

O utline of ASEM: a Regional Forum as a Jealousy-driven Mechanism

By Sadahiro Takashi



The best way to attract the interest of readers with a modest theme is to draw a bold and meaningful conclusion. In order to make the readers read an article to the end, the writer should state

the conclusion at the beginning. For these reasons, in writing a four-page essay about ASEM, which is young and not yet attracting much attention, I would like to express a conclusion like

this at the outset of my article:

"ASEM is the building block material for the 21st century, with 'jealousy' as its fuel and incentive."

ASEM is the abbreviation for the

Asia-Europe Meeting. Details of the circumstances attending its birth are given in the attached chronology. It is a forum established at a summit in March 1996 by Asia and Europe, relations between which had been rather weak compared with their respective relations with the United States, and its purpose is to build closer relations between the two ends of the Eurasian Continent and restore the missing link between them.

The peculiarity of ASEM is also evident in its acronym. It contains no words that would characterize a forum, such as "association" or "organization." It is quite simple, like "boy meets girl." In the background of this simple naming, there lies a peculiar circumstance: Asia and Europe agreed to have regular meetings but failed to reach a clear consensus on what they should do or discuss at such meetings. In short, they do not share a common direction.

In order to clarify ASEM's basic character first, I would like to divide the 25 participating countries (plus the EU Commission) into three groups—Asia, Japan and Europe—and compare the assessments and expectations that each group has of ASEM.

Asian viewpoint

Singaporean Prime Minister Goh Chok Tong gave a speech at a supper party for the East Asia and Europe Economic Forum three years ago. The concept expressed in his speech was, in itself, Asia's underlying philosophy of ASEM. He said that the world order after the Cold War is based on a tripartite economic structure consisting of North America, Europe and East Asia, that Asia fears the economic unity of Europe as a "Fortress Europe" and accepts that its introversion tendency is exaggerated, and thus hopes that Europe will direct more attention to Asia, and that Asia's entry onto the world scene as an industrial producer is not a threat to Europe but means a new customer for European goods and services, and this is nothing but a dividend of peace after the Cold War.

The statement by Goh expressed in

clear language the ardent wish of Asia, which has become the economic growth center of the world, to build new bilateral relations with Europe, mainly in the economic sphere.

In Asia, in particular, there is strong dissatisfaction with the fact that capital investment from Europe has been at lower levels than investment from Japan or the U.S. Asia wants to attract investment from Europe by conveying the potential of the new Asia through ASEM and at the same time build a foothold for launching business operations in Europe. This desire has often been expressed before, not only by Goh but also by other Asian leaders.

Attention should be paid to the fact, however, that the slogan for the new relationship is "equal partners." During the working sessions to prepare for the ASEM summit of 1996, the most sensitive issue was whether to place human rights issues in Asia on the agenda. After all, some European countries that wanted to have human rights issues discussed abandoned the idea of placing it on the agenda, indicating that the Asian side strongly resisted the idea of having "European investment and the European sense of values" forced on them in one package.

There are many ex-European colonies in Asia, and it has been their long-cherished desire to sit down at one bargaining table with European delegates, discuss problems of common interest and forge closer ties with them as equal partners. This desire transcends near-term economic interests.

Japanese viewpoint

Japan positively backed the plan to set up ASEM, although this country, as the only exception in Asia, already had close economic relations with Europe. However, Japan's motivation was different from that of other Asian countries. A high-level Japanese government official commented that the significance of ASEM to Japan is that ASEM can forge a new international framework based on Asia vis-a-vis Europe, as opposed to Japan vis-a-vis Europe; the priority task for Japan is to induce a new European

commitment to Asia through ASEM.

Just as the European participants in ASEM adjust their views through the European Union, the Asian participants hold meetings of their cabinet members and senior officials to adjust their policies. This is an established practice on both sides. The members attending these meetings on the Asian side are the same as those of the East Asia Economic Caucus (EAEC), which was initiated by Malaysian Prime Minister Mahathir Mohamad and bitterly criticized by Washington as an intrigue to form an economic bloc excluding the U.S. But the U.S. cannot find fault with the meeting this time, because its purpose is to make preparations for ASEM. In fact, there are no signs that the preparatory meeting has become a political issue. ASEM has created an opportunity for major Asian countries to get together without arousing anxiety in the rest of the world and, according to one high-level Japanese government official, an opportunity for Japan to display leadership as the head of the Asian group.

Japan, which has experienced trade disputes with the U.S. over automobiles and semiconductors, can duck one-sided U.S. demands by having a seat in the new ASEM group. This is another of Japan's motivations for committing itself to this international forum.

As a member of ASEM, however, Japan is strongly conscious of its relations with the U.S., which is an outsider in this case, as well as with distant Europe and nearby Asia.

European viewpoint

In the spring of this year, French President Jacques Chirac and German Chancellor Helmut Kohl paid visits to many Asian countries. On May 17 in Beijing, Chirac issued a joint statement with Chinese President Jiang Zemin, the wording of which created a stir. It read: "(China and France will) engage in reinforced cooperation to foster the march toward multipolarity and to oppose any attempt at domination in world affairs."

A \$2 billion Sino-French deal which

was concluded just before the issuance of this statement is the key to deciphering why Chirac signed the statement, which strongly reflects China's view of a world based on "multipolarity." A long shopping list, including the purchase of 30 Airbuses by China, was what France had very much wanted to secure in Asia.

On their tours of Asia, Chirac and Kohl were accompanied by large business entourages. France and Germany share the economic woes of high unemployment, centering on young people, which is causing social problems. Both countries, as the driving force of Europe for EMU, which is around the corner, must somehow or other bring down their budget deficits to the numerical target prescribed in the Maastricht Treaty. Hamstrung in carving out macroeconomic policies, they must revitalize their economies and create jobs. The quickest way to do that is to develop an external market. European strategies toward ASEM should be interpreted in the light of such expectations in the economic sphere.

A leading official of the European Commission said that in the ASEM forum, Europe has no intention of sending Asia the wrong message by overemphasizing economic affairs, and that such political issues as human rights issues are not their concern. But he stressed the magnitude of opportunities and potential benefits that Europe lost by not according Asia its due significance in the past. He did not conceal Europe's policy of giving priority to practical benefits.

ASEM, launched with diverse expectations and speculations on the part of the countries concerned, reaches an important milestone this September, when the first Economic Ministers' Meeting is held at Makuhari Messe in Chiba Prefecture. The future of ASEM will depend vitally on whether the participating countries can hammer out a concrete formula to promote cooperation between Asia and Europe at this meeting. This is a major challenge. Next, I want to focus on the themes expected to be taken up at this meeting

and probe the possibilities and problems of ASEM.

Investment

How to attract and promote foreign investment in Asia is the most potentially fruitful and therefore the most significant issue facing ASEM.

The chairman's statement issued after the summit in 1996 enumerated a long list of tasks that ASEM should tackle. It was explicitly stated that an action program for the promotion of Asian and European investment should be worked out within six months. However, there was a conflict of interest between Europe—which wants to lay down rules that are binding in order to protect its investments in Asia—and Asian countries, which want to reserve means to defend their industries from the fast-growing foreign capital influx. Even today, they are having tremendous difficulty reconciling their differences.

The basic strategy for ensuring the prosperity of the members of ASEM can be expressed as "the economies of Asia and Europe boosting and supplementing each other and thereby maximizing their synergetic effect." The expansion of investment in Asia from Europe is the starting point of this scenario. Will Asia and Europe be able to forge a fruitful and constructive consensus at the coming meeting of their economic ministers at Makuhari? This will be an acid test of ASEM's real value.

Business dialogue

ASEM is an intergovernmental body for consultation, but attaches importance to ways of promoting exchanges at the private level. This is ASEM's uniqueness. "Ways to promote business exchanges" will be high on the agenda at the coming meeting of economic ministers, along with liberalization and promotion of investment and trade.

In October 1996, the first ASEM business forum was held in Paris, and leading financial leaders proposed measures to strengthen and broaden economic relations between Asia and

Europe, such as improving the economic infrastructure in Asia by use of private funds. In the wake of agreements reached at this forum, it was also agreed to hold the second forum in Bangkok in November this year. In addition, a business conference was held in Jakarta in July to discuss the problems of small and medium-size enterprises. Thus, channels for dialogue between the business communities of Asia and Europe are opening up one after another.

Such assiduous exchanges of views at the private level may lack the showiness of intergovernmental trade negotiations, but have the potential to generate major business opportunities and economic cooperation. If the Makuhari conference succeeds in putting the economic exchanges—where the private sector plays the dominant role despite governmental initiatives—on the right track, ASEM will become a new model of division of labor between government and business in promoting economic relations world-wide.

Multi-language processing

Multi-language processing by computer, which is one item on the agenda for paving the way to increased trade and investment, is attracting the attention of the people concerned as a challenge whereby ASEM can display its unique viability.

In the field of computer communications and information processing, such as the Internet, English has an unshakable position as a universal language. If additional functions are included, it will be possible to exchange data in Japanese, Chinese and German. However, problems such as having to use the same code for a character in Japanese and a similar character in Chinese, despite their having different meanings, are beginning to show up in this endeavor. Standardization under U.S. leadership in a sense disregards the existence of diverse cultures in the world.

The idea that Asia and Europe, each of which have diverse languages within their member countries, can standardize

the language processing systems and develop an automatic translation system from the user's viewpoint looks attractive. If such an attempt succeeds, it will serve as the motive power for creating an electronic communications network girdling the globe.

Now, I wish to return to the conclusion I stated at the outset of this article. Trilateral relations among Asia, Europe and the U.S. are a triangle with ASEM, APEC and the transatlantic alliance as its three sides. Asia-U.S. relations and Europe-U.S. relations cast their shadows on the expectations placed and concrete plans conceived by the countries participating in ASEM. It is a law of geometry that any side of a triangle is shorter than the sum of the two other sides. Likewise, the distance between the two poles (Asia and Europe), which are the farthest apart, must be always kept shorter through ASEM than the sum of the two other sides starting in Washington—that is, the distance between Asia and the U.S. and the distance between Europe and the U.S.—in order to form a tripolar world structure and keep it stable. The three forums must compete with each other to ensure that interaction and restraint among the three poles function effectively.

With monetary unification near at hand, Europe is now becoming increasingly introverted. The growth of the Asian economy, on the other hand, has begun to show some signs of slowing down. Therefore, ASEM may lose the centripetal force which existed at the start unless it accomplishes results in the areas mentioned above—the completion of a hospitable environment for foreign investment and multi-language processing, which it failed to accomplish through cooperation with the U.S. “Sound jealousy” (if such a thing does exist) is indispensable to enlivening the relations among the three parties. Asia and Europe will score successes at the ASEM forum if they pour into it the energy generated by their respective jealousy regarding their friendship to each other and to the U.S. (the jealousy which Asia feels about Europe-U.S. relations and that which Europe feels

about Asia-U.S. relations), and as a result succeed in making the U.S. become jealous of Asia-Europe relations.

Certainly it is very difficult to maintain trilateral relations fraught with a mixed feeling of affection, hatred and jealousy. You will readily understand the complexity of the situation if you

recall “the eternal triangle.” You will surely shudder at the idea if you have experienced one. JTI

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Chronology of ASEM and its timetable for the future

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| October 1994 | Singaporean Prime Minister Goh Chok Tong proposes the promotion of exchanges between Asia and Europe at the East Asia-Europe Economic Forum. |
| January 1995 | Prime Minister Goh proposes an Asia-Europe summit at the World Economic Forum held in Davos, Switzerland. European Commission Chairman Jacques Santer welcomes the proposal. |
| March 1995 | The European Committee of Foreign Ministers decides to study the proposal to hold an Asia-Europe summit with a positive stance. |
| November 1995 | On the occasion of the APEC meeting in Osaka, the economic ministers of ASEM's Asian member countries hold their first meeting. |
| February 1996 | Foreign ministers and economic ministers of ASEM's Asian member countries hold separate unofficial meetings in Thailand. |
| March 1996 | The first Asia-Europe summit is held in Bangkok. ASEM is formally launched. Chairman's statement charting the future course of ASEM is announced. |
| July 1996 | A working group to formulate an action program for the promotion of investment holds a meeting in Bangkok, but fails to reach a consensus. |
| October 1996 | ASEM holds its first business forum in Paris. |
| February 1997 | ASEM holds its first meeting of foreign ministers and decides to step up exchanges of ideas. |
| July 1997 | ASEM holds a business conference in Indonesia. |
| September 1997 | ASEM to hold a meeting of finance ministers in Bangkok. ASEM to hold a meeting of economic ministers in Makuhari Messe, Chiba Prefecture. |
| November 1997 | ASEM to hold its second business forum in Thailand. |
| April 1998 | ASEM to hold its second summit in London. |
| 2000 | ASEM to hold its third summit in South Korea. |