

## ASEAN and the EU on the Eve of the Millennium - Introductory Remarks and Observations

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*Die internationalen Beziehungen der post-bipolaren Epoche nähern sich einem Dreiecks-Modell an, dessen Komponenten die transatlantischen, transpazifischen und asiatisch-europäischen Beziehungen bilden. Die letztgenannte Verbindung stellt dabei das schwächste Glied dar, welches jedoch seit Mitte der neunziger Jahre durch die Etablierung neuer Institutionen leicht gestärkt wurde. An erster Stelle ist hierbei das Asia-Europe Meeting (ASEM) zu nennen. Gleichzeitig übt die Asienkrise deutlichen Einfluß auf das asiatisch-europäische Beziehungsmuster aus, wobei sowohl die Chance einer intensivierten Kooperation als auch die Gefahr sich verstärkender Konfliktpotentiale bestehen. Die interne Kritik innerhalb der ASEAN an der bisher verfolgten Strategie des sog. 'Asian Way' könnte sich zusätzlich auf die ASEAN-EU Interaktionen auswirken.*

### Introduction

After the fall of the Berlin Wall and the end of the Cold War, world-wide academic and public discussion focused on whether the so-called new world order would be dominated by the United States or would develop into a multipolar system. In 1992 when the Association of Southeast Asian Nations (ASEAN)<sup>1</sup> announced the gradual implementation of a Southeast Asian Free Trade Area (AFTA) and in 1993 when the APEC<sup>2</sup> countries' heads of state met for the first time in Seattle, European newspapers published scenarios presenting AFTA and APEC as emerging trading blocs and direct competitors of the European Common Market. Although it soon became clear that economic cooperation in the Asia Pacific would not lead in the foreseeable future to a level of integration comparable to Europe's, many in Bonn, Paris, Rome, and other capitals worried that a 'Pacific Century' could leave Europe as the odd man out in the new international order. Special attention was given to the role of the United States. It was believed that Washington would shift its main foreign policy focus from transatlantic to transpacific relations (although the United States was a Pacific power long before it became an Atlantic one). "Key to this process has been the Clinton Administration's more proactive approach to U.S. economic relations with East Asian States, which contrasts with the more antagonistic stance

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1 In 1992 ASEAN grouped Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. Vietnam, Laos and Myanmar joined later.

2 Members of the Asia Pacific Economic Cooperation (APEC) are the ASEAN-states, Australia, Japan, Canada, New Zealand, South Korea, United States, Chile, PR China, Hong Kong, Mexico, Papua New Guinea, Taiwan ('Chinese Taipei'), Russia and Peru.

adopted during the Reagan-Bush period".<sup>3</sup> Concern was caused by trade figures showing that in 1995, for example, 66 percent of total US trade was carried out within the Asia Pacific area. At the same time, of the ten biggest U.S. trading partners five were Asian economies (Japan, China, Taiwan, South Korea, and Singapore, in this order) but only three were European (Germany, UK, and France). And even more disturbing from a European perspective: Between 1972 and 1992 GDP<sup>4</sup> growth in Asia-Pacific (141%) was three times faster than in the Atlantic area (55% in West Europe and 59% in North America).<sup>5</sup> US Undersecretary of Commerce Jeffrey E. Garten predicted in the early 1990s: "East Asia could grow twice as fast as the United States in the next decade, and three times the rate of Europe."<sup>6</sup>

As a reaction to this geoeconomic structure, the European Union itself and actors within the EU strengthened their relations with Asian states on both the governmental ('track-one') and societal ('track-two') level. Among the most recent achievements is the Asian-Europe Meeting (ASEM) launched in 1996 which, according to Tommy Koh, Singapore's ambassador-at large, is as important as APEC and the ASEAN Regional Forum.<sup>7</sup> ASEM is supported by the Council for Asia-Europe Cooperation (CAEC), the Asia-Europe Foundation (ASEF) and other institutionalized mechanisms. The CAEC links six think-tanks in Europe (London, Bonn, Paris, Rome, and Stockholm) with six in Asia and Australia (Tokyo, Jakarta, Seoul, Singapore, Beijing and Canberra).<sup>8</sup> ASEF is a Singapore-inspired think tank that aims to boost intellectual, cultural and economic interaction between the two regions.

Today the post-Cold War era approaches a triangular model.<sup>9</sup> In this model relations between (a) the United States and the European Union, (b) the United States and East Asia<sup>10</sup>, and (c) East Asia and the EU form the three strands. Despite some major differences in their approach to international relations, both the EU and ASEAN governments share the common view of this tripolar order.<sup>11</sup> The US-Asia-EU triangle provides the principal framework for the shaping of global trade and security relations as well as for dealing with the problems of 'governance'. Conflicting topics such as the liberalization and democratization of authoritarian regimes, human rights and sustainable development have become issues of global concern rather than being regarded as 'internal problems' of the respective states. Within the triangle transatlantic relations remain the strongest for the time being. In no other part of the

3 Dent 1997-98, p. 497.

4 GDP = Gross Domestic Product.

5 Dibb 1995, p. 19.

6 Quoted from Manning/Stern 1994, p. 81-82.

7 *Asiaweek*, 4 February 1997. See Bersik 1998 and Rüländ 1996 for comprehensive analyses of the ASEM-process.

8 More specifically: IISS and RIIA, London; DGAP, Bonn; IFRI, Paris; IAI, Rome; IIS, Stockholm; JCIE, Tokyo; CSIS, Jakarta; IIRI, Seoul; IPS, Singapore; IAPS, Beijing; SPAS, Canberra (Maull, Segal, Wanandi 1998, p. xvi.)

9 This is of course an ideal model which some pundits might consider as too optimistic. However, despite certain serious problems in the 'transatlantic partnership' and obvious areas of conflict in relations between Asia and the 'West', so far the triangular model has proven to come closer to post-Cold War realities than any other analytical approach describing today's international system.

10 East Asia = Southeast and Northeast Asia.

11 Palmujoki 1997, p. 280.

world can a similar strong pattern of linkages, interactions, and close networks of security and economic-related institutions based on common historical experiences and shared values be found. Transpacific relations will become more important although in spite of significant institution building, cooperation in the Asia-Pacific Area is still missing the solid ground and the centuries-old experiences of transatlantic collaboration. Finally, despite its strong historical base, Asia-Europe relations today present the weakest of the three major strands.

The tripolar model of international relations suggested here, is widely accepted although some argue that "rather than a single world order, we are witnessing today the emergence of a variety of new regional orders".<sup>12</sup> For the most part of the 20th century international relations were significantly global in focus and scale. "Great-power rivalries, and the resulting hot and Cold Wars, were conducted world-wide by states with global interests and global reach".<sup>13</sup> This has certainly changed in the post-Cold War era. Regional powers and regional organizations have gained more influence on the international stage. Regionalization is an important element of the new international order but globalization prevails. The Asian Crisis demonstrates very clearly the global impact of regional developments. For instance, as a direct result of the Asian Crisis world real GDP was only to grow by 2,2% in 1998 compared to 4,2% just one year earlier.<sup>14</sup> At the same time, due to under-institutionalization regional organizations like ASEAN and APEC have so far failed to adequately deal with the crisis situation. Instead global players (the U.S., International Monetary Fund/IMF, World Bank) are in charge of problem solving. Hence, although regional orders exist with respect to certain policy areas they are embedded in an international system still being shaped by global relations, global problems and challenges as well as global players.

In the following I would like to stress four points: First, the structure of ASEAN-EU relations as a part of the global order; second, the rationale for strengthening ASEAN-EU relations in the post-Cold War era and consequences of the Asian Crisis; third, some remarks on the challenge of coping with different approaches to the management of international relations; and forth, a few concluding views on the perspectives of cooperation between Southeast Asia and Europe.

## 1 The structure of ASEAN-EU relations

When the Foreign Ministers of Indonesia, Malaysia, the Philippines, Singapore and Thailand gave birth to ASEAN in August 1967, one main objective was "to maintain close and beneficial cooperation with existing international and regional organizations with similar aims and purposes" as stated in the Bangkok Declaration. Five years later, in April 1972, ASEAN launched a Special Coordination Committee (SCANN) to conduct an institutionalized dialogue with the European Community. This way, EC became ASEAN's first 'Dialogue Partner'. A few months later, this initiative led to the establishment of the ASEAN-Brussels Committee (ABC), com-

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12 Lake/Morgan 1997, p. 3.

13 Ibid.

14 International Monetary Fund 1998, p. 7.

prising ASEAN ambassadors accredited to the EC "to act as its 'outpost' and 'arm' in Europe".<sup>15</sup> The ABC - which was the first ASEAN Committee in a third country - stands for the beginning of formalized ASEAN-EC/EU relations. In 1974 a Joint ASEAN-EC Study Group was established as an alternative to the commercial cooperation agreements that had been negotiated bilaterally between the EC and the Commonwealth countries. And in November 1979 the first ASEAN-EC Ministerial Meeting (AEMM) took place.<sup>16</sup>

The signing of the ASEAN-EC Cooperation Agreement in Kuala Lumpur in 1980 marked an important stage in the cooperation process between the two organizations. Of particular importance was the statement in the agreement that "such cooperation will be between equal partners", without disclaiming that it will "take into account the level of development of the member countries of ASEAN and the emergence of ASEAN as a viable and cohesive grouping, which has contributed to the stability and peace in Southeast Asia." This new effort was particularly motivated by the urgency of working jointly at the international level to deal with major economic issues.<sup>17</sup> Since the early 1990s both sides have been trying to reach a new cooperation treaty in order to fulfil the conditions of today's cooperation challenges and necessities. So far the different opinions concerning questions of if, in what form and to what extent aspects of human rights and sustainable development should be stressed in the new treaty as well as divergent views on Myanmar and East Timor have hindered the successful formulation of a draft acceptable to both sides.

Of all AEMMs in the 1990s, the one held at Karlsruhe in 1994 produced the most significant advances (even though it could neither solve the dispute over East Timor nor harmonize the different views on human rights in general). The outcomes - sometimes referred to as the 'Karlsruhe drive' - included the establishment of an Eminent Persons Group (EPG), partly modelled on APEC's equivalent, a joint commitment to implement the provisions of the Uruguay Round of GATT, a higher priority granted to human resource development, environmental issues and an improved targeting of poverty alleviation within the sphere of development cooperation.<sup>18</sup> The EPG presented its report in June 1996 and its suggestions were used in the EU's formulation of a new ASEAN strategy.

Apart from these exclusive ASEAN-EU forums and dialogue mechanisms, "even more important - from the point of view of a tripolar world - is the Asia-Europe Meeting (ASEM)".<sup>19</sup> Although the endeavour - as the title states - ideally involves more than just EU- and ASEAN-members, the process is so far dominated by these two organizations. Singapore was its main initiator (strongly supported by France),<sup>20</sup> and Thailand the first host. The first meeting was held in Bangkok in March 1996,

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15 Quoted from Luhulima 1992, p. 311.

16 Djiwandono 1998, p. 207.

17 Luhulima 1992, p. 311.

18 Dent 1997-98, p. 503. For the best analysis of the Karlsruhe summit see Dreis 1998.

19 Palmujoki 1997, p. 280.

20 ASEM was formally proposed by Singapore's Prime Minister Goh Chok Tong at the September 1994 EU-ASEAN Ministerial Meeting. The European Council then granted an EU endorsement at its June 1995 meeting in Cannes (Dent 1997-98, p. 510).

the second ASEM took place in London two years later. "In practical diplomacy, the ASEM process was closely associated with the EU-ASEAN dialogue, when the EU-ASEAN ministerial meeting was synchronized with the ASEM ministerial meeting in Singapore in February 1997."<sup>21</sup>

## **2 The rationale for strengthening ASEAN-EU ties in the post-Cold War international order and consequences of the Asian Crisis**

The original reason for the EU as well as ASEAN to strengthen the 'third component' of the global system was economically-driven: Although the shape of the world economy had changed dramatically in the past three decades, Europe continued to contribute about one-third of world GDP and half of global international trade. At the same time East Asia trebled its shares of both GDP and trade during only three decades to the extent that East Asia's share of world trade exceeded North America's in the mid-1990s.<sup>22</sup> While ASEAN searched for a better access to European markets, EU-members did the same with respect to East Asia. EU members were not only looking for better economic ties with Southeast Asia and the evolving ASEAN Free Trade Area representing a market of more than 500 million people. They also hoped that ASEAN could help opening the door a bit more to the entire Far East by making use of its well established Asia-Pacific dialogue program.

With regard to economic relations it is impressive to see how roles and perceptions have changed within only two years. On the basis of most remarkable economic success and a relating strong self-confidence, Southeast Asians became convinced that ASEAN's model of economic development and performance would prove to be superior. The 1996 ASEM meeting (ASEM 1) gives a good example of the way of thinking three years ago. ASEM "produced a number of milestones. Not least was an ironic reversal of historical roles. Where before European powers had single-mindedly stamped their own agenda during earlier encounters, Asia's former colonizers now came courting, attracted by the region's big economic potential. Eager to secure a bigger share of the business action, European leaders made notable efforts to accommodate their Asian counterparts. The visitors even acknowledged that any lapse in regional ties was largely Europe's fault."<sup>23</sup> To some extent a scenario for the year 2008 developed in 1993 by Duncan Slater, then High Commissioner of the British High Commission in Kuala Lumpur, seemed to have already occurred:

I think by 2008 [...] it is very likely that some of the states in ASEAN will have GNP per capita which will be close to, if not higher than, the GNP per capita in some member states of the [European] community. So by 2008, I think, it will be much more a dialogue between equals.<sup>24</sup>

In the wake of the present Asian Crisis the picture has changed dramatically. Asian self-confidence has given way to, as some say, extreme pessimism. The Asian success story seems to be over and extra-regional forces have been asked for help.

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21 Palmujoki 1997, p. 281.

22 Elek 1996, p. 1.

23 *Asiaweek*, 22 March 1996, p. 19.

24 Slater 1993, p. 74.

Apart from cooperating with the IMF and the global industrial powers, Asia's own input to solve the current crisis has remained low. Many observers charged that the financial turmoil has shown up inadequacy of the region's own self-help mechanisms. Although ASEAN strongly opposed this statement, it could not prove the contrary. The reaction of the organization's heads of government to the crisis was disappointing. In December 1997, in a joint statement on the financial situation they agreed "that in view of the present situation, every effort should be made to remove barriers to trade and to promote greater intra-ASEAN trade and investment."<sup>25</sup> No concrete measures were taken. Not surprisingly, the international financial markets reacted coolly to the outcome of the summit meeting. The Asian currencies continued to fall against the Dollar. And ASEAN's initiative to create a currency crisis fund within the framework of APEC failed. The proposal was thumbed down by the Senior Officials Meeting shortly before the APEC summit in Vancouver in November 1997. Meanwhile ASEAN financial ministers have revived the idea. Together with their counterparts from China, Japan and South Korea they have agreed to establish a regional control system of the financial markets and a currency crisis fund under the umbrella of the IMF. Details, however, are unresolved.<sup>26</sup>

In the absence of working Asian solutions to its own crisis, external powers came to the region's rescue. Among them the EU. Presently the EU members pay approximately US\$ 17 billion for the stabilization programs of the IMF. Not surprisingly, the agenda of ASEM 2 in early April 1998 was dominated by the Asian Crisis. The EU agreed in principal on the British proposal to launch an ASEM Trust Fund worth up to US\$ 50 billion. The fund's objective is to back the process of economic reform in Asia. However, even if Malaysian Prime Minister Mahathir Mohamad concluded in an unusually modest way after the meeting "I am quite convinced there was European solidarity with Asia", ASEM 2 did not deliver as much as many expected. "When the history of the great Asian financial crisis of the late 1990s is written, it is unlikely much space will be devoted to Asem 2."<sup>27</sup>

What can be learnt from the Asian Crisis for ASEAN-EU relations? At least that excessive self-assurance or even arrogance as demonstrated by ASEAN before the crisis and now by some European actors will only hinder further development. Both sides have to accept the fact that in a world of closer and stronger linkages both regions depend on each other as well as having to learn from each other. This aspect of interdependence is best summarized by Singapore's Goh Chok Tong: "I would see both of us [the EU and ASEAN] feeding one another and creating prosperity for one another."<sup>28</sup>

Although ASEAN's success story has come to a standstill or set back, the necessity of strengthening economic links remains. Since most Asian countries have become deeply integrated into the global economy, they are likely to resume growth in a few years. Additionally and for the time being the manifold global implications of the

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25 ASEAN 1997.

26 Dosch 1998.

27 *Straits Times*, 08 April 1998.

28 *Straits Times*, 14 December 1995.

Asian Crisis call for strong joint efforts. Intensive cooperation between ASEAN and the EU is necessary to ease the present problems and to avoid these in the future:

- The danger of a global recession has not diminished in the crisis' second year. On the contrary, current symptoms of crisis in Russia and Latin America suggest that the international economic turbulence has not yet passed. In North America and Western Europe so far growth has appeared to be generally well sustained but the impact of the crisis has already been felt, particularly in the industrial sector.
- The large trade adjustments resulting from the crisis could lead to a resurgence of protectionist pressure, with negative repercussions for world growth, especially in Europe and the US.
- International organizations, especially the IMF, are being accused of having adopted the wrong policies and thereby increasing the instability and volatility in Asia.<sup>29</sup>

The second rationale for strengthening reason is security-driven: In general, the clear structure of bipolarity and East-West confrontation served ASEAN well. It kept the United States engaged in the region as a guarantee power for a secure geopolitical environment. At the same time the Cold War contained the power projection interests of all three major actors, i.e. the US, the Soviet Union, and China. Not surprisingly, uncertainties concerning the new regional political-security architecture arose in the wake of the Cold War including

- shifting power relations between the major states;
- the gradual rise of a multi-polar security environment with the major Asian powers playing a larger role;
- significant increases in military capabilities and local defence industries;
- ethnic and national tensions, economic rivalry, disappointing aspirations for prosperity, and religious or racial conflict.

Consequently, an Asian-wide debate started about multi-polarity replacing bipolarity or hegemonic security relations, and a potential power vacuum emerging in the process being filled by comprehensive, non-confrontational dialogues.<sup>30</sup> From an ASEAN viewpoint, strong and solid relations with the EU can reduce uncertainties in the post-Cold War era. The Association's concept of dialogue diplomacy follows the idea of securing the global geostrategic environment by involving as many relevant actors as possible in an ASEAN-styled multilateral network of interactions. For the EU distrusts of China's future role as an emerging military power and the tensions on the Korean peninsular represent components of a global threat scenario. The EU is very much aware of ASEAN's well established diplomatic channels and - at least until recently - the association's proven track record of conflict management and would like to see intensified cooperation in the solving of regional disputes. Through its membership in the ASEAN Post Ministerial Meetings (PMC), ASEAN Regional Forum (ARF) and Council on Security Cooperation in the Asia Pacific

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29 For an elaboration of this argument see Dieter 1998.

30 Möller 1996, p. 353. For a detailed analysis see Dosch 1997.

(CSCAP), the EU is part of the Asia-Pacific dialogue process without so far playing a similar prominent role and delivering comparable important inputs like ASEAN.

### 3 Coping with different approaches to the management of international relations

ASEAN's approach to regional cooperation differs significantly from approaches in Europe.

The way in which the European region has attempted to craft peace and stability as foundations for prosperity could not be more different from the approach of the Asia Pacific Region. East Asia has pursued peace through prosperity and prosperity through trade liberalisation between independent sovereign states. Europe has pursued peace and stability through a process of supra-national political integration.<sup>31</sup>

Norman Palmer distinguishes old and new regionalism, where Europe represents the old and Asia-Pacific the new form. According to Palmer, the main characteristics of the old regionalism are the development towards general integration, the transfer of national sovereignty to a supra-national level, and the tendency towards federalism. In Southeast Asia the characteristics of the new regionalism are interdependence, because of the globalization of markets, and nationalism, supported by the nation-building process.<sup>32</sup>

These different concepts of regionalism have manifold implications on the cooperation process between the two regional entities. So far ASEAN has developed soft institutions which could, but will not necessarily, advance to hard institutions as, for instance, in the case of Europe. Soft institutions can be defined as a non-legalistic form based on convention rather than formal contracts or treaties. Hard institutions represent a set of binding principles, rules, and decision-making procedures, including at least a partial transfer of sovereignty to supra-national actors. In total, the so-called 'Asian way' is

not so much about the substance or structure of multilateral interactions, but a claim about the process through which such interactions are carried out. This approach involves a high degree of discreteness, informality, pragmatism, expediency, consensus-building, and non-confrontational bargaining styles which are often contrasted with the adversarial posturing and legalistic decision-making procedures in Western multilateral negotiations.<sup>33</sup>

As a result of its non-legalistic approach and informality ASEAN does not have any comprehensive strategy for Europe as the EU has for Asia ('Asian Strategy', accepted by the European Parliament in 1995) and ASEAN ('Creating a New Dynamic in EU-ASEAN Relations', drafted by the European Commission in 1996). These concepts give the EU a strategic advantage over ASEAN since it makes it easier for European actors to articulate a common bargaining strategy. At the same time, however, due to the much higher degree of integration, "Europeans, much more than

31 Australia Japan Research Center 1998, p. 8.

32 Palmer 1991.

33 Acharya 1997, p. 329.

Asians, are confused about whether they take part in ASEM as a single unit called 'Europe', or as fifteen individual sovereign states. The EU, as an entity, is represented at ASEM and seeks to co-ordinate European positions regarding ASEM issues. Asians are generally wary of such an EU-led arrangement, for they know only too well the problems of EU presentation in the ARF where the 'troika' (past, current and the next Presidents of the EU - a six-monthly rotating position) represent Europe. Because the EU is still sorting out how common its foreign and security policy might be, it still has no effective way to represent itself abroad apart from trade issues."<sup>34</sup>

ASEAN successfully managed to commit the EU to the 'Asian way' of diplomacy.<sup>35</sup> ASEAN's rejection of binding rules and principles is prominently reflected by the controversy over human rights issues. At the ASEAN PMC in Kuching/Malaysia in 1990, for instance, the different approaches to political and social questions, particularly on human rights, between the then EC and ASEAN, stood out after the Tiananmen Square massacre in China, when ASEAN opposed the Community's policy of imposing sanctions on Beijing.<sup>36</sup> And in 1997 ASEAN's initiative to admit Myanmar as a new member to the group resulted in a major set-back of ASEAN-EU relations. Myanmar's membership was strongly opposed by the EU. The EU's policy has been to apply economic sanctions on the Yangon government for its bad human rights record and the suppression of the Myanmar opposition. Interestingly, there are voices in Southeast Asia suggesting that EU's pressure on ASEAN not to admit Myanmar resulted in an act of defiance. In other words: ASEAN wanted to demonstrate its independence on the international stage by carrying out a plan which was rejected by the entire Western world.<sup>37</sup> Today senior officials in some of ASEAN's Foreign Ministries regret the move and wish the organization would have given the Myanmar question second thoughts instead of implementing the ASEAN vision of enlarging the group at all costs.<sup>38</sup> They nevertheless have stuck to their original Myanmar policy. The controversy between the two groups over Yangon's participation in the ASEAN-EU Ministerial Meeting (AEMM) has led to a historical low in inter-regional relations. The AEMM scheduled for 30 March 1999 in Berlin was finally cancelled as was an ASEAN-EU Senior Officials' Meeting (SOM) two months earlier in Bangkok.<sup>39</sup>

#### **4 Conclusion: The end of the 'Asian Way' in inter-regional relations?**

Both the EU and ASEAN share a common view of a tripolar global order based on the relationship between the United States, Asia-Pacific and the European Union. They also agree that the link between Asia-Pacific and Europe is the weakest of the three strands. Finally, both sides strongly support the idea of strengthening ties between the two regions. The conflicting interests between ASEAN and the EU re-

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34 Maull/Segal/Wanandi 1998, p. xii.

35 Hänggi 1998, p. 88.

36 Palmujoki 1997, p. 273.

37 Dosch/Wagner 1999: 51-52.

38 Personal communication in ASEAN capitals in August 1998.

39 However, an ASEM foreign minister's meeting did take place in Berlin on 29 March 1999.

main largely ideological in the post cold War era. Unfortunately, they seem to have grown stronger in recent years. The main issues are different views on human rights, sustainable development and 'good governance'. However, ASEAN is presently in the process of gradually adopting to a more flexible approach towards the management of inter-member relations which could also generate new patterns of foreign relations. High ranking politicians like Thailand's Foreign Minister Surin Pitsuwan are no longer satisfied with the traditional 'Asian way' of dealing with problems and challenges. At the ASEAN Ministerial Meeting (AMM) in July 1998 in Manila, Thailand supported by the Philippines, proposed that ASEAN's non-interference policy should be replaced by 'flexible engagement'. Even though the concept was not well received by the majority of ASEAN's Foreign Ministers and finally re-named 'enhanced interaction', it is shaking up the status quo of foreign relations in Southeast Asia. Surin believes the time is right for reforms within ASEAN:

In 31 years, diversity has become a problem for ASEAN [...]. Diversity which used to be a source of strength has become a source of weakness [...]. We have no freedom and flexibility of expressing our views concerning some members. We have to be silent because we are members of the family. This is not fair, not just.<sup>40</sup>

Singapore's Tommy Koh even breaks a taboo and advises ASEAN to learn from the EU:

The [...] lesson East Asia can learn from the European Union is the ability and the willingness of the members of the Union to engage in a free and candid exchange of views no matter how controversial the issue.<sup>41</sup>

The concept of 'flexible engagement' has caught the attention of the EU and the United States. Both highly welcomed the initiative and the fact that the debate about more openness within ASEAN comes along with revised positions in the group's external relations. Japan, for instance, is not treated anymore as the friendly Asian cousin that, unlike 'confrontational Westerners', understands ASEAN's face-saving ways. Instead the group criticizes Tokyo's domestic economic policies.<sup>42</sup> To sum up, there is some indication that the 'Asian way' of managing international relations on the global stage has lost some attractiveness since their main proponents have started questioning its workability. A higher degree of flexibility and openness in ASEAN's foreign diplomacy could pave the way for more substance and less rhetoric in Asia-Euro relations. It goes without saying that a stronger inter-regional partnership equally depends on Europe's attitude. The EU should avoid the mistake of not taking Southeast Asia seriously anymore. The temptation to do so is obviously there. Deep recession, widespread bankruptcies and sharp rise in poverty have destroyed East Asia's image as an 'economic powerhouse'. The 'Asian miracle' with its double-digit growth figures has faded away. Furthermore, due to social unrest, ethnic violence and re-emerging territorial disputes the region has lost its political stability which once significantly contributed to the ASEAN states' relative influential position on the international stage. East Asia's diminished international reputa-

40 Speech at the Foreign Correspondence Club, Bangkok, 11 August 1998; transcript by J.D.

41 *Asiaweek*, 14 August 1998, p. 80.

42 *Asian Wall Street Journal*, 24-25 July 1998.

tion has weakened the mechanism of intergovernmental and transnational 'dialogue-diplomacy', a prime structural element of the global triangle. APEC has already lost some relevance. Serious effort is needed to spare the mechanism of Euro-Asia dialogues a similar fate and to continue the 'success story'<sup>43</sup> of ASEAN-EU cooperation. The recent Asia-Europe Vision Group Report<sup>44</sup> - representing the first joint Asia-Europe cooperation strategy since the outbreak of the Asian Crisis - could serve as a blueprint for an improved partnership between both regions in the new millennium. But there are obstacles, too. The Kosovo war - to name only the most prominent example in this respect - has resulted in deep Asian distrust of European intentions in world politics.

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