isolate the junta or impose sanctions on the SLORC” (Rüland, 2001c, pp.143-144). Said one ASEAN Member State representative, “at that time, the concern was that if we isolate Myanmar, then the only window for Myanmar to the outside world would be China… Is it in the interests of ASEAN, and the world, that Myanmar’s road of access to the outside world becomes just China?” (Interview Material). As a result, ASEAN adopted a policy of constructive engagement, justified by reference to sovereignty and non-interference in the internal affairs of others, backed-up by the Asian values hypothesis (p.144). Indeed, Rüland’s analysis is that ASEAN’s policy of engagement was “guided by the objective of avoiding precedents that would allow others to take ASEAN countries with a less than satisfactory human rights record to task” (ibid.).

At the same time that the principles of sovereignty and non-interference were being highlighted, ASEAN countries asserted that there was engagement with Burma/Myanmar over issues of concern, but that it was done “outside the glare of public diplomacy, rather than… through the media, or publicly” (Interview Material), a process that reportedly continues to this day, though in practice seems to involve very little. “ASEAN”, commented one regional representative spoken to, “will only comment against another ASEAN country if there is really a very serious problem

\[350\] See discussion in Collective Identity Formation chapter.
where we see this as a clear violation of a... United Nations Charter, or there is a real act of genocide going on, like with the Indonesia military in East Timor... and really not to speak out otherwise, not only will effect the credibility of the organisation as such, but also would set a bad precedent, because we are then saying that such an act can take place in another country and we are going to keep quiet” (Interview Material). The same official went on to comment of Burma/Myanmar that “we have never seen... a real genocide happening on that scale. I mean we hear things from time to time about military abuses and so on and so forth, but everybody knows it’s not on this kind of scale that the military’s going around and killing people” (Interview Material). In terms of the ruling military junta, it was asserted that, while it is not up to the ASEAN states to determine what precisely are acceptable forms of government among their peers, “if that process comes about through internal change, then it is different... [T]he policy is that it is up to the people to make that change” (Interview Material). In the case of Burma/Myanmar, the election of May 1990, while acknowledged as being a difficulty for ASEAN, was qualified as, “[a]t that time, Myanmar was not a part of ASEAN” (Interview Material).

By 1996 it had become clear that Burma/Myanmar was on the fast track for accession to ASEAN – its first official contact with the Association had occurred as recently as the ASEAN ministerial in Bangkok in July 1994, it acceded to the Treaty of Amity and Cooperation a scant year later, and at the Jakarta ministerial in July 1996 gained official observer status. The prospect of this rapidly approaching accession prompted the European Union and the United States to voice public opposition to membership, with the US urging that Burma/Myanmar’s poor human rights record “not be rewarded by membership in one of the most prestigious and important pan-Asian organizations” (Cribb, 1998, p.51). The two united in arguing for postponement, or for conditions requiring significant political reform to be attached to admission. Ironically, the strong opposition of Western states to accession was probably the factor that clinched membership, and as such provides a clear illustration of reactive identity formation (through membership definition). Indeed, until only a few months prior to Burma/Myanmar’s entry into ASEAN in July 1997, strong dissenting voices within the Association had argued for caution and had advocated postponement. Western efforts, however, drew the ASEAN members together around the principle of non-interference, with the Association arguing that the internal politics of a state were not a criteria for membership in the United Nations, and nor
should they be for membership in ASEAN (Richardson, 1997c). Philippine President Fidel Ramos stated the case bluntly at a Press Conference in July 1997, asserting that ASEAN “cannot be bullied” (quoted in Cribb, 1998, p.54). The belligerent, however, sometimes gave way to the bizarre, with that most outspoken opponent of the West, Malaysian Prime Minister Mahathir Mohamad, claiming that the Asian financial crisis was the West’s punishment of ASEAN for the admission of Burma/Myanmar (ibid.).

The failure of both the EU and the US to convince ASEAN not to allow the accession of Burma/Myanmar is also an indication of comparative levels of actorness. Despite the opposition of an economic power such as the Union, and the United States, the world’s sole superpower, ASEAN went ahead. This indicates two things. First, due to their economic success, the ASEAN grouping was, on this issue, possessed of significant actorness. Secondly, and more importantly in this case, the EU and the US effectively possessed insufficient performance structures for achieving the goal in question. This is not to say that they could not have achieved their goal had they been willing to use all economic and/or military means at their disposal, but rather that the use of such tools was out of the question, particularly given the relative insignificance of the goal. The comparative difference in actorness was, therefore, minimised.

The accession of Burma/Myanmar provided a fulcrum around which the human rights debate of the late 1990s came to revolve, beginning with the nation’s first appearance at an ASEAN Post-Ministerial Conference in Subang Jaya, Malaysia, in 1997. Here, the Europeans and Americans voiced criticism of the Rangoon government, with US Secretary of State Madeleine Albright asserting that the lack of a fully legitimate government in Burma/Myanmar had “created a climate of lawlessness that threatens stability” (Richardson, 1997b). On the other side of the debate, Prime Minister Mahathir of Malaysia went so far as to classify Western pressure to conform to their standards of human rights as a form of oppression, and to suggest a review and possible revision of the United Nations Declaration on Human Rights to take account of the views of developing countries, thus further raising the ire of the European Union and the United States (Funston, 1998, p.25).

With specific reference to the Asia-Europe relationship, European Union opposition to the accession of Burma/Myanmar to ASEAN was quickly expressed,
with the EU announcing that the Cooperation Agreement with the Association would not be extended to cover its newest member. This had been preceded, however, by EU sanctions, including:

- the removal of tariff benefits under the Generalised System of Preferences (Council Regulation (EC) No.552/97);  
- a ban on entry and transit visas for senior military and government officials (Common Position 96/635/CFSP; Common Position 98/612/CFSP; Common Position 2000/346/CFSP);  
- a ban on arms exports to Burma/Myanmar (Common Position 96/635/CFSP; Common Position 2000/346/CFSP); and  

The visa ban was to prove the most significant obstacle following accession to ASEAN. Requests by the ASEAN Secretariat that Burma/Myanmar be able to participate immediately in an upcoming Joint Cooperation Committee meeting were denied by the European Union, as was the possibility of Burma/Myanmar’s inclusion within the recently inaugurated ASEM dialogue process. The human rights issue as expressed through the debate over Burma/Myanmar’s inclusion within the Europe-Asia dialogue process, therefore, had “the potential to be a process breaker as the Asians coalesced around barriers to their consideration, and some but not all of the Europeans have at some but not all times pushed them to the fore” (Bobrow, 1999, p.110).

Deadlock had already been achieved in the EU-ASEAN relationship, premised upon two regional groupings, of which Burma/Myanmar was now the member of one. The European refusal to grant visas to Myanmarese government delegates, or even to meet with representatives from Rangoon within the structure of the EU-ASEAN dialogue, led to continuing delays in the convening of AEMMs. Indeed, while these ministerials had previously been held on average every 18 months, in the six years following Myanmarese accession, only two such meetings were convened. Intransigence on both sides could very quickly have led to the downfall not only of the EU-ASEAN dialogue, but also of the ASEM process. A number of factors,

351 Mahathir asserted that the United Nations Declaration on Human Rights of 1948 was “formulated by the superpowers, which did not understand the needs of poor countries” (Richardson, 1997a).
however, served to limit the fallout. The first was the relative importance of the membership issue to other ASEAN states in comparison to other difficulties facing the region. Cribb (1998, p.58), for example, asserts that the Asian financial crisis served to limit the ability of Malaysia, which prior to the crisis had threatened to boycott the meeting should Burma/Myanmar not be included (Bobrow, 1999, p.112), to continue to insist that Burma/Myanmar be included in the upcoming ASEM II meeting scheduled for London in 1998. Indeed, he goes on to state that “other ASEAN countries were always reluctant to make the foreign-policy sacrifice of aborting ASEM II for the meagre symbolic victory of giving Burma a place at that particular table” (ibid.).

The second factor was the drive by the European Union to expand its relations with the Asian region. The Union had already seen revision of the Cooperation Agreement undermined by disputes over human rights, to which the Burma/Myanmar question had contributed, and it was thus cautious about bringing the entire edifice of its relationship with Asia crashing down around collective European ears. The final factor of importance was the structure of the ASEM process itself. In this context, it had been made explicit during ASEM I that confrontation was an occurrence to be avoided, with Commission President Jacques Santer stating that “[w]hat we shall be doing [at the first ASEM summit] is strengthening the things we have in common... I want to avoid all confrontation” (Mydans, 1996, p.A.8). ASEM I, therefore, established the pattern that Asia-Europe dealings treat such contentious civil issues as irrelevant and instead focus on the important work of trade and investment. The result was that the EU-ASEAN dialogue was put forward as a sacrificial lamb, to satisfy European political sensibilities and domestic publics. In the meantime, EU efforts to expand its role in Asia could easily be transferred to the newer, and sexier, ASEM process. This had a number of advantages: there was no obvious requirement that new ASEAN members become new ASEM members; the process included a far more interesting array of members, incorporating as it did China, Japan and South Korea; and it was explicitly targeted towards trade and investment, and could therefore legitimately avoid issues likely to cause dispute, such as human rights.

The human rights dialogue as outlined above constitutes the basic mechanic by which interregional relations between the European Community/Union and the

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352 This is the main CFSP instrument in the Union’s policy towards Burma/Myanmar, and has
Association of Southeast Asian Nations contributed to collective identity formation within ASEAN. The result was the propagation of the Asian values thesis, which comprises the core component of the cultural relativist critique of human rights discourse.

By 1992, with the signing of the Maastricht Treaty on European Union and the establishment of human rights clauses as a basic element of EC/EU agreements with third parties, the ASEAN grouping was fully aware of the place to be held by human rights and democracy in the newly formed Union’s external relations. Accordingly, 1992 was outlined by Human Rights Watch (1993) as being characterised by the extent to which these countries decided to respond formally to external pressure over the issue. While this included the opening of discussions within ASEAN on the possibility of establishing a regional human rights forum as a means of defusing Western criticism, it primarily involved moves to “band together to face what was perceived as an onslaught of Western criticism” (ibid.). Beginning mainly in 1992, this was to involve the creation or rediscovery of Asian values, a process which took place in regional, interregional and international fora as Asian states learned from each other how to deal with external criticism, and increasingly began to speak with one voice.353

At the tenth summit of the Non-Aligned Movement (NAM), held in Jakarta on 1st-6th September 1992, the ever vocal, and often contentious, Mahathir Mohamad, launched an attack on the use of conditionality clauses when granting aid, classing them as a form of cultural imperialism. It was subsequently agreed at the NAM Summit that (quoted in Tang, 1995, p.231):

any attempt to use human rights as a condition for socio-economic assistance, thus sideling the relevance of economic, social and cultural rights, must be rejected. No country should use its power to dictate its concept on human rights or to impose conditionalities on others.

Indonesian Foreign Minister Ali Alatas broadened the front at the tenth ASEAN-EC Ministerial Meeting in Manila, iterating, during what was referred to as a “fruitful exchange of views on the basic principles and priorities guiding their economic and development cooperation policies” (AEMM, 1992, para.18), the belief that developing

353 For example at the Asia Intergovernmental Meeting in preparation for the World Human Rights Conference, and through voting together at the UNHCR (Maitland and Hu, 1998, p.38).
nations must secure first and foremost the economic rights of their people before turning to individual rights. Individual rights, he claimed, are a luxury of developed nations (Human Rights Watch, 1993).

The shape of Asian opposition became clearer the following year as Asian states met in Bangkok to establish a common Asian position on human rights for presentation at the second World Conference on Human Rights in Vienna in June 1993. While ‘Asia’ in this context stretched as far west as Iran and Syria, the Bangkok Declaration issued at the Asia Intergovernmental Meeting on 29th March to 2nd April was heavily influenced by a small core of East and Southeast Asian states, including primarily the ASEAN states of Indonesia, Malaysia and Singapore, as well as China. The declaration indicated a determination, at least among the four key states listed, to develop an Asian concept of human rights highlighting the importance of economic development over and above that of civil and political rights, and, while acknowledging the universality of human rights, asserted that they “must be considered in the context of a dynamic and evolving process of international norm-setting, bearing in mind the significance of national and regional particularities, and various historical, cultural and religious backgrounds” (Bangkok Declaration [on Human Rights], Art.8), thus to a great extent removing anything universal about them. The Declaration made explicit the opposition to “any attempt to use human rights as a conditionality for extending development assistance” (Art.4) or as a tool to apply political pressure of any kind, and emphasised the principles of sovereignty and non-interference (Art.5). Importantly, it also made a link between human rights and development by identifying poverty as “one of the major obstacles hindering the enjoyment” of such rights (Art.18).

The imprint of the three key ASEAN states listed above on the Bangkok Declaration was made evident at the Vienna World Conference on Human Rights. Statements by representatives of the three emphasise the issues found in Articles 4, 5, 8 and 18 of the Declaration, which were to become foundation stones in the development of the Asian values debate. An indicative statement comes from Malaysian Foreign Minister Abdullah Haji Ahmad Badawi, who asserted (reproduced in Tang, 1995, p.235):

A great deal of progress has been made in strengthening the instruments for the promotion and protection of human rights… Unfortunately, all of them reflect the preoccupation with civil and political rights. We are also
Ali Alatas highlighted the emphasis on communalism that was to become a main strand in Asian values, stating that “[i]n Indonesia, as in many other developing countries, the rights of the individual are balanced by the rights of the community, in other words, balanced by the obligation equally to respect the rights of others, the rights of the society and the rights of the nation” (p.231). Further, the primacy of economic development over individual rights, and the fundamental role given to development, was clearly enunciated by Singaporean Foreign Minister Wong Kan Seng when he asserted that “[h]uman rights will not be accepted if they are perceived as an obstacle to progress” (p.245).

It is clear from the above that the Asian counter-discourse on human rights involved three primary strands: (Maitland and Hu, 1998, pp.36-37; Thio, 1997, pp.36-38):

**Cultural Relativism.** That rights are shaped by the social and cultural context within which they have evolved;

**Implementation.** That even if rights were universal, their implementation is heavily dependent upon the level of development of a given state; and

**Sovereignty.** That human rights are a matter of internal domestic concern, defined by national law. There is no place for external interference.

In terms of collective identity formation, it is the first and third of these strands that are the most important.

Cultural relativism was explicitly tied to a notion of Asian values, and to a concept of pan-Asian social and cultural values within which, it was argued, human rights must be contextualised. It was this that constituted the primary component of collective identity formed through interaction with the European Community/Union through the mechanism of interregional dialogue on human rights. Given that the application of rights is dependent to a great extent on the cultural context, it was argued, the supposed human rights deficiencies in Asia were nothing more than a different emphasis on particular rights as a result of the differing orientation of

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354 The assertions that civil and political rights were being over-emphasised at the expense of economic and social rights, and thus ignored the needs of developing states, and that, in contrast to the West, Asian cultures give far more importance to the community and order than to individuals and individual rights, were not new arguments. As Diokno (2000, p.76) points out, these “reasons were put forward by the Marcos dictatorship in defence of its brazen disregard of the rights of the people”.

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cultural values in a society in which communal interests were represented over and above individual interests. This approach is summarised in Table 6.1. Said Ghai of the Asian values thesis (1998, p.25):

The doctrine of Asian values seeks to achieve various objectives. It seeks to differentiate Asia from the West, and indeed to show the superiority of the former over the latter. Through this differentiation, it seeks to disapply norms of rights and democracy. It aims to fight the gospel of governance by ‘demonstrating’ the distinct cultural foundations of Asian capitalism and markets... It aims to strengthen Asian solidarity by positing a (false) unity.

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*Source: Thio (1997, pp.41-42)*
Given the nature of the Asian values thesis as a reaction to pressure to adopt ‘Western’ values, and in order to highlight the value, or even superiority, of the Asian alternative as Ghai suggests, the debate quickly became one in which the advocates of Asian values contrasted the exalted position of Asia to the ‘apocalypse’ being experienced by the Western world. Said Mahathir Mohamad (quoted in Thio, 1997, p.32):

[In recent times, Western societies have witnessed an almost complete separation of religion from secular life and the gradual replacement of religion with hedonistic values. Materialism, sensual gratification and selfishness are rife. The community has given way to the individual and his desires... [leading to] the breakdown of established institutions and diminished respect for marriage, family values, elders and important customs, conventions and traditions... Hence, Western societies are riddled with single-parent families, which foster incest, with homosexuality, with cohabitation, and with unrestrained avarice, with disrespect for others and with rejection of religious teachings and values... Their moral foundations are crumbling. Westerners are suffering all kinds of psychological and physical decay, their lives filled with stress and the fear of terrible new diseases engendered and propagated by their hedonistic lifestyles.

While not all comparisons were quite so vitriolic, the method of discrediting the West through the use of what Rüland (1997, p.73) refers to as the ‘demagogic trick’ of comparing a caricatured Western world with an idealised oriental society was common.

A further element in the elucidation of a ‘superior’ Asia was to link Asian cultural values to economic performance. Driven as much by the economic slump of the Western world in the early 1990s as by the astounding rates of growth being experienced by the Asian tigers, Asian values advocates began to assert that the economic success was due to the cultural values of these states, with the poor economic performance of the West correspondingly being tied to Western values. By subsequently also linking the implementation of rights with a sufficient level of development, or alternatively by asserting a, possibly not unfounded, willingness on the part of domestic publics to forego civil and political rights in exchange for economic advancement, these states were able to argue some sort of legitimacy for

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355 Kishore Mahbubani’s (1993) article on The Dangers of Decadence is a less virulent example of his approach.
356 In contrast, a Commission official asserted that one reason behind the Union’s push for human rights and democracy is that “people who are living in democratic societies tend to be better traders” (Interview Material).
authoritarian\textsuperscript{357} governments in the face of Western pressure for democratisation. Thus, a model was created in which the legitimacy of the authoritarian state was premised upon economic success, itself a result of the Asian cultural milieu. At the same time, these Asian values were to an extent the creation of the state through both intra-regional and extra-regional elite level discourse (see Figure 6.2).

![Figure 6.2: Asian Values and the Legitimacy of the State](image)

By explicitly linking the legitimacy of the authoritarian state with economic success, and premising this success on Asian values, Asian governments had effectively given their opposition to so-called Western values a greater sense of urgency. Any perceived attack by the West on Asian values through, for example, the imposition of a Western individualistic approach to rights, was seen as an attempt to undermine Asian economic success by undermining the value structure on which it was built. This can be seen in the assertion by Mahathir that criticism of Asia’s labour policy will undermine Asia’s comparative economic advantage over the West (Hernandez, 1998, p.35). In turn, this undermining of economic performance would lead to a reduction in legitimacy for a state that premised its authoritarianism on the need for economic advancement. Thus, any attack on Asian values was seen, indirectly, as an attack on the state.

\textsuperscript{357} The term ‘authoritarian’ used here corresponds with the designation of Thio (see Table 6.1 above) as
The perception that there is some Machiavellian subtext within human rights diplomacy is reinforced by the internal tension between economics and human rights that has been a feature of the EC/EU’s approach to ASEAN throughout the 1990s. The German Asia Policy Paper of 1993, seen as the precursor to the EU’s Karlsruhe drive, led a return to economics, and was quickly mirrored with similar policy redefinition on the part of the Union and its Member States. Particular difficulties were present in the formulation of specific EU policies and actions, mostly as a result of the unanimity decision-making procedure, meaning that Europe’s Asia policy was very much a compromise between the various policy actors (Rüland, 1997, p.79). Large Member States (France, Italy, Germany and the United Kingdom), dependent on exports, market access and global economic competitiveness, have tended to adopt a more pragmatic approach to the human rights issue, preferring to fly the flag of economics in negotiations with ASEAN. Those smaller Member States (the Netherlands, Portugal and the Scandinavian states) which have not been so dependent on economic success in Asia have, in the words of Rüland (1997, p.80), been “less prepared to subordinate the normative elements of their foreign policies to economic objectives… [and] are more likely to continue operating from high moral ground by raising themes such as democracy and human rights”. The European Parliament, too, has played its part in this process, placing heavy emphasis on the recognition of fundamental rights and freedoms in agreements with third parties. In the post-Karlsruhe years, and particularly since ASEM was launched in 1996, the EU, as a result of these varying priorities among its main policy actors, has tried to pursue an economic strategy without sacrificing key normative elements. “Unfortunately”, comments Rüland (ibid.), “neither the EU’s Asian policy, nor that of major member states have so far been able to strike such a balance. Even after 1993, European Asia policies have been on a zig-zag course between realpolitik and moralism and between principles and opportunism”. In this, therefore, can be seen a failure of the EU’s policy processes/structures, and, correspondingly, the limitations on its actorness.

In terms of the third strand of the Asian counter-discourse, sovereignty, a simple argument was forwarded by ASEAN governments that human rights are a domestic matter, and should be free from external interference. Further elaboration of the argument is unnecessary, the point is obvious. What is interesting in terms of

‘democracy without turnover’.

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collective identity formation are two factors: (i) the reinforcement of ASEAN norms; and (ii) the creation of a faux-consensus concerning the counter-discourse on rights in general, and the Asian values thesis in particular. With regard to the first, the identity of ASEAN is to a great extent, as with any regional organisation, bound up with its operational methods and norms. The premising of a fundamental component of the counter-position on human rights on such norms serves to associate the position on rights/Asian values, through the medium of these norms, with ASEAN, and correspondingly to further distinguish an ASEAN or Asian, as opposed to, for example, an EU or European, way of doing things.

The second element, the creation of a faux-consensus, is related again to the use of ASEAN norms. Numerous critiques of the Asian values and Asian rights discourses have made the observation that ASEAN states are, in reality, very different,\textsuperscript{358} and have therefore questioned the notion that there are any common Asian values at all.\textsuperscript{359} Indeed, the human rights discourse, and the Asian values thesis, were the work of only a small number of Member States, predominantly Malaysia and Singapore, with Indonesia participating when its interests where in question, as in the case of East Timor, and Thailand rarely taking part. The Philippines, perhaps the most democratic and rights-oriented of all ASEAN Member States, and Brunei, remained, by and large, on the sidelines. In line with Association norms, however, Brunei and the Philippines refrained from criticising their ASEAN partners, and in this way contributed to what Kraft (2001, p.3) refers to as one of the major factors giving legitimacy to the Asian values thesis, which otherwise “left much to be desired both philosophically and empirically”. Said Acharya (2000, p.29), “a group can develop an identity and approach of its own even if their national identities and constitutive norms remain different”. This possibility of possession of dual identities – as an individual state and as part of a collective – has the effect that silence on an issue is insufficient to dissociate a state from said issue. This silence, then, in effect implied an acceptance of the claims made by the proponents of Asian values, and in this way constituted a tacit acceptance by ASEAN in its entirety of the Asian values thesis and its association with them. Further, the identification of Asian values with ASEAN was reinforced by the Community/Union’s choice to raise the issue of human rights and democratisation in a

\textsuperscript{358} In this respect, academics have pointed to the geographic, religious, ethnic and political diversity of the region.

\textsuperscript{359} See, for example: Cauquetin et al (1998); Dallmayr (2002); Hernandez (1998); Rodan (1996).
dialogue with ASEAN rather than bilaterally with Member States. This is a function of the EC/EU’s role as an external federator, by which it chose to follow a regional policy in Southeast Asia.

In terms of actorness, the process of collective identity formation was determined by the particular configuration of actors involved in the human rights/Asian values debate. The EU, a comparatively strong regional actor in relation to ASEAN, was able to set the agenda of debate. This is a direct function of the strength of its policy processes/structures. The Association, on the other hand, with comparatively weaker actorness, is usually unable to develop a proactive agenda, and is therefore cast in the role of reacting to an agenda set by the Union, or more specifically, conducting a debate in a context framed by the Union. Being a strong or proactive actor in a relationship with a weak or reactive actor is, in relation to collective identity formation, a very powerful position to be in. By framing the areas of debate through which a collective identity will be established, the strong actor is significantly affecting the nature of the collective identity itself. In addressing the issue as it did, the EC/EU ensured that “the attempt to articulate ‘Asian values’... relied heavily on liberalism as a point of departure and has been light on specifying the positive definitive characteristics of ‘Asian culture’ that are purported to permeate social and political organizations in the region” (Rodan, 1996, p.333). This was a role the Community/Union was cast in as a result of its comparatively strong actorness. Human rights and democracy had been defined by the Treaty on European Union as an objective of the Common Foreign and Security Policy, and the Union was therefore obliged to introduce this into relationships with third parties. A clause making reference to these rights was a required component in any agreement. As the EC/EU possessed a relatively high level of actorness, this was possible, and further, this level of actorness when compared to ASEAN meant that it would be debated. Had the Community/Union been a comparatively weaker actor than the Association, the rights issue would likely have been quickly pushed to one side. Correspondingly, had ASEAN been a weaker actor, its response would likely have been less powerful, as was the case with the ACP in the latter part of the 1980s and the 1990s, or, at the extreme, a situation of adoptive identity formation. As an element of the EC/EU’s

360 Put simply, the human rights debate would not have been a matter of dialogue had the EC/EU not pushed the issue.

361 See discussion in Theoretical Framework above.
comparatively strong actoriness, its identity was well established, extending its roots deep into the structure of civil society. This prevented the flow of action and reaction being reversed, with the Community/Union reacting to, or adopting the ASEAN perspective into its own identity structure (see Table 6.2).

<table>
<thead>
<tr>
<th>Initiator</th>
<th>Strong Actor</th>
<th>Weak Actor</th>
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<tr>
<td>Strong Actor</td>
<td>Reactive identity formation or marginalisation of issue</td>
<td>Marginalisation of issue</td>
</tr>
<tr>
<td>Weak Actor</td>
<td>Adoptive identity formation</td>
<td>Reactive identity formation or marginalisation of issue</td>
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</tbody>
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In this case, however, ASEAN’s actoriness had been enhanced, primarily due to its economic strength, combined with the desire of the EC/EU to gain access to the Association’s markets. The lure of market access led to division among the Europeans over the relative importance of human rights and economics, and resulted in the inability of the Community/Union to adopt a consistent approach to the Association. This was a failure of policy processes/structures of the EC/EU. Correspondingly, the EC/EU’s role as an *external federator* served to further strengthen ASEAN. The Europeans had, from the outset, chosen to deal with the Association as a grouping, rather than to work bilaterally with its Member States. In doing this, the ASEAN states were effectively forced to work together as a grouping, giving them, as is the nature and *raison d’être* of regionalism, more influence than each would have had individually. This was further enhanced by the economic success of the Association’s members. The actoriness of ASEAN was nevertheless insufficient to adopt the direct approach to the human rights issue by simply asserting their unwillingness to discuss it. They were required to put forward some justification for their position, which otherwise would not have been strictly necessary.

When the financial crisis hit Asia in 1997, the Association of Southeast Asian nations quickly found its economic performance-based actorness being undermined. In addition, in states where legitimacy and the Asian values thesis had been premised
upon success in delivering economic growth, ruling elites quickly found themselves challenged from below. In the most extreme case, this led to the downfall of Soeharto, Indonesia’s President for 32 years. The weakening of both regional actorness and the Asian values thesis would suggest a gradual move towards Asian adoption of a Western position on rights and democracy, though in the immediate aftermath of the crisis it was not rights and democracy-based discourse that dominated relations. The EU-ASEAN relationship remained on hold over the participation of Burma/Myanmar, and the ASEM relationship concentrated more on the penetration of Asia by global governance networks, including the acceptance by Asian states of the role of the IMF, World Bank and WTO.362

The Asian states recovered from the crisis far more quickly than had been anticipated, such that a significant disparity in actorness between the Asian and European partners is no longer so evident. A few tantalising hints, however, have emerged that in the post-crisis years, some ASEAN states at least are becoming more vocal in advocating a rights approach more similar to the West. Under the umbrella of the fifth ASEM Foreign Ministers Meeting, held in Bali on 22nd-24th July 2003, discussions between the European delegation, led by External Relations Commissioner Chris Patten,363 and their Asian counterparts covered the issue of Burma/Myanmar. According to one of those present, “[w]hat actually made the discussion particularly interesting on Burma/Myanmar… is the Asians were actually discussing it – several times they forgot themselves and started discussing it in front of us” (Interview Material). Said the individual in question, “that’s really interesting… [w]hen you’ve got the Thais and Malaysians pushing the other ASEAN people to do more on Burma” (Interview Material). It is too soon to ascertain where this will lead.

The process of collective identity formation, then, is an integral part of inter- and transregional dialogues, one for which, by its very nature, the elucidation of hard facts is difficult. Certain suggestions can, however, be drawn from the above discussion. Importantly, the simple process of interaction outlined by constructivist theory as so intrinsic to identity formation, is enhanced by the dense network of ties characteristic of inter- and transregional dialogues, while at the same time expanding

362 See Institution Building chapter.
the effect to the collective level. The process by which the creation of collective identities takes place, however, is not a cohesive one where 'whole identities' are created through interaction. It is instead characterised by the creation and/or reinforcement of specific identifying tags, be they perceived values, a specific way of doing things, or even the simple association of economic success with a given regional group. These tags are built at different times and under different circumstances, with comparative levels of actorness often playing a decisive role. Three methods by which collective identity formation is externally influenced were outlined:

1. through the role of an external federator;
2. through the negotiation of operational elements; and
3. through a reactive or adoptive response to external stimuli.

Actorness is a key ingredient in elements of the second, and in the third of these methods. With regard to the second, actorness is an influential factor when membership is contested. This is a rare occurrence, with the only example to date being the accession of Burma/Myanmar to ASEAN. In this example, the actorness of the objecting powers was deemed to be insufficient for the task at hand, with the result that ASEAN expanded its membership to incorporate the 'rogue state'.

Where comparative actorness becomes particularly important is with respect to external stimuli provoking a reactive or adoptive response. Here, as can be seen in the matrix presented in Table 6.2, the actual response is to a great extent influenced by the comparative actorness of initiator and respondent. In the case presented, that of human rights and the Asian values debate, the Union’s actorness was insufficient to bring about real change in the position of ASEAN in the form of the adoption of the EU position. Rather, a reactive and unintended process took place, whereby the ASEAN grouping undertook the elaboration of its own position on human rights, utilising in part a critique premised upon Asian values. As such, this third element of collective identity formation provides a clear illustration of the utility of allying a theory of actorness to the expected roles and functions of inter- and transregionalism. Put simply, it provides a certain predictive capability not otherwise possessed by frameworks elaborated for such dialogue processes.

363 Few European foreign ministers were in attendance, elevating Patten's role. The Asian representatives were reportedly offended by the low turnout of European ministers, though this allowed Patten to effectively lead discussion (Interview Material).
Further to this, a more subtle component of the third element of collective identity formation was highlighted above: the role of the agenda-setter. This, too, relates back to levels of actorness in both absolute and comparative terms. In short, strong actorness in absolute terms implies a certain amount of proactivity through the possession of cohesive goal/interest formation structures and policy processes/structures, thus giving rise to the agenda-setting role. Strong actorness in comparative terms, on the other hand, relates to the effect the issue raised will engender in the dialogue partner.

In sum, therefore, the collective identity formation role of inter- and transregional dialogues, as deduced from constructivist theory, is indeed performed. Further, its performance is influenced to a significant extent by the levels of actorness of the partner groupings. Finally, the grafting of actorness theory to collective identity formation provides, in some cases, a limited predictive capacity.
7. Conclusion

It is clear at least from the above discussion that the relationship between the European Union and the Association of Southeast Asian Nations is a wide-ranging one. From its inception in 1972, and its formalisation through the convening of the first ASEAN-EC Ministerial Meeting in 1978 and the signing of the EC-ASEAN Cooperation Agreement in 1980, it has expanded exponentially in scope, such that the two groupings are bound together by an ever denser network of dialogue structures and institutions.

This study was embarked upon with three broad objectives in mind. The first, at the micro-level, was to consider inter- and transregional relations between the European Community/Union and the Association of Southeast Asian Nations. Key to this is an elucidation of the shape of these relations from their inception to present day. This process will be concluded below with consideration of the path forward. The second objective, closely tied to the first, was to consider, within the context of the EC/EU-ASEAN relationship, whether the functions of inter- and transregional relations deduced by scholars have actually been performed. This is an objective that has been accomplished through composition of the thesis itself, the intrinsic nature of which has involved the elaboration of examples of performance and non-performance of these functions. Finally, at the macro-level, it has been an objective to supplement the framework of functions of inter- and transregionalism through: (i) providing more detail on the nature of the theorised functions; and (ii) the inclusion of an additional explanatory variable, actorness. This has been undertaken as acknowledgement of the five functions alone establishes only a mode of ordering or categorising elements of
inter- and transregional relationships; it provides no analytical tools for explanation of the performance or non-performance of these functions.

This concluding chapter does not seek to reiterate verbatim the conclusions drawn in the preceding discussion. What it does is to conclude consideration of the core macro- and micro-level objectives outlined above by focusing on: (i) the incorporation of actorness as a moderating variable, and the effect of the level of actorness upon the performance or non-performance of the five functions of inter- and transregional relations (the macro-level objective); and (ii) the future of the EU-ASEAN dialogue (the micro-level objective).

The Macro-Level

The framework of functions of inter- and transregional dialogues has been supplemented in two key ways by this thesis. The first has been the provision of a far more nuanced understanding of balancing, institution building, rationalising, agenda setting and collective identity formation than has previously been elaborated by scholars. This process has been intrinsic to this thesis, and requires no further detailed elaboration here. The result is reflected in graphical form in Figure 7.1.

The second modification has been the inclusion of actorness. Put bluntly, actorness is a significant moderating variable when it comes to the performance of the balancing, institution building, rationalising, agenda setting and collective identity formation functions of inter- and transregional dialogues, and its inclusion does introduce a certain analytical and predictive capacity. At the outset, a working hypothesis was posited that: the level of actorness of the regional groupings involved in any inter- or transregional dialogue or process will effect the extent to which, and the manner in which, the five deduced functions of such dialogues are performed.

While this hypothesis has been supported, the reality is far more nuanced than simply strong actorness leading to a high level of performance of these functions.

The performance of each of the five functions is affected to some extent by the level of actorness of the participant groupings, though the manner in which actorness is important depends on the nature of the function being performed. Functions that are
Self-Focused Balancing:
1. region-building;
2. diversification of ties.

Inter- and Transregional Balancing:
1. match other relationships;
2. alliance vs third parties.

Role of External Fедerator

Negotiation of Operational Elements:
1. membership;
2. norms.

Inter- and Transregional Relations

Collective Identity Formation

Rationalising

Creation of Cooperative Structures:
1. institutionalisation of dialogues;
2. subsidiary institutions.

Agenda Setting

Institution Building

Adherence to Institutions

Setting Multilateral Agendas

Intra-Regional Institution Building

Note: Items in *Italics* constitute unique contributions of this thesis to the further nuanced of the framework of inter- and transregional relations.

**Figure 7.1: Detailed Roles/Functions of Inter- and Transregional Dialogues**
externally focused are affected in their performance by the absolute level of actorness of the participant regions. Correspondingly, functions that are internally focused are affected in their performance by the comparative level of actorness of the participant regions. Roughly speaking, the balancing, rationalising and agenda setting functions may be defined as externally focused, while institution building and collective identity formation are internally focused. In addition, however, some elements of these functions do not, or at least only tangentially, involve actorness.364

ACTORNESS IRRELEVANT OR ONLY OF TANGENTIAL IMPORTANCE:

Elements where actorness was largely irrelevant may be found primarily under the balancing and institution building functions. In terms of balancing, the first of the two interlocking elements defined as intrinsic to this function, namely the self-focused balancing of triadic pillar against triadic pillar, is just such a case. Clearly by its very nature as self-focused, balancing in such a form occurs regardless of the actorness of the partner region. The inter- or transregional dialogue is important insofar as, through it, important trade, aid and FDI may be gained to facilitate region building. Thus, while in the pre-1990 period evidence of balancing in the EC-ASEAN relationship is scant, to the extent that it was performed, it was in relation to this self-focused balancing of the individual groups, with the attention of each directed clearly toward intra-regional cooperation and capacity building rather than on the development of inter-regional dialogue. While the European Community’s focus on region building can be seen in a dramatic increase in intra-community trade, it is in ASEAN that the best evidence of the performance of this element of balancing is to be found.

From the outset, ASEAN evinced a clear focus on regional economic development and the diversification of trade dependence away from any one economic power, utilising the developing relationship with the European Community in part to achieve this. Indeed, Article 4(1) of the Cooperation Agreement of 1980 explicitly asserted that the EC “will expand its cooperation with ASEAN in order to contribute to ASEAN’s efforts in enhancing its self-reliance and economic resilience”. If this style of balancing was ASEAN’s goal, it was successful, for by the end of the 1980s ASEAN had reduced its reliance on the import of manufactures by developing

364 The following sections on the performance of the functions of inter- and transregional dialogues according to level of actorness are summarised in Table 7.1.
its own industry, and had established an external trade profile that was far more evenly distributed than had previously been the case.

As far as institution building is concerned, the first of the three components, the creation of cooperative structures, largely occurs independently of levels of actorness. This is the case as the creation of institutions is a phenomenon independent from the discussions undertaken within those institutions. Dialogue may be more or less substantive depending upon the level of actorness of participants, but institutions, the formal structures within which this dialogue occurs, may be created with little thought or effort. Indeed, the European Community in its external relations, it will be recalled,\textsuperscript{365} initially focused on the proliferation of external dialogue structures as a means for establishing a presence on the world stage. As a result of the Union’s weak actorness, however, specifically its inability to agree collective positions to be pursued in third party dialogue, the resulting web of relations was of a formal rather than a substantive nature.

Again, as with balancing, it is this ‘actorness-free’ form of institution building that was most evident, or indeed evident at all, during the bipolar period. As such, by the end of the 1980s, an extensive and institutionalised interregional dialogue between the European Community and ASEAN had been established, ranging from the bureaucratic working-group level to ministerial dialogue where political issues were discussed and broad objectives for EC-ASEAN cooperation were set. This was taken further in the post-bipolar period with the addition of the new transregional ASEM process alongside the, by then flagging, interregional EC/EU-ASEAN dialogue.

In addition to this first element of institution building, the second, that of incorporating states or groupings of states into the structures of global governance occurs irrespective of actorness. This institution building component takes place as a result of socialisation. It is sufficient that a state or grouping of states be incorporated into an inter- or transregional framework in order that this socialisation occurs. Actorness may be tangentially important, in that a strong actor with a particularly divergent viewpoint may be more slowly incorporated into these structures than would a weaker actor with a similar outlook, but in practice this is unlikely for the simple reason that a strong actor with an opposing position on global governance is unlikely to choose to participate in such a forum. Indeed, China entered the WTO

\textsuperscript{365} See discussion of EPC in Balancing chapter.
only after its government had made a firm commitment to the free market, and to the other rules, norms and values of global economic governance.

**Absolute Actorness as Moderating Variable:**

Where an absolute level of actorness was important, the functions to be performed were of a relatively advanced nature. The weaker the actorness of the participant groupings, the less likely are these functions to be performed. With respect to balancing, this is most clearly the case in relation to cooperative activity against external powers. While such did not occur at all in the economic sphere, two issues emerged in the politico-security sphere: (i) in the bipolar period the twinned issues of Cambodia and Afghanistan; and (ii) in the post-bipolar period the War on Terror, and more specifically the War in Iraq. In the case of Cambodia and Afghanistan, cooperation was not able to be advanced beyond the declaratory level, and in the case of Cambodia even this proved too much. This was a result of the fact that actorness was not sufficient in either of the groupings to maintain strong intra-regional cooperation. In the absence of intra-regional cooperation, interregional cooperation is essentially impossible. Cooperation over Afghanistan, even if only at the declaratory level, was maintained only as a result of the lack of divergences among Member States that could place pressure on intra-regional structures. This was, in essence, due to the relative unimportance of the issue to each of the groupings.

In the post-bipolar period, cooperation on the issue of the invasion of Iraq was still-born, largely as a result of the actions of the US. The choice by the Bush Administration to sideline the UN as an effective arena for discussion of the issue served to marginalise any possible cooperation between European and Asian partners. Neither the European Union nor the Association of Southeast Asian Nations possesses sufficient actorness to achieve goals such as the prevention of a US invasion outside of the rules-based UN forum. Added to this, both groupings, though this was particularly evident with regard to the European Union, were riven by dispute over the issue, again effectively making cooperation between the two an impossibility.

Finally, the functions of rationalising and agenda setting are potentially the most valuable possible outcome of inter- and transregional dialogues. Unfortunately, at least as far as EC/EU-ASEAN and ASEM relations are concerned, they have remained largely unperformed. Again, this non-performance is a function of
actorness. While rationalising and agenda setting are potentially the most important functions, they are also the two that require the highest actorness threshold to be crossed. The extent to which either rationalising or agenda setting is performed is dependent on the ability of the European and Asian partners to coordinate intra-regional positions, and the flexibility with which such positions can subsequently, in response to negotiation outcomes, be modified. It is for this reason that neither function has so far been undertaken to any credible extent. Both sides have expressed a desire to cooperate in this manner, and indeed have set in place elements of such, including the process of dialogue before sessions of the United Nations General Assembly, but until the actorness capacity of each of the regions is improved, these efforts will be to little effect.

**Comparative Actorness as Moderating Variable:**

For those functions where comparative actorness is important, it is the difference in the level of actorness between the two partners that is relevant. Both actors may, in absolute terms, be relatively weak, but so long as there is a comparative difference in their respective levels of actorness, it may be expected that these functions will be performed.

In terms of institution building, it is the third of the three defined elements to which comparative actorness relates. Here it was asserted that, given the exigencies of interregional cooperation, it is necessary for regional groupings to coordinate positions leading into negotiations, or for expression in cooperative fora. Where the structures for such are not already in place, engagement in inter- and transregional dialogues will provide the impetus for their development, with the qualifier that this impetus will be significantly reduced where the dialogue partner does not also engage in intra-regional coordination. Put another way, institution building of this type is most likely to occur where a comparatively weaker regional actor or disaggregated grouping is confronted in an inter- or transregional dialogue by a comparatively stronger regional actor. This is most clearly the case in the ASEM process, where a stronger EU is faced by an Asian grouping comprising a large component of ASEAN's membership and the three Northeast Asia states of China, Japan and South Korea. This triggered cooperation among the ten Asian ASEM states, a practice that
has subsequently been applied to those states outside of the ASEM structure, leading to the emergence of the ASEM+3 grouping.

Similarly, it is this comparative level of actorness that is significant when considering collective identity formation as a result of engagement in inter- or transregional dialogues. This is most clear in the activity of an external federator, the first mode of collective identity formation outlined. While external federative activity is more often to be associated with institution building, it may be seen in collective identity formation insofar as it involves developing a conception of the ‘object of significance’. That is, the role of an external federator is significant in that the ingroup of regional cooperation may be defined through interaction with, and acceptance by, an external other. Actorness is important as the stronger one regional actor is in comparison with its potential partner grouping, the greater the influence it will have in defining that grouping. Indeed, the ACP and its successors under the Cotonou Agreement were defined by the European Community/Union. A similar, though less obvious, process may be seen in EC/EU-ASEAN relations in that, by choosing to treat with ASEAN as a whole rather than to sign bilateral agreements with the original five Member States, the Community made it necessary for the grouping to expand its intra-regional dialogue in order to determine goals and interests to be pursued in the EC-ASEAN relationship, and thus intensified the dynamic density of intra-regional relations. In other words, it promoted intra-regional institution building. This, as a result, laid the groundwork for increasing interdependence and for endogenous identity formation as a result of intersubjective interaction.

The comparative level of actorness is again important for collective identity formation that occurs as the result of an adoptive or reactive response to external stimuli, the third of the components outlined. A comparative difference in actorness will influence the setting of the agenda for debate, and the response of the parties to that agenda, with the comparatively stronger actor, depending of the level of difference, taking on the role of effective agenda setter. This is a particularly powerful position to be in as, by framing the areas of debate around which identity formation occurs, the stronger actor is affecting the nature of the collective identity itself. In the EC/EU-ASEAN relationship, it is the European Community/Union that has clearly
<table>
<thead>
<tr>
<th>Dialogue Partner</th>
<th>Function</th>
<th>Strong Regional Actor</th>
<th>Weak Regional Actor</th>
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<tbody>
<tr>
<td></td>
<td>Balancing</td>
<td>- Inter- and Transregional Balancing;</td>
<td>- Self-Focused Balancing.</td>
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<tr>
<td></td>
<td>Institution Building</td>
<td>- Creation of Cooperative Structures;</td>
<td>- Creation of Cooperative Structures;</td>
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<tr>
<td>Strong Regional Actor</td>
<td>- Adherence to Global Institutions.</td>
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<td>- Adherence to Global Institutions;</td>
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<td></td>
<td>Rationalising</td>
<td>Performed</td>
<td>Not Performed</td>
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<td></td>
<td>Agenda Setting</td>
<td>Performed</td>
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<td></td>
<td>Collective Identity</td>
<td>Not Performed</td>
<td>- Affected by External Federator;</td>
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<tr>
<td></td>
<td>Formation</td>
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<td>- Reactive or Adoptive Response to External Stimuli.</td>
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<td>Weak Regional Actor</td>
<td>Balancing</td>
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<td>Institution Building</td>
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<td>Formation</td>
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</table>
been the stronger regional actor, particular in the post-bipolar period, and correspondingly it is the Union that has been able to set the agenda – democracy and human rights – for the debate around which collective identity formation occurred. ASEAN, as the weaker actor, was cast in the role of reacting to the agenda set by the Union, with the result being the Asian values debate.

Promoting human rights and democracy is defined by Article 11 of the Treaty on European Union as an objective of the Common Foreign and Security Policy, and the Union is obliged to introduce this into relationships with third parties, most notably through the incorporation of a clause making reference to these rights in any third party agreement. As a result of EC/EU’s comparatively high level of actorness, the introduction of human rights as an ‘agenda item’ was possible, and, given ASEAN’s lower level of actorness, it was subsequently debated. Had the Community/Union been a comparatively weaker actor than the Association, the rights issue would likely have been quickly marginalised. Correspondingly, had the comparative gap between ASEAN and EU actorness been significantly greater, its response would likely have been less powerful, as was the case with the ACP in the latter part of the 1980s and the 1990s, or, at the extreme, adoptive identity formation may have been the result. As an element of the EC/EU’s comparatively strong actorness, its identity was well established and deeply rooted in the structures of European civil society. This prevented the flow of action and reaction being reversed such that the Community/Union reacted to, or adopted, the ASEAN perspective into its own identity structure.

**WHICH MEANS?**

If actorness is significant in different ways in different areas (as outlined in Table 7.1), certain projections can be made about the evolution of inter- and transregional relations. If the assumption is made that regional actors will, over time, seek to increase their actor capacity, then, as a result, those functions defined as requiring sufficient actorness in absolute terms on the part of all parties to inter- and transregional dialogues will subsequently emerge as being able to be performed or better performed.\(^{366}\) However, as the absolute actorness of the parties to, for example,

\[^{366}\text{Clearly, if regional actors do not increase their actor capacity over time, the range of functions of inter- and transregional dialogues able to be performed will remain narrow.}\]
an interregional dialogue increases, the comparative difference in actorness will fall. If, therefore, the comparative difference in actorness diminishes, by definition the likelihood that, or the extent to which, these comparative actorness related functions are performed will be reduced. This is perhaps self-evident, as the stronger a regional actor is in absolute terms, the more likely is it, according to the definition of actorness posited at the beginning of this thesis, to have a firmly rooted identity and strong intra-regional structures. What it means in terms of inter- and transregional dialogues, however, is that some of the deduced functions will effectively drop off over time. This in turn sets up certain expectations as to the way inter- and transregional dialogues between qualitatively different actors will function over time. It can, for example, be expected that the early period of relations will result in institutional proliferation, intra-regional institution building, and intra-regional collective identity formation. As the actors and the relationship mature, however, it can be anticipated that the intra-regional institution building and identity formation functions will gradually be replaced by substantive cooperation in the form of the advanced balancing functions outlined, and importantly also the rationalising and agenda setting functions. This may be seen in EU-ASEAN relations, which, despite more than 30 years of dialogue, are still very much in their infancy. Indeed, commented one ASEAN official of relations with the Union, “we are just planting the seeds now... [I]n future... you will see greater harmonisation of our stand in various areas” (Interview Material).

While allowing some indication of the likely progression of inter- and transregional dialogues over time, the above conclusions also establish a set of expectations about the shape a dialogue will take. This facilitates the performance of a cost/benefit analysis by regional groupings prior to opening a dialogue with a new partner, in order to determine whether the likely outcome justifies the input in terms of time and resources. The above conclusions make it clear, for example, that should a strong regional actor enter a dialogue with a weak regional actor, the initial period of relations will garner little in the way of big-ticket benefits – the important rationalising and agenda setting functions and the inter- and transregional component of balancing are unlikely to be performed (see Table 7.1). Rather, these relationships will result in the building of the weaker partner through the processes of collective identity formation and intra-regional institution building. The creation of such a relationship is, therefore, a long-term prospect, with the initial period involving the
development of the weaker grouping into a significant partner. In the EC/EU-ASEAN
dialogue, this period of 'dialogue immaturity' now spans some 36 years.

Having recognised the likely non-performance of the advanced functions of
inter- and transregional dialogues when qualitatively different regional actors meet, it
must be acknowledged that even if such relationships do not result in the performance
of these functions, and indeed may never yield the sort of regionalism necessary for
their eventual performance, the collective identity formation and intra-regional
institution building functions will produce greater regionalisation\(^{367}\) and therefore
securitisation, and contribute to the emergence of regional security communities,
defined in the Deutschian tradition (Acharya, 2001, p.16) as:

[A] group that has 'become integrated', where integration is defined as
the attainment of a sense of community, accompanied by formal or
informal institutions or practices, sufficiently strong and widespread to
assure peaceful change among members of a group with 'reasonable'
certainty over a 'long period of time'.

This is a benefit that needs to be explicitly acknowledged in inter- and transregional
dialogues involving a weak regional actor or disaggregated grouping of states. In
considering the creation of a new dialogue with a weaker partner, policy practitioners
in strong regional actors would do well to consider this.

The recognition of which functions are within the capacity of the relationship
to perform allows dialogue partners to target the use of resources more effectively. In
a dialogue between qualitatively different regional actors, resources dedicated to the
performance of functions that are essentially beyond the relationship are resources
wasted. Further, they are resources diverted away from the performance of achievable
functions. When this realisation is converted into policy practice, it will result in
reduced costs for inter- and transregional dialogues, and also conceivably in the
acceleration of the initial maturation period of these relationships. Given this clear
predictive and analytical capacity generated by the fusion of the concept of actorness
with that of the functions of inter- and transregional dialogues, the contribution of this
thesis to future strategic decisions of regional actors is, therefore, significant.

\(^{367}\) See Theoretical Framework for discussion of regionalism and regionalisation.
The Micro-Level

At the micro-level, it has been an objective of this thesis to consider the inter- and transregional relationship between the European Community/Union and the Association of Southeast Asian Nations. Perhaps the most surprising finding in this respect is how little meat there actually is on the bones of this dialogue. Indeed, few of the individuals spoken to have been able to indicate much in the way of concrete examples of clear benefits provided by the relationship, or of specific goals achieved. This is in contrast to the impression created by the density of institutional structures, and the regularity of meetings, both specifically in the EU-ASEAN dialogue and in the broader ASEM process. One possible reason for this can be related back to the discussion of the macro-level above, and the slow maturation of this particular interregional relationship. Those functions defined as being performed in dialogues between qualitatively different regional actors such as the EU and ASEAN have, as far as the Association is concerned, gone as far as is possible without a commitment on the part of the ASEAN Member States to regionalism. Given the emphasis within Southeast Asia on the indivisibility of state sovereignty, this step is unlikely to be taken in the near future. This has meant in recent years that the relationship has been characterised by the shopping-list style proliferation of projects and working groups with little overall coherence (Interview Material), seemingly in order to be doing something to justify maintaining the dialogue. As suggested in discussion of balancing, the comparatively shallow nature and slow pace of the dialogue\textsuperscript{368} may prove detrimental to trade and investment flows in the wake of the the Union’s enlargement on 1\textsuperscript{st} May 2004, with new opportunities closer to home likely far outweighing those available in ASEAN. A similar situation may also occur should the ASEAN Free Trade Area proceed as planned, or should East Asia regionalism or regionalisation grow further from the seed that is ASEAN+3, with the Association’s Member States subsequently finding greater opportunities on their own doorstep. In this respect, the negotiation of an ASEAN-China Free Trade Agreement is an interesting precursor to broader Asian regionalisation.

It remains to consider the future of the EU-ASEAN relationship. The most recent step in the evolution of both the EU-ASEAN and ASEM processes occurred on
9th July 2003, when the Commission published its long awaited strategy document *A New Partnership with Southeast Asia* (European Commission, 2003a), setting out to "revitalis[e] the EU’s relations with ASEAN and the countries of South East Asia" (p.3). The extent to which such a revitalisation is possible, however, will be dictated by the solutions to three problems: (i) institutional redundancy; (ii) official representation; and (iii) overarching vision.

The first issue facing the EU-ASEAN relationship is that of institutional redundancy. It has become increasingly obvious over the last few years that ASEAN, particularly in the wake of the entry of Burma/Myanmar, fails to discuss anything fundamentally different from ASEM, and indeed that the flow of influence tends from ASEM to the EU-ASEAN dialogue, at least at the summit and ministerial levels, rather than the other way around.

In this respect, a brief comparison of content from the Chairman’s Statements of ASEM I, and AEMMs 11 and 12, shows that no specific decisions were transferred from the eleventh AEMM to the first ASEAN, though certain general areas from the former were taken up in the latter. When this was the case, the ASEAN forum tended to come up with concrete measures. As an example, while both AEMMs 11 and 12 called for greater people-to-people linkages (ASEM, 1994, para.21; 1997, paras.7, 17), including, for example, educational activities and exchanges (ASEM, 1994, para.18; 1997, paras.7, 17), it was the first ASEM meeting which moved beyond a simple declaratory statement of intent (ASEM, 1996, para.17) to establishing an Asia-Europe Foundation for the promotion of cultural cooperation in general, and an Asia-Europe University Programme to foster exchanges of students and scholars (para.19). On the other hand, certain concrete follow-up measures adopted at ASEM I were subsequently reflected in AEMM 12. As an example, an agreement at the ASEAN to simplify and improve customs measures (paras.12, 19) was subsequently also taken up at AEMM 12 (para.12(A)(viii)). Similar examples may be found in the fostering of private sector cooperation. ASEM’s dynamism was further demonstrated through the pace with which it met challenges that had faced Asia-Europe relations for decades. Here, while ASEAN-EC/EU meetings had routinely

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368 A result of the limitations faced when qualitatively different regional actors meet.
369 Both AEMMs 11 and 12 are considered to illustrate that the establishment of concrete measures by ASEM I in 1996 was not the result of initial action in AEMM 11 in 1994, as were this the case, a similar follow-up would be expected in AEMM 12 in 1997.
referred to the need to promote two-way trade and investment, the relationship was characterised by the absence of a plan to achieve trade growth, and saw concrete measures for the facilitation of investment arriving on the scene comparatively late.\textsuperscript{371} The challenge of creating a Trade Facilitation Action Plan (TFAP) and an Investment Promotion Action Plan (IPAP) was, however, rapidly taken up at ASEM. This trend of ASEM providing concrete measures, and even of ASEM agendas influencing those of the EU-ASEAN dialogue, has continued and strengthened to the present day.

While ASEM tends to influence EU-ASEAN dialogues at more senior levels, this is not always the case in lower level dialogues. Here, a certain amount of overlap can be seen in specific fora, with broadly similar agendas often meaning the effective replication of discussion. As an example, both the EU-ASEAN relationship and the ASEM process incorporate a customs dialogue. Agendas for the dialogues are so similar, that it has become practice for ASEM customs officials, in the course of their own deliberations, to hear a report on what is being done in the EU-ASEAN customs dialogue. Such overlap has been recognised as a significant difficulty by a number of Commission officials, primarily as repeat dialogues monopolise the time of high-profile officials without the provision of any significant added benefit.

The \textit{New Partnership} document introduces further questions as to the future of dialogue with ASEAN by taking what has in the post-bipolar period been a diminution of the EU-ASEAN dialogue a step further.\textsuperscript{372} In institutional terms, the \textit{New Partnership} is somewhat schizophrenic in its approach, acknowledging that “[a] strong ASEAN is probably the best guarantee for peace and stability in the region” (p.3) while simultaneously asserting the desire to conclude bilateral cooperation agreements with ASEAN members as a means of “[r]einforcing the relationship with South East Asia” (p.23),\textsuperscript{373} and acknowledging the place of ASEAN as a key framework for policy dialogue. The \textit{New Partnership} sets out a framework in which the EU-ASEAN relationship is reduced to ministerial level dialogue on regional political issues and regional trade and economic issues, though it is unclear how the latter will be disaggregated from those issues already discussed in the ASEM

\begin{flushright}
370 Related to this, the follow-up measures for ASEM I also include the promotion of intellectual exchanges between think-tanks, and youth exchange programmes.
371 See Balancing chapter.
372 See discussion in Institution Building chapter.
373 Such agreements are already in place with Cambodia, Laos and Vietnam, having been concluded prior to their respective accessions to the Association.
\end{flushright}
framework, which is itself recognised by the *New Partnership* as the locus for discussion of global issues (p.25).

When the recommendations of the *New Partnership* are taken in combination with the *New Dynamic*’s injunction against the unnecessary duplication of work in the respective dialogue structures (European Commission, 1996a, p.8), a necessity also acknowledged by the *New Partnership* (European Commission, 2003a, p.23), it is unclear what the role of specifically EU-ASEAN relations will be. The modern, post-bipolar period has seen their gradual stripping of substance, and replacement by the more dynamic ASEM process. Combined with the emergence of bilateral dialogues between the Union and ASEAN Member States, the *New Partnership* could, at the extreme, signal the death knell for independent EU-ASEAN cooperation.

Two options are open to the partners, both of which could theoretically be drawn from the rather amorphous *New Partnership* document, and which build upon the structures currently in place. A third option involving the abandonment of both dialogues and the creation of a new structure is a step too far, requiring again the gradual development of a new structure. The first involves the maintenance of two separate frameworks in a manner similar to the current situation. However, in order to avoid unnecessary duplication, a clear enunciation must be made as to what the roles of the respective processes are. This must go beyond a simple division of issues into those of regional and global importance as undertaken by the *New Partnership*. Indeed, in a globalising world, it is unclear where such a regional/global division is to be made. One alternative would be to specify divisions according to subject rather than level of governance, though this too would involve significant difficulties in deciding which forum would be the locus for which policy discussions.

The second option is the merger of the two frameworks into one overarching dialogue structure, or more specifically, the incorporation of the EU-ASEAN dialogue into the ASEM process. In this way, the EU-ASEAN dialogue would become one strand within a broader framework of Europe-Asia cooperation, with agreements/projects etc. proceeding at the level most appropriate, premised not upon some prior assignation of competence, but rather upon the level at which participant states are willing and able to proceed, be it transregional, interregional or bilateral. Thus, where one of the Northeast Asian partners is unwilling to proceed, agreement could be reached with ASEAN or, where ASEAN as a whole is unwilling to participate, a series of simultaneously concluded bilateral agreements could be
reached with those states willing to advance. Such an approach could also be taken under option one, though the convening of the respective fora at such great temporal remove from each other would likely slow the process to a standstill.

In this second scenario, EU-ASEAN dialogues could be maintained, convening meetings as an adjunct to the various ASEM fora. While bilateral meetings currently occur between the Union and individual Asian states in the wings of, for example, ASEM Summits, an EU-ASEAN meeting could be included as a formal component of the process for the major fora, and on an ad hoc basis for the minor fora. This would have a number of advantages. First, by holding the ASEM and EU-ASEAN fora in tandem, the repetition which occurs when meetings are held months apart could be avoided. In addition, the provision of an EU-ASEAN dialogue as a part of the ASEM Summit would create a new level of discussion between the two regions as ASEAN and EU heads of state and government do not currently meet. Secondly, this would significantly relieve the workload of officials, allowing them to attend one, realistically slightly longer, summit, and correspondingly simplifying time-tableing. In so doing, it would increase the likelihood that high level officials would attend, thus addressing a common complaint from ASEAN that the Union, in sending comparatively minor functionaries to meetings, is not taking the relationship seriously. Finally, such a system would actually increase the frequency with which EU-ASEAN meetings are held. While theoretically to be convened every 18 months, only four AEMM meetings have been held in the last decade.

Regardless of the manner in which the institutional redundancy issue is resolved, the second problem, that of official representation, must be addressed. The problem is simple – both the EU-ASEAN and ASEM dialogues are creaking at the seams, a result of the sheer numbers of representatives participating. This is a problem that will be exacerbated when the European Union enlarges to 25, and when Cambodia, Laos and possibly Burma/Myanmar enter ASEM. With such a large number, discussions will become more unwieldy than they already are. As an example, following EU enlargement and the inclusion of Cambodia and Laos, ASEM ministerial-level fora will involve 39 representatives (including the European

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374 The ASEM Summit, ministerial meetings etc.
375 SOMs, Directors-General meetings etc.
376 Such an occasion would not be significantly longer, as much of the essential repetition to be found in EU-ASEAN and ASEM discussions would be excluded from the interregional component of the
Commission and Presidency). If each is given 15 minutes for opening statements, or to assert a position on a given issue in which they have an interest, almost ten hours will be required to hear each representative. This mitigates against the consideration of issues in detail, a problem that has been alleviated to some extent through pushing specific topics down to sub-summit level fora. Nevertheless, even where summit and ministerial dialogues are increasingly fulfilling little more than oversight and review functions, participant numbers are unsustainable. The stripping of content from the summit and ministerial-level fora, combined with time constraints, has had a further effect: a drop in attendance of senior Europeans. Ministers have increasingly determined that their time is best spent elsewhere, sending relatively junior officials in their place.

The logical solution is to reduce the numbers of official representatives. The European Union, as the sole supranational actor participating, needs to place more emphasis on collective representation through the Commission and the Presidency, to be replaced eventually by the European External Representative, the successor to the Commissioner for External Relations and the High Representative for Common Foreign and Security Policy. The role of the Commission and of the Member States in the WTO may serve as a useful model. This, however, would be dependent on the ability of Member States to agree a negotiating mandate for the Commission, a process often difficult in the field of technical trade issues, let alone in more complex and open-ended foreign policy-related negotiations. As has been illustrated recently in CFSP matters, the ability to come to common positions is currently very weak.

A reduction in the number of European official representatives in the EU-ASEAN and ASEM fora is complicated, however, by a cultural difference between the European and Asian partners in their approach to dialogue. While the Europeans are concerned primarily with results, much emphasis is placed by Asian states on process, and in this respect it is important that the participation of senior representatives is high. A reduction in the numbers of senior Europeans attending EU-ASEAN and ASEM fora may therefore be negatively construed. As such, any changes in European Union representation must take these sensitivities into account.

The final issue which needs to be addressed is that of a common vision or overarching goal for dialogue. More specifically, the respective dialogue partners meeting, thus allowing discussions of only those topics that would provide added-value. Other savings
need to decide what it is they wish to achieve. This lack of core goals or an overarching vision has made the relationship more prone to exogenous influences. In other words, due to the lack of an entrenched focus for the relationship, dialogue has effectively been pulled hither and yon in reaction to external events. The European Commission has regularly issued new strategy papers in this search for purpose, but has so far failed to establish and commit to any particular goal. Commission strategy papers have routinely pointed to the need to establish greater two-way trade flows with its ASEAN partners, but this has been pursued only half-heartedly, with the results being less than spectacular. The EC/EU-ASEAN dialogue, therefore, has focused less on confronting the practical issue of increasing trade, and more on the easy issues of institutional proliferation, particularly the launching of new EC/EU funded projects in ASEAN states, leading one Commission official to opine that “[i]t’s clear that we have tried... over the last ten years, in different areas to get to a deeper level of integration with ASEAN, and we have failed. What we have been doing is financing left and right certain projects, which are maybe, if you take it all together, not very coherent, but were more or less giving in to the shopping-list of wishes on the ASEAN side” (Interview Material). This failure, combined with the Burma/Myanmar issue and the emergence of the new ASEM process is undoubtedly one of the reasons that the EU-ASEAN dialogue has stalled in recent years.

The New Partnership has introduced six strategic priorities for the EU-ASEAN relationship. These are:

i. supporting regional stability and the fight against terrorism;
ii. human rights, democratic principles and good governance;
iii. mainstreaming justice and home affairs issues;
iv. injecting a new dynamism into regional trade and investment relations;
v. continuing to support the development of less prosperous countries;
vi. intensifying dialogue and cooperation in specific policy areas.

There is nothing spectacularly new here, with the New Partnership continuing the Commission tradition of restating the situation as it exists, rather than engaging in any real consideration of priorities. A reading of the New Partnership illustrates this,

would be found in, for example, a reduction in the amount of travel for officials.

377 Indeed, these objectives were broadly included in the earlier Cotonou Agreement with the ACP states (see Holland, 2002b, pp.199-205), suggesting the gradual development of what is effectively a Commission template for its external relations, modified slightly to suit the exigencies of the individual situation.
providing much talk of creating dialogues and enhancing understanding, but with very little in the way of specific, accomplishable goals. This lack of specificity is largely attributable to limitations within the European Commission. Said one Commission official, “it is quite difficult for the European Union and the Commission to come up with a real strategy for anywhere or for anything, because it is very much based on a sort of consensual type of approach... It’s really a miracle that anything comes out of Brussels at all, which isn’t the lowest common denominator” (Interview Material).

The priorities of the New Partnership have already been brought into question, with the goal of poverty reduction in developing countries having been partially undermined through moves to cut aid to Asia. In November 2003, MEPs voted to further reduce the amount of aid targeted at Asia under the Union’s Asia and Latin America (ALA) regulation by €247 million, a significant proportion given the Regulation’s total 2003-2006 budget of €3.8 billion. This was characterised by External Relations Commissioner Chris Patten as “hard to defend” (European Voice, 2003), given that assistance to Asia already amounts to only 15 cents per head of population, compared to 45 cents for Latin America. Of the EU’s development assistance to Asia, one Commission official commented “I think we really have failed in terms of development finance”, going on to suggest that “[t]he ASEM process... is almost like an olive branch – it’s actually an effort to address this, but culturally, economically, politically” (Interview Material). The Commission’s inability to come up with a goal-oriented vision is once again limited by its internal structures, a situation evidenced by the suggestions that “we can’t really get our ultimate deciding political bodies – the Foreign Ministers and the Heads of State, the budgetary authority of the European Parliament – to actually put the resources there” (Interview Material). Until the European Union is able to come up with explicit and achievable goals in its relationship with ASEAN or the broader East Asia, rather than action plans comprising simple platitudes and restatements of the existing situation, dialogues will remain fragmented and essentially devoid of meaningful content, a situation which will call their continued existence into question.
Where to from here?

_He ika kai ake i raro, he rāpaki ake i raro._
As a fish begins to nibble from below, so the ascent of a hill begins from the bottom.

_Maori Proverb_

It must at this point be reiterated that this thesis constitutes the first study of its type. As such, it establishes a necessary baseline from which future studies may progress. As has been discussed, however, this baseline is one of absence rather than performance of the more advanced functions of inter- and transregional dialogues, though as the most developed relationship of its type, it is likely that the EU-ASEAN relationship is in this respect typical. A ‘mature’ dialogue, defined as one of long standing between strong regional actors does not yet exist. This therefore places limitations on the extent to which these more advanced functions may be investigated. Importantly, however, this thesis has contributed to the available literature on inter- and transregionalism in both a conceptual and an empirical manner. In so doing, it has made feasible the undertaking of future comparative studies. In the absence of dialogue maturation in the conceivable future, it is in the field of comparative studies that future research can be profitably undertaken. These studies may be of two types: (i) those concerned with the shape of specific relationships; and (ii) those focused on theoretical issues.

Comparative studies of inter- and transregional dialogues may look at, for example, the approaches of regional actors to inter- and transregional dialogues. In this respect, a comparison of the the EU-ASEAN relationship with that of EU-MERCOSUR relations, or of the EU and the new regional bodies created through Cotonou’s somewhat grim sounding REPAs (Regional Economic Partnership Agreements) will help in understanding the Union’s overall inter- and transregional strategy. Useful questions, for example, could include whether or not there is a template by which the Union operates.

Comparative research into theoretical aspects of inter- and transregionalism will conceivably generate the most useful findings when targeted at the nature and significance of moderating variables. While actorness has been shown by this thesis to be a significant moderating variable in the performance of the balancing, institution building, rationalising, agenda setting and collective identity formation functions of
inter- and transregional dialogues, it would be presumptive to assert that it is the only such significant variable. Actoriness is, however, the variable perceived by this researcher at the outset as being the most likely cause for variation in the performance of the five functions. The fact that actoriness was shown as being irrelevant to a number of elements of the five functions suggests room for other moderating variables explaining their performance. In this respect, a number of other factors may be significant.

One possible alternative influence is that of systemic factors. As has been shown in this thesis, bipolar conflict in the form of the Cold War was an obvious constraining variable in the development of interregional relations. In a similar manner, systemic factors such as globalisation may perhaps be utilised to explain performance or non-performance of certain functions in the post-bipolar period.

Related to systemic factors is the possible influence of hegemonial powers. The presence, role and goals of external hegemonial powers may significantly affect the functioning of inter- and transregional dialogues. This may take the form of direct interference through, for example, the prohibition of activity, or may be a less tangible but equally significant process whereby activity is undertaken with the perceived position of the hegemonial actor in mind.

The role of key individuals is another issue to be investigated. Manuel Marin, for example, was a primary factor in the fostering of the European Community’s dialogue with Latin America. Similarly, the existence of the EC/EU-ASEAN relationship owes much to the efforts of the German Foreign Minister Hans-Dietrich Genscher. Given the sheer scope of external relations in the modern world, and the comparatively small size of, for example, the EU bureaucracy, much often comes down to a specific individual choosing to exert pressure in a given direction.

Finally, state and sub-state actors may constitute a significant moderating variable. In a foreign policy system such as that of the EU or ASEAN, state and sub-state actors can have significant influence over the priorities and functioning of external relations. This is clearly the case with the Franco-German partnership, which has to date been successful in setting agendas for policy debate, or even in blocking such debate within the European Union. At the sub-state level, interest groups, too, have exerted significant influence over specific sectoral issues. The French agricultural lobby, for example, has been a key player in maintaining the generous subsidies of the Common Agricultural Policy, to the clear detriment of producers
outside of the Union and particularly in the Third World. This has been possible despite the opposition of a number of EU Member States to the maintenance of the CAP in its current form.

It would be an interesting and valuable undertaking to conduct a future study comparing the influences of a variety of moderating variables on the performance of the five functions of inter- and transregional relations in order to outline both their effect, and to determine whether, in comparison, actorness is the key factor. In this respect, this thesis is a necessary first step.
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**CASES:**


**TREATIES/DECLARATIONS:**


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## Appendix I — Tables and Figures

### Tables

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1 Hong Kong, Korea and Taiwan. Note, however, that no statistics for Taiwan were available for the years 1968, 1970, 1975 and 1980.

Source: IMF Direction of Trade Statistics Yearbook, various editions.
### Table A.5: Geographic Breakdown of European Community/Union's Total Trade (Millions of US$ per Trade Partner, 1968-2002)

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<sup>6</sup> European Community-15: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, United Kingdom.
<sup>7</sup> Hong Kong, Korea and Taiwan. Note, however, that no statistics for Taiwan were available for the years 1968, 1970, 1975 and 1980.

Source: IMF Direction of Trade Statistics Yearbook, various editions.
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3. European Community-12: Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, United Kingdom.
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4. European Union-15: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, United Kingdom.
   ASEAN-7: Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam.
5. ASEAN-10: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam.

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1. Hong Kong, Korea and Taiwan.

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Source: IMF Direction of Trade Statistics Yearbook, various editions.
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¹ Data on FDI in Asia for Ireland and Greece not available. Stock data include Belgium and Luxembourg, Denmark, Portugal and Spain.
² Estimated, for developing Asia, by multiplying the values of the cumulative flows to the region according to FDI approvals/notifications in the case of stocks, and values of annual in the annual flows to the region according to FDI approvals/notifications in the case of flows for 1985-1987, by the relevant ratios of disbursed to approved FDI in the region. The applied ratios are 43% for 1985 stock in Asia, 45% for 1993 stock in Asia and 43% for 1985-1987 flows in Asia. Data on actual flows to developing Asia are available from 1988. Data do not include reinvested earnings.

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\(^1\) Includes China.

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... No data available.
— Not applicable — by this point EU and ASEAN at full (present) membership.
1 Includes China.

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1. Indonesia, Malaysia, the Philippines, Singapore and Thailand.
2. 1980 and 1985 figures are 1984 and 1987 data respectively. All figures based on approved FDI flows.
3. Secondary sector only and 1985 figures are 1984 data.
4. 1980 and 1985 figures are 1981 and 1986 data respectively.

Note: The figures provided by Dent for Taiwan in 1996 do not tally correctly.

Source: Dent (1999, p.263)
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### Table A.17: Geographic Breakdown of European Union’s Total FDI Outflows (Equity + Other Capital, €Millions), 1992-2000

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Negative figures indicate disinvestment.

\(^1\) The discrepancy between outward and inward European Union flows corresponds to an intra-EU asymmetry.

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Negative figures indicate disinvestment.

1. Value negligible

The discrepancy between outward and inward European Union flows corresponds to an intra-EU asymmetry.

Source: EUROSTAT (2002)
### Table A.19: Geographic Breakdown of European Union’s External FDI Outflows (Equity + Other Capital, €Millions), 1992-2000

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Negative figures indicate disinvestment.

Source: EUROSTAT (2002)

### Table A.20: Geographic Breakdown of European Union’s External FDI Inflows (Equity + Other Capital, €Millions), 1992-2000

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Negative figures indicate disinvestment.

Source: EUROSTAT (2002)
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<th>Indonesia</th>
<th>Laos</th>
<th>Malaysia</th>
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<th>Korea</th>
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</table>

Note: dates provided according to the following formula: date of signature (date of entry into force). Where (...) appears, the treaty is yet to enter into force.

Source: UNCTAD (2000)
### Table A.22: Issues Discussed During ASEAN-EC/EU Ministerial Meeting (AEMM), 1978-2003

<table>
<thead>
<tr>
<th>Issue</th>
<th>Joint Declaration/Statement Paragraph</th>
</tr>
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<tr>
<td>Afghanistan</td>
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<td>Central and Eastern Europe</td>
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<td>Disarmament and Arms Control</td>
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<td>Indonesia/East Timor/Aceh</td>
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<td>Korean Peninsula</td>
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<td>Pressures (positive influence, stabilizing role etc.)</td>
<td>18(c)</td>
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<td>Pressures (positive influence, stabilizing role etc.)</td>
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## Table A.22: Issues Discussed During ASEAN-EC/EU Ministerial Meeting (AEMM), 1978-2003

<table>
<thead>
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<td>Customs</td>
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<td>Pleasantries (positive influence, stabilising role etc.)</td>
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</table>
Figure A.1: Comparison of ΔM and Regression Statistics for EC/EU Market Share in ASEAN, 1968-2000

Market Share (Percentage)

Note: figures calculated according to date of entry into force of the treaty or, where not yet in force, according to date of signature.

Source: UNCTAD (2000).
**Figure A.3: Bilateral Investment Treaties between the EC/EU Member States and Southeast and Northeast Asian Nations, 1959-1999: Cumulative Figures**

Note: figures calculated according to date of entry into force of the treaty or, where not yet in force, according to date of signature.

Source: UNCTAD (2000).
Appendix II – Chronology of Events

1557

The Portuguese colonise Macau.

1961

July

The Association of Southeast Asia (ASA), comprising Malaya, the Philippines and
Thailand, is founded. The initial push for the ASA came from the Malayan Prime Minister,
Tunku Abdul Rahman, who had been inspired by the various European regional
organisations, most notably the EC and the Nordic Council. From mid-1963 to the end of
1965 the ASA was essentially moribund, its activities having been disrupted by a dispute
between Malaya and the Philippines over North Borneo (Sabah).

1962

2nd March

A coup d’état against Prime Minister U Nu installs a military government in
Burma/Myanmar under General Ne Win.

1963

July

MAPHILINDO (a ‘Greater Malaya Confederation’ of Malaya, the Philippines and
Indonesia) is formed, but collapses less than two months later, a casualty of the outbreak
of Konfrontasi (Confrontation) between Malaysia and Indonesia.

1967

July

The United Kingdom announces its military disengagement from the Asia region. The
withdrawal of all military assets from east of the Suez is eventually completed by the end
of 1971.

8th August

ASEAN is founded with the signing of the ASEAN Declaration (Bangkok Declaration) in
Bangkok by the leaders of Indonesia, Malaysia, the Philippines, Singapore and Thailand.

The Declaration asserts a desire to “maintain close and beneficial cooperation with
existing international and regional organizations with similar aims and purposes” (Art.7),
foreshadowing the opening of interregional dialogue with the European Community.

1969

25th July

As a result of increasing doubts over US engagement in the Vietnam conflict, Nixon
proclaims the ‘Guam Doctrine’ according to which greater reliance is to be placed upon
indigenous forces for their own security and defence.

1970

27th October  The Davignon Report on European Political Cooperation (EPC) is adopted by the Council of Ministers.

1971

EC introduces its non-reciprocal Generalised System of Preference (GSP), granting tariff concessions on manufactured and semi-manufactured goods and a number of processed agricultural products from developing countries. It is the first commercial power to do so. The intent is to aid the economic diversification of these developing countries.

12th-13th March Fourth ASEAN Ministerial Meeting (AMM) is convened in Manila.

It is at this meeting that the first indication of ASEAN’s interest in establishing close links with the EC becomes clear, principally deriving from concerns on the part of Malaysia and Singapore over the potential adverse effects of the UK’s then impending accession to the EC. Unsurprisingly, therefore, specific ASEAN interests are primarily economic, focusing on improved access to the EC market and the possibility of an EC-sponsored price stabilisation scheme for commodities.

27th November ASEAN members sign the Zone of Peace, Freedom and Neutrality Declaration (ZOPFAN).

1972

13th-14th April  The fifth AMM is convened in Singapore.

The meeting approves establishment of a Special Coordinating Committee of ASEAN Nations (SCCAN).

June  The Special Coordinating Committee of ASEAN Nations (SCCAN) is created.

The SCCAN, comprising the ASEAN Trade Ministers, chaired by Indonesia, is the first ASEAN committee to be established in Brussels, and has an explicit focus on trade matters, most notably the GSP. Through the SCCAN, the EC becomes the first dialogue partner of ASEAN.

June  The ASEAN Brussels Committee (ABC), comprising ASEAN ambassadors to the EC, is established to assist SCCAN in its work, and to meet regularly with Commission officials to discuss key issues.

1973

1st January  Denmark, Ireland and the United Kingdom accede to the European Community.

April  The sixth AMM is convened in Pattaya.
Given the lack of progress by SCCAN in GSP and trade matters, Ministers pointedly express a hope that the EC will extend ‘meaningful cooperation’ to ASEAN.

1974

The prospect of a formal agreement with ASEAN is mooted for the first time by the EC in the form of a Commercial Cooperation Agreement, modelled on that concluded with India in December 1973. The proposal was eventually rejected.

24th-25th September

The visit of an EC delegation, led by Commission Vice-President Sir Christopher Soames, to the ASEAN countries, results in the establishment of a Joint Study Group (JSG), which subsequently met annually from 1975 to 1979.

1975

The EC applies cumulative rules of origin provisions to imports from ASEAN and other developing country regional integration arrangements.

30th April

Saigon falls to the North Vietnamese Army.

7th May

The ASEAN-EC Joint Study Group (JSG) is convened for the first time.

Comprising government officials, the group is charged with considering the further development of relations between the two groupings.

1976

3rd-4th February

The first ASEAN Summit Meeting is convened in Bali.

ASEAN leaders sign the Treaty of Amity and Cooperation (TAC), and the Declaration of ASEAN Concord. The TAC, which is in effect an extended form of the 1967 Bangkok Declaration, is the first legally binding treaty concluded by ASEAN. With Vietnam in mind, it is left open for accession by other Southeast Asian nations.

Also at the Summit, as a result of the communist victory in Indochina, the perceived failure, or at least decline, of US-Soviet détente and the increasing rapprochement between China and the US, the ASEAN reach agreement that contact with the West should be widened in order to provide security alternatives.

1977

4th-5th August

The second ASEAN Summit Meeting is convened in Kuala Lumpur.

In a Joint Statement, the ASEAN leaders express their confidence that “Vietnam would contribute to peace stability necessary for the progress and prosperity of Southeast Asia”.

November

Initial dialogue between COREPER and ASEAN ambassadors to the Community (in the form of the ABC) is established.
1978

June
The second dialogue between the ABC and COREPER is held.

It is agreed that an inaugural ASEAN-EC Ministerial Meeting will be held in November 1978.

3rd November
The Soviet-Vietnamese Friendship and Cooperation Treaty is concluded.

20th-21st November
The first ASEAN-EC Ministerial Meeting (AEMM) is convened in Brussels, formalising political dialogue between the two groups.

It is agreed that it would be beneficial to place relations on a more formal footing, and to this end it is resolved to begin negotiations for a Cooperation Agreement.

The EC makes it clear to ASEAN that it is not interested in extending the STABEX scheme to cover the Association, but does agree to increase cooperation in the development, economic and trade arenas.

25th December
Vietnam invades Cambodia.

1979

An EC liaison office is established in Bangkok, giving a clear signal about the priorities of EC cooperation in the region.

9th January
Indonesia’s Foreign Minister Mochtar Kusumaatmadja, in his capacity as Chairman of ASEAN’s Standing Committee, responds to Vietnam’s invasion of Cambodia by issuing a statement. The statement is less than direct, and deliberately does not identify or denounce Vietnam, instead merely deploiring the conflict.

12th January
A stronger statement, sponsored by Thailand, is adopted by ASEAN on Vietnam at an emergency meeting of ASEAN Foreign Ministers in Bangkok. It is still, however, marked by restraint in the choice of language.

18th February
The Treaty of Friendship and Cooperation is concluded between Vietnam and Cambodia.

26th-28th February
The second ASEAN-EC Conference on Industrial Cooperation is convened in Jakarta.

28th-30th June
The twelfth ASEAN Foreign Ministers Meeting is convened in Bali.

ASEAN expresses its strongest condemnation of Vietnam thus far, holding it to be responsible for the exodus of illegal immigrants, and calling for the immediate and total withdrawal of foreign forces from Cambodia, and reiterating support for the self-determination of the Cambodian people.

27th December
The Soviet Union invades Afghanistan.
1980

7th-8th March

The second AEMM is convened in Kuala Lumpur.

At this meeting, the EC-ASEAN Cooperation Agreement is signed. The Ministers also spend considerable time discussing two political problems: Cambodia and Afghanistan. A strongly worded Joint Statement is released, condemning the military invasions of those two countries. This is the first time that the two groupings have adopted a joint stand on a major political issue.

27th March

Prime Minister Datuk Hussein Onn of Malaysia and President Soeharto of Indonesia issue the Kuantan Declaration calling for external powers (namely China and the Soviet Union) to refrain from interfering in Indochina. The declaration acknowledges a legitimate security interest of Vietnam in the political identity of Cambodia, and in so doing implies recognition of a hegemonial role. Due to Thai objections over the declaration, it is quietly swept under the carpet.

June

The Thai government, with the formal endorsement of the UN High Commission for Refugees, inaugurates a policy of 'voluntary repatriation' of Cambodian refugees. In the process, some 7000 residents of the Khmer Rouge controlled Sa Kao refugee camp are returned across the border to strengthen insurgent forces.

June

The government in Phnom Penh denounces the Thai repatriation policy as a plot to enable Pol Pot and his bandits to harass the People’s Republic of Kampuchea. In retaliation, an artillery bombardment and an armed incursion by Vietnamese troops at company strength is launched against camps in Thailand holding non-Communist refugees.

25th-26th June

The thirteenth AMM is convened in Kuala Lumpur.

The Vietnamese incursion two days previously has the effect of obliging wavering ASEAN members to close ranks once more around their front-line state. They issue a joint communiqué asserting that any incursion into Thailand affects the security of all ASEAN Member States, and endangers regional peace and security.

28th-29th November

The first ASEAN-EC Joint Cooperation Committee (JCC) is convened in Manila.

1981

13th-17th July

The United Nations International Conference on Kampuchea is convened.

13th-14th October

The third AEMM is convened in London.

1983

24th-25th March

The fourth AEMM is convened in Bangkok.

ASEAN gains EC support for the tripartite Coalition Government of Democratic Kampuchea (CGDK) comprising the forces of Sihanouk, Son Sann and the Khmer Rouge. The EC, for the first time, secures ASEAN backing for its Middle East policy. Despite
these agreements, this is the most controversial AEMM to date, with a proposition to ban all aid to Vietnam, and the tone of a condemnation of the Nong-Chan incident, proving divisive.

September

An agreement is signed between the United Kingdom and Brunei, under which the UK is to provide a Gurkha infantry battalion with an Army Air Corps Flight for garrison duty, and is to use the facilities in the Sultanate for jungle-training purposes.

1984

8th January

Brunei accedes to ASEAN following independence from the United Kingdom.

15th-16th October

The fifth AEMM is convened in Dublin.

Ministers agree to renew the Cooperation Agreement, the initial five-year period for which expires in October 1984.

November

The EC conducts its first ever export promotion mission – to ASEAN.

1985

17th-18th October

The first ad hoc ASEAN-EC Ministerial Meeting on economic matters is convened in Bangkok.

The meeting has the task of reflecting on cooperation after the completion of the first five years of the EC-ASEAN Cooperation Agreement. The meeting seeks to expand economic linkages through the promotion of technology transfers, the inter-linking of research, and the promotion of investment.

1986

20th-21st March

The sixth ASEAN-EC JCC is convened in Brussels.

20th-21st October

The sixth AEMM is convened in Jakarta.

1987

31st March

The first Joint Investment Committee (JIC) is established in Bangkok. Originally a recommendation of the High Level Working Party on Investment, a series of such committees was installed throughout ASEAN.

30th April - 2nd May

The seventh ASEAN-EC JCC is convened in Jakarta.

1988

Thai Prime Minister Chatichai Choonhavan inaugurates the Suwannaphume (Golden
Peninsula) policy, and a Thai delegation subsequently visits Hanoi and Phnom Penh.

2nd-3rd May

The seventh AEMM is convened in Düsseldorf.

September

After General Ne Win resigns as Head of Government, a result of the demonstrations against military rule that have been widespread since March, a new military government headed by General Saw Maung asserts control, calling itself the State Law and Order Restoration Council (SLORC). SLORC proposes holding a national election (in May 1990), believing it can control the outcome and that a return to civilian rule would follow under its guidance.

September

The European Community Investment Partners (ECIP) programme is established to provide financial assistance to roughly 60 countries in Asia, Latin America, the Mediterranean region and South Africa (the ALAMEDSA group).

1989

A 60-member conference is held in West Berlin. Politicians, planners, business people and academics began identifying areas for constructive engagement between Europe and Asia.

6th-7th November

Asia Pacific Economic Cooperation (APEC) is established at a Ministerial Meeting in Canberra.

1990

THE COLD WAR ENDS

16th-17th February

The eighth AEMM is convened in Kuching.

May

Elections are held in Burma/Myanmar, waged between representatives of SLORC and the newly formed National League for Democracy (NLD) under the leadership of Aung San Suu Kyi (daughter of Burma/Myanmar’s independence hero General Aung San). The election results in a landslide NLD victory, with the party gaining 80% of the seats in the constituent assembly (the body charged with drafting a new constitution for the country). SLORC refuses to accept the election results.

December

Malaysian Prime Minister Mahathir Mohamad first launches the concept of an East Asian Economic Grouping (EAEG). Mahathir sees the EAEG primarily as a Japanese-led balancing institution, providing a counterweight to regional fortresses in Europe and North America, and as an East Asian alternative to the US-dominated APEC.

1991

30th-31st May

The ninth AEMM is convened in Luxembourg.

The meeting, impeded by the continuing conflict between Portugal and Indonesia over East Timor, fails to revise the donor-recipient relationship between the EC and ASEAN. As a result of the end of the bipolar conflict, and the resultant changes in the international system, a number of issues are discussed for the first time, including Burma/Myanmar, and human rights and fundamental freedoms. Also, for the first time it is agreed to foster
cooperation in the fight against narcotics.

24th June
The European Commission recommends negotiation of a new Cooperation Agreement with ASEAN. The agreement is to be non-preferential, and is to include a future developments clause, but no financial protocol. The aim is to provide the framework for economic cooperation between the EC and ASEAN on an equal footing. A declaration formalising political dialogue, and referring explicitly to the protection of, and respect for, human rights is to be annexed to the agreement.

10th July
The European Parliament awards Aung San Suu Kyi the Sakharov human rights prize.

23rd-24th September
The second ASEAN Working Group is convened in Singapore.

The final details of Mahathir’s EAEG are ironed out.

7th-8th October
The twenty-third ASEAN Economic Ministers Meeting (AEM) is convened in Kuala Lumpur.

Mahathir Mohamad’s EAEG proposal is discussed and, reflecting doubts other ASEAN members have about the proposal, it is agreed that an East Asian Economic Caucus (EAEC) will instead be formed to discuss issues of common concern to East Asia on an ad hoc basis. It is explicitly stated that the EAEC will not be institutionalised, and will not be a trade bloc.

1992

4th-6th May
The first Senior Officials’ Meeting on Drug Matters is convened in Bangkok.

It is decided to despatch two EC experts to ASEAN to consult with relevant authorities on formulating future programmes to fight the narcotics trade.

1st-6th September
The tenth summit of the Non-Aligned Movement (NAM) is convened in Jakarta.

During the summit, Mahathir Mohamad attacks the use of conditionality clauses when granting aid, classing them as a form of cultural imperialism. The summit subsequently agrees that any use of human rights as a condition for socio-economic assistance must be rejected, and that no country should use its power to dictate its concept of human rights or to impose conditionalities on others.

29th-30th October
The tenth AEMM is convened in Manila.

Indonesian Foreign Minister Ali Alatas asserts that developing nations must secure the economic rights of their people before turning to individual rights, which are a luxury of developed nations.

1993

An EU request for observer status in APEC is declined.

1st January
The ASEAN Free Trade Area (AFTA) is launched.
February

President François Mitterand of France becomes the first Western head of state to visit Cambodia and Vietnam since the communist take-over.

29th March - 2nd April

An Asia Intergovernmental Meeting is convened in Bangkok to establish a common Asian position on human rights for presentation at the Second World Conference on Human Rights in Vienna in June.

The participants adopt the Bangkok Declaration on human rights. The Declaration is heavily influenced by Indonesia, Malaysia, Singapore and China, and indicates a determination, at least among these four states, to develop a particularly Asian concept of human rights highlighting the importance of economic rights over and above civil and political rights. The Declaration asserts that human rights must be considered in the context of national and regional particularities, and various historical, cultural and religious backgrounds, i.e. cultural relativism.

14th - 25th June

The second World Conference on Human Rights is convened in Vienna.

Indonesian Foreign Minister Ali Alatas asserts that "[i]n Indonesia, as in many other developing countries, the rights of the individual are balanced by the rights of the community, in other words, balanced by the obligation equally to respect the rights of others, the rights of the society and the rights of the nation". Singaporean Foreign Minister Wong Kang Seng asserts that "[h]uman rights will not be accepted if they are perceived as an obstacle to progress".

1st November

The Maastricht Treaty on European Union (TEU) enters into force.

The TEU initiates the Common Foreign and Security Policy (CFSP), signalling a desire by the EU to become more active in global affairs. The Treaty also reduces the difference between political and economic policy instruments, allowing a more integrated approach to external relations.

20th November

First APEC Summit is convened in Seattle.

For the first time, members agree reciprocal trade concessions.

1994

13th July


The strategy fails to provide any special recognition of ASEAN. It has subsequently been referred to as a ‘damp squib’.

25th July

The ASEAN Regional Forum (ARF) is launched in Bangkok.

22nd - 23rd September

The Eleventh AEMM is convened in Karlsruhe.

This is the first meeting between ASEAN and the newly created European Union. The meeting achieves significant advances, sometimes referred to as the ‘Karlsruhe drive’. The outcomes of this include: adapting the basis of EU-ASEAN economic relations to greater equality and partnership; establishing an Eminent Persons Group (EPG) modelled partly on APEC’s equivalent; a joint commitment to implementing the provisions of the GATT
Uruguay Round; giving a higher priority to human resource development, environmental issues and better targeting of poverty alleviation within the sphere of development cooperation.

23\textsuperscript{rd}-24\textsuperscript{th} September  The first EU-ASEAN Business Conference is convened in Stuttgart.

October  In a visit to Paris, Singaporean Prime Minister Goh Chok Tong proposes an Asia-Europe summit.

November  A summit meeting of European Foreign Ministers and their ASEAN counterparts is held in Germany to provide both an impetus and model for ASEM.

28\textsuperscript{th} November  The Council of the European Union publishes the \textit{Council Report to the European Council in Essen concerning the Asia Strategy of the European Union}.

1995

January  The EU introduces a greatly revised GSP scheme (which is phased in over the 1996-1998 period) intended to help the poorest developing countries, especially by encouraging industrialisation. The scheme includes graduation and exclusion mechanisms.

1\textsuperscript{st} January  The World Trade Organisation (WTO) supersedes the GATT.

28\textsuperscript{th} January  The World Economic Forum is convened in Davos.

Significant support for Goh Chok Tong’s Asia-Europe Summit proposal is expressed among a wide spectrum of European business and political leaders.

6\textsuperscript{th} March  The 1830\textsuperscript{th} General Affairs Council is convened in Brussels.

At this meeting, the Council approves Goh Chok Tong’s Asia-Europe Summit proposal.

2\textsuperscript{nd}-4\textsuperscript{th} May  The first ASEAN-EU Senior Officials’ Meeting on Political and Security Matters is convened in Singapore.

At this meeting, the EU provides firm endorsement for the Asia-Europe Summit initiative.

29\textsuperscript{th} May  The 1847\textsuperscript{th} General Affairs Council is convened in Brussels.

The Council reaffirms its approval of the Asia-Europe Summit proposal on the basis of the reference documents issues by ASEAN and the EU.

July  The \textit{EU-Vietnam Cooperation Agreement} is signed.

28\textsuperscript{th} July  Vietnam accedes to ASEAN.

October  The twelfth ASEAN-EU JCC is convened in Brussels.

The meeting launches an Asia-Invest Programme, as well as a range of sectoral (e.g. Asia-
Enterprises) and multi-sectoral (e.g. EU-ASEAN Partenariat) meetings, and a Junior EU-ASEAN Managers (JEM) programme.

December

The first steps are taken towards the implementation of the EU’s Institutional Development Programme for the ASEAN Secretariat (IDPAS).

December

The first meeting of the ASEAN-EU EPG is convened in Madrid.

14th-15th December

The fifth ASEAN Summit is convened in Bangkok.

The Summit Declaration makes reference to the need to “intensify its cooperative relationships and pursue vigorously economic linkages with its dialogue partners and other regional groupings such as CER, EU and NAFTA”, and endorses the upcoming ASEM.

The ASEAN leaders sign the Treaty on the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ).

1996

Prime Minister Mahathir of Malaysia asserts that he views the US presence in Southeast Asia as potentially destabilising, not stabilising.

2nd-3rd February

The Euro-Asian Steering Committee meets in Rome.

The Asian participants make clear to their European counterparts their position that the first Asia-Europe Summit should not discuss sensitive or controversial issues. This is in stark contrast to the European position. A compromise is reached whereby these issues may be raised in a ‘positive, non-confrontational manner’ during the summit, with any more substantive discussion being restricted to the bilateral level in the wings of the summit meeting.

27th-29th February

The first Asia-Europe NGO Conference on the Future of Asian-European Relations is convened in Bangkok.

March

The second meeting of the ASEAN-EU EPG is convened in Manila.

1st-2nd March

The first Asia-Europe Meeting (ASEM) is convened in Bangkok.

18th April

The first Asia-Europe Parliamentary Partnership (ASEP) meeting is convened in Strasbourg.

The intention is to reinforce the momentum in the ASEM process through regular meetings of Asian and European parliamentarians.

June

The third meeting of the ASEAN-EU EPG is convened in Vienna.

The group delivers its report A Strategy for a New Partnership, recommending that:

i. ASEAN-EU Economic Ministers Meetings be more regularly convened;

ii. EU and ASEAN governments adopt more positive measures to assist interregional trade facilitation and investment promotion;
iii. stronger and more effective ASEAN-Europe Business Council be established to promote links between EU and Southeast Asian firms.

1st June  The EU-Vietnam Cooperation Agreement enters into force.

21st June  The first ASEM Customs Directors General and Commissioners Meeting is convened in Shenzhen.

The meeting initiates cooperation on the simplification and harmonisation of customs procedures.


7th-9th July  The first ASEM Working Group on Investment Promotion (WGIP) is convened in Bangkok.

The meeting, comprising public and private sector representatives, formulates a proposal for the Investment Promotion Action Plan (IPAP), with discussions covering investment policies and regulations, standards and certification, financial support, technology transfer and skills development and environmental issues.

20th-21st July  The twenty-ninth ASEAN AMM is convened in Jakarta.

Burma/Myanmar is granted observer status in ASEAN.

24th-25th July  The twenty-ninth ASEAN AMM’s Post-Ministerial Conference (PMC) is convened in Jakarta.

A US representative, Secretary of State for Economic, Business and Agricultural Affairs Joan E. Spero, makes it clear that the US will not oppose the EAEC, so long as it does not split the Pacific Rim.

25th July  The first ASEM Senior Officials Meeting on Trade and Investment (SOMTI) is convened in Brussels.

Comprehensive discussions on the WTO process are held for the first time, with an intent expressed to work closely on WTO issues. The meeting reviews the work of the Customs Directors General and WGIP meetings. The European Presidency, the European Commission and the Philippines are tasked with elaborating a Trade Facilitation Action Plan (TFAP).

14th-15th October  The first Asia-Europe Business Forum (AEBF) is convened in Paris.

28th October  The Council of the European Union adopts Common Position 96/635/CFSP on Burma/Myanmar, consolidating and formally adopting a series of existing measures against Burma/Myanmar, and placing a ban on the issuing of entry visas to high level officials. The Common Position is the main CFSP instrument in the Union’s policy towards Burma/Myanmar.

20th December  The first ASEM Foreign Affairs SOM is convened in Dublin.
1997

13th-14th February
The twelfth AEMM is convened in Singapore.

14th-15th February
The EU makes reassurances to ASEAN about the central place of the AEMM in its dialogue with the Association. Human rights and fundamental freedoms play major role in discussions, with Burma/Myanmar, which had gained observer status in ASEAN in July 1996, the primary sticking point. The EU expresses concern about human rights in Myanmar, and about Myanmar's future membership in ASEAN.

14th-15th February
The first ASEM Foreign Ministers Meeting (FMM) is convened in Singapore.

24th March
The meeting focuses more on the method of dialogue than on dialogue itself.

24th March
The Council of the European Union adopts Regulation (EC) No. 552/97, The is temporarily removing the GSP for industrial and agricultural products from Burma/Myanmar as a consequence of its use of forced labour.

April
The EU-Cambodia Cooperation Agreement is signed.

29th April
The EU-Lao PDR Cooperation Agreement is signed.

6th June
The second ASEM SOMTI is convened in Tokyo.

6th June
Progress on the TFAP is endorsed. Progress on the IPAP is reviewed.

1st July
The British flag over Hong Kong is lowered, as the colony is returned to mainland Chinese sovereignty.

2nd July
Thai authorities lift the fixed exchange rate of the baht to the dollar, allowing the baht to float freely. A dramatic devaluation of the currency occurs.

2nd July
This is the one specific event most commonly cited as having precipitated the financial crisis in Asia. The baht's rapid devaluation on the foreign exchange markets created a general crisis of confidence in other Southeast Asian currencies, and later also in the regions stock markets.

23rd July
Laos and Burma/Myanmar accede to ASEAN.

28th-29th July
The thirtieth AMM and PMC is convened in Subang Jaya.

28th-29th July
Burma/Myanmar participates for the first time. This proves a matter of contention, with US Secretary of State Madeleine Albright asserting that the lack of a fully legitimate government in Burma/Myanmar has "created a climate of lawlessness that threatens stability". Mahathir classifies Western attempts to force Asia to confirm to their standards of human rights as a form of oppression, pointing to the United Nations Declaration on Human Rights in this respect.

19th September
The first ASEM Finance Ministers' Meeting (FinMM) is convened in Bangkok.

19th September
The meeting acknowledges the nesting of the various ASEM fora within broader
multilateral fora through the inclusion of the IMF Managing Director.

<table>
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<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>27th-28th September</td>
<td>The first ASEM Economic Ministers’ Meeting (EMM) is convened in Makuhari.</td>
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<td></td>
<td>The meeting endorses the TFAP, and establishes an Investment Experts’ Group (IEG).</td>
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<tr>
<td>30th-31st October</td>
<td>The second ASEM Foreign Affairs SOM is convened in Luxembourg.</td>
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<tr>
<td>November</td>
<td>The scheduled ASEAN-EU JCC meeting, at which the adoption of a work programme designed to implement the ‘New Dynamic’ initiative was to take place, is cancelled, a result of Burma/Myanmar’s membership in ASEAN.</td>
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<tr>
<td>November</td>
<td>Burma/Myanmar’s ruling State Law and Order Restoration Council (SLORC) undergoes major changes. In addition to renaming itself as the State Protection and Development Council (SPDC), it purges 15 of its members, replacing them with a group that is less anti-National League for Democracy (NLD). The changes are seen a largely cosmetic, by the international community.</td>
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<tr>
<td>13th-14th November</td>
<td>The second AEBF is convened in Bangkok.</td>
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<td>Action-oriented recommendations are agreed for action in the fields of Small and Medium Enterprises (SMEs), infrastructure, trade, investment and tourism.</td>
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<td>25th November</td>
<td>At the APEC Summit in Vancouver, US President Bill Clinton describes the financial problems in Asia as just “a few little glitches in the road” to prosperity.</td>
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<tr>
<td>14th-16th December</td>
<td>The second ASEAN Informal Summit and the first ASEAN+3 Summit are convened in Kuala Lumpur.</td>
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1998

<table>
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<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>5th February</td>
<td>The first ASEM Finance SOM is convened in London.</td>
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<tr>
<td>5th-6th February</td>
<td>The third ASEM SOMTI is convened in Brussels.</td>
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<td></td>
<td>The TFAP’s goals and mechanisms for implementation are agreed.</td>
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<tr>
<td>19th-20th February</td>
<td>The third ASEM Foreign Affairs SOM is convened in London.</td>
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<tr>
<td>2nd-3rd March</td>
<td>Preliminary meeting of the Asia-Europe Vision Group, held in Seoul.</td>
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<tr>
<td>1st-3rd April</td>
<td>The third AEBF is convened in London.</td>
</tr>
<tr>
<td>3rd-4th April</td>
<td>The second ASEM is convened in London.</td>
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The meeting is a sombre occasion, held as it is in the wake of the Asian financial collapse. The EU agrees to keep the door open to Asian goods, allowing Asian state to attempt to export their way out of the crisis. The Summit releases a *Statement on the Financial and Economic Situation in Asia*, which endorses the role of the WTO, IMF and World Bank in
addressing the crisis, and recognised the rules, norms and values of those institutions as underpinning the global economy. The meeting establishes an Asia-Europe Vision Group (AEVG) to develop a medium to long-term vision for ASEM, and adopts an Asia-Europe Cooperation Framework (AECF). Despite calls coming from certain EU Member States to begin asserting pressure on the battered Asia to promote human rights and fundamental freedoms, these issues are absent from the ASEM II agenda.

5th-6th April
The first meeting of the Asia-Europe Vision Group (AEVG) is convened in Cambridge.

2nd-3rd July
The second meeting of the AEVG is convened in Singapore.

24th-25th July
The thirty-first ASEAN AMM is convened in Manila.

The meeting is dominated by the Thai proposal (supported by the Philippines) that the ASEAN policy of non-intervention or comment should be modified to one of ‘flexible engagement’, evidence of Burma/Myanmar’s role in and impact on ASEAN.

3rd-4th October
The third meeting of the AEVG is convened in Rome.

26th October
The Council of the European Union adopts Common Position 98/612/CFSP extending the scope of Common Position 96/635/CFSP to include a ban on the issuing of transit visas to officials of Burma/Myanmar.

27th-28th October
The fourth ASEAN Foreign Affairs SOM is convened in Bangkok.

The meeting establishes a set of criteria to be followed in organising ASEAN activities.

23rd-24th November
The first ASEM Investment Experts’ Group (IEG) is held in Evian.

15th-16th December
The sixth ASEAN Summit and the second ASEAN+3 Summit are convened in Hanoi.

At the ASEAN+3 Summit, agreement is reached to convene the summit on an annual basis in conjunction with each ASEAN Summit. A Japanese proposal for the semi-formalisation of the process through the preparation of indicative agendas for summit meetings, as well as tasking senior officials with discussing follow-up activities and the actual implementation of agreed initiatives, is accepted. South Korean President Kim Dae-jung proposes the establishment of an East Asia Vision Group (EAVG) to explore ways to expand cooperation and to formulate a common vision for future cooperation.

31st December
The Institutional Development Programme for the ASEAN Secretariat (IDPAS) is concluded.

1999

8th-9th January
The fourth meeting of the AEVG is convened in Tokyo.

15th-16th January
The second ASEM FinMM is convened in Frankfurt.

6th-7th February
The fifth meeting of the AEVG is convened in Lisbon.
11th-12th February
The second ASEM IEG is convened in Singapore.

11th-13th February
The fourth ASEM SOMTI is convened in Singapore.

It is agreed to establish and maintain lines of communication between the TFAP and IPAP Shepherds, and the AEBF’s TFAP and IPAP taskforces provide contact points channelling private sector inputs to senior officials.

23rd-25th February
ASEM Seminar on Simplification and Harmonisation of Customs Procedures is convened in Manila.

28th-29th March
The second ASEM FMM is convened in Berlin.


30th April
Cambodia accedes to ASEAN.

24th-27th May
The thirteenth ASEAN-EU JCC is convened in Bangkok.

This meeting is made possible by a compromise solution under which Burma/Myanmar takes part as a ‘passive presence’ only. A new Informal Coordination Mechanism is created to supplement the JCC.

5th-6th July
The third ASEM IEG is convened in Brussels.

7th-8th July
The fifth ASEM SOMTI is convened in Brussels.

27th July
Foreign Ministers from ASEAN (including Burma/Myanmar) and the EU meet to discuss the future convening of ASEAN-EU talks in Europe to replace those cancelled in May 1999, effectively breaking the stalemate resulting from a ban on contacts with Burma/Myanmar.

29th September - 1st October
The fourth AEBF is convened in Seoul.

9th-10th October
The second ASEM EMM is convened in Berlin.

Ministers set priorities and methods for overcoming deficiencies in cooperation.

1st November
The EU-Cambodia Cooperation Agreement enters into force.

2nd-4th November
The fifth ASEM Foreign Affairs SOM is convened in Rovaniemi.

27th-28th November
The third ASEAN Informal Summit and the third ASEAN+3 Summit are convened in Manila.

At the ASEAN+3 Summit, the East Asia Vision Group (EAVG), comprising 26 private
sector experts, is established, and a Joint Statement on East Asia Cooperation is agreed.

30th November - 3rd December
WTO Ministerial Conference is convened in Seattle.

The conference’s subsequent ignominious collapse is later partially attributed by academics to the failure of Europe and Asia to conduct prior consultations.

18th December
The second ASEM Finance SOM is convened in Vienna.

2000

26th April
The Council of the European Union adopts Common Position 2000/346/CFSP, extending the list of individuals subject to the visa ban, freezing the foreign funds of high level officials, and extending ban on arms exports to Burma/Myanmar to include all equipment that may be used for ‘internal repression or terrorism’.

2nd-3rd May
The sixth ASEM Foreign Affairs SOM is convened in Lisbon.

11th May
The fourth ASEM IEG is convened in Seoul.

12th-13th May
The sixth ASEM SOMTI is convened in Seoul.

22nd May

14th September
The third ASEM Finance SOM is convened in Paris.

19th-20th September
The seventh ASEM Foreign Affairs SOM is convened in Seoul.

29th-30th September
The fifth AEBF is convened in Vienna.

6th October
The first Consultation between the ASEAN Economic Ministers and the EU Trade Commissioner takes place in Chiang Mai.

20th-21st October
The third ASEM is convened in Seoul.

Discussions are less than thrilling, with leaders reading from prepared statements rather than engaging in active dialogue. Human right, democracy and the rule of law re-emerges after its absence at ASEM II. It is agreed to reduce the future scope of Summit discussions to just one or two key topics.

22nd-25th November
The fourth ASEAN Informal Summit and the fourth ASEAN+3 Summit are convened in Singapore.

At the ASEAN Informal Summit it is agreed to launch an Initiative for ASEAN Integration (IAI) in order to narrow the development gap within the Association. At the ASEAN+3 Summit it is agreed to establish an East Asia Study Group (EASG) to explore ways to deepen and expand cooperation among the ASEAN+3, and to consider the recommendations of the EAVG report.
11th-12th December

The thirteenth AEMM is convened in Vientiane.

The meeting’s content is flavourless, and it is ill-attended by the Europeans, who send only relatively junior officials.

2001

13th-14th January

The third ASEM FinMM is convened in Kobe.

25th-27th April

The eighth ASEM Foreign Affairs SOM is convened in Stockholm.

24th-25th May

The third ASEM FMM is convened in Beijing.

At this meeting, the first practical steps for cooperation at the global multilateral level are taken, with an agreement that ASEM partners would hold consultations in New York prior to meetings of the UN General Assembly.

3rd-4th July

The fifth ASEM IEG is convened in Brussels.

4th-5th July

The seventh ASEM SOMTI is convened in Brussels.

4th September


The document is remarkably self-celebratory in tone. Its objectives are essentially restatements of previous positions.

9th September

The first pre-UNGA consultative meeting between ASEM partners takes place in New York.

10th-11th September

The third ASEM EMM is convened in Hanoi.

11th September

The World Trade Centre in New York is destroyed and the Pentagon in Washington is damaged, both as a result of terrorist attacks.

12th September

The second Consultation between the ASEAN Economic Ministers and the EU Trade Commissioner takes place in Hanoi.

18th-19th September

The fourteenth ASEAN-EU JCC is convened in Brussels.

The JCC endorses the APRIS initiative.

21st September

An Extraordinary European Council is convened.

The meeting agrees a Plan of Action on combating terrorism, mostly involving Pillar III issues such as the establishment of a European arrest warrant, the sharing of intelligence via EUROPOL, the establishment of an anti-terrorism unit within EUROPOL, and the strengthening of air transport security. The Action Plan also highlights the need to foster
dialogue with the Arab and Muslim world.

8th-9th October The sixth AEBF is convened in Singapore.

5th November The seventh ASEAN Summit and the fifth ASEAN+3 Summit are convened in Bandar Seri Begawan.

At the ASEAN Summit, ASEAN adopts the 2001 Declaration on Joint Action to Counter Terrorism. This, along with the 2002 Work Programme, places emphasis on economic development, cooperation among law-enforcement agencies, the exchange of intelligence and so on. The Association also agrees a Roadmap for the Integration of ASEAN (RIA), building on the IAI of November 2000, to accelerate ASEAN integration. At the ASEAN+3 Summit, the EAVG submits its report titled Towards an East Asian Community: Region of Peace, Prosperity and Progress.

31st December The European Commission introduces a revised GSP scheme for the period 2002-2004.

2002

17th January The first ASEM Environment Ministers’ Meeting (EnvMM) is convened in Beijing.

4th-5th April The ninth ASEM Foreign Affairs SOM is convened in Lanzarote.

17th May ASEAN adopts a Work Programme to Implement the ASEAN Plan of Action to Combat Transnational Crime.

6th-7th June The fourth ASEAN FMM is convened in Madrid.

This is the first occasion in the wake of the September 11 attacks that the European and Asian partners have engaged at the inter- and transregional level. Here, the groundwork of the European approach to terrorism is laid, directly reflecting the intra-regional approaches adopted by the EU and ASEAN. The meeting also established new guidelines on ASEM Working Methods, including suggestions that there be informal interval and retreat sessions during summits, and that agendas be trimmed.

5th-6th July The fourth ASEAN FinMM is convened in Copenhagen.

15th-16th July The sixth ASEM IEG is convened in Bali.

17th July The eighth ASEM SOMTI is convened in Bali.

2nd August The second ASEP meeting is convened in Manila.

18th-19th September The fourth ASEAN EMM is convened in Copenhagen.

At this meeting, Ministers agreed to launch a process of consultation and dialogue on WTO issues among relevant ASEM officials in Geneva, and in their respective capitals. Also, Ministers charge the Economic Coordinators with a full review of current economic priorities and activities, and with the formulation of recommendations for improvement to be presented at EMM 5.
18th-19th September
The seventh AEBF is convened in Copenhagen.

As the AEBF is convened simultaneously with EMM 4, a number of linkages take place, including a joint reception, the invitation to Economic Ministers to attends AEBF’s formal dinner, and the participation of Ministers in AEBF’s closing plenary session.

19th September
US President George W. Bush proclaims a new security doctrine, highlighting the US’s new willingness to fight pre-emptive wars against ‘rogue states’.

22nd-24th September
The fourth ASEM is convened in Copenhagen.

Leaders agree a *Cooperation Programme on Fighting International Terrorism*, and issue a *Declaration on Cooperation against International Terrorism*. Emphasis is placed on such ‘soft’ issues as enhancing cross-cultural understanding, promoting sustainable economic development etc. European and Asian leaders express concern about the increasingly unilateral tendencies of the US.

12th October
The Sari Nightclub in Bali is destroyed, the result of a terrorist attack.

4th-5th November
The eighth ASEAN Summit and the sixth ASEAN+3 Summit are convened in Phnom Penh.

At the ASEAN+3 Summit, the EAVG submits its final report. In it, it supports the EAVG’s recommendation for the phased evolution of the ASEAN+3 Summit into an East Asian Summit, and the establishment of an East Asian Free Trade Area (EAFTA).

2003

17th-18th January
The first round of ASEM consultations on the WTO’s Doha Development Agenda is held in Hanoi.

27th January
The 2482nd meeting of the General Affairs Council of the EU is convened.

At this meeting, a set of conclusions on Iraq is adopted. This includes the goal of disarming Iraq, and asserts the responsibility of the United Nations Security Council in maintaining peace and security.

27th-28th January
The fourteenth AEMM is convened in Brussels.

At this meeting, the first dialogue between ASEAN and the EU over terrorism occurs. A *Joint Declaration on Co-operation to Combat Terrorism* is agreed, though this essentially restates positions previously agreed in the ASEM process.

30th January
The ‘Gang of Eight’ (the Czech Republic, Denmark, Hungary, Italy, Poland, Portugal, Spain, and the United Kingdom), on the initiative of Spanish Prime Minister José María Aznar, issue a public letter urging all Europeans to support the US in ousting Saddam Hussein.

17th February
An Extraordinary European Council is convened.

At this meeting, European Union leaders agree a joint statement on Iraq, papering over
breaches between the Member States.

24th-25th March An ASEM Symposium on Multilateral and Regional Economic Relations is convened in Tokyo.

12th-13th May The tenth ASEM Foreign Affairs SOM is convened in Jakarta.

5th June The seventh ASEM IEG is convened in Paris.

5th-6th June The ninth ASEM SOMTI is convened in Paris.

This meeting is also the occasion for the second round of ASEM consultations on the WTO’s Doha Development Agenda. The meeting also issues recommendations stemming from the Economic Coordinators’ review of ASEM economic activity, including: that SOMTI meet annually, regardless of the EMM’s timetable; that the role of the Economic Coordinators be enhanced; and that dialogue be focused on carefully defined and time-limited projects.

5th-6th July The fifth ASEM FinMM is convened in Bali.


22nd-23rd July The eleventh ASEM Foreign Affairs SOM is convened in Bali.

22nd-24th July The fifth ASEM FMM is convened in Bali.

The meeting endorses proposals from the tenth and eleventh Foreign Affairs SOMs for the strengthening of consultation on political issues, including a commitment to convene *ad hoc* consultative meetings of ASEM partners when deemed necessary by consensus.

23rd-24th July The fifth ASEM EMM is convened in Dalian.

The meeting endorses the recommendations of SOMTI 9.

22nd-23rd September The first ASEM Seminar on Anti-Terrorism is convened in Beijing.

7th-8th October The ninth ASEAN Summit is convened in Bali.

China accedes to the *Treaty of Amity and Cooperation*.

12th-13th October The second ASEM EnvMM is convened in Lecce.

27th-29th October The eighth AEBF is convened in Seoul.

3rd-4th December ASEM Conference on Cultures and Civilisations is convened in Beijing.
2004

8th January Implementation of the first APRIS Annual Work Plan, comprising 14 sub-projects, is begun.

25th-26th March The third ASEF is convened in Hue.

17th-18th April The sixth ASEM FMM is convened in Kildare.

29th-30th June The tenth ASEM SOMTI is to be convened in Qingdao.

6th July The sixth ASEM FinMM is to be convened in Rotterdam.

6th-7th October The ninth AEBF is to be convened in Hanoi.

8th-9th October The fifth ASEM is to be convened in Hanoi.

18th-20th October The second ASEM Seminar on Anti-Terrorism is to be convened in Berlin.