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PANORAMA

INSIGHTS INTO ASIAN
AND EUROPEAN AFFAIRS

ASIA AND EUROPE

Moving Towards a Common Agenda



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Preface

The reality of the globalised arena dictates a closer relationship between the continents of Asia and Europe. The level of engagement between the two regions has reached an unprecedented level. However, the emergence of new challenges and threats such as economic crisis, energy crisis, trafficking in humans and drugs and problems posed by environmental disasters, has highlighted the importance of additional efforts for coordination between the EU and Asian countries.

The Asia-Europe Meeting (ASEM), on the way to its second decade, is still playing a considerable role in providing a platform for leaders from both regions to deliberate on almost all global challenges and issues that are common to both continents. The latest enlargement of ASEM to include Australia, New Zealand and Russia has underlined ASEM's continued relevance for the bi-regional dialogue. Since its launch in 1996, ASEM has not only grown in its size in terms of its members but has also evolved from a summit meeting to a regional meeting which now includes myriad issues. It has demonstrated how multilateral institutions can play the dual role of promoting cooperation between two regions as well as engaging nations to address problems at a multilateral level. Nevertheless, ASEM has also proved to be mainly a dialogue forum but not an institution to produce concrete agreements on common policy projects of Asia and Europe. This has to be accomplished by other institutions.

Whether the G20 will be able to provide more concrete results for global governance has still to be seen. This group of the 19 major economies plus the European Union is becoming a new hub of international cooperation. The G20 has encouraged rising nations to assume greater global leadership by having a bigger voice in the world order and thus influencing the direction of global rules and institutions. By encompassing a broader set of issues like energy, climate change, corruption and development aid beside economics in the last G20 summit in South Korea, it has underlined its relevance as an important forum for coordination in the globalised world. Even if it is a global forum, the G20 provides another frame for an Asia–Europe dialogue, because the majority of its members are from these two continents.

Given the relevance of ASEM and G20 for bilateral relations between Asia and Europe, we dedicate this issue of our journal to the role of both processes in the context of bi-regional relations. The articles are based on papers which had been presented in a conference, held in Seoul, where we discussed and reviewed the EU-Asia relations and where we explored new areas of cooperation like migration and human security. Our discussion with representatives of think tanks from Asia and Europe clearly demonstrated that Asia and Europe share common challenges which in principle could provoke closer cooperation. On the other hand, each region is preoccupied with its own

agenda and suffers from lack of “internal” coordination, which distracts attention from relations with the other side. There is a need for a continuous effort to strengthen the linkages between these two regions. In this context, we hope that our publication may provide some fruitful suggestions and ideas for future collaboration.



Dr. Wilhelm Hofmeister
Regional Director

From ASEM to G20: Europe and Asia in the International System

*Dominique Girard*¹

1. ASEM AND G20 SUMMITS: COMPARING APPLES AND ORANGES?

The theme of the 12th East Asia-Europe Think-Tank Dialogue was “From ASEM to G20 - Europe and Asia in the International System”. However, are we comparing apples with oranges? It is interesting to contrast the two informal processes, nevertheless.

ASEM was initiated by Singapore and France in 1996, at the impetus of Asia’s spectacular economic growth prior to the Asian Financial crisis, and has met eight times at the summit level but has organised scores of ministerial and sub-ministerial meetings. The G20 Summits were precipitated by the global financial crisis that originated on Wall Street, and there have been four Summits since 2008 with the fifth to be held in Seoul in November 2010.

ASEM is comprehensive in scope, designed to encompass political, economic and socio-cultural dialogue while the G20 is in contrast precisely focused on dealing with international cooperation on finance policy and, to a certain extent, global economic governance.

ASEM brings to the table 48 dialogue partners, including all 27 EU members, 10 ASEAN members, China, Korea, Japan, Mongolia, India, Pakistan, Australia, New Zealand, Russia, the European Commission and the ASEAN Secretariat. The group has some of the biggest and smallest voices in the international community. In comparison, the G20 has brought the representatives of the 20 most important economies to meet at the Summit level and at an accelerated pace. We speak frequently of a post-crisis environment as optimists that the worst is over and not ahead of us. Only time will tell, but for the moment, the G20 is the emergency room where surgeons are operating to stave off a second major coronary.

¹ This paper is adapted from a speech by Ambassador Dominique Girard at the 12th East Asia-Europe Think-Tank Dialogue held on 13-16 October 2010 at Shilla Hotel, Seoul, Republic of Korea.

It was natural for the last ASEM Summit to have—in some dissonance with the official script—been portrayed in the media for the discussions between Naoto Kan and Wen Jiabao, European pressure on China regarding the Yuan, and the debate over IMF quota shares among a few key issues.

It was also interesting that a few media outlets noted the faces missing in the picture. In other words, that two of the three new entrants into ASEM were not represented at the Head-of-State/Government level during their first ASEM Summit, and that a significant number of Asian ASEM leaders did not attend this time. “Forum fatigue” has been murmured about ASEM before—so what does presence/absence at the last Summit tell us?

It is easy to see the G20 in sharp relief. This must also be taken with the clamour for UN reform and the insufficiency of G7 and G8 as a context. In other words, the post-World War II structures that governed world politics, economy and society are giving way. The governments of emerging economies are successfully asserting themselves with confidence—a development that was probably inevitable but certainly catalyzed by the crisis. We have seen other manifestations of this shift in the stalemates over the Doha Development Round in trade talks or the Kyoto Protocol in climate change negotiations.

Even the relatively high visibility of the 7th ASEM Summit in Beijing, in 2008, rode in part on the fact that the Beijing meeting took place shortly before the first G20 meeting at the Summit level...

If I may hazard a guess, just the idea of a G20 is beguiling. The crisis came to the fore so suddenly and inexplicably. Part of its devastating impact was a feeling of disempowerment within society, generally speaking. For many people, this translates into an expectation—or more than that, a demand—for effective leadership in the international system.

Do Asia and Europe, in this bi-regional embrace called “ASEM”, have a role to play?

2. WHERE DO ASIA AND EUROPE STAND IN GLOBAL ECONOMIC GOVERNANCE?

The fact of the matter is that 12, including the EU, of the G20 are ASEM constituents as well.

ASEM leaders agreed at the 7th Summit in Beijing to cooperate in a pragmatic manner to overcome the global financial crisis and restore sound, sustainable economic growth. José Manuel Barroso’s “we swim together, or we sink separately” continues to be often quoted as a sound bite that captured the mood two years ago.

This conclusion has been reinforced in Brussels, with the ASEM Statement “Towards More Effective Global Economic Governance” which clearly defines the incentives for swimming together: achieving broad consensus on the reform of

Breton-Woods institutions (i.e. the IMF and the World Bank). More significantly, ASEM leaders have declared the common intention to advance reforms on standards and regulatory reforms through the G20 Summit (softly implying a weighted voice at the G20).

Despite many difficult tests, from the 1997 economic crisis in Asia, to the question of its enlargement, to the sometimes apparent lack of productivity of its official functioning: ASEM has lasted until now, and does not stop attracting new candidates.

As noted earlier, the world also needs more efficient bodies to tackle new issues and to integrate a quickly evolving balance of power. G7, G8, G20, the transition is now an *acquis*, and so is the feeling that the evolution is on track for a long time to come.

But what has also emerged as evident is the absolute necessity for world leaders to know and understand one another's outstanding problems in order to find solutions to global issues. In this respect, inter-regional dialogue is an indispensable facility, and ASEM's sustainability directly derives from that fact.

In spite of—or thanks to—Asia's diversity, it constitutes an amazing forum for leaders to exchange, test, develop as well as improve ideas and proposals that could not germinate in a formal setting. It facilitates personal contacts across the variety of partners, including inside the two groups of countries, and clarifies the lines of debate. It also gives birth to actual projects which, in many fields, from education to inter-civilisation dialogue, human rights or culture, help governments to work together across regional divides.

3. WHAT CAN BE REALISTICALLY EXPECTED THROUGH SUSTAINED ASIA-EUROPE COOPERATION?

Let me reply with a quote, by the Swedish scholar Ingrid Wetterqvist: “Perceptions matter—because they are a basis for understanding and a foundation upon which actors make choices and decisions. Understanding the perceptions and perspectives of the ‘other’ side can provide a basis for improved communication and give guidance on policy adjustments.”

The current challenge for ASEM as a significant matrix for a government-led link between Asia and Europe is not the relevance of the idea, in my view, but the perception of significance of this relevance.

ASEF has embarked on massive research projects to measure how Asia perceives the EU and how Europe perceives Asia. This project involves partners like the Konrad Adenauer Stiftung, the German Council for Foreign Relations, the National Centre for Research on Europe (Canterbury, New Zealand) and over 20 think-tanks and research institutes in 10 Asian countries (e.g. Korea University, National University of Singapore, Keio University, Fudan University, and Jawaharlal Nehru University, among others) and 8 European ones (IFRI of France, London School of Economics, Belgian Institute for Contemporary Chinese Studies, and Copenhagen Business School, to name a few).

We have conducted public opinion polls, detailed analysis of media articles (print and TV), and interviews with influential political, media and business leaders.

If I summarise the main findings from the surveys on how *Europe* is seen in Asia, the EU's importance is often under-estimated through Asian eyes. The overall volume of articles about the EU was low with one or two exceptions.

Still, there are clear opportunities: when questioned about the EU's present and future importance as a partner for Asian states, the majority of opinion leader and public opinion survey respondents perceived that the importance of the EU would grow in future.

One of the success stories emanating from the findings of this research is the positive view held by Asians towards aspects of European culture and of the Union itself. The research showed that Asians generally admired the deep integration that the EU member states had undergone.

With regard to how Asia is perceived in Europe, very preliminary findings from the media survey indicates that stories about China dominate the volume of media articles on Asia and, after China, we have India, Pakistan and Japan. Most of the media articles and TV items, in one month of scanning (September 2010), are concerned with economic and finance issues.

What do people consider to be "Asia", in the first place? What is generally thought about the importance of Europe's relations with Asia? We will have to wait a little longer to have more answers to these and other questions (the study in Europe will not be completed until 2011). However, if the existing literature reviewed so far is re-affirmed, it may be that Europeans' deep interest and concern over China as a rising global power (and to a certain extent, India) tends to obscure their view toward the rest of Asia. This would be an unfortunate blind spot to the immense potential for concert and cooperation with a fast-growing and dynamic region.

Insight is only useful if it serves a pragmatic and practical purpose. Like-minded organisations with an interest in Asia-Europe cooperation have a role to play in moulding perception of each region's importance to the other.

The Asia-Europe Foundation was created by the ASEM leaders with a mandate to promote mutual understanding between Asia and Europe. Over the years, in close partnership with many organisations (some of which are represented here today), ASEF has provided numerous platforms for rich dialogue and dense networks of common work to support the ASEM process.

ASEF serves a very simple idea: Asia and Europe, together, can make a positive contribution to the international community. ASEF therefore works in various fields, including regional integration (with a focus on the nexus between economy and society), environment and sustainable development, public health, arts and culture, academic cooperation, human rights and governance and inter-communal relations.

These are areas where either cooperation has the highest potential, or where the debates require the most constructive dialogue.

Speaking of perception as an impetus for action, human rights debates remain a persistent thorn in the side of many of the EU's bilateral relations with Asia. Since 1997, as one of ASEM's first initiatives, ASEF and its partners have quietly developed the largest on-going dialogue between the two regions on the debate over fundamental rights: the Informal ASEM Seminars on Human Rights. With a mandate from the ASEM leaders, ASEF has brought together officials and civil society from each ASEM country in a regular exchange regarding some of the hardest subjects in the field: rights in the criminal justice system including prisoners' rights; gender equality with groundbreaking discourse on gay rights; freedom of expression, and ethnic minority rights, among others.

The Seminar series has had its proponents and detractors over the years, but what the platform has clearly achieved is a contribution to knowledge about practices in the two regions on how certain rights can be enjoyed to the fullest by the citizens of our countries. In this kind of intense, closed-door discussions, texts are not negotiated as in an official UN meeting. Governments are not named and shamed into intractability. The purpose of each meeting is not to change people's opinions necessarily, but to clarify the lines of debate and perhaps understand opposing views better. What we have also seen over time is a growing consensus on UN framework instruments on human rights.

I conclude, therefore, with this example of how ASEM provides a continued relevance in the international system. There is a potential yet indirect relationship with global economic governance. But this is not ASEM's function; the G20 has evolved to do this job at the Summit level. However, there is a lot of work to be done to keep afresh the idea that Asia and Europe mean something individually, but mean more together. It is with this at heart that ASEF, ASEM's only institution, continues to work in various areas of common interest to both regions. Through increased people-to-people contact and the steady percolation of ideas, we are able to immeasurably enhance the inter-governmental track among ASEM leaders and governments.

Ambassador Dominique Girard is Executive Director of the Asia-Europe Foundation.

Where is ASEM Heading—Towards a Networked Approach to Global Governance?

Yeo Lay Hwee

INTRODUCTION

The Asia-Europe Meeting (ASEM) is way into its second decade. The latest summit, the eighth in the series, took place in Brussels on 4-5 October 2010. Of the 27 EU member states, only 21 heads of state and government were present. On the Asian side, several heads of state and government did not show up for various reasons—India because of the Commonwealth Games; Pakistan because of the floods; Philippines for reasons not quite clear; and Susilo Bambang Yudhoyono, who would rather skip ASEM so that he could keep his appointment with Queen Beatrix in Holland on the 5th of October. Myanmar's senior junta leader is not welcome in Europe, and hence was represented only by the Foreign Minister. Singapore's Lee Hsien Loong had to turn back a few hours after he arrived in Brussels on news of his mother's death. Of the three "acceding" members who officially joined ASEM in this 8th Summit, only Australia's Prime Minister Julia Gillard made it to the party. Russia and New Zealand were represented by the Foreign Minister and Deputy Prime Minister respectively. With regard to the two regional organisations, the EU was represented by President of the European Council, Herman van Rompuy, and President of the Commission, Jose Manuel Barroso, and ASEAN by its Secretary-General, Surin Pitsuwan.

The 26-page chair's statement that came out from ASEM 8 touched on almost all global challenges and issues—from global economic governance, sustainable development to piracy at sea, terrorism and organised crimes, disaster prevention and relief; from reform of the UN system, nuclear non-proliferation and disarmament to human security, human rights and democracy and dialogue of cultures and civilisations. All these in less than two days of meeting, and with some bilateral meetings on the fringe, the most notable being the "chance" meeting between the Chinese and Japanese prime ministers.

From the news reports coming out from the meeting in Brussels, China and the Chinese yuan dominated.

This perhaps gives a little hint on the "health" of ASEM, which many still see as nothing more than a "talk shop", and the challenges and practical realities of getting all

heads of state and government to show up in a forum that has enlarged from 26 to 48 in less than two decades (1996-2010), and in which the quality of “dialogue” can also be questioned.

OVERVIEW OF ASEM’S DEVELOPMENT

What has ASEM achieved or delivered in all these years? This is a question that has been asked several times, and will continue to surface year after year.

First, a quick overview of ASEM’s development so far.

ASEM is more than a summit—ASEM started as a summit of leaders. It was conceived as a platform for Asian and European leaders to meet and dialogue, and to get to know each other better. However, it is now more than a summit. ASEM now involves ministers, senior officials and technical experts from different portfolios—from the traditional foreign and trade/economics ministries to finance, labour, environment, education, culture, interior/home affairs and transport.

It has also spawned a series of dialogues and meetings outside the official/governmental sectors—Asia-Europe Parliamentary Meeting (ASEP) for parliamentarians and politicians; Asia-Europe Business Forum (AEBF) for the business sector; NGOs and civil society activists coming together at the Asia-Europe People’s Forum (AEPF); and academics, educators, artists, youths, young leaders, and editors, etc, brought together through events organised by the Asia-Europe Foundation (ASEF). The number of meetings has grown and in 2010, there were close to 50 official meetings and another dozen side meetings.

ASEM’s dialogue is broad—the issues that are covered at ASEM meetings range from climate change, environmental security, and sustainable development, to human rights, culture and religion; from trade and investment to social safety nets and labour standards; from developments in aquaculture to forest management; from education to migration.

Yet, the general consensus is that these dialogues have been broad but not deep. Often they involved mutual exchange of information, providing some background view and knowledge on the practices, problems and challenges in each region or country on specific issues. There are very few instances where these dialogues have led to common and concrete solutions at regional, inter-regional or global levels, though they do sometimes generate small-scale projects or initiatives between a few ASEM partners that may benefit certain sectors or small member states.

ASEM has enlarged—the first summit in Bangkok brought together 15 EU member states, the European Commission, and 10 Southeast and Northeast Asian countries (ASEAN 7—Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam—plus China, Japan and South Korea). From 26 partners in 1996, ASEM has enlarged, due in part to the respective enlargement of the European Union and ASEAN, and now, it has expanded to include India, Pakistan, Mongolia, ASEAN as a regional

organisation, and the latest addition in 2010—Australia, New Zealand and Russia—bringing the total number to 48. ASEM’s supporters see enlargement as a reflection of ASEM’s “attractiveness” while critics have responded that enlargement is not the answer to the lack of “achievement”.

ASEM has “given birth” to a concrete institution, the Asia-Europe Foundation (ASEF)—ASEF was established in 1997 to enhance mutual understanding and engender people-to-people cooperation to lay a strong foundation for developing long-term partnership. ASEF has worked hard to fulfil its mission to bring about greater intellectual, cultural and people-to-people exchanges. In recent years, ASEF has aligned its priorities and activities more closely with the official ASEM process, and has become an important instrument to help raise the visibility of ASEM.

ASEM has a cooperation framework—the Asia-Europe Cooperation Framework (AECF) adopted by ASEM leaders in 2000 was to signal their commitment to create a new Asia-Europe partnership. The AECF sets out the vision, principles, objectives, priorities and mechanisms of the ASEM process to take Asia-Europe relationship into the new millennium. It was interesting that the AECF clearly stipulated that the ASEM process should not be institutionalised. Instead, ASEM should enhance mutual understanding and awareness through a process of dialogue and lead to cooperation on the identification of priorities for concerted and supportive action in other fora. AECF also reiterated that the ASEM process should be conducted on a basis of equal partnership, mutual respect and mutual benefit, and that it should be an open, evolutionary process whereby enlargement should be conducted on the basis of consensus by ASEM leaders. The importance of dialogue beyond governments and officials was also a key principle in the AECF.

Yet, despite all these developments in the ASEM process, in every run-up to an ASEM summit, questions are often raised on ASEM’s continued relevance and “value” to Asia, Europe and the broader global community. The criticisms often relate to the lack of tangible benefits, low visibility, lack of media coverage, low interest, and many other aspects.

CRITICISMS AND CHALLENGES

In the earlier days of ASEM, ASEM was criticised for being elitist. It was seen as a top-down process and the ASEM summit was seen as the most important of ASEM consultation. The extensive preparations leading up to the summits provide the driving force and focus for the dialogue process. Critics noted that there was not enough participation and input from civil society in shaping the agenda of ASEM. These criticisms however have now been somewhat tempered as the Asia-Europe People’s Forum developed its own momentum, efforts were made by ASEM senior officials to engage civil society, and through the activities by ASEF.

ASEM was also criticised for its proliferation of meetings and follow-up activities without any sense of focus or direction, leading to wasteful duplication of activities, and dissipation of energies and precious resources. However, of late, this criticism has been tempered and in fact, the proliferation of meetings is now seen as natural and necessary in order to achieve a comprehensive partnership. Efforts were also made after the evaluation of the ASEM in its tenth year, in 2006, to cluster the various activities into broad categories such as non-traditional security issues; dialogue between cultures and civilisation; environment and sustainable development; globalisation, economic competitiveness and education, and energy cooperation.

Whether and how the ASEM process should be institutionalised and the necessity of setting up an ASEM secretariat were other issues that have plagued the debates about ASEM since the publication of the Asia-Europe Vision Group report in 1999. This report called for the establishment of a lean but effective secretariat, underlying the belief that “the ASEM process will become more complex, not less” and that the “current institutional framework is insufficient and likely to constrain the positive evolution of the ASEM process” (Asia-Europe Vision Group Report 1999: 42). ASEM partners reacted differently to the suggestion initially. While some countries were keen, the proposal was not widely accepted as many argued that the value of ASEM lay in its flexibility and informality. Premature institutionalisation and over-bureaucratisation would only be detrimental to the ASEM process.

However, with the latest enlargement to include Australia, New Zealand and Russia, and with increasing diversity, particularly on the Asian side, the coordination of the ASEM process has again come under scrutiny. While there continues to be reluctance to set up a new institutional structure, such as an ASEM secretariat, leaders at the 8th ASEM Summit acknowledged that the working methods of an enlarged ASEM need to be improved. Senior officials have been tasked “to come up with relevant and practical proposals with a view to providing the kind of light, cost-effective technical support that would enhance the efficiency, coherence, continuity and visibility of the work of ASEM” (Chair’s Statement of 8th ASEM Summit).

The visibility or perhaps invisibility of ASEM has been a constant complaint. The lack of profile and visibility of ASEM is in turn a result of the lack of an overall communication strategy. Critics point to the little coverage that ASEM gets in the media and the lack of knowledge amongst the wider public about the ASEM process. However, in response to these critics, some ASEM officials believe that visibility and awareness of ASEM are not merely tackled by way of enhanced media strategies, but also through closer involvement of different civil society actors, business sector, parliamentarians, etc. They point to the increasing linkages and activities taking place at all levels of society and believe that these will in the long run enhance visibility and awareness.

ASEM also faced the perennial criticism of the lack of “concrete” deliverables or “tangible” benefits. However, in response to this criticism, ASEM officials point out

that ASEM was not set up to deliver on any concrete results. It is merely a dialogue platform that would lead to cooperation in other bilateral or multilateral fora. Jacques Santer, then president of the European Commission in 1998, said in a public lecture that the “ASEM process cannot replace or substitute for the other bilateral, regional and multilateral forums in which Asia and Europe interact. It would rather complement and stimulate these other forums, with a special added-value of ... ASEM’s multi-dimensionality, its informality and its high political profile”. Percy Westerlund, then External Relations Director-General in the European Commission, also commented that “ASEM should not and will not replace or overshadow our various bilateral relationships with Asian partners”. It should help further “vitalise bilateral relationships”. ASEM’s informal nature makes it “an excellent forum for sending political signals and for the concerting of efforts, but the end results of ASEM will often depend upon implementation at the bilateral level”. Indeed, Japanese researcher Michito Tsuruoka, in a recent commentary, went as far as to claim that ASEM has been a success in that it succeeded in building a bridge between Asia and Europe playing “a significant role as a catalyst in strengthening and mainstreaming Europe-Asia cooperation”. Tsuruoka went on to add that “Europe-Asia cooperation is now a fact of life and people no longer feel the need for ASEM as a catalyst or bridge” and therein lies the danger for ASEM (Tsuruoka 2010).

RHETORIC AND REALITY—A PROGNOSIS OF ASEM

Indeed, from a quick overview of the various other strands of EU-Asia relations that have developed since the first ASEM summit in 1996, we note that trade and investment ties have increased; people-to-people engagement in the form of student numbers and tourist numbers have also gone up. In the area of people-to-people engagement, the role of Asia-Europe Foundation (ASEF), the only concrete institution arising from ASEM, has been pivotal.

There is no doubt that the overall EU-Asia relation has grown in importance and significance. The problem is, however, determining how much of the above is a direct result of ASEM and not because of many other intervening factors and a very natural outcome of the general rise in the affluence and power of Asia.

A report produced by South Korea in assessing the impact of the various ASEM initiatives questioned the effectiveness and efficiency of “initiatives-led approaches” in achieving the overall objectives of ASEM. It noted, for example, that while the economic pillar of ASEM has the most initiatives, how much these initiatives have actually led to increased trade and investments between EU and East Asia is not clear. The Trade Facilitation Action Plan and Investment Promotion Action Plan identified obstacles to trade and investments and made recommendations on how to remove these barriers. However, due to the non-binding nature of these recommendations and the fact that many people in the business sector were not even aware of these plans, it is

difficult to directly attribute any increase in trade and investments between the two regions to these plans (Yeo 2008:114-115; *Overview Report on ASEM Initiatives* 2006).

ASEM's relevance to the broader international context was also in question. It never quite lived up to the objectives of coordinating or harmonising the interests of its members towards a common position in global forums such as the UN or the WTO. And while espousing the need to strengthen multilateralism, "the ASEM partnership has not yet achieved its potential of acting as a rationalising agenda-setter actor vis-à-vis international institutions" (*ASEM in its Tenth Year* 2006:12).

Will ASEM continue with its current trajectory and remain essentially a dialogue forum, a talk-shop?

The conclusion of the evaluation report *ASEM in its Tenth Year* seemed to veer towards the positive with regard to the above. Essentially, the report recommended that the "informality, networking and flexibility aspect of ASEM should not be lost" (Evaluation Report 'ASEM in its Tenth Year', 2006: 20) and noted that ASEM can continue to be an informal dialogue forum "to create collegiality amongst Asian and European leaders". However the report did concede that ASEM should also move towards concrete functional cooperation.

To my mind, ASEM is likely to continue as a talk-shop in the foreseeable future. ASEM bears much resemblance to another international institution that has survived for a long time—the Commonwealth. In my earlier book on ASEM, I have argued that "like the Commonwealth, ASEM's supreme virtue and ideology lies in bridge-building – between Asia and Europe, just as the Commonwealth has tried to bridge the North-South divide..." (Yeo 2003:184).

The biennial Commonwealth Heads of Government Meeting (CHOGM) is the most public and high-profile aspect of the Commonwealth. Yet the whole emphasis is on informality. The ASEM summits already bear much resemblance to the CHOGMs. The leaders discuss a whole range of global and regional issues and the discussions end with a list of initiatives and projects that are then included in the Chairman's statement. While some may be sceptical about the long-term survivability of ASEM in this scenario, the experience of the Commonwealth shows us the paradox of it all.

As James Mayall, in writing about the Commonwealth, noted, although the Commonwealth remains an institution without a specific or obvious role in contemporary society, and has no obvious comparative advantage in tackling various transnational issues, its member states remain deeply attached to it; or at least sufficiently committed for the majority of their leaders to set aside a sizeable chunk of time every other year to attend the CHOGM (Mayall 1996:118). He goes on to argue that the Commonwealth summits will continue—it "cannot pretend to be a regime, but it is certainly an institution, an association of states which are not necessarily like-minded but which find the historical accident that has brought them together useful for a wide variety of continuing reasons" (Mayall 1996:127). And what is most amazing is

that membership has continued to grow. As noted in the Commonwealth Secretariat's website, the "most recent members are the predominantly Francophone Cameroon and Mozambique, which was the first country to join with no historical or administrative association with another Commonwealth country".

ASEM is one of the multilateral forums that bring EU and Asia together. However, although ASEM has generated many meetings and initiatives, and even established a concrete institution—the Asia-Europe Foundation (ASEF) to encourage more exchanges and interactions between the peoples of Asia and Europe—the reality is that ASEM remains essentially an informal, inter-governmental forum without any mechanisms and institutions capable of actual problem-solving.

Europe and Asia relations will continue to grow with or without ASEM simply because of the rising significance of Asian powers such as China and India. The world is becoming more pluralistic and complex and the West is no longer the undisputed centre of the world. For peace and stability, Europe and Asia need to engage with each other more, not necessarily with ASEM as the key engine, but rather through an ad hoc, multi-layered and multi-pronged approach in which ASEM is just one of many.

What ASEM can try to forge and bring some "added-value" to the multitude of forums and meetings is to develop and craft a "sensible" networked approach revolving around issues and encouraging stewardship of these issues by small cluster of members. These members must be willing to champion the issues with their own resources and encourage the participation of as many ASEM members as possible. Participation in the various issues should be voluntary and at the same time open to all. At the same time, the networks should also be open to participation by actors other than state actors or officials. In this way, ASEM can become a platform where ideas and initiatives can be tested on a smaller scale, fine-tuned and improved; a platform where various networks can evolve, and linkages established in the form of network-to-network collaboration. If ASEM can manage to spawn a few functionally effective networks, its relevance to global governance and its usefulness will grow.

The diversity, fluidity and nebulous character of ASEM provide fertile ground for experimentation, and the possibility of fashioning creative responses to the global challenges we face. At the same time, a network approach cannot succeed without robust knowledge-sharing, and without a few "champions" willing to put in some extra efforts to steer the ASEM process to contribute towards global governance.

CONCLUSION

Way into its second decade, ASEM is still a rather nebulous entity without a clear identity. While it has grown in "size"—enlarging from 26 to 48 partners within a short span of 15 years, it has not grown in international stature, judging from the lack of visibility and knowledge about ASEM.

There is truth in many of the criticisms that have been levelled at ASEM—in the manner it operates, the way it is managed, the issues that have been raised but never fully discussed, and the lack of concrete problem solving mechanisms, etc. The challenges that it faced—lack of interest, forum fatigue, etc—are also real. Yet this is not to say that such challenges will necessarily lead to the ultimate demise of ASEM. Instead, there are also opportunities for those interested in the ASEM framework to transform it into a platform where ideas are tested, networks are developed and linked and where ASEM can become a truly 21st-century institution where it is constantly re-inventing itself to stay relevant.

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The G20 as a Forum for Global Governance: Issues, Challenges and Expectations

Hugo Dobson

INTRODUCTION

This article will address two issues. The first of these represents probably the most pressing issue facing the G20 at this point in time. Not specific agenda items such as the coordination of exit strategies or forging a consensus on bank levies or expanding the G20's agenda to include development, although they certainly are important. Rather, the architecture of global governance. Specifically the position of the G20 within this architecture, its relationship with the G8, other examples of GX summitry and the more formal mechanisms of global governance.

The second issue that emerges is the degree to which it is possible and edifying to compare European and Asian perspectives on the G20, its agenda and, as mentioned above, the pressing issue of the architecture of global governance. In short, the extent to which distinct European and Asian perspectives exist, as well as the degree to which both regions coordinate their behaviour in the G20 and can be considered as fully-fledged actors alongside the participating member countries are questionable.

Thus, with these two questions in mind, the article will proceed by outlining where the architecture of global governance stands at this point in time, before continuing to address specifically European and Asian positions on this key question. Finally, it will present some recommendations and considerations.

A "GAGGLE OF GS"

Over recent years there has been a proliferation of informal diplomacy, largely manifested in the form of various groups that has resulted, in the words of Roy Culpepper (2000), in a "Gaggle of Gs" or GX summitry. These alphanumeric configurations start at the G2 of "Chinamerica" and end at the G192 that is, in essence, the United Nations. In between, we can point to examples such as the G5 of Brazil, China, India, Mexico and South Africa, the G7 finance ministers of the leading industrialised countries and the G8 summits of leaders and various ministers. A G9, G13, G14 or G16 has either met or been proposed at some stage. More recently, since the financial meltdown that began

in 2007, the G20 has been upgraded from the ministerial level to the leaders' level, capturing the headlines, trumping the other Gs, and leading to predictions of their demise.

Certainly the G20 has demonstrated the benefits of dialogue, coordination and consensus-building amongst the leading economies in order to address a crisis. It also appears to be more representative than the previously dominant G8. The G8 includes Canada, the EU, France, Germany, Italy, Japan, Russia, the UK and the US, and accounts for 66 per cent of global economic output but only 14 per cent of population. In contrast, the G20 includes nineteen countries (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the UK and the US), in addition to the EU as a twentieth member represented by the Presidents of the European Council and European Commission, accounting for 90 per cent of global economic output and 67 per cent of population. As former Canadian Prime Minister Paul Martin, progenitor of the original G20 proposal, explained, “[p]ut simply, the right countries were not sitting down at the same table at the same time” (2005: 2).

Thus, the G20 appears to have answered a number of questions surrounding the legitimacy of these informal summits and now dominates our thinking. As outgoing Brazilian President Luiz Inacio Lula da Silva declared: “[w]e are talking about the G20 because the G8 doesn't have any more reason to exist”. As regards the other Gs, the G16 that met as part of the 2008 and 2009 G8 summits had disappeared by 2010, and French President Nicholas Sarkozy, host of the G8 and G20 next year, hardly talks about his proposed G14 anymore. In addition, the Heiligendamm Process that led to the creation of a G5 alongside the G8 since 2007 appears to have been overtaken by events and the creation of the G20. In short, it appears as if the G20 is the only show in town, even convincing a dubious US President, so much so that the G20 was able to declare at its third summit in September 2009 in Pittsburgh that it was “the premier forum for international economic cooperation”. As the G8 once did in its early days, the G20 currently finds itself in the position of moving from a “crisis committee” created to address a specific issue to potentially becoming a global “steering committee” across a range of issues.

Notwithstanding these successes, this narrative of G20 dominance and predictions of the death of the other Gs (especially the G8) are, like Mark Twain's death, greatly exaggerated. On the one hand, the G20 still has many issues to address, such as its future hosting order and whether it should begin the processes of outreach to other countries and organizations and downreach to civil society as the G8 did so successfully. Should it have a permanent secretariat or would this lead to a degree of institutionalisation that ultimately undermines the effective functioning of informal summitry? On the other hand, in actual fact, many of the other Gs have proved to be surprisingly stubborn and what we are left with is not only a “Gaggle of Gs” but also, when we think about how these various informal Gs interact with the more formal mechanisms of diplomacy,

a “messy multilateralism” (*The Financial Times*, 6 January 2010). As *The Economist* noted, reasons and impetus for the creation of these groups come and go but they often persist leaving “a disorderly scrum of bodies fighting for turf” (7 October 2004).

As regards the central axis of this “Gaggle of Gs”—the G8-G20 relationship—it is still unclear what might emerge in the future. On the face of it, the similarities between the G8 and the G20 are striking and suggest that this is a simple replacement of one alphabetical-numerical grouping by another. Both were triggered by crises and as Paul Martin has written “[c]rises have their uses. They can crystallize a moment and bring into sharp relief the mistakes that have been made and what must be done to correct them” (2005: 2). In this light, the response of the media in both cases was that it was better that they met than they did not. Another commonality is the issue of membership—the G8 (or G6 as it was originally in 1975) has defined itself through its membership and the impetus for the creation of the G20 was again membership, as seen in Martin’s words quoted above. However, in the absence of concrete membership criteria, G20 countries have justified their position in terms of capabilities and resources, in similar fashion to the way in which the original G6, then G7/8, claimed to possess considerable capabilities and resources. So, it seems like a straightforward expansion of the G8 to the G20 in an attempt to recognise the changing global order.

Further commonalities include the emphasis that both place on political decision-making and the potential of the personal encounter in the format of a modern-day Concert of Europe. According to Sir Nicholas Bayne, UK diplomat and long-time summit watcher, the first G6 summit met with three objectives in mind, which largely remain the same today for the G20: (1) to replace US hegemony with collective management of the world economy; (2) to address interdependence and the resulting tensions between domestic and international issues; and (3) to supplement bureaucratic problem-solving efforts with political leadership (2001: 2). This final point has been reiterated by Andrew Cooper in reaction to more recent events: “[t]he authority of states – and state officials – has made a dramatic comeback in the wake of the global economic crisis” but more in terms of achieving cooperation and coordination and definitely in terms of the role of leaders (2009: 12). Thus, in similar fashion to the way in which the G8 has functioned, the G20 is seen to be “a caucus of leading countries working together to build an international consensus on crosscutting economic, social and political issues that have not yet found an appropriate place or commanded a real consensus on the agenda of bodies such as the [UN Security] Council” (Martin 2005: 5).

Thus, another similarity with the G8 is its position in relation to the more formal mechanisms of global governance. Martin envisioned this: “...the issues identified by the panel [UN’s High Level Panel on Threats, Challenges and Change] are ones that would be best addressed by the L20, which could then stimulate action in more universal bodies with established charters and bodies. Because an atmosphere of informality is central to the success of the L20, it could work alongside the UN and other major

international institutions rather than be linked to any of them.... The L20 would not try to displace existing multilateral institutions. On the contrary, it would provide the jolt of political energy that so many dedicated multilateralists have long called for... The group could ... help set the pace for reform; get the substantial function right, and institutional form will follow” (2005: 6). A minority view has gone further than this, regarding the G20 as an “inner cabinet” and the formal international organisations as providing a civil service to implement decisions made at the G20 (Alexandroff 2010: 9).

So, both Gs originally met with a specific crisis/issue to be addressed; emphasis was placed on the principles of responsibility, prosperity and stability; both stress shared management of global issues; they relate to other mechanisms of global governance in similar fashion; they have similar capabilities; their membership display a certain arbitrary nature; both highlight the central position of the host and the perceived domestic impact of the summit. The similarities between the genesis of the G8 and G20 are becoming increasingly more obvious:

At their meeting in Mexico in January 2010, the G20 sherpas ... came to a general, if not complete, consensus that summits should take place once a year, just like the G8 has since its start. Leaders alone would meet together, rather than with their finance ministers always by their side. Leaders alone would deliberate, with the heads of invited multilateral organizations speaking only when spoken to, when a leader asked for technical advice. Ministerials and working groups would be kept to a minimum, arising only as the agenda required. Membership would be fixed at 20, with participation limited to only a few additions chosen by the host and changing each year. No secretariat was needed, because the leaders were capable of governing on their own. The agenda would be limited to economics.... Communiqués would be concise and clear. Accountability would be strengthened by monitoring compliance through a private website and by two country teams. Above all, the time had come to stop talking about institutional architecture and focus on substance – on delivering the G20’s outstanding promises and demonstrating real results (Kirton 2010a).

In contrast, the starkest difference is of course in terms of the expansion of its representation. Taken together, these similarities and differences could lead one to conclude that this is a straightforward replacement of one outdated alphabetical-numerical grouping—the G8—for another—the G20. The former will now dominate and the latter is now a forum in search of an agenda that will simply wither away.

A corollary of this argument would be one of dominance. The G8 will not wither away but will continue to meet with its agenda dictated by the G20. This is the argument that emerges from Paola Subacchi and Eric Helleiner’s Chatham House Briefing Paper (2009). Issues that emerged from the London Summit such as IMF reform and the global trading system are certainly issues that the G8 could take up in an appropriate fashion. However, although the sub-title of the paper refers to a “bridge between the

G20 and the G8”, this appears to be more of a one-way street by which the G8’s agenda is shaped by the G20 as the summit of summits.

In fact, at this stage, the opposite could emerge and although some, like Canadian Prime Minister Stephen Harper, have claimed that the G20 is already a global steering committee, it is questionable as to whether it has developed beyond a crisis committee and achieved this status. It should not be overlooked that the G8 is relatively unified compared with the divergent membership of the G20. One challenge is how the G20 can achieve the G8’s level of unity, especially as the sense of crisis dissipates, and it is likely that the G8 and its norms and values will play a key role in this process. In fact, Andrew Baker has argued that the G20 was originally created by the G7 in 1999 as an attempt to socialize or persuade emerging markets into G7 norms. Could the G8 be in the driving seat of how the G20 develops? Certainly, the first four summits have all been hosted by G8 countries as will the next two years’ summits and as Kirton (2010b) has demonstrated, the G20 is actively promoting the core values that have lain at the heart of the G8 since its creation based on open democracy. Moreover, having the G8 summit precede the G20 summit, as was the case in 2010 in Canada, certainly gives this impression. In the short history of the G20 it cannot be overlooked that it is for the most part the G8 countries that have the highest rates of compliance with their G20 commitments in contrast to the non-G8 members of the G20. Thus, the G8 countries, familiar with the practices of GX summitry, are playing the leading role. It should also not be forgotten that the G8 probably has the ideological glue to keep it together more than the G20, but the G20 has the legitimacy. Thus, the likelihood is that both will develop in tandem with each other and, according to Kirton, the values of the G8 will permeate the G20.

However, maybe this is not such a zero-sum game and there is room for a more complementary relationship? Harper has also claimed that “[w]ith the G20 necessarily focussed on the economy, there remains an important role for the Group of Eight nations. Developed, allied countries with close values can still accomplish much in promoting democracy, development, peace and security” (2010: 15). Moreover, as Kirton (2010b) has noted, the two have cross-referenced each other and mutually supported each other with increasing frequency in their statements and communiqués. In this spirit, South Korean President Lee Myung-Bak has also alluded to a division of labour between the G8 and G20 but without any indication of what that division might concretely be. Certainly there are important differences suggesting that there is clear blue water between the two Gs. The G20 has focused on financial and economic issues, whereas the G8 is being charged with political and security issues, which it has been addressing in its agenda over decades of summitry. There is also a higher degree of coherence binding the G8 together; the coherence at the heart of the G20 is more difficult to discern. So, maybe the G8 becomes the informal UNSC and the G20 is the economic/financial version. This division of labour could be extended beyond the

G8-G20 settlement so the G16 becomes the forum that addresses climate change. In other words, the Gs will operate as concentric circles emanating out from the G8, or a Matroushka with the G8 at the heart.

Or, the division might be by function with the G8 developing as the source of dignified power in global governance and the G20 as the effective centre dealing with the more technical measures? Or, again, it could be the other way round. In the words of Nicholas Bayne, the G8 “is small and compact enough for the leaders to have a direct exchange around the table. This quality would be lost if extra members were added in the interest of making the G8 more widely representative” (2001). This produces a sense of camaraderie amongst summiteers that appears to be missing from the G20. Alternatively, the G20 has so far endorsed a lot of policy but not initiated it. This could be the role for the G8, reinforcing a role as the largest think tank in the world, and the G20 as providing the legitimacy. Or could there be a division of identity? As there is a core developed within the G8 amongst the G4 that met at Guadeloupe in January 1979, might not the G8 emerge as a caucus within the G20, especially as the membership of the G20 was from the beginning arbitrary, intended to be flexible and open to reinterpretation?

Finally, there is the possibility that both will continue but compete, rather than cooperate, for policy turf. This appeared to be the case in January 2010 when the two clashed as to who owned the right to speak on the issue of Haiti. Also, recent G20 summits have entered the areas of food, climate change and health and the Seoul Summit is set to put the emphasis on development—issues that have been traditionally within the ambit of the G8.

Deliverables was the keyword of the 2009 G20 London Summit. Certainly, any summit host will want to emphasise this quantifiable aspect of summitry and there are a number of specific and concrete issues for the 2010 Seoul Summit, including the continuing agenda for financial regulations and reform of the IFIs, monitoring commitments, encouraging the Doha round and so on. However, the key challenge for Seoul and France in 2011 is to take up the discussion of the G20 sherpas in Mexico in January 2010 on how to reform the G20 and the architecture of global governance, including how the G8 and G20 will sit together. In short, creating order out of this gaggle and unpicking the mess of how multilateral mechanisms interact is one of the most pressing issues for the international community. However, what are the positions of both Europe and Asia, and the organisations/countries that represent these regions in the G20, towards this pressing issue?

ASIAN AND EUROPEAN PERSPECTIVES

The two ways of locating Asian and European perspectives on this most pressing issue of global governance are on the national level and the regional level. Both levels present problems.

First of all, as regards Asian representation within the G20, the leaders of Australia, China, India, Indonesia, Japan and Korea have attended all G20 summits so far. The chair of ASEAN, for example Vietnam in 2010, and the Secretary-General of ASEAN have also been added to the attendance list. Thus, in terms of the number of seats being occupied at the summit table European and Asian representation might appear to be similar.

As regards Asian positions on the issue of the evolving architecture of global governance at the national level, there either appears to be little agreement or too many cooks spoiling the broth. As regards the former, some Asian countries have argued that the G20 should precede the G8 to stress its dominant role, whereas some have sought to preserve a role for the G8; as regards the latter, there appears to be considerable jockeying for the position of leader or bridge.

As far as the longest serving summiteer in the region is concerned, Japan's position is one of responding positively to the G20 whilst preserving the role of the G8. Continuity is apparent in that it appears that Japan's behaviour has been shaped by post-war Japanese foreign policy, internationalism. A seat at the G8 table ensured that Japan's status as a contemporary great power was recognized and in return the Japanese government has sought to be seen to be a responsible member of international society. In the simplest of terms, this can be seen in its hosting of consistently successful G8 summits. This has continued with Prime Minister Aso's attempt to bring the G20 to Japan and the commitment to provide the IMF with US\$100 billion. However, there is an important distinction in Japanese minds. In its briefing documents distributed at the Canadian summits of 2010, the Ministry of Foreign Affairs stated that Japan:

will continue to play an active role in addressing global challenges at both the G8 and G20. The G8 provides an opportunity where major advanced countries underpinned by shared values gather to show their leadership and the G20 an opportunity where advanced and emerging countries take coordinated action for tackling global challenges.

The issues described as “global challenges that require continued leadership by advanced countries”—North Korea, Iran, MDGs and Africa—are all framed within the role that the G8 can play, not the G20. Moreover, Prime Minister Kan Naoto has written that “[t]he G8 has played a significant role in meeting each of these global challenges. The importance of the G8, underpinned by a shared sense of fundamental values such as freedom and democracy, remains unchanged.... Tied together by common fundamental values, G8 members have a shared responsibility for international peace and security” (2010: 25).

In contrast, the other Asian members of the G20 are keen to either stress the overriding importance of the G20 or lay claim to the same identity within the summit process. Being the first Asian and non-G8 host of the G20 summit is clearly of importance to Korea but its attention is focused on specific agenda items, some of which are

leftover from the Toronto Summit, such as a consensus on deficit reduction, raising the country's international profile through a successful summit, or cultivating the image of a bridge between developed and developing nations. To this end, SaKong Il, Chair Korea Summit Coordinating Committee, has argued that:

Certainly Korea is well positioned to bridge the two worlds [of advanced and developing economies]. While Korea is a member of the OECD, it still has first hand development experience and a vivid memory of the pains and agony of that process. Secondly, Korea recently went through a currency and economic crisis because of its own mistakes and successfully overcame it—faster, in fact, than other crisis-hit countries. Naturally, Korea has a lot to share with the emerging and developing world (2009).

However, Korea does not possess the sole claim on this role of a bridge between developed and developing worlds. Australia, China, Indonesia and India have all made similar claims. Moreover, now that they have all been given a seat at the top table, little has been heard from these countries on the post-crisis settlement of the “Gaggle of Gs” beyond calls for the permanent institutionalization of the G20 over the G8.

On the regional level, some have called for the six Asian participants to coordinate their positions. To this end, Pradumna B. Rana has called for the formalising of ASEAN membership but without explaining how this will be achieved and ignoring the fact that this makes a crowded table even more crowded (*China Daily*, 6 July 2010). ASEAN+3 could meet before the G20 to coordinate positions but this would exclude Australia and India and it might be that ASEAN+6 is a more appropriate forum for pre-G20 coordination. Finally Rana suggested that Asian countries should work with the informal Global Governance Group (3G), which could be effective in strengthening the G20's legitimacy but will not necessarily make Asia's voice any louder and clearer.

In the case of Europe, European participation has so far included France, Italy, Germany and the UK at the national level with Spain and the Netherlands as occasional participants, and the Presidents of the EU Council and Commission at the regional level. In addition, the European heads of the WTO, IMF and Financial Stability Forum have attended.

Little consensus exists at the national level on the issue of the architecture of global governance. Amongst the European countries of France, Italy, Germany and the UK, France and Germany have probably been the most vocal in supporting the transition from G8 to G20. In contrast, Italy (alongside Canada, Japan and Russia) have sought to ensure some future role for the G8.

On the regional level, although the G20 is less of a European institution than the G8, once again the experience of the G8 is indicative and the problem that has haunted the European Union within this forum continues within the G20—who speaks for Europe? This issue of representation can be summed up in the anecdote reported recently in *The Economist* (18 September 2010): “Cathy Ashton, the European Union's

foreign-policy chief, tell[s] Hillary Clinton she now has the single telephone number so that America can ‘call Europe’. But when the secretary of state dials it, all she gets is a recording: ‘For French foreign policy, press 1. For British foreign policy, press 2...’”. More academically, this issue can be seen in terms of “actorness” and the extent to which the EU can be regarded as a fully-fledged actor in its own right. This question of EU representation is a long-standing problem that, like so many other aspects of the G20, has already been played out in the development of the forum of the G8. Documents available through the Margaret Thatcher Foundation demonstrate both the angry reaction of smaller countries to their exclusion from the first G6 summit in Rambouillet and the wrangling between summiteers over European representation in the early years of the summit:

...whether the European Community should be represented or not – and precisely how (if it was) – absorbed a remarkable amount of time and energy, bringing the PM [James Callaghan] into uncomfortable contact with the new President of the European Commission, his former close colleague, political rival and *bête noire*, Roy Jenkins. Our strategy was to invite the Community to reach a consensus on what it wanted in the way of representation, none being likely to emerge. The Americans told Callaghan they had no problem with the Community being there – pointedly President Carter gave Jenkins an hour of his time in Washington on 18 April – but the French were deeply resistant, and Callaghan himself privately told officials he hoped he could “get away” with leaving the Community out. Diplomatic bloodshed followed, culminating in what the PM called “a long and ridiculous argument” over dinner at the Rome European Council on 25 March in which almost everyone lost their temper. The final, unhappy compromise left Jenkins in attendance, but not as a full or equal participant.

The summit began a little uneasily with an informal dinner at No.10 on Friday 6 May, an event marred by Giscard’s refusal to attend – in protest at the presence of Jenkins – and Jenkins’s objection to the seating plan, which left him off the top table.

The result was that the President of the EEC Commission began to attend the summit from 1977 and the President of the European Council from 1982. As the presidency of the European Council rotates amongst the members of the EU, on occasions when it is not held by France, Germany, Italy or the UK, then the summit table becomes slightly more crowded by Europeans. Although on paper the EU is a full member of the G8 that participates in the preparations through a sherpa and sends a delegation to each summit, it does not have the right to host a summit, was only invited to participate in political discussions from the 1981 Ottawa Summit onwards and its contribution has often been limited to one of observer.

Thus, the question is to what degree the EU can be regarded as an actor in the G8 and G20. Thus far, the EU's participation has been captured by Huigens and Niemann by the insightful term of "institutionalized ambiguity". In short:

The informality of the G8 has left the issue of what exactly the EU as such is doing at the summit, for a large part untouched. The nature of the G8, a so-called "country club", has made it possible for the EU to participate, but at the same time will always exclude this regional organization to a certain extent. The two institutions generally suit each other well: the EU can improve the effectiveness of the G8, while the G8 can enforce the international legitimacy of the EU and can also be seen as a forum in which the EU can work on its international actorness (2009: 29).

Could this equally be applied to the EU's role in the G20? The EU is firmly included here as a member of the 20 (in fact it is the twentieth member and only regional organisation, although this position embraces two positions) whereas it was never included in the alpha-numeric forum that is the G8 (Russia is the eighth member). This may be regarded as the EU diverging from its institutionalized ambiguity for a more clearly defined role and at the Canadian summits of 2010, an informal division of labour emerged by which Van Rompuy led at the G8 and Barroso at the G20. However, the main challenge for Europe remains who will speak with one voice for Europe. To this end, some have suggested one EU seat at the G20 table and national representation to be phased out, although this could challenge the EU's institutionalized ambiguity and the likelihood of removing representation from the G20 is slight and is a diplomatic procedure that was never attempted in the G8. There is also the possibility that other regional organisations might call for representation at the G20 alongside the EU, which would only add to the number of seats around a table that is either already crowded in the eyes of some, or has a nicely balanced "Goldilocks" quality.

Moving on from regionalism to the question of whether the G20 might be an engine for inter-regionalism, the G20 would have to invite the recognised leaders of the respective regional hubs in order to do so. It seems to cover some of the bases—EU, North and South America, East, South and Southeast Asia—but it is not clear that an identity beyond the nation-state privileged with membership of an elite club is encouraged. In addition, some of the choices of regional representatives are contentious—why South Africa and not Nigeria for Africa? Why Saudi Arabia and not Egypt for the Middle East? More importantly, the focus on the G20's membership has been placed on its role not as a bridge between regions but a bridge between developed and developing countries.

CONCLUSIONS AND RECOMMENDATIONS

A number of recommendations emerge from this brief discussion:

- The architecture of global governance is a pressing issue that needs to be addressed. As chair of the G8 from January 2011 and host of the 2011 G20 Leaders' Summit, the French have highlighted reform of the international monetary system and global governance reform as the main objectives for the future. This reform is not only amongst the Gs themselves but with the more formal organisations of global governance. The G8-G20 settlement could be left to develop on its own (as has happened in the past and has compounded the gaggle) or it could be injected with a sense of leadership to create a global settlement. That is the opportunity that the Seoul Summit represents so rather than leaders seeking to be a bridge and risk having one's voice drowned out by similar demands, it is leadership in shaping the architecture of global governance that is required.
- The G20 has much to learn from the G8. As John Kirton has argued elsewhere (2010a):

...if the Seoul Summit on November 11-12 is to build fully on this foundation, the G20 must revise its institutional architecture and operation to become more like the old Group of Eight (G8) major democratic power concert. In short, the G20 is developing the distinctive diplomacy of a systemic summit club, but still must do more to cope well with the demands of an increasingly complex, uncertain, intensely globalizing world.
- GX summitry works best when it tries to act as a catalyst and provide an informal venue for discussion and coordination, prodding other more suitable organisations into action, rather than seeking to do the work of other organisations. If we are looking for a metaphor then it is a plate-spinner that seeks to prevent crashes and failure, or a *polyfilla* grouping that identifies and attempts to fill the gaps in global governance. Don't expect it to do more than this; this is in itself important. In the future, expand from the top down to distribute the work to the ministerial level if appropriate, but resist proposals for institutionalisation in the form of the creation of a secretariat as it goes against the ethos of informal, flexible summitry.
- Thus, the G8 and the G20 should stick to what they do best and also decide on a division of labour on which they can both deliver to promote effectiveness in the first instance and legitimacy at a later stage. Effectiveness is more important than legitimacy and the latter will emerge if they get the first one right.

- However, accountability is still an issue for the G20 as many of its legitimacy problems have not been solved. As host, Canada has provided an example of this by inviting Ethiopia, Malawi and Vietnam to the Toronto Summit. The G20 should remain flexible in its membership and maintain a variable geometry for future summits, although this might stymie a unified Asian position.
- The G8 and G20 have made increasing reference to international organisations in its communiqués and invited their chairs as participants in its summits. This trend should continue with the invitation of the UN Sherpa to the G20 preparatory meeting and the President of the UNGA to the G20. This could possibly be extended to regional organisations. Judging by the G8's development (and this has proved a reliable yardstick for much of the G20's development), this might well prove to be successful.
- Although the focus has so far been highly state-centric, the G20 will at some stage have to address its relationship with civil society. The G8's engagement with civil society suggests that the G20 has much to gain from this not only in terms of legitimacy but also in terms of effectiveness and it should be proactive in reaching out.
- As the first non-G8 host, the first Asian host and the last host before the G20 switches to its annual format, Korea has the opportunity to play an active role in shaping this architecture.

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New Areas for Asia-Europe Cooperation in Global Governance? Democracy Promotion and Developmental Aid

Gudrun Wacker

The international financial crisis which spread from the United States to other countries has accelerated the shift in global power. This shift manifests itself in the “new” formation of the G20, which might or might not replace the G7/8. Five Asian states, namely China, India, Indonesia, Japan and the Republic of Korea, are represented in this forum. Europe is represented by the four countries that are also members of the G8, and in addition to these, the EU also has a seat. So far, the agenda of the G20 meetings has been limited to the international financial system. However, if it proves effective, this could expand to other issues of global governance which could, in turn, open a door for new fields of cooperation between Asia and Europe.

In the following paper, the topic will be approached in two parts. The first part will focus on global governance and the role which formal multilateralism and informal formats (also called “club governance”) can play. The second part will address the issue of values- or norms-based external relations and what this could imply for the promotion of democracy and for development assistance. Finally there will be some preliminary conclusions and recommendations for Asia-Europe cooperation.

FORMAL MULTILATERALISM VERSUS CLUB GOVERNANCE

In a globalizing world where interdependencies between countries are growing and the line between domestic and external affairs becomes blurred, a growing demand for global governance has been widely acknowledged. Global governance is about finding political answers to the challenges of globalization. At the same time, we can also observe a trend away from formal multilateralism to more informal groupings. Although the United Nations is still accepted as the only international institution with the authority to legitimize international interventions, in the world today, a number of “clubs”

and informal groupings have come into being. Their existence is now widely accepted, especially for dealing with specific issues.¹

As we all know, Europeans have a strong preference for formal multilateralism and for strongly institutionalized organizations—and the European Union itself is the best example of this preference. In Asia, on the other hand, regional organizations have traditionally been less institutionalized and countries are reluctant to commit to binding agreements or treaties. National sovereignty and non-interference are still the dominant principles in relations between Asian countries. However, the EU and its member states are also participating in informal groupings and clubs like the G7/8 or G20, and in Asia there is growing acknowledgement that the absolute insistence on sovereignty and non-interference can become an obstacle to solving transnational problems. Despite this “flexibilization” on both sides, concrete cooperation on development assistance or conflict resolution is still difficult to achieve (for reasons addressed below).

Both formal multilateralism and informal clubs have their respective pros and cons. The advantage of “clubs” is that they can react faster to new and pressing issues, and decisions might be easier to reach since they are not legally binding. However, they are less representative than international institutions and therefore also lack legitimacy. Moreover, the implementation of the decisions reached by such clubs depends entirely on the political will of its members (and of course also their willingness to mobilize the necessary material means). Formal multilateral institutions might be slower and less flexible, but they enjoy more legitimacy than clubs, their decisions are binding, and they normally have financial and human resources at their disposal to implement decisions once they are reached. Organizations like the UN or the WTO are also mandated with the power to sanction certain behaviour or to mediate in the case of conflict.

The G7/8 was considered by many as a club of the rich, while the G20 certainly is more representative by bringing the emerging countries in as regular members. For this reason, it can be argued that the G20 has more legitimacy than the G7/8. It also reflects the shift in global economic and political power that has been going on for the last decades. In international institutions like the World Bank or IMF, the process of giving the emerging economies and powers a bigger say has also only just begun.

Several efforts have been made in the past to form groupings of countries based on democracy, but these initiatives face two challenges: the first is the question of who decides which countries are qualified to join and which are not; the second question is whether any of the pressing global issues can be tackled in an effective or better way if some of the economic or political heavyweights are excluded on the basis of their political systems. The Organisation for Economic Co-Operation and Development (OECD) illustrates this problem: Only states considered as democracies can become members of

¹ Cf. Ulrich Schneckener: “Globales Regieren durch Clubs. Definition, Chancen und Grenzen von Club Governance”, *SWP Aktuell*, August 2009 / A 47, http://www.swp-berlin.org/common/get_document.php?asset_id=6235.

the OECD. But this condition turns out to be an obstacle for addressing certain issues. For example, China cannot become a full member in one of the agencies of the OECD, for example, the International Energy Agency.

Since formal multilateral institutions and more informal groupings will continue to exist side by side, the best-case scenario would be that both formats complement each other, and that they complement each other in such a way that brings out their respective strengths, where informal clubs provide fresh ideas, decisions and impulses which will then be taken up, implemented and legitimized by the international institutions. It is also recommendable to see which organizations already exist for addressing specific issues before a new grouping is initiated. If the existing organization cannot do the job, there should be a thorough analysis of the reasons for the failure so that similar mistakes or non-performance can be avoided in the new one.

In the case of development assistance, for example, there are already several frameworks and organizations in which various European and Asian states are members, like the Development Assistance Committee under the OECD and the Paris Declaration on Aid Effectiveness (2005). So, if possible, cooperation should take place in coordination with and with reference to the existing frameworks. All these should be kept in mind by European and Asian countries when they make efforts to improve cooperation in any field of global governance.

PROMOTION OF DEMOCRACY AND DEVELOPMENT ASSISTANCE

There can be no doubt that the European Union and its member states share common norms and values. In a way, the European Union itself could be called a “community of democracies”, although to be a democracy is by far not the only condition a country has to fulfil before it can become a member of the EU. As for “Asia”—no matter how the region is defined—the picture is much more diverse: Countries range from very poor (e.g. Laos) to rich (Japan) and from developing (Bangladesh) to industrialized (South Korea). Politically, we also find a broad range of systems, from democratic (India) to authoritarian (China, Vietnam), and even to Stalinist (North Korea). Diversity is found in historical background, culture, religion and philosophical traditions of Asian countries as well. Compared to Asia, Europe can—despite its turbulent past and persistent differences—be considered as a relatively homogeneous space.

In 2003, Solana’s paper on a European Security Strategy declared that it aspires to have strategic partnerships with several countries in the world. Among them were three Asian countries, namely Japan, India and the People’s Republic of China.² Although there has never been a definition of the term “strategic partnership”, we can assume that at a minimum it means a long-term and comprehensive relationship. Recently, South

² Cf. “A secure Europe in a better World. European Security Strategy”, Dec. 2003, <http://www.iss-eu.org/solana/solanae.pdf>.

Korea and Indonesia have been included in the list of strategic partners.³ This way, basically all Asian members of the G20 have now been elevated to strategic partners of the European Union. While Japan, India and South Korea are considered consolidated democratic systems in Europe and Indonesia as a country in the process of democratization, China poses a challenge in terms of its political system, because despite market reforms over the last thirty years which have fundamentally transformed the economic system, it is still under one-party rule. And while between the 1990s and the early 2000s there was a widespread belief in Europe that China, as a consequence of deepening economic reforms and stronger integration into the global economy and into the international community, had embarked on a trajectory of convergence with the West in terms of its political system as well, such expectations have in the meantime faded or disappeared altogether.

The European Union projects an image of itself as a “civil” or “normative” power, with its external relations based on democracy and the rule of law.⁴ In Asia, many in the political class including academics are convinced that European policy vis-à-vis any country is value-based. But does Europe really consistently pursue an external policy based on (and pursuing) democracy?

The only study that looks critically at the EU as a normative actor in a systematic way is Tocci et al. (published in 2008). By looking at different cases, most of them falling under the European common foreign and security policy (CFSP), the study comes to the conclusion that examples can be found for all possible combinations of normative/non-normative goals and normative/non-normative means which lead to either intended or unintended normative or non-normative outcomes:

- Analytical frame #1: Three concepts need to be differentiated when looking at external relations: goals (normative/non-normative—milieu objectives versus possession objectives), means (normative/coercive) and outcome (intended/unintended). If milieu and possession goals are both at work, possession objectives tend to prevail and weaken milieu/normative objectives. The normative

³ Andrew Rettmann, “Ashton designates six new ‘strategic partners’”, *EUobserver.com*, September 17, 2010.

⁴ The Treaty of Lisbon states that in international affairs, the EU will be guided by and will seek to promote the values on which the Union is founded, including democracy, human rights, fundamental freedoms and the rule of law. (Title V, Chapter 1, Article 21, p. 30): “1. The Union’s action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.” Note that while civil/civilian is in contrast to military, values-based or -driven is not. Values and norms can be advanced with military means. Cf. Daniel Hamilton: “The United States: A normative power?” in Francois Heisbourg et al., *What Prospects for Normative Foreign Policy in a Multipolar World?* July 2008 (ESF Working Paper No. 29), p. 12.

means which the EU has at its disposal are basically contractual instruments (PCA, accession to EU, association with EU, ENP).⁵

- Analytical frame #2: Several conditioning factors play a role for the mix of goals, means and outcome: First, the strength of interests (configuration of internal interests within the EU), second, the internal capability (what political and economic leverage does the EU have?), and third, outside factors/external environment (third countries, especially other big powers or the United States; EU as a secondary power). The external environment has a strong influence on the EU's impact (outcome of its foreign policy).

However, the simple dichotomy values and norms (political reform) *versus* interests (economic and security) might not be adequate to explain what is going on in reality. The question for different cases is rather *to what degree* the EU (or its member states or any other states) are normative actors. Moreover, a country can be a guardian of norms, entrepreneur in the business of setting new norms, norm externaliser (advance norms elsewhere, even if one is reluctant to apply these norms oneself) and finally also a norm blocker (if issues threaten one's own position or exacerbate internal division).⁶

In development assistance we can also see a mixture of interests and motives at work. Although on the declaratory level, development assistance is presented as a sort of altruistic act intended to narrow the gap between North and South and to help the recipient country fight against poverty, this is not the only driver of development assistance:

- During the Cold War, development assistance was more often than not granted on the basis of the ideological divide between the Soviet and the Western bloc.
- ODA is usually also interwoven with the economic interests of the donor country: It can be a method to improve the standing of one's national companies in the recipient country, and their image and brand-awareness; sometimes financial assistance is given which then has to be used to buy consumer goods from the donor country (China often gives soft loans); sometimes the donor country supplies not only specialists but also material or work force etc.
- Development assistance might be driven by security interests (e.g., prevent illegal migration/refugees).
- Donor countries might try to raise their visibility and image in the recipient countries, which might help later (or in parallel) to pursue other interests.

⁵ Nathalie Tocci (July 2008) distinguishes between 1. realpolitik actor (goals: self-interest; means: violating existing norms and laws), 2. imperial actor (normative goals, but also in violation of existing norms), 3. status quo actor (self-interest goals, but means in compliance with existing norms), p. 3.

⁶ Daniel Hamilton: "The United States: A normative power?" in Francois Heisbourg et al. (July 2008), p. 9.

Such a mix of motives also helps to explain why nation states prefer bilateral development assistance despite all efforts for better coordination to improve effectiveness. Moreover, promotion of democracy is not necessarily a top priority in giving aid.

In October 2008, the European Commission published a paper (or “communication” in EU speak) suggesting a trilateral dialogue and cooperation between Africa, the EU and China, basically in the field of development assistance.⁷

Although the paper is quite constructive in tone, the background of this effort has to be seen in the growing concern within the EU and its member states that China’s presence in African states and especially the development assistance given by China was undermining European (and other international) donors’ standards and norms for providing development assistance and technical cooperation. China seemed to offer assistance without the conditions of good governance, anti-corruption etc. which Western donor countries had agreed to after the end of the Cold War.

The Commission paper suggests a whole range of possibilities for cooperation and better coordination between the EU and China in Africa and several areas in which such cooperation seemed desirable. So it could certainly be considered as an attempt to propose a new area for Asia-Europe cooperation.

With respect to this initiative from the European side, questions can be raised which touch upon the rationale, but more importantly the follow-up to the document. While it seems reasonable for the EU to suggest such a partnership, it is less clear why China would see such cooperation to be in its interest. And considering that some African countries enjoy more international attention and even competition among donors, one can suspect that they are not interested in seeing more coordination between China and the EU in the field of development aid.

CONCLUSIONS

In conclusion, the following recommendations can be made with respect to more cooperation between Europe and Asia in global governance and, in particular, development assistance and democracy promotion:

1. Clubs like the G20 have become important forums to address specific global issues and in part make up for the lack of global governance. In the best case, formal multilateral institutions and informal groupings complement each other and don’t undermine each other. Concrete cooperation on a bilateral, mini-lateral, regional or inter-regional level can make a contribution to pursue and ultimately reach joint goals agreed on the international/global level.

⁷ The full text of this Communication of the Commission which was published in October 2008 as COM(2008)654 can be found at http://ec.europa.eu/development/icenter/repository/COMM_PDF_COM_2008_0654_F_COMMUNICATION_en.pdf.

2. The Millennium Development Goals which were formulated in 2000 as goals for the year 2015 still provide the accepted framework for development assistance. Development assistance is not a *new* area of cooperation between European and Asian countries: Japan and South Korea are members of the Development Assistance Committee under the roof of the OECD. In addition to that, these two Asian states, but also many other Asian states including China, India and Indonesia, are signatories of the Paris Declaration on Aid Effectiveness.⁸ If better coordination of development aid is out of reach, there can nevertheless be more exchanges on lessons learned and “best practice.”
3. China and also India are recipient *and* donor countries at the same time. Maybe their experiences as recipients of foreign aid have led to an approach as a donor country which is different from “traditional” donors. It might be worthwhile for the EU and other donor countries to enter into a dialogue on this issue.
4. It is doubtful that democracy promotion can be an explicit part of development assistance, at least not across the board. First of all, there should be a discussion on what democracy promotion actually means in the context of development assistance: Is it the promotion of democratic structures and procedures in non-democratic countries? Or only in countries in the process of democratization? Democracy promotion can hardly be pursued against the express will of governments in recipient countries.

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⁸ The Paris Declaration was signed on March 2, 2005 by more than one hundred countries. Cf. http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html

Prospects for ODA Cooperation between the Republic of Korea and EU

Eun Mee Kim

I. INTRODUCTION

1. Significance of International Development Cooperation

Development Cooperation, also known as development assistance, international aid or foreign aid, is to help attain economic, social and political development of developing countries through aid given by governments and other agencies. As the need to cope with critical global issues, such as sustainable peace and sustainable development, have been emphasized in an interdependent global society, there have been renewed efforts to increase development cooperation around the world.

At the Millennium Summit in September 2000, world leaders endorsed the UN Millennium Declaration, pledging their support for poverty eradication and establishing targets with a concrete time frame (UN 2006). The Millennium Development Goals (MDGs) were agreed upon to address extreme poverty at this historic meeting (UN 2006). In 2005, the Paris Declaration on Aid Effectiveness was signed by global leaders, and it resulted in the setting out of five targets and twelve indicators for improving and measuring aid effectiveness (OECD 2009). Furthermore, the Accra Agenda for Action was adopted in 2008 to strengthen the commitment of the Paris Declaration on Aid Effectiveness (OECD 2009).

South Korea has also declared that it will join the global effort to help reduce poverty and enhance economic and social development, which would be commensurate with its stance as the 15th largest economy in the world (MOSF 2011). It pledged to increase the volume of Official Development Assistance to 0.25% of the GNI by 2015 as a new OECD DAC member (MOFAT 2010). South Korea was instrumental in adding the new development agenda to the G20 Summit Meeting as the host country in 2010. In 2011, South Korea will host the Fourth High Level Forum on Aid Effectiveness in November 29 – December 1 in Busan (MOFAT 2009). In addition, South Korea has also become an important case of “hope” to many developing countries with its own recent experience of eradicating poverty and attaining economic development with

democratization in the face of severe security tensions. All of the obstacles that South Korea had faced in its development drama are not very different from those experienced by other developing nations in the 21st century. South Korea's success can provide an alternative for social, economic and political development, not as a model that fits all countries, but as one of the alternatives. This notion of "alternative" is based on three principles: (1) the global political economy of the 21st century is different from what South Korea faced in the late 20th century; (2) development partner countries should have ownership and decide what is right for themselves, rather than be provided with a "model" that they must follow; and (3) the South Korean alternative should be provided with both trials and errors so that developing countries can take advantage of South Korea's achievements, but also avoid its mistakes.

II. SOUTH KOREA'S ODA

1. ODA at a Glance: From Recipient to Donor

South Korea received foreign aid from 1945 to 1995, with the total amount being USD12.78 billion: bilateral aid accounted for 92.4 percent while multilateral aid was 7.6 percent (KOICA 2004). About 82.9 percent of foreign aid was provided by the United States (USD5.54 billion) and Japan (USD5.05 billion) (KOICA 2011). South Korea's foreign aid experience could be divided into three periods according to aid type: (1) Post-World War II aid for reconstruction; (2) economic and military reconstruction during and after the Korean War (1950-53), and (3) industrialization during 1960s-70s (MOSF 1993).

South Korea started to work as a donor in 1963, when it participated in a training program with USAID (KOICA 2011). But its history as a donor began when it established the Economic Development Cooperation Fund (EDCF) at the Export-Import Bank of Korea (Korea EXIM bank) to provide concessional loans (KOICA 2011). The Korea International Cooperation Agency (KOICA) was set up in 1991, which handled the grant aid (KOICA 2011).

South Korea graduated from being a recipient in 1995 when it paid off the World Bank loan. In 2005, South Korea's ODA/GNI reached a high of 0.1 percent, with a total volume of USD752 million (ODA Korea 2011a). South Korea acceded to membership of OECD DAC in 2009 and began working as a member in 2010. It will also host the Fourth High Level Forum on Aid Effectiveness in November 29-December 1, 2011 in Busan (MOFAT, 2009).

Table1. ODA to South Korea (Unit: USD Millions)

	1945-1960	1961-1975	1976-1990	1991-1999	Total Amount
Total Amount	3,097.9	3,941.4	3,510.8	2,226.2	12,776.3
Grants (%)	3,045.6 (98.3)	1,999.0 (50.7)	750.4 (21.4)	1,202.5 (54.0)	6,997.5 (54.8)
Loans (%)	52.3 (1.7)	1,942.4 (49.3)	2,760.4 (78.6)	1,023.7 (46.0)	5,778.8 (45.2)
Bilateral ODA (%)	2,518.4 (81.3)	3,777.3 (95.8)	3,312.2 (94.3)	2,200.0 (98.8)	11,807.9 (92.4)
Multilateral ODA (%)	579.5 (18.7)	164.1 (4.2)	198.6 (5.7)	26.2 (0.2)	968.4 (7.6)

Source: KOICA 2004.

2. ODA System and Classification

South Korea's ODA is divided into bilateral and multilateral aid, and bilateral aid is further divided into grants and concessional loans. KOICA provides grants under the supervision of the Ministry of Foreign Affairs and Trade (MOFAT), while the EXIM bank is in charge of concessional loans (Economic Development Cooperation Fund: EDCF) under the supervision of the Ministry of Strategy and Finance (MOSF) (ODA Korea 2011b). With regard to multilateral assistance, MOFAT manages financial contributions to the United Nations and other international organizations, and MOSF undertakes subscriptions to the IMF and other international financial institutions (ODA Korea 2011b).

In 2009, the estimated volume of South Korea's net ODA reached USD815.54 million, which was 0.1 percent of the GNI. The grant aid accounted for 63.1 percent of the total aid, which is considerably lower than most of the advanced industrialized donors (OECD 2011).

Table 2. South Korea's ODA Operation System and Classification (2009)

ODA by Type				Coordinating Ministry	Implementing Agency
Bilateral ODA (71.1%)	Grant (63.1%)	<ul style="list-style-type: none"> • Bilateral Grants • Technical Cooperation • Food Aid • Humanitarian Aid • Emergency Relief Aid • Debt Forgiveness • Aid via NGOs 	<ul style="list-style-type: none"> • Tied Aid (56.7%) (2008) • Partially-Tied Aid (7.5%) (2008) 	MOFAT	KOICA
	Concessional Loan (36.9%)	EDCF	<ul style="list-style-type: none"> • Untied Aid (35.8%) (2008) 	MOSF	Korea EXIM Bank
Multilateral ODA (28.9%)	UN and other International Organizations			MOFAT	MOFAT
	IMF and other international Financial Organizations			MOSF	MOSF

Source: OECD Development Statistics Online Database 2011.

3. ODA Disbursement from 1991 to 2010

ODA disbursement from South Korea during 1991-2009 increased significantly in both bilateral and multilateral aid (OECD Development Statistics Online Database 2010). The total volume of ODA in 1991 was USD57.5 million, and it increased rapidly to USD317.5 million in 1999, but decreased in the following three years. In 2003, it started to increase again and reached USD815.8 million in 2009 which was 14 times larger than the volume in 1991.

At the same time, ODA/GNI also increased from 0.02% in 1991 to 0.1% in 2005. It decreased in 2006, but recovered to 0.1% in 2009. Since 1991, bilateral aid disbursement increased from USD31.5 million to USD580.27 million in 2009. We can observe that grant aid has been constantly a larger share of bilateral aid compared to loans since 2003. Grant aid is larger than concessional loans, but from 1996 to 2002 concessional loans assumed a larger share. In 2009, the amount of bilateral ODA was USD366 million, whereas grant aid was USD214 million. Multilateral aid fluctuated during this period, on the other hand.

III. EU's ODA

1. Brief History

ODA of the European Union (EU) was launched by European Development Fund (EDF) in 1957 for former colonies and overseas territories as a separate fund, outside of the

EEC budget. In 1989, there was a shift of EU development policy concentration from ACP (African, Caribbean, and Pacific countries) to neighbouring countries, and the Maastricht Treaty in 1992 provided a legal basis for development cooperation. In 2001, the Europe Aid Cooperation Office was established; it is a specialized implementation agency responsible for implementation of all development programs and projects. The European Consensus on Development was established in order to define the framework of common principle and clarify EC's dual development role between a federating role and a role as an independent donor. In 2009, they made one single set of rules for EDF and EC budget.

2. EU and EC Aid Implementation

The EU is the largest donor in the world when we include the 27 EU member countries' ODA as well as that of the European Commission (EC). The amount of development aid from EU is USD85.7 billion in 2008 and this is responsible for 52 percent of all development aid in the world. In addition, EU's aid accounts for 70 percent of OECD/DAC members' total ODA.

The EC is the third largest donor of development aid in the world and its aid volume was USD15.02 billion in 2009. The EC is the second largest donor of humanitarian aid and it is represented in over 140 recipient countries. 97.2 percent of the aid they provide is bilateral ODA and 2.7 percent is multilateral ODA.

IV. COMPARATIVE ANALYSIS OF ODA OF SOUTH KOREA AND EC

1. ODA Disbursement

When we compare the ODA disbursement between South Korea and EC from 1991 to 2009, we can observe that EC's ODA volume and disbursement growth rate were larger and faster compared to South Korea's ODA (OECD International Development Statistics Online Database 2010). In 2002, the EC's ODA disbursement was USD5,448 million whereas South Korea's amount was USD278 million. The EC's ODA disbursement increased rapidly throughout the whole period and in 2009 it was USD15,022 million. South Korea's ODA disbursement was increasing steadily and in 2009 the amount was USD815 million. So in terms of total volume it is difficult to compare these two on an equal footing.

2. Comparative Advantages

However, we may be able to find room for synergistic cooperation based on comparative advantages. In order to see the comparative advantages in ODA between South Korea and EC, we compared the total ODA disbursement, by sector, and by region. When we compared the total ODA disbursement between South Korea and EC, we saw a large gap. As noted above, in 2009, EC's ODA volume (USD15,022 million)

was 18 times larger than that of South Korea (USD813 million) (OECD International Development Statistics Online Database 2010).

When we compare ODA by sector, South Korea's aid concentrated heavily on social infrastructure and services with 47.8 percent followed by 37.4 percent in economic infrastructure and services. South Korea provided 5.3 percent of aid to the production sector. On the other hand, EC aid was distributed fairly evenly across sectors. It provided aid to social infrastructure and services with 27.3 percent, economic infrastructure and services with 24.1 percent, and budget support, food aid, and food security with 22.2 percent.

Lastly, comparison of ODA by region also showed some differences. South Korea's ODA focused mostly in Asia (52.2 percent), followed by Africa (19.3 percent) and America (12.7 percent). It also provided 2.4 percent of aid to Europe and 0.4 percent to Oceania. In contrast, EC provided more aid to Africa (43.5 percent), followed by Asia (20.1 percent) and Europe (14.5 percent). South Korea's ODA concentrated on the two regions of Asia and Africa with more than 70 percent of its aid, while EC's ODA focused on Africa, Caribbean and the Pacific (ACP) with 60 percent of its aid.

3. EU's Strategic Strength in ODA

The most significant achievement of the EU's development cooperation that South Korea should pay attention to is the de-concentration of development cooperation authorities. This is mainly involved in devolution of management responsibility to the field delegations. In order to improve operations at the field level and enhance aid effectiveness, the EU implemented reforms towards "de-concentration" in 2000, based on the official statement of the EU: "Anything that can be better managed and decided on the spot, close to what is happening on the ground, should not be managed and decided in Brussels" (EC 2011).

In order to have a consistent and coherent policy for development, the EU has constantly strengthened its informal network on policy coherence for development since 2003. The European Community Treaty of 2005 provides a legal basis by focusing attention on attainment of the MDGs, and the EU development cooperation is committed to action in 12 priority areas, ranging from trade to energy in order to step up to the challenges on policy coherence and monitoring progress. Through regular monitoring and impact assessment, EU members work hard to harmonize their policies and programs.

As the second largest humanitarian donor in OECD/DAC, the EU displays greatest strength in the field of humanitarian aid. In particular, through ECHO (European Commission Directorate-General for Humanitarian Aid), the EU ensures that humanitarian action is independent of other objectives such as political and military concerns. The strength of ECHO is also based on its 43 field offices staffed by technical experts, backed up by six Regional Support Offices from which further specialized or technical expertise can be deployed. In making effective humanitarian aid, the EU also

strengthened collaboration with partners and improved field effectiveness. The EU has comparative advantage over member states in being able to intervene in politically sensitive situations more flexibly such as in North Korea and Myanmar (OECD 2011).

In sum, in an effort to find the comparative advantages of the two donors, South Korea and the EU, this paper discusses the main strategic strengths of their priority sectors. South Korea is looking for a global role as a bridge between recipients and donors. On the hand, the EU, as a donor who has a wealth of experience and expertise in ODA, has put great efforts into de-concentration of DC authorities and better policy coherence. Since both donors have emphasized governance, rural development aid, and humanitarian aid as their primary sectors for aid disbursement, cooperation between the two will generate a synergistic effect for mutual development in ODA.

We would like to propose the following areas for cooperation between South Korea and the EU on ODA. First, the sector of ODA policy-making and implementation is a prime field that requires cooperation between South Korea and the EU. South Korea's bifurcated aid policy-making system can benefit from the EU's long experience in such a coordination mechanism. South Korea and the EU could develop better political and public support for ODA and train ODA experts and personnel through joint exchange programs, workshops and networks.

Second, we recommend strategic cooperation in the following sectors: social infrastructure and service. These sectors comprise the largest proportion of South Korea's ODA and are also the EU's main ODA sectors. Therefore, cooperation in these sectors between South Korea and the EU can be beneficial to both parties.

Finally, we suggest that joint ODA programs should be developed between KOICA and EC in strategic sectors. This would contribute to improved harmonization among donors and better coordination in partner countries, taking advantage of South Korea's flexible and fast system of aid delivery and the EU's advantage of a system with a long track record.

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Energy Security and Energy in a Seamless Asia

Youngho Chang and Lixia Yao

I. INTRODUCTION

Asia is characterized by its uneven energy resource endowment, different levels of economic development, and diverse cultures, to list but a few characteristics. The common challenge to all Asian countries is how to sustain their economic growth, guarantee their energy security, and at the same time mitigate damages to the environment due to energy use. It is imperative for the countries in the region to find ways that can address these challenges. The Asian countries, particularly the East Asian countries, have taken measures on this issue such as energy infrastructure connection and energy sector cooperation.

This study presents an overview of energy resource and energy infrastructure in the region and argues that an integrated energy market and cooperative competition via infrastructure building is the efficient and effective means to achieve energy security and sustainable development. To make this a reality, relevant institutions must be founded and investment must be in place. Energy cooperation needs an integrated energy market where cooperative competition can function well; energy cooperation also needs energy infrastructure which makes energy “connection” possible. Asia, particularly Southeast Asia, has already embarked on “connection” for which the Trans-ASEAN Gas Pipeline and ASEAN Power Grid are good examples. For instance, hydropower resources are abundant in Laos whereas Thailand is expected to rely on energy imports for its future needs. Energy trading between the two countries would be beneficial to both.

As energy cooperation and an integrated energy market need energy infrastructure and the construction of energy infrastructure needs the relevant institutions and investment, this study suggests the establishment of an infrastructure forum covering Asian countries and a fund earmarked to finance the construction of energy infrastructure in the region. The following sections, beginning with a review of energy resources and energy infrastructure in the region, elaborate in detail on the measures the region has taken for an integrated energy market, justifies the establishment of such a market, and makes relevant suggestions. Section 2 briefly presents the energy resources and

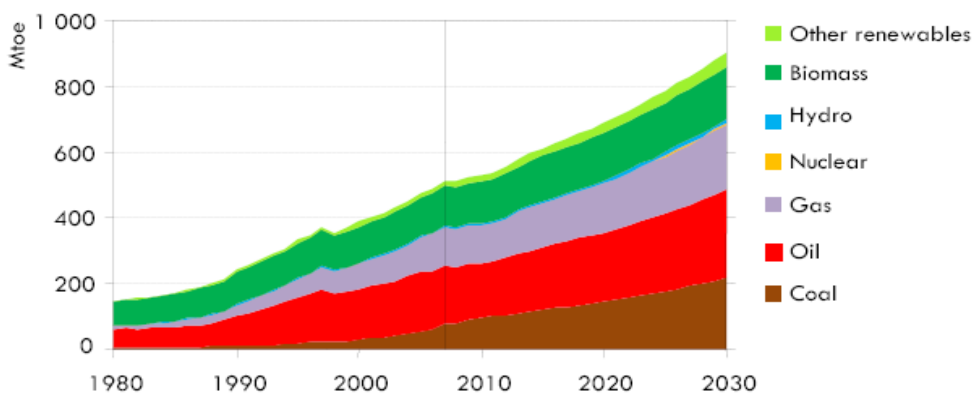
energy infrastructure situation in the region. Section 3 introduces the concept and measurement of energy security within the context of Southeast Asia. Section 4 discusses the current status and perspectives of an integrated energy market with a cooperative competition framework. Section 5 suggests the institutional and financial needs for the integrated energy market and how the needed institutions can be established and financed. Section 6 concludes this paper.

II. ENERGY RESOURCES AND ENERGY INFRASTRUCTURE IN THE REGION

2.1 Energy Resources: Present Situation and Potential

As a fast growing economy, energy demand in Southeast Asia has experienced dramatic growth. Primary energy demand in the Association of Southeast Asian Nations (ASEAN) is estimated to grow at an average annual rate of 2.5%, which is expected to push ASEAN's share of global demand from 4.3% in 2007 to 5.4% in 2030 (IEA 2009). Figure 2-1 shows the fast growth of ASEAN's primary energy demand in the reference scenario of IEA. Demands for coal, oil, and gas have all experienced fast growth and dominate the energy mix. Demand for renewable energy has also increased but at a relatively low level compared with primary energy resources.

Figure 2-1: ASEAN primary energy demand by fuel in the Reference Scenario



Source: IEA, 2009.

Against higher demand forecast in ASEAN, there are low levels of fossil fuel reserves. Table 2-1 indicates the reserves of fossil fuels and their relevant R/P Ratios in some ASEAN countries. For oil and natural gas, five countries out of 10 ASEAN member countries—Brunei, Indonesia, Malaysia, Thailand and Vietnam—have oil and natural gas reserves but their corresponding reserve-production ratio (R/P) is smaller than 50 years. Three countries—Indonesia, Thailand and Vietnam—have coal reserves

and Thailand has a relatively higher R/P ratio among the three countries although its reserve is not large.

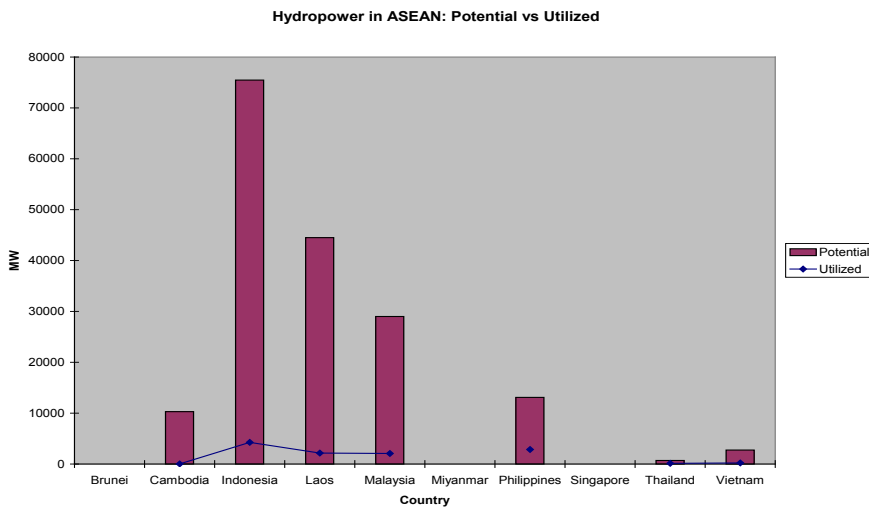
Table 2-1: Reserve and R/P Ratio in ASEAN

Country	Oil (tmb)		Natural Gas (tcf)		Coal (mt)	
	Reserve	R/P	Reserve	R/P	Reserve	R/P
Brunei	1.1	16.9	12.4	28.8		
Indonesia	3.7	10.2	112.5	45.7	4,328	19
Malaysia	5.5	19.8	84.3	38.2		
Thailand	0.5	3.9	10.7	10.5	1,354	75
Vietnam	4.7	40.8	19.7	70.1	150	4

Source: BP Statistical Review of World Energy 2010

Unlike low levels of fossil fuel reserves, ASEAN has relatively larger potential in renewable energy sources such as hydropower, wind, biofuel and geothermal. However, its utilization level is in general very low. Figure 2-2 shows the level of utilization in hydropower potential. Indonesia, Laos and Malaysia have the largest hydropower potential in ASEAN countries but their utilization rates are very low. The Philippines shows a relatively higher utilization rate.

Figure 2-2: Hydropower: Potential vs Utilized



The same situation also exists in wind power utilization, as shown in Figure 2-3. Laos, Vietnam and the Philippines have higher potential in wind energy, but they almost do not utilize it.

Figure 2-3: Wind Energy: Potential vs Utilized

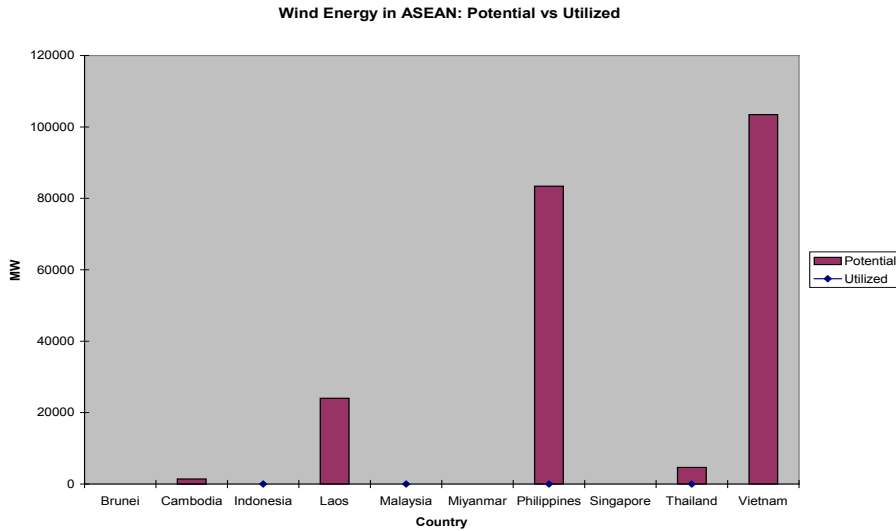
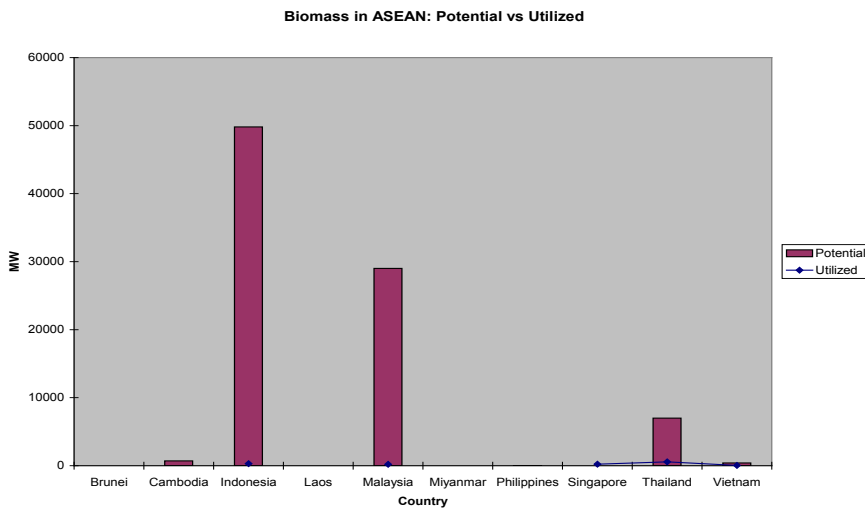


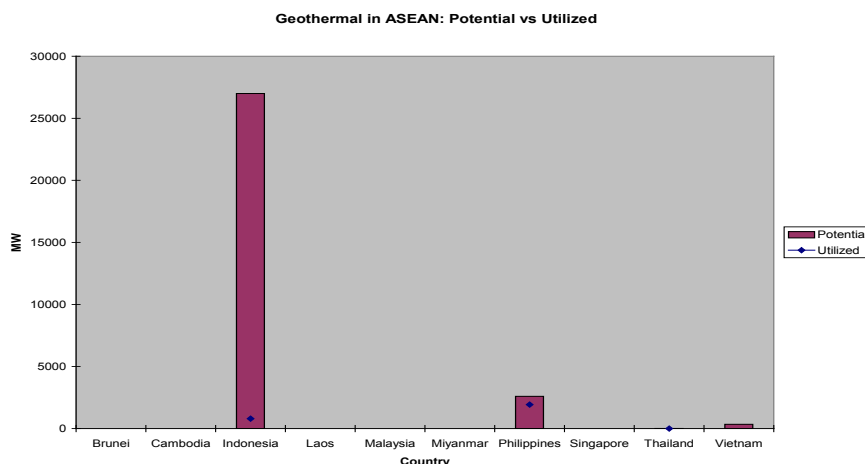
Figure 2-4 presents that the gap between biomass potential and its utilization is also huge. In some countries, such as Indonesia and Malaysia, the biomass energy is almost not in use compared to their large potential.

Figure 2-4: Biomass in ASEAN: Potential vs Utilized



Geothermal potential is also very high in Indonesia but its utilization rate is very low while geothermal potential in the Philippines has been extensively utilized as shown in Figure 2-5.

Figure 2-5: Geothermal Energy: Potential vs Utilized



There are various reasons for the low utilization level of renewable potential but lack of demand, insufficient funds for developing the renewable potential and inappropriate levels of the necessary technology to realize the potential are the main causes of the under-utilization of renewable potential (Lidula et al. 2007).

Along with renewed interests in nuclear energy around the world, the development and utilization of nuclear energy has been explored among ASEAN countries. Although nuclear energy is not commercially utilized right now, a few ASEAN member nations have begun to consider using nuclear energy as a new energy resource for civilian use—power generation. Countries such as the Philippines, Thailand, Vietnam, and Indonesia have expressed their intention to use nuclear energy. The Philippines is considering using its long-abandoned Bataan nuclear power project (ASEAN Centre for Energy 2009). Vietnam has recently made a memorandum of understanding for purchasing two reactors from Japan. Nuclear energy development may not be feasible in a particular country but the prospect of a common nuclear power development is bright (Chew 2007).

2.2 Energy Infrastructure in ASEAN

It must be noted that most renewable energy resources reach end-users via electricity grids, which are the artery of an economy. Without being connected to the power grids, electricity generated from renewable sources may not reach the end-users. These electricity grids, together with roads, railways, pipelines, etc., comprise the energy infrastructure for energy transportation and electricity transmission and distribution. Physical connectivity facilitates energy cooperation and economic integration within

ASEAN (Bhattacharyay 2009). ASEAN has tried to build an energy infrastructure: the ASEAN Power Grid with 14 interconnection projects and the Trans-ASEAN Gas Pipeline and both were envisioned in the ASEAN 2020 Vision. ASEAN is now putting greater efforts into building the energy infrastructure. Before reviewing the status of energy infrastructure build-up in the region, the following section presents the conceptual framework of energy security that is applied to linking energy security to energy infrastructure development in the region.

III. THE CONCEPTUAL FRAMEWORK OF ENERGY SECURITY

3.1 The Concepts

Energy security, or the security of energy supply, to put it simply, is the assurance of stable and affordable energy supply. This concept could be well understood by studying four dimensions: availability of resources, applicability of technology, acceptability by society, and affordability of prices. Availability of energy resources mainly deals with the amounts of supply sources. Among the sources of supply, generation adequacy is of the greatest importance since it relates to whether adequate energy is provided for social economic activities. It covers the supply of electricity, fossil fuels and alternative fuels such as how much fossil fuel reserves the region has, and how much potential of renewable energy are in the region. As illustrated above, ASEAN has the potential of satisfying the availability dimension of energy security. The problem is how to transfer the potential into reality. The ASEAN Power Grid and the Trans-ASEAN Gas Pipeline are constructed for this purpose.

Applicability of technology is associated with economically sound technologies available for harnessing energy from available sources. Both the existing technologies ASEAN has and the capability that ASEAN can develop to tap into potential technologies that may be relevant to renewable resources such as hydroelectric power, wind power, solar power, etc., are taken as the applicability of technology. Acceptability by society is associated with how people accept energy resources. Extensive use of fossil fuels results in environmental disasters. Acceptability by society addresses the possible negative effects associated with energy exploration and/or use. Acceptability also deals with people's perception of energy projects in their country. For example, in the cases of the ASEAN Power Grid and the Trans-ASEAN Gas Pipeline, ASEAN countries' efforts to develop energy resources will go beyond its national boundary. Whether a trans-boundary project is beneficial to local environment and local people should be noted. Affordability of prices is associated with the purchasing ability of consumers paying for energy resources. It is also closely related with energy supply, which affects the volatility of energy price.

3.2 Energy Security Measurements

Several simple and straightforward measures indicating a country's energy security are used to elaborate on ASEAN countries' status of energy security, namely the inverse of the number of energy resources used; the share of the most utilized resource; the share of fossil fuels used; and the share of the top five most utilized resources. All together the variety of energy resources and the dependence on fossil fuels are examined.

The inverse of the number of energy resources used ($1/n$) is an overall indicator, simple and straightforward. Here n is the number of resources one country uses. The bigger the number, the more the types of resources being used in the country. A lower value of this indicator means that the dependence on one fuel is relatively lower and the disruption of the fuel will cause lesser damage than otherwise and hence the more energy security the country has. The share of the most utilized resource (%) shows the degree of dominance/concentration of one kind of energy resource in a country. A lower number means less dependence on one energy resource and a better status of energy security. The share of fossil fuels used (%) shows a country's dependence on fossil fuels. A lower number means less dependence on fossil fuels and more usage of non-fossil fuels, most of which are renewable and clean. The share of the top five most utilized resources (%) is also a useful indicator. Since the top five resources must contain non-fossil fuels in the energy or fuel mix, this indicator reflects the true and relative energy diversity of a country. The lower the number is, the higher the level of diversification into non-fossil energy resources, and hence the country has a higher status of energy security.

Using these four indicators, ASEAN countries' energy diversification can be calculated and their energy security status evaluated. Table 3-1 shows the values of the energy security indicators and the related energy security status. The dominance of one fuel, either oil or natural gas, and the high dependence on fossil fuels are obviously seen from these figures. Hence, ASEAN energy security is not in a good status.

Table 3-1: ASEAN countries' status of energy diversification

Country	1/Number of Resources (n)	Share of Most Utilized (%)	Share of Fossil Fuels (%)	Share of Top Five (%)
Brunei	0.5 (2)	NG (73)	100.0	100.0
Cambodia	1.0 (1)	Oil (100)	100.0	100.0
Indonesia	0.11 (9)	Oil (47)	97.7	99.6
Laos	0.33 (3)	Oil (100)	100.0	100.0
Malaysia	0.13 (8)	NG (51)	97.5	100.0
Myanmar	0.5 (2)	NG (56)	100.0	100.0
Philippines	0.13 (8)	Oil (58)	92.5	100.0
Singapore	0.33 (3)	Oil (88)	100.0	100.0
Thailand	0.13 (8)	Oil (52)	96.6	98.1
Vietnam	0.17 (6)	Oil (37)	100.0	100.0

Source: Chang (2009).

As shown in figures 2-2 to 2-5, there is a huge potential in renewable energy sources. To make such potential utilized and developed, efforts have been made to build an integrated regional energy market through cooperation among regional countries to improve availability of energy resources, and acceptability by society while at the same time maintaining affordable prices.

IV. COOPERATIVE COMPETITION

4.1 An Overview

An integrated ASEAN energy market can be brought about via cooperative competition, which means the region works collectively towards increasing the size of an economic pie or a market while each country competes to secure a larger share of the pie in the integrated market. Cooperative competition does not mean creating monopolies or abandoning competitive markets. On the contrary, it allows for the relationships among a special type of participants competing in the ASEAN energy market. Cooperation is “a basic human impulse that forms the background for healthy competition” (Fitch and Loving 2007: 83). Examples of cooperative competition in the ASEAN energy market include, are but not limited to, the ASEAN Power Grid, Trans-ASEAN Gas Pipelines, and Energy development and cooperation in GMS.

4.2 ASEAN Power Grid

The regional master plan study on the ASEAN Power Grid, called ASEAN Interconnection Master Plan Study (AIMS), was approved on 3 July 2003. This master plan selected 11 power grid projects for implementation. A memorandum of understanding (MOU) was signed in August 2007 in Singapore, affirming that ASEAN Power Grid would enable reliable exchanges of power and develop opportunities for power trading without negatively affecting reliability in their own national grids (ASEAN 2003). Table 4-1 shows the interconnection projects between ASEAN countries. Of these proposed interconnections, some correspond to the ASEAN vision (e.g. interconnection between Thailand and Lao PDR or interconnection between Lao PDR and Vietnam); others correspond to the ASEAN plan (e.g. interconnection between Thailand and Myanmar or interconnection between Thailand and Cambodia). These interconnections will greatly add to the capacity of the power lines throughout ASEAN. Figure 5-1 shows ASEAN power grid interconnection, covering all ASEAN countries.

Table 4-1: Status of Southeast Asian Power Grid Interconnection Projects

Interconnection Project	Type	Capacity	Status, Start
1. Thailand-Lao PDR	HVAC PP	2,015/1,578 MW	AP 2008/2010
2. Thailand-Myanmar	HVAC PP	1,500 MW	AP 2013
3. Thailand-Cambodia	HVAC EE	300 MW	AP 2016
4. Lao PDR-Vietnam	HVAC PP	1,887 MW	AP 2007/2016
5. Vietnam-Cambodia	HVAC PP	80/120 MW	UC 2003/2006
6. Peninsular Malaysia-Sumatra (Indonesia)	HVAC EE	600 MW	UC 2008
7. Peninsular Malaysia-Singapore	HVAC PP	700 MW	Planned 2012
8. Sumatra (Indonesia)-Singapore	HVAC PP	600 MW	Planned 2014
9. Batam (Indonesia)-Singapore	HVAC PP	200/200/200 MW	UC 2014/15/17
10. Sabah/Sarawak (Malaysia)-Brunei Darussalam	HVAC EE	300 MW	Planned 2019
11. Sarawak (Malaysia)-W. Kalimantan (Indonesia)	HVAC EE	300 MW	Completed 2009

Source: APERC (2004).

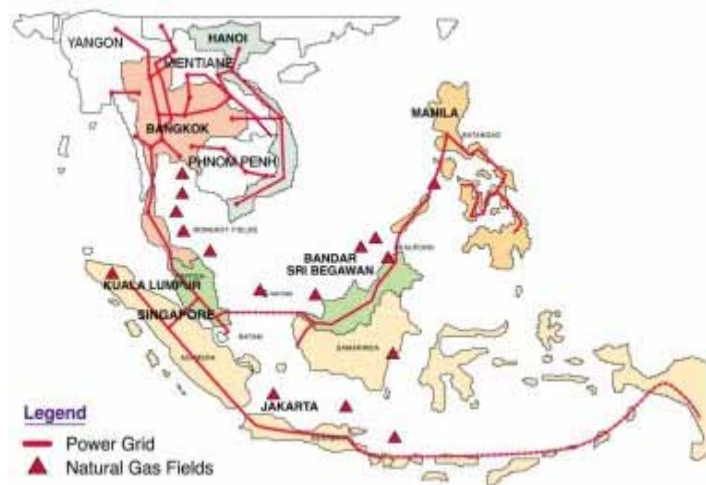
Note: HVAC=high voltage alternating current

HVDC=high voltage direct current

PP=power purchase; EE=energy exchange; AP=advanced planning

UC=under construction

Figure 4-1: ASEAN Power Grid



Source: ASEAN Centre for Energy.

4.3 The Trans-ASEAN Gas Pipeline (TAGP)

As mentioned above, to realize the feasibility of energy self-sufficiency and the importance of cooperation within ASEAN member countries, ASEAN countries signed the ASEAN Memorandum of Understanding (MOU) on TAGP in July 2002 for the purpose of assuring long-term reliable energy supply. The routes of the gas pipeline grid are similar to those of the ASEAN power grid. Figure 4-2 shows the existing and planned gas infrastructure in Southeast Asia.

Figure 4-2: Existing and Planned Gas Infrastructure in Southeast Asia



Source: ASCOPE Secretariat

4.4 Simulation Study

Thailand is dependent heavily on energy imports while its neighbouring country, Laos, is rich in hydropower potential, from which Laos can earn a large amount of revenue. It is a prime strategy for the Thailand government to diversify energy supply and hence enhance its energy security. At the same time, it will bring huge revenues to Laos if it fully utilizes its hydropower potential and export electricity. Therefore, it is beneficial for the two neighbouring countries to jointly develop the resources. Through joint resource development, CO₂ emissions and energy cost will both be reduced (Watcharejyothin and Shrestha 2009). The use of low-cost hydro energy from Laos can reduce Thailand's operation of high-cost thermal plants, therefore bringing down significant operation and maintenance costs for the Thai electrical system (Karki et al. 2005).

V. GOVERNANCE AND INSTITUTION

Southeast Asia is a region with much diversity in economy, society, culture, religion and energy. Regional integration has long been discussed to transform this diversity into unity, which would be the path to prosperity, since the integration of trade, investment,

energy resources, and other activities will contribute to value addition, job creation, and poverty reduction in the region. Regional integration needs enhancement of connectivity of individual country's infrastructure to promote regional economic and social activities. Sound regional infrastructure is needed for regional integration. ADBI and ADB (2009) illustrated several benefits of regional infrastructure development. These benefits include but are not limited to: improve regional connectivity; reduce the cost of regional trade; promote more efficient use of regional resources; ensure inclusive and environmentally sustainable economic growth; and help create a single Asian market. Among these benefits, of special relevance to the Asian regional energy market are the promotion of more efficient use of regional resources and guarantee of inclusive and environmentally sustainable economic growth.

The region's vast demand for energy and the related environmental issues need to be addressed seriously and energy conservation and energy efficiency are of critical importance. To increase energy efficiency, two channels need to be ensured: regional connectivity and energy trading, both of which need further development of (energy) infrastructure.

In view of the rich energy resources within ASEAN, it is feasible for ASEAN member countries to coordinate and establish a pan-ASEAN energy market. It could be economically sound and technologically viable and this could be verified by the ASEAN Power Grid. The power authorities of ASEAN agreed to interconnect electricity networks leading to the ASEAN Power Grid (APG). In July 2003, the regional master plan study on the ASEAN Power Grid was approved. Furthermore, blessed with rich natural gas resources, ASEAN member countries formulated the master plan for the construction of the Trans-ASEAN Gas Pipeline (TAGP) project. Issues relating to commercial, legal, and institutional aspects are addressed. This plan, when completed, will dramatically reduce the region's dependence on imported energy, thus strengthening the region's energy security, and settling to some extent the emission problems. An integrated regional energy market through APG and TAGP will not only invigorate the region by making energy resources in the region flow freely but also strengthen mutual trust and confidence among member countries.

However, the political will for steering an integrated regional energy market seems to be meagre at best right now. It shall be noted that energy infrastructure like APG and TAGP is a necessary condition for such a market but not a sufficient one. ASEAN member countries should put great efforts into making institutional frameworks, reinforcing top-leader communication for confidence building, promoting R&D on relevant technologies, enhancing exploration of renewable energy resources, and sharing experiences and lessons learnt from other countries and regions.

Europe's energy issues have promoted the European regional integration. The birth of the European Union is to respond to the problem unable to be settled by individual countries; energy was one among such issues. The foundation of the European Coal

and Steel Community (ECSC)—the beginning of European integration—aimed to partly address the energy issues. In 1968, the European Economic Community promulgated the Council Directive on “Imposing an Obligation on Member States of the EEC to Maintain Minimum Stocks of Crude Oil and/or Petroleum Products”, which marked the beginning of collective action of European countries on energy issues. As a large net importer of energy, EU tried to develop regional infrastructure through Trans-European Networks (TENs).

For the smooth development of TENs, the EU first provided the legal basis for TENs in 1992 in the Maastricht Treaty. In 1996, the EU agreed on guidelines for TENs development. Specifically in the case of energy, TEN-E is aimed to integrate the EU energy market to increase energy efficiency. The EU guidelines identify projects for TEN-E with priority to strengthen EU energy security, list projects eligible for EEC assistance, and seek to enhance project coordination (ADB and ADBI 2009). In addition to the EU guidelines, the EU institutions have facilitated the TENs development. The European Commission plays a critical role in these institutions. It proposes and monitors TENs, and offers funds and assistance for its development. It could be said that for the development of infrastructure and market integration, an honest broker is needed to forge the cooperation. In East Asia where there are no supranational institutions, this task could be fulfilled by ADB, UNESCAP, or a new neutral organization (ADB and ADBI 2009).

Latin America’s integration is driven by three initiatives that aim to develop regional infrastructure. Of the three initiatives, the Initiative for the Integration of Regional South American Infrastructure (IIRSA) provides a particular reference case for Southeast Asia integration. It is a forum for dialogue with multi decision-making levels. Its achievements are mainly on promoting a forum for discussion, coordinating with regulatory and infrastructure planning agencies, and developing new instruments to improve trans-national infrastructure projects. With IIRSA’s work, its member countries’ investment budgets are increasingly taking on a regional orientation (ADB and ADBI 2009). IIRSA is a good example for Southeast Asia integration as a forum for dialogue and cooperation. Such a kind of forum “can help build awareness of the benefits of regional integration and infrastructure, filter out unproductive projects, coordinate among various national and subnational agencies, and increase stakeholders’ participation” (ADB and ADBI 2009: 133).

In the case of Southeast Asia, ASEAN has taken on a major leadership role in building physical connectivity in the region. Some major Southeast countries such as Indonesia and Malaysia can also take the leadership role and push for infrastructure integration as a means for market and economic integration. However, infrastructure building is a huge capital-intensive project. “There is strong need for cooperation and developing the appropriate institutional structures and decision mechanism across the region.” (Karki et al. 2005: 508). As suggested by ADB and ADBI, a pan-Asian

Infrastructure Forum (PAIF) and an Asian Infrastructure Fund (AIF) are critical for the construction of energy infrastructure.

Building regional infrastructure is a complicated systematic engineering that is expensive and time-consuming. Hence, a high-level platform to coordinate the relationships between different parties is essential. PAIF could be such a platform. Like the IIRSA, the role of PAIF could consist of but is not limited to: assisting and coordinating the formulation of an Asian regional infrastructure strategy including transport and energy policies; identifying and prioritizing regional infrastructure projects; and mitigating negative environmental and social impacts of the relevant projects. Specifically for the energy market integration, an energy subforum could be established within the PAIF framework to specifically address the energy security issues in the region.

VI. CONCLUSION

This paper briefly introduces the concept of energy security within the context of East Asia, with an emphasis on Southeast Asia, and explores extensively the ways and means and the possibilities and activities of constructing a “seamless Asia” in terms of energy utilization. The indigenous supply capacity of fossil fuel in Asia is far smaller than the demand for energy. However, there is a huge potential in harnessing renewable energy in the region such as hydropower, biomass and geothermal energy. In fact, there is some progress in cooperative efforts to improve energy security in the region, which started in the 1990s, but the level of realization of such efforts is low if not nil. Full utilization of such potential requires energy markets in the region to be integrated via energy infrastructure such as power grids and gas pipelines. Integrated regional planning and coordination will allow for identification of the most cost-effective energy projects as some individual national markets are too small to justify large investments. Therefore, cross-border energy supply not only allows for diversification of energy sources but also enhances energy supply security.

For further cooperation and integration in Asia’s energy sector, experiences from other regions must be carefully studied and learned from. The EU’s experiences show that full integration takes a long time and many obstacles and huddles need to be overcome, so Asian countries can take lessons from those EU experiences and suggest implementation plans that could avoid the pitfalls and barriers.

Through regional effort for power interconnection and expanded cooperation in energy sector, Asian countries, particularly Southeast Asian countries have begun to move ahead with some achievements. To realize further integration, however, more efforts must be put on institutional building and investment promoting. A forum and a fund for cooperation need to be established to facilitate the construction of infrastructure for a seamless Asia. An integrated energy market in Asia will achieve the least cost energy investment through resource optimization and mitigate CO₂ emissions with the increasing use of renewable energy within the context of sustainable economic

growth. A pan-Asian Infrastructure Forum and an Asian Infrastructure Fund will be instrumental in further developing “a seamless Asia” not only for the benefit of Asia but also for the world at large.

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Europe's Quest for Energy Security—Tackling the Internal and External Challenges

Annika Ahtonen

Europe wants secure, cheap and sustainable energy. It wants reliable supplies of energy whilst meeting the climate and low-carbon economy challenge.

Simultaneously, energy security is not only a European challenge. Increasing global demand, potential energy crises and uncertainty related to future supplies mean that energy security is an international challenge. It requires international co-operation between producers, transit countries and consumers. It requires increasing energy efficiency and production of renewable and low-carbon energy worldwide.

This challenge is well-acknowledged at global fora. International summits and declarations stress the importance of co-operation in building energy security. Bilateral projects between regions and countries are increasing.

However, the political reality remains: energy questions are still greatly influenced by strong national interests. Even the European Union (EU), which has paraded single market as its key objective, has not managed to create a functioning internal market in energy nor a common voice on its energy objectives.

Policy-makers in Europe believe that a common European voice will emerge with an integrated energy market that binds the member states and their interests together. This would also make Europe a much more serious actor in international energy discussions.

Is Europe ready to take a major leap forward and co-operate full-heartedly in tackling the energy security challenge? What are the internal barriers to promoting energy security? How about the external challenges? What actions will the EU take in the near future to tackle these challenges and what more should be done? What are the prospects for deepening international co-operation on energy security?

EUROPE HAS DECIDED TO RELY ON ENERGY IMPORTS

Europe is vulnerable strategically when it comes to energy security. And it could be argued that this vulnerability is of Europe's own making.

EU's energy import dependency is about 53% (2007).¹ The EU27 imports over 80% of its oil, around 60% of its gas, around 40% of solid fuels and some 1% of its electricity and renewable energy. The share of gas in the energy mix is likely to increase in the coming decades as it is considered to be cost efficient and a low-carbon energy source.

The most important suppliers of crude oil and natural gas are Russia (34% of oil imports and 40% of gas imports) and Norway (16% and 27% respectively).² In addition, Russia provides around 26 % of the EU's coal imports.³ One could thus suggest that the EU has itself decided to put most of its eggs in the same basket.

In the last decade new partner countries have emerged. Crude oil imports from Libya and Kazakhstan, coal imports from Indonesia and Colombia, or natural gas imports from Nigeria, Libya and Qatar have increased, although the volumes still remain relatively small in comparison to Russia.⁴

This is a choice Europe has made. Rather than investing more in alternative energy sources such as nuclear or renewables, EU member states have become highly dependent on imported oil and gas. And with regard to these two, Europe has decided to build its main energy partnership with Russia. In the absence of a united European voice, Russia has gained significant weight in the European gas market by making bilateral agreements with the member states.

Whether this energy set-up is desirable and sustainable in the future, is one of the main questions Europe faces today. The external and internal energy challenges are putting an ever-increasing pressure on building energy security.

EXTERNAL PRESSURES ARE INCREASING

The first external challenge for Europe is the growing international competition for energy. China has already become the world's largest energy consumer and at the same time a key competitor for the EU in the Caspian Sea region, which has some of the largest oil and gas reserves in the world. The size of the global challenge is well reflected in the projection that total world energy consumption will increase by 36% from 2008 to 2035.⁵ The largest projected increase in energy demand is for the non-OECD economies. According to this estimation, fossil fuels—coal, oil and gas—would account for over 50% of the increase in total primary energy demand. With the investments in installed capacity that this entails, we will be locked in the fossil era for generations to come.

¹ European Commission, *EU energy and transport in figures. Statistical pocketbook* (2010). Luxembourg: Publications Office of the European Union. p. 30.

² *Ibid.* p. 31.

³ *Ibid.* p. 32.

⁴ *Ibid.* pp. 31-32.

⁵ International Energy Agency, *World Energy Outlook 2010*, executive summary, p. 4.

Second, related to this, the current dependency on gas and oil means that Europe is greatly affected by their price fluctuations. As the global demand increases, supply is likely to come under increased pressure leading to greater market volatility and higher prices.

Third, it is questionable whether Russia can continue to meet the energy demands of Europe in the future. The concern is two-fold. Does Russia have the needed capital and interest to invest in new production sites and new infrastructure in the aftermath of the economic and financial crisis? As the resources will not last forever, will Russia invest enough in the exploration of new gas and oil fields? And as Russia's own energy consumption is increasing and simultaneously it is planning to diversify its outlets, including towards China, the EU is understandably concerned.

In addition, Russia's ability and willingness to use energy for political purposes has created uneasiness among the EU member states. The two gas disputes (in 2005-2006 and 2008-2009) between Russia and Ukraine are examples of this.⁶ Both times European countries were affected and these disputes had a negative impact on the reputations of both Russia as an energy supplier and Ukraine as a transit country.

DISMANTLING THE INTERNAL BARRIERS AND BUILDING A COMMON ENERGY POLICY HAS BEEN SLOW

The gas disputes have triggered a change in the European Union energy policy. They demonstrated clearly the EU's lack of an integrated energy policy and provided the basis for calls to diversify European energy sources.

It seems obvious that closer European co-operation would give the EU the weight it wants when dealing with suppliers like Russia. Creating a truly integrated market would contribute to increased effectiveness in the use of energy and thus to security of supply.

However, this is easier said than done. For a long time, Europe has had an energy policy—on paper. The EU's energy policy aims to create a competitive internal energy market that offers quality service at low cost, to promote development of renewable energy sources, to reduce dependence on imported fuels, and to increase energy efficiency. However, so far, the EU has been weak to implement its own energy policy. European energy security is undermined by a significant internal challenge: a patchwork of national mini-markets and lack of political cohesion.

⁶ For a sample of Europe-wide press commentary see: "Press shivers from gas woes" in *BBC News*, 3 Jan 2006: <http://news.bbc.co.uk/1/hi/world/europe/4578000.stm>. "Russia-Ukraine feud goes beyond gas pipes" in *The New York Times*, 4 Jan 2009: http://www.nytimes.com/2009/01/14/world/europe/14iht-gazprom.2.19349065.html?pagewanted=2&_r=1

A push for setting common rules for the internal energy market came with the Electricity Market Directive of 1996 and the Gas Market Directive of 1998. These were followed by other set of directives in 2003 that promoted internal market, competition and security of supply for electricity⁷ and gas⁸. However, despite these regulatory developments, the results have remained weak. For example, the gas market is still a collection of national gas markets.

It was not until Russia stopped the flow of gas into Ukraine in 2006 and in 2009, leading to supply crises in the EU member states, that the EU took a series of actions to promote energy security. Part of this was a new push for a common energy policy.⁹ The well-known parts of this policy were the ambitious energy and climate change objectives for 2020—to reduce greenhouse gas emissions by 20%, rising to 30% if the conditions are right, to increase the share of renewable energy to 20% and to make a 20% improvement in energy efficiency. EU energy and climate goals have now been incorporated into the Europe 2020 Strategy for smart, sustainable and inclusive growth and into its flagship initiative “Resource efficient Europe”.¹⁰

Energy is today at the core of European activities. The central goals for energy policy (security of supply, competitiveness, and sustainability) are now laid down also in the Lisbon Treaty, the new constitutional basis of the European Union.¹¹

However, progress on the ground has not been impressive. Just to name a few of the barriers to completing a single market for energy: energy systems of the member states adapt too slowly to the regulatory developments and political objectives; internal markets are far from being open, integrated and competitive; transmission capacity is lacking; there are too many different rules in different EU member states; a number of member states have not even managed to liberalise their own internal energy markets and the Commission’s willingness and ability to act on infringements have been weak.

The inadequate performance on energy efficiency is a sad reminder of how the EU member states cannot agree on an objective that would bring significant benefits for the community as a whole. Energy efficiency is a key to achieving a low-carbon economy, reducing greenhouse gas emissions, addressing energy security and lowering the cost of energy services for consumers. However, increasing energy efficiency by 20% by 2020 remains an unbinding target. The quality of National Energy Efficiency Action

⁷ Directive 2003/54/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in electricity.

⁸ Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas.

⁹ Communication COM/2007/1 from the Commission of 10 January 2007 concerning An Energy Policy For Europe.

¹⁰ Communication COM/2010/2020 from the Commission of 3 March 2010 concerning Europe 2020, A strategy for smart, sustainable and inclusive growth.

¹¹ Article 194 of the Treaty on the functioning of the European Union (TFUE).

Plans, developed by member states since 2008, is disappointing and the move towards greater energy efficiency in transport is happening slowly.

The EU acknowledges these challenges and the importance of an integrated energy policy. At the end of 2010, the European Commission published a new Energy Strategy for 2011-2020 called “Energy 2020, a strategy for competitive, sustainable and secure energy”.¹² The strategy sets out five priorities: i) it highlights the importance of energy efficiency; ii) it pushes for significant investments in low-carbon energy, suggesting that Europe will need to invest one trillion euros in the energy sector in the next decade in order to replace parts of its power generating capacity, renew electricity networks and build new pipelines; iii) it hopes to promote Europe’s fragile leadership in technologies such as renewables and smart grids; iv) it promotes the creation of an open competitive energy market, where a new focus is on consumers, on the need to reassure them of the safety of energy systems and giving them good deals and v) it acknowledges that Europe needs to have clearer foreign energy objectives and learn to speak with one voice.

Energy is on the EU agenda in 2011 like never before. The energy and energy infrastructure priorities were discussed among the EU heads of state and government in the energy summit in February 2011. In March, the Commission presented the updated Energy Efficiency Action Plan, which is to be adopted by the EU Council’s meeting in June. The external dimension of energy policy is a key dossier for Poland, which holds the EU Council Presidency in the autumn of 2011. At the end of 2011, the Commission will present the Energy Roadmap 2050, which will outline different paths to meet EU’s greenhouse emission reduction target (80-95% compared to 1990) and secure the provision of energy at competitive prices. This strategy will address the established objectives of EU energy policy—sustainability, energy security and competitiveness, and suggest how they can be improved while moving towards a low-carbon energy system.

It is obvious that the EU needs an integrated energy policy and agreement on common objectives. Although it is envisaged that energy transport and transmission infrastructures, including better interconnections, links with third countries, supply systems that include renewable energies and smart grid developments will be given greater roles in the coming years, solemn speeches and ambitious proposals are not enough. They need to be coupled with concrete national measures and stronger enforcement of existing laws.

¹² Communication COM/2010/639 from the European Commission of 10 November 2010 concerning Energy 2020, a strategy for competitive, sustainable and secure energy.

TIME TO ACT

First, the European energy market needs to be harmonized on the basis of the 3rd internal energy market package that was adopted in 2009.¹³ For example, in relation to gas, member states need to interconnect gas grids. The EU member states should integrate national stockpiles of energy sources—perhaps even create strategic gas storage in case of a supply disruption. The market, which is still a patchwork of national gas markets, needs to be harmonized.

Europe needs binding targets and agreements, and the EU should assess carefully national energy plans and follow their implementation closely. However, rather than producing new proposals and legislation, the EU should now focus on enforcing existing laws.

National interests will continue to affect EU's energy policy. In order to promote compliance with the existing legislation, the starting point is to ensure that European citizens and electorates understand the advantages of working together. The EU should put more emphasis on communicating what the gains of a single energy market are for each member state.

If carrots do not do the trick, they must be followed by sticks. Starting infringement procedures, such as the European Commission's request to 20 member states in June 2010 to implement and apply single market rules for gas and electricity, can push for behavioural change and they should be utilized more often. If the responses are not satisfactory, there should be stronger public naming and shaming of violators and the cases should more often be referred to the Court of Justice with a proposal on financial sanctions. The guardian of the treaties should not shy away from using the instruments at its disposal.

To meet the external challenges to energy security, first, Europe needs to find alternative sources of supply geographically. For example, the increasing dependence on imported natural gas from a few sources can be reduced by diversifying sources, for example, by increasing LNG imports and use of biogas. New imports, such as shale gas from the US may also be an option for the future. However, the main focus at the moment is on diversifying importing routes for gas.

The demand for gas via pipelines will continue to increase significantly in the future, and thus the EU is making numerous plans for diversifying its natural gas supply. The EU has currently three supply routes for gas, from Norway (Northern Corridor), Northern Africa (Western Corridor) and Russia (Eastern Corridor). However, it is currently seeking to establish a new supply route called Southern Corridor, which would

¹³ Including Directives 2009/72/EC and 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and in natural gas respectively.

bring natural gas from the Caspian region and the Middle East to Southeastern Europe and the EU.

The Southern Corridor plans include constructing several pipelines such as Nabucco, ITGI (Interconnector Turkey-Greece-Italy), White Stream, and TAP (Trans-Adriatic pipeline), aiming to bring gas from the Caspian Sea to Europe. In addition, Russia has put forward a plan for South Stream, which is often considered to be a competitor for Nabucco. As the construction costs are high and building pipes through several countries will be complex, it is clear that building so many pipelines will not make sense. However, it remains to be seen which pipe projects will turn into pipe-dreams and be abandoned. At the moment all the EU Southern Corridor projects rely on gas from Azerbaijan and the fight over which pipeline gets to import the gas to European markets is on.¹⁴

So far, the EU has been extremely slow in its actions in the Caspian region. It has, for example, failed to invest in strategically important targets such as Turkmenistan, where China is developing the South Yolotan natural gas field. Also, while the EU has promoted Nabucco as its favourite project, it has in some quarters become considered as the anti-Russian pipeline. This again has created some uneasiness in the Caspian region, namely in Turkmenistan, which does not want to take part in projects that undermine Russian interests.¹⁵ In order to become a serious actor in the area, Europe needs to develop a comprehensive strategy for the Caspian region. It needs to build real partnerships.

Related to this, Europe needs to reconsider its energy strategy in relation to Russia, take a stronger stance and learn to speak with one voice. The energy dependency is mutual. Russia relies on the EU for a majority of its income from gas. In addition, Russia relies on economic relations with the EU. The EU is Russia's most important export market and European companies are Russia's most important foreign investors. However, the EU consumers will benefit from this only if the member states work together and recognize the EU's economic power in relation to Russia.

Altogether, the EU needs to put more emphasis on co-operating with its neighbours and strategic partners. Bilateral agreements with partner countries such as Russia, concluded by member states, must be in accordance with EU rules.

Second, the European Union and its member states need to find alternative sources of supply through developing cleaner coal, nuclear energy and renewable energies.

Coal will not disappear from European energy mix in the next decades; however, government subsidies for coal production must be stopped. These subsidies undermine European energy and climate targets and competitiveness of renewables and other low-emission energy technologies. They send a message that is at odds with the EU's stated

¹⁴ Amanda Paul and Borut Grgic, EPC Commentary: Entering the end game: the race for Caspian gas. 27 October 2010.

¹⁵ Ibid.

climate and energy objectives. But, as all options need to be looked into, developing carbon capture and storage technology should continue.

The nuclear accident in Fukushima in March has greatly influenced the nuclear energy debate in Europe. It was a blow to the revival of the nuclear power industry and will impact the development of new nuclear power plants. However, as phasing out nuclear energy will not be possible anytime soon, greater transparency is needed about nuclear plant safety in Europe and outside its borders. One way to achieve this would be to give the EU greater competence in nuclear policy and make nuclear plant stress tests binding. At the moment, the member states are responsible for their own nuclear plants and their participation in the EU-mandated stress tests is voluntary. As nuclear will remain an important part of the solution for reducing emissions and increasing European energy security, the EU citizens must also be convinced of its safety and value.

The worldwide use of renewable energy, including hydro, wind, solar, geothermal, modern biomass and marine energy, is expected to triple between 2008 and 2035, thus increasing its share in total primary energy demand from 7% to 14%.¹⁶ This is also considered to be a key component in the European energy security equation.

However, renewables are not a silver bullet nor can they become the only component in the energy mix. These energy sources are not yet cost-effective. A number of EU member states have been giving significant subsidies for installation of, for example, solar and wind power equipment, helping to sustain high prices and supporting renewable technologies in places that are not always the sunniest or windiest. For example, Germany has invested over 50 billion Euros in solar photovoltaic installations in the last 10 years, but the share of electricity produced through them was only 0.6% in 2008.¹⁷ These subsidies distort the natural market and damage the development of alternative energy sources. This development has also kept investments out from those, often less-developed, countries that would be better suited for use of renewables such as solar power. Support mechanisms for renewables need to be cost-effective and these technologies need to be used where they are most efficient. This is still something that Europe needs to fully appreciate.

It should also be noted that in order to get the potential out of using renewables they need to be interconnected via a pan-European electricity grid. This infrastructure will, however, require significant investments in interconnections and upgrading grids with information and communications technologies. China has become a key player in developing renewable technologies and thus is seen as a real competitor for European manufacturers of solar panels and wind turbines. However, rather than see China's emergence on these markets as a threat, Europe should see its great potential. Having more competition in the field will make these technologies more readily available

¹⁶ International Energy Agency. *World Energy Outlook 2010*, executive summary, p. 5.

¹⁷ Christoph M. Schmidt, Resp. Editor, Ruhr Economic Papers, *Economic Impacts from the Promotion of Renewable Energy Technologies*, The German Experience, 2009, pp. 5, 10.

worldwide, which can decrease the pressure on global energy demand and bring down greenhouse gas emissions.

Development of renewable technologies is a great example of an area where shifting from protection of national or regional self-interests to international co-operation could bring enormous benefits. Building a competitive world market for cost-effective and safe renewable technologies should be the aim of Europe and all other regions.

FROM SUMMIT DECLARATIONS TO DEEPER INTERNATIONAL CO-OPERATION?

Although the EU's common voice on energy remains weak, it has acknowledged energy security as a global common challenge. The external challenges that make European energy security unpredictable, including volatile energy prices and growing international competition for energy, also affect others. Achieving energy security is also closely tied to fighting climate change and the objective to reduce greenhouse gas emissions, which the EU promotes with fervour. These challenges cannot be tackled without international collaboration, and the EU sees potential especially in co-operating in the areas of market mechanisms, new technologies, energy efficiency, and nuclear safety and security.

The G20 leaders at the meeting in Pittsburgh in the US in September 2009, committed to “rationalize and phase out over the medium term inefficient fossil-fuel subsidies that encourage wasteful consumption”. This was reaffirmed in Seoul, South Korea in November 2010.¹⁸ These commitments reflected the recognition that subsidies distort markets and price signals; they can impede investment in clean energy sources and thus undermine efforts to mitigate climate change. The leaders have also recognized the importance of developing and deploying energy efficiency and clean energy technologies.¹⁹ The agreement to encourage further discussion on co-operation in R&D and regulatory measures is a start—although a weak push towards cross-border collaboration.²⁰

It is no surprise that energy security has been a topic also at the Asia-Europe Meetings (ASEM) and some energy co-operation already exists between the two regions. One of the most ambitious projects is ITER and developments in fusion science. In the same way as Europe, Asia also struggles to achieve energy security. In fact, Europe and Asia have very similar energy challenges. Both are net energy importers rather than providers of energy. Both have co-operation difficulties in their regions, as national interests rule over a drive for common good. Both Asia and Europe are looking into the same foreign energy suppliers, the Russia and Caspian region, for energy. Both

¹⁸ The G20 Seoul Summit Leaders' Declaration, November 11-12, 2010, para 58.

¹⁹ *Ibid.* para 68.

²⁰ *Ibid.* para 68.

are putting a lot of emphasis on building renewable technologies and highlighting the importance of energy efficiency.

The ASEM in October 2010 reflected well the recognition of the common challenge. Energy efficiency and increased use of renewable energy are being seen as both contributing to addressing climate change and fostering security in energy supplies, and the leaders have called for making full use of international co-operation to exchange best practices and stimulate, for example, development, transfer and adaptation of advanced, affordable, safe and environmentally-sound energy technologies and know-how.²¹ It was also acknowledged that transparent, competitive and environmentally sustainable markets, consistent legal frameworks at national and international levels and diversification of sources, routes and types of energy supplies and emergency mechanisms can bring great benefits for all partners.²²

As Russia is a common player in the game for both, it is clear that with the acceptance of Russia as a new member of ASEM, energy security will become an even more important topic in these meetings. Perhaps one day the Central Asian countries will join the group and bring a new dimension to the energy security discussion. However, even before this happens, the realism of energy geopolitics means that Europe and Asia will need to work more closely with Central Asian countries.

However, it is obvious that moving from declarations of great concern into concrete measures of co-operating on energy security is a long step to take. This is an area where perhaps ASEF (ASEM Foundation) could play a role by promoting concrete, practical development projects between Europe and Asia.

Energy security is a global challenge that requires global solutions. Although deepening international co-operation on energy security will be a long process, having energy security on an agenda in high-level international meetings is a start.

In the process, it should also be kept in mind that energy security is closely tied to other global issues such as climate change and food security, and the solutions developed for energy security should not increase the size of these challenges or lead to other problems, especially in the developing countries. Discussion on supply and demand and access to energy is an integral part of a greater debate on how to achieve a sustainable world that meets the demands of 7 billion people today and 9 billion people in 2050.

CONCLUSION

For Europe, energy security is both an external and internal challenge. Growing international competition for energy, including from China, volatile energy prices that reflect an imbalance between supply and demand and Europe's current dependence

²¹ Chair's statement of the Eighth Asia – Europe Meeting Brussels, 4-5 October 2010, para 35.

²² *Ibid.* para 36.

on imported energy, in particular from Russia, are significant external challenges. A fragmented energy supply system, a patchwork of national markets, a lack of political cohesion and the objective of promoting a low-carbon economy are internal challenges on achieving energy security.

The EU acknowledges that energy security is a global challenge that calls for international co-operation. It puts emphasis, for example, on co-operating in the areas of market mechanisms, new technologies and energy efficiency.

However, the harsh reality on global, regional and national levels is that energy remains an issue where narrow national interests continue to override the broader common interest. As long as the benefits of working together are overruled by these considerations, statements and declarations will just be empty words without concrete actions. As on the global level, on the regional level, finding and promoting common solutions will require improving economic relations, enhancing mutual co-operation and trust, and understanding the advantages that come from working together for mutual benefit.

It could be argued that in the EU, these factors are recognized on paper. The EU is putting increasing emphasis on a strong internal energy market and finding an agreement on common objectives. It is stressing the importance of collaborating with producers, transit countries and consumers. However, despite ambitious declarations, it is unlikely that there will be significant leaps forward to complete a functioning single market for energy anytime soon. And as long as the EU's quest for achieving a sustainable, secure and competitive system for energy is challenged by conflicting national interests, it will not have a common voice. This will prevent it from becoming a serious international actor in building global energy security.

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Asian Perspectives on a Global Governance Architecture on International Labour Migration*

Jorge Villamor Tigno

INTRODUCTION: STATES MATTER

International labour migration has often been seen in the scholarly literature in largely economic and sociological contexts. International migrants play a crucial role in the survival and global competitiveness of many receiving economies and societies. Although they comprise a minority in absolute numerical terms¹, migrant workers are in an exceptional position within the economies of many countries. Receiving areas rely on their migrant workforce to a high degree in order to off-set problems associated with an ageing population and declining fertility rate. A growing number of industries in Asia rely on migrant labour to maintain their competitive advantage in the global marketplace. As a result of their increasing economic significance guest worker programs have become commonplace in many receiving areas in both Asia and Europe. At the same time governments in many sending areas have embarked on large-scale contractual or temporary labour emigration programs to address their chronic unemployment problems and trade imbalances. Since the 1970s, the Philippines is one such country that has come to rely extensively on its overseas employment program in order to stave off further economic decline. Through their migrant populations these sending areas are able to acquire financial and material resources that have proven a valuable asset in both social and political terms.

While studies show the remarkable extent of migrant income remittances² and social networks, what has been greatly overlooked is the politics that surrounds the phenomenon of international migration and the important role that states play in deter-

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¹ At present, migrant workers make up about 3% of the total world population although in not a few instances they make up at least one-fifth of the total labour force of receiving economies.

² The combined income remittances received by developing countries from their overseas nationals is far greater than the combined level of official development assistance (ODA) extended by the North to the South.

mining the direction and extent of such diaspora (Tigno 2009). Quite often understated is the reality that governments can and do exert a great deal of influence and power on who gets to enter, stay, and leave a country (Hugo and Stahl 2004). Inasmuch as the decision to migrate is primarily a personal choice of the migrant (at least in many liberal societies) an international regime that is based on the Westphalian system makes nation-states key players in determining the direction and extent of such cross-border movements. Under such circumstances states are placed in a unique position—they are capable of shaping the character of the international migration system as they constitute its substructure. Adherence to the Westphalian doctrine of sovereignty and territoriality makes this possible. The continuing political turmoil in many countries in the Gulf underscores the point that states matter and that overseas migration has become an integral aspect of their security and stability. The Philippines government, for instance, is concerned that the political tensions in Egypt, Libya, and other places in the Gulf region can lead to an anticipated drop in overseas deployments from the country between 2011 and 2016 (Jaymalin 2011). Previous tensions in the same region and elsewhere have compelled the government of that country to look for other labour markets for its burgeoning pool of unemployed and desperate yet aspiring ranks of migrant worker applicants. The Philippine Overseas Employment Administration (POEA) processes no less than three thousand job applications each day (Guinto 2009).

Despite the continuing global war against terror that has led to the increasing politicization of immigration in many parts of the North, the international atmosphere appears to be relatively open about international migration (Hollifield 2004: 900). While 9/11 has had far-reaching consequences on US immigration flows in terms of associating terrorism with foreigners from certain areas, by and large there is little evidence that the securitization of migration in both the Asian and European contexts has led to an absolute and significant reduction in global migrant flows. In spite of the security precautions taken by states in many receiving areas, labour migrant flows continue (albeit slowed down a bit by more stringent immigration measures).³ Economic downturns also impact on migration but these also merely slow down (and do not altogether impede) emigration flows from certain parts of the world. Indeed, the International Organization for Migration (IOM) anticipates the mobility of labour to continue and even “exceed prior levels” (IOM 2010: 11). Moreover, the emergence of a global rights regime in the last two decades is likely to reduce problems associated with the negative social and economic impacts of migration. Conventions and standards have served to

³ The exclusion of migrant workers as a means to reducing the terrorist threat is strategically untenable for many states who continue to experience the economic and demographic factors that underpin their continued need for foreign workers. International labour migration trends and statistics bear this out. The International Organization for Migration (IOM) reports that the number of temporary work permits issued to foreigners entering OECD member countries has steadily increased since 2000 (IOM 2010).

create the impression that efforts are being made to protect and promote the rights of migrants everywhere.

The current scholarship on the politics of international migration has remained small and isolated despite the strong political implications international migration has upon states and regional organizations.⁴ At the same time, the discourse on international politics has rarely crossed over to the politics of international migration. It is no surprise then that the global governance of international migration is a matter that has remained “poorly understood within both academic and policy circles” (Betts 2011: 3). Despite efforts to integrate goods and capital markets at the regional level through schemes such as the North American Free Trade Area (NAFTA) and the Association of Southeast Asian Nations (ASEAN) Free Trade Area or AFTA, the coordination and integration of migrant labour streams have yet to achieve serious progress. Why has there been such resistance on the part of states to the movement of labour across borders? What are the prospects for the establishment of a global management architecture on international migration? What are the challenges facing the existing global governance infrastructure? This paper will attempt to respond to these questions. It is primarily concerned with the cross-border movement of people (specifically labour) from and within East Asia and as such seeks to provide an Asian perspective on the prospects for the establishment of a comprehensive and global governance architecture on migration. It attempts to enumerate the challenges that attend the construction and execution of such a global governance architecture. The paper assumes that states in Asia are concerned primarily with their survival. At the same time they often also speak on behalf of their respective societies to a significant degree. Although states are more likely to compete against each other in order to guarantee their own survival, from time to time they do manage to cooperatively engage one another when their interests converge. It is this dynamic of how states behave according to their own interests and their notion of what their society’s interests are that determine the extent to which they engage one another either cooperatively or competitively in the international or regional arena. The paper argues that the behaviour of states in relation to bilateral, multilateral, and international conventions, norms, and agreements pertinent to migration is set entirely in their own terms.

On the whole, Asia is an area characterized by diverse and complex migrant flows. East Asia in particular offers a unique setting for analyzing the way that cross-border movements of human beings are being governed (or not). The kind of movements that occur in the region is complex in the sense that it is comprised of several migration systems that, unfortunately, have been less studied compared to their counterparts elsewhere in the world (Massey et al. 1998 and Yamashita 2008: 3). Both sending and

⁴ Migration can also alter the ethnic composition of a society and disrupt the ethnic “balance” or “homogeneity” that is thought to exist as well as undermine a key basis for the state to legitimately exercise power over the people (Hollifield 2004).

receiving areas in East Asia depend on migrants and migration to a high degree. For instance, a third of Singapore's workforce is foreign-born. The collective economic, social, and political significance of cross-border migrants in Asia has reached proportions that cannot be ignored. Nearly eight million migrants (or about a third of the estimated stock of Asian migrants worldwide) are located within Asia itself (IOM 2008: 439). Their combined remittances are even greater than the combined official development aid extended by the richest economies to the developing countries of the world. The national boundaries that divide the region are porous and artificial since social and economic relations across countries in the region have been taking place since pre-colonial times. The labour trade in East Asia can likely outstrip the overall trade in Asian goods and capital in terms of their relative financial as well as social significance. National authorities in East Asia (both sending and receiving areas) are increasingly becoming aware of the tremendous potential and actual resources that their respective migrant populations are likely to contribute to the sustainability of their respective political systems. Countries facing serious labour shortages brought about by serious demographic shifts are compelled to consider migration as a means to ensure their continued comparative advantage and competitive global standing. Countries with severe labour and population surplus problems are more than willing to fill in that gap in destination areas.

STATES, INTERNATIONAL MIGRATION, AND GLOBAL GOVERNANCE

Of all the known and enduring aspects of globalization, the cross-border movement of people is one that is considered a process that has been poorly governed in some ways nationally but in many ways regionally as well as globally. This is understandable to a certain extent. As an aspect of globalization⁵, international migration is not a single process but a bundle of complex and multi-dimensional factors, drivers, and processes with deep social, economic, political, ecological, and technological implications. Migration has raised some serious challenges in the way we look at global governance. Migration touches on several policy areas that are important to many states such as economic development, employment, ethnic integration, multiculturalism, citizenship, trade, terrorism, and security. Managing migration takes place at different levels—national states, regional institutions, and intergovernmental organizations. Since migration involves groups of countries, it is often seen to be a challenge that requires a concerted global (if not regional) response (Matsas 2008). Yet while there are well-established international protocols and institutional mechanisms to deal with trade and finance, health and disease control and prevention, crime prevention and the war on terror, and even the control of weapons of mass destruction, international migration

⁵ Migration is not only unavoidable but is also seen to be one of the critical drivers of globalization (Held 2006).

is one of the few concerns that continue to lack a viable and effective global governance infrastructure. While human rights norms and standards are generally and reasonably well known, national authorities have paid little real attention to the rights of migrants (Iredale and Piper 2003). Such norms are rarely upheld in the absence of real institutions to ensure effective compliance by state parties (Vayrynen 1997).

For some there is reason to be optimistic about this global governance infrastructure and how it can be brought to bear on states in the way that they respond to the challenges of international migration. The complexities of migration in the modern world collectively present a compelling concern for states (in both developed and developing areas) that they cannot simply ignore.⁶ States need to engage one another in a systematic, comprehensive, and cooperative manner to maximize the benefits and reduce the adversities of international migration. The Global Commission on International Migration (GCIM) expressed this optimism in its final report.⁷ Global governance strongly implies the creation of a “supranational body” on migration.⁸ However, the prospect for the establishment of a “World Migration Organization” continues to be a pipe dream. There is reason to be sceptical in the face of such optimistic outlooks. The reality is that states are reluctant to come to the negotiating table and submit to the prospect of “surrendering” their sovereignty as far as migration policies are concerned (Hatton 2007). States are reluctant to engage in international arrangements that would lead to a reduction of their outstanding prerogatives. Bilateral and multilateral agreements are likely to do this. Hence, much of the migration policies that exist are unilateral in nature. It would be pointless to speak of the creation of a viable international regime that goes beyond unilateralism. Multilateral engagements end up simply as “talk shop” events and a pedestal for raising issues without the prospects of resolution. To be effective, multilateral engagements must foster a regime that enables and compels states to respect their obligations and commitments particularly when it comes to respecting the rights of their migrants. Most importantly, such a regime would have to convince states to come to the negotiating table.

Governance is broadly defined as a process by “which individuals and institutions, public and private, manage their common affairs” (Commission on Global Governance

⁶ Numerous economic, social, and political factors such as technological and transportation advancements, the establishment of political agencies that facilitate mobility in sending areas, and the presence of social and kinship-based networks in receiving areas have significantly reduced the transaction costs of cross-border migration (Hollifield 2004).

⁷ The Commission does not advocate a single model of global governance. Rather it recommends a set of guiding principles that can be used by states in the crafting of their respective national policies and programs on migration. For further details see GCIM (2005).

⁸ Bhagwati (2003) argues that “borders are beyond control” and states can do little to restrict migrant flows. The world is in need of “enlightened immigration policies” that should be codified and replicated. A “World Migration Organization” can achieve this by “juxtaposing each nation’s entry, exit, and residence policies toward migrants, whether legal or illegal, economic or political, skilled or unskilled” (Bhagwati 2003: 104).

1995: 2). However, to situate governance in a global context gives rise to a serious complication.⁹ Since governance is about managing institutions and making them work to achieve common collective interests, it becomes difficult to frame governance in a backdrop where there are numerous sovereign state institutions often with conflicting or incompatible agendas and interests and very little commonalities. What are the elements of a global governance infrastructure? This paper argues that any global governance architecture must (a) be guided by a common set of goals, principles, and norms; (b) have a set of rules that take into account the design and administration of its component members; and (c) have an effective system for specifying and administering sanctions and rewards upon all concerned members. The challenge now is to be able to transform the perspectives of states so that they conform more to the elements of a global governance architecture as enumerated above. Governance would not be possible without sanctions. Global governance operates on the basis of norms and ensuring compliance without which governance itself becomes ineffective (Vayrynen 1997). Norms are essentially collective expectations on what constitutes appropriate or moral behaviour and are an integral part of any social system. Governance strongly implies direction. Direction implies control. Control implies the exercise of power. States are unwilling to surrender control because that implies a reduction in their power as sovereign entities without any realizable gains or benefits. The idea of a global governance architecture can also intimidate as much as it can engender hope for state decision-makers and planners. Questions as to who governs and who follows; who decides and how are decisions to be implemented are certainly valid and compelling concerns for states. Cross-border movements that are not sanctioned by the state constitute a continuing threat to its *raison d'être*. In cases where states are willing to enter into “sovereignty-limiting agreements on the movement of peoples” it will do so only with other states faced with a similar predicament. Rich states bind with other rich states even as a significant portion of the migration that takes place is actually between rich and poor areas (Hansen and Koehler 2010). Not only is there resistance but there is also a need to construct an international regime on migration that becomes foremost on the minds of many state authorities.¹⁰

Transnationalism as it pertains to increased levels of cross-border movements of goods, capital, and people pose serious challenges to the sovereignty of states

⁹ Ironically, the strength and appeal of the term lies in its very “slipperiness” (Krahmann 2003).

¹⁰ A UN survey done in 2003 asked about the willingness of member states to engage one another to establish such an international regime on migration. The results showed that 47 were in favour, 26 were against the idea, and 111 gave no response at all (Koslowski 2004: 3).

(Hollifield 2004).¹¹ The unauthorized movement of material goods, capital, and labour across borders is seen as a violation of the principle of state sovereignty. Although artificial and at times flexible, borders are treated by states as sacrosanct. Yet the reality throughout much of East Asia is that these borders are extremely porous, contentious, and flexible. As such, the movement of people poses a more serious and significant challenge to states beyond the sacrosanctity of borders. Moreover, the reality is that state policies assume ever increasing importance as they are able to direct the impacts and implications of cross-border movements in a multitude of terms.

MULTILATERAL, REGIONAL, AND BILATERAL PLATFORMS, PROCESSES, AND NORMS

At the moment, there are a number of existing official platforms that foster cooperation at inter-governmental level such as the International Organization for Migration (IOM), the International Labour Organization (ILO), the World Trade Organization (WTO), and the United Nations System. Within East Asia, these official platforms include organizations such as ASEAN and venues such as the Asia-Europe Meetings (ASEM). Since 2000, international migration issues have appeared on the agenda of these and other inter-states bodies and arrangements. The Doha Development Round of trade negotiations that began in 2001 within the WTO framework brought up the matter of trade in services and the temporary movement of natural persons (i.e., Mode 4). The Protocols against Human Smuggling and Trafficking as well as the UN Migrant Workers Convention entered into force in 2003. The Global Commission on International Migration (GCIM) was convened by the United Nations Secretary-General in 2003 to look into the prospects of establishing a global governance architecture on international migration. The United Nations conducted a High Level Dialogue on International Migration and Development in 2006 which eventually gave birth to the Global Forum on Migration and Development (GFMD) beginning in 2007. Strictly speaking, however, a single, effective, and unifying regime at the global and multilateral levels governing international migration has yet to materialize out of all these varied efforts.

The outcome of intergovernmental mechanisms is usually a convention or protocol. However, rights-based conventions and protocols are usually not as easily adopted

¹¹ The movement of so-called “high-end” people (i.e., professional, technical, and highly skilled workers and managers) is not seen as a problem by states. In fact, many encourage this. What is seen as problematic by many states is how to manage the arrival of low-skilled foreign workers. The resistance is obvious for a number of reasons. Low-skilled migrants are less likely to be covered by any existing social protections systems. Hence, they can be a burden to the state given their limited capacities and resources. Low-skilled migrants are also thought to pose problems in social integration given their low educational background. It is no wonder that most states make these types of migrants ineligible for permanent residency. To overcome restrictions imposed by states on their entry and stay low-skilled migrants resort to illicit and informal channels which can further compound the problem.

by states as security-based conventions and protocols. As discussed below the United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children was drafted in December 2000. By 2003 it had 117 state signatories. It is important to note that the Trafficking Protocol is not a rights-based instrument but an anti-criminal protocol. In contrast, the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families was adopted back in December 1990 but only came into force in 2003 after being ratified by a minimum of 20 states. To date, it has 31 signatories. Nevertheless, the Migrant Workers Convention offers the most comprehensive normative framework for protecting the rights of migrant workers and at the same time ensuring the continuing authority of states in the areas of immigration control and nationality policy although it is somewhat constrained by an “overriding commitment to the norms and structures of sovereign statehood” (Bosniak 1991: 737). The Convention also has the problem of irrelevance. It was crafted at a time when many developed countries were in need of foreign labour.¹² Since that time, however, states have had to confront a myriad of other international issues and concerns such as the dominance of the Internet, 9/11 and terrorism, and the end of the Cold War. The world has experienced profound changes that also had an effect on the attitudes of many states in receiving areas. Moreover, a lot of the immigration trends that were just emerging in the 1970s and 1980s became sources of problems and concerns for states. These issues include the increasing number of family reunification migration that took place in Europe, brought about by the early influx of migrant workers. The end of the Cold War also saw the collapse of emigration restrictions in Eastern Europe that heightened the sense of anxiety of many receiving countries making the Convention even less relevant to states in the 21st century.¹³

Trafficking in persons has become not only a human rights issue but also a key security concern for many states (Caraway 2006).¹⁴ The Trafficking Protocol mentioned above¹⁵ can be seen as a positive step towards clarifying the issues pertaining to such a form of migration. In and of itself, the adoption of a common definition for human

¹² Iredale and Piper (2003) offer an extensive review of the obstacles to the signing and ratification of the Convention.

¹³ Despite its existence since 1990 only a few state authorities fully understand the legal implications of the Migrant Workers Convention. It has had very little visibility in the public domain leading to incorrect assumptions about its meaning and significance (Pécoud and Guchteneire 2006: 255).

¹⁴ Haque (2006) describes trafficking as the “dark side” of human migration.

¹⁵ This was accompanied by the Protocols Against the Smuggling of Migrants and Small Arms under the Convention Against Organized Transnational Crime.

trafficking is a major achievement.¹⁶ Arriving at a common definition is crucial to the conduct of cooperative arrangements between and among state authorities. However, what might be considered a down-side of the Protocol is that it does not offer stringent provisions to require state parties to protect and promote the rights of trafficking victims. It actually contains two sets of provisions—those that are required of all state parties and those that are only undertaken “in appropriate cases and to the extent possible under its [i.e., each state’s] domestic law.” Not surprisingly because of the leeway it provides states, the Protocol has been able to gain much more signatories and ratifications than the UN Migrant Workers Convention.

In addition to formal international conventions and protocols, there are the less formal regional consultative processes (RCPs). In the late 1990s, several RCPs were started in many of the world’s regions after some states realized the futility of unilaterally managing migration (Hansen 2010).¹⁷ Broadly, RCPs are mechanisms that involve processes (often expressed in the form of a series of meetings) initiated and held by states but can also involve non-state representatives on a regular but loose basis as well as on a regional level purposely to discuss migration issues, problems, and concerns including the possibility of mapping out ways on how best these might be addressed.¹⁸ Their composition, purpose, and organizational framework vary from region to region although they have evolved into largely informal gatherings of an essentially non-binding nature to minimize the “hardline” approach that comes with defending one’s national interest or official position and in order to build trust and confidence between

¹⁶ The Protocol provides a rather comprehensive definition. Article 3 defines trafficking as “the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs.”

¹⁷ Several terms are used at the inter-governmental level to describe these multilateral engagements. These include APCs (Asia-Pacific Consultations), IGCs (Intergovernmental Consultations), and RCPs (Regional Consultative Processes). For purposes of this paper, RCPs will be used to collectively refer to these process terms.

¹⁸ RCPs are different from Track Two mechanisms. RCPs are processes initiated by official government entities and conducted exclusively to attempt to address migration issues, problems, and concerns. Non-governmental and inter-governmental representatives participate as observers. Track Two dialogue processes involve other issue areas other than migration (e.g., environment, human rights, competing territorial claims, etc.). In contrast to RCPs, Track Two dialogue processes are initiated entirely by NGOs or civil society organizations and networks and government representatives generally participate in these discussions in their individual capacities. RCPs are Track One mechanisms on migration as it refers to the conduct of discussions by official government representatives. Kraft (2002) provides a concise understanding of Track Two processes.

state parties. Although the states involved in one RCP come predominantly from the same region, it is possible for states outside the region to be involved as stakeholders.¹⁹

Within the Asian region a number of such consultative processes have been undertaken involving refugees, displaced persons, and migrants. One of the first RCPs in Asia was called the Manila Process otherwise known as the IOM Regional Seminar on Irregular Migration and Migrant Trafficking in East and South-East Asia and began in 1996. It had participants from 16 states and one territory²⁰ and its fourth and last meeting was held in 2000 in Jakarta. In 1999, the Manila Process came out with the Bangkok Declaration on Irregular Migration which at the time represented a significant step towards establishing a regional agreement on how to face the problem of irregular migration and protecting the rights of irregular migrants. Among others, its main point was to encourage cooperation between state authorities, non-state entities, and inter-state organizations to address the problems associated with irregular migration. It also recognized the need for governments to build their capacities to face the challenges posed by irregular migration.

After the Manila Process came the 2003 Ministerial Consultation on Overseas Employment and Contractual Labour for Countries of Origin in Asia, otherwise known as the Colombo Process and which involved 11 countries²¹ four from Southeast Asia (Indonesia, Philippines, Thailand, and Vietnam). The Colombo Process focuses mainly on (a) providing for the protection of the rights of migrants especially under abusive conditions and practices; (b) maximizing the benefits of organized labour mobility by way of enhancing the development impact of remittances; and (c) building the capacities of institutions to be able to meet the challenges of labour mobility and enhance cooperation among countries of origin.

¹⁹ The definition for what constitutes the members of “a region” is flexible and is not confined to geographical proximity “as in the case when a group of states which primarily define themselves as countries of destination come together based on their like-mindedness and common location on the ‘migration map’ as opposed to a geographic connection in the strictest sense” (Hansen 2010: 12-13).

²⁰ These are Australia, Brunei Darussalam, Cambodia, China, Indonesia, Japan, Lao PDR, Malaysia, Myanmar, New Zealand, Papua New Guinea, Philippines, Republic of Korea, Singapore, Thailand, Vietnam, and Hong Kong.

²¹ These are Afghanistan, Bangladesh, China, India, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, and Vietnam. In 2005, several other countries and international institutions were invited to join the process as observers. These are: Bahrain, Italy, Kuwait, Malaysia, Qatar, Republic of Korea, Saudi Arabia and the United Arab Emirates as well as the Asian Development Bank (ADB); Association of Southeast Asian Nations (ASEAN); Department for International Development UK (DFID); the European Commission (EC); the Gulf Cooperation Council (GCC); the ILO; the United Nations Development Fund for Women (UNIFEM), and the World Bank. With the inclusion of additional countries that were primarily considered destination areas, the Colombo Process eventually gave way to the Abu Dhabi Dialogue (or Ministerial Consultations on Overseas Employment and Contractual Labour for Countries of Origin and Destination in Asia) in 2008.

In addition to the Colombo Process, there are other migration-related consultative processes. One such issue-based regional mechanism is called the Bali Process²² which currently has a total of 43 countries and territories and is co-chaired by Australia and Indonesia.²³ Since 2002, the Bali Process has managed to hold three Ministerial Conferences. The objectives of these Ministerial Conferences are to develop effective information and intelligence sharing; to improve cooperation among law enforcement agencies for the purpose of fighting people smuggling and trafficking networks; to enhance cooperative mechanisms on border and visa systems; and to increase the public's awareness on the problem of human trafficking and smuggling.

During the latter half of the last decade, ASEAN has been able to initiate its own set of RCPs. The ASEAN Forum on Labour Migration is one such RCP that is pushing for the coordination of economic and social policies among its member countries as well as the creation of a “mechanism for dialogue and consultations on the many issues raised by migration.” Like all other RCPs, it is essentially a “talk” process.²⁴ At its 2007 summit in Cebu, all ten heads-of-state of ASEAN signed the Declaration on the Protection and Promotion of the Rights of Migrant Workers and agreed to the principle of promoting “the full potential and dignity” of migrant workers. The Declaration also puts ASEAN in the context of the regional body's vision to establish for itself an “open, dynamic, and resilient” community. Understanding how the ASEAN system works allows us to better appreciate the significance of the ASEAN Migrant Workers Declaration. While it can be seen as a positive step towards codifying the principles governing the management of migration across countries in the region, the Declaration is also riddled with flaws. It is vague on the notion of an ASEAN citizenship which can be the starting point for a regional migration infrastructure. It is largely a state-led project in which a “people-centered ASEAN” becomes a smokescreen for a state-centered ASEAN. Like the Forum that came with it, the ASEAN Declaration is sorely lacking in disciplinary provisions and sanctions. Much like the ASEAN Human Rights Declaration, the Migrant Workers Declaration also lacks teeth. It recognizes “the sovereignty of states in determining their own migration policy relating to migrant workers, including de-

²² This is the 2002 Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime.

²³ These are the countries of Afghanistan, Australia, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, DPR of Korea, Fiji, France (New Caledonia), Hong Kong, India, Indonesia, Iran, Iraq, Japan, Jordan, Kiribati, Laos PDR, Macau, Malaysia, Maldives, Mongolia, Myanmar, Nauru, Nepal, New Zealand, Pakistan, Palau, Papua New Guinea, Philippines, Republic of Korea, Samoa, Singapore, Solomon Islands, Sri Lanka, Syria, Thailand, Timor-Leste, Tonga, Turkey, Vanuatu, and Vietnam. In addition, 26 other countries and intergovernmental organizations are included in the Bali Process as observers. The observer countries come from North America and Europe while the organizations include Interpol and the United Nations Office on Drugs and Crime (UNODC).

²⁴ The first was held in 2008; the second in 2009; and the third in 2010.

termining entry into their territory and under which conditions migrant workers may remain.” Moreover, the implementation process is slow and cumbersome.²⁵

The absence of more concrete agreements beyond a declaration, communiqué, or statement means that RCPs have had minimal overall impact. The next best recourse for states to engage one another in cooperative intercourse is to manage migration through bilateral recruitment and labour agreements. Given the unwillingness of individual states to engage in relations on a multilateral basis, bilateral arrangements have become the most common means of systematically arranging and managing labour migrant flows between states. In one 2004 report, more than 176 bilateral agreements and labour recruitment arrangements were seen to be in force in OECD countries (OECD 2004: 12). However, bilateral agreements by their nature are limited arrangements. No matter how extensive they may be bilateral agreements cannot substitute for a comprehensive multilateral arrangement. States in receiving areas have little incentive to engage in such multilateral negotiations because it complicates what for many of them is already an optimal political and social strategy.

ACTIVITY VERSUS IMPACT

The broad array of interventions, mechanisms, and arrangements described above suffer from a common deficit in the sense that they “fall far short of the magnitude needed to address the challenges of international migration today” (Newland 2005: 7). The “political chatter” (Hatton 2007) that can be heard around the idea of establishing an international migration regime has remained empty despite the many initiatives made at various levels. In looking at the significance of consultative processes, Hansen (2010) notes that “activity” in the international arena does not always translate into meaningful impacts. The more meaningful test of RCPS is on whether they are able to overcome the obstacles to inter-state cooperation (Hansen 2010: 19).

Xinying (2008) argues that the paradigm of managing temporary labour migration from the perspectives of international organizations and conventions has the appeal and promise of providing a systematic and comprehensive framework. However, there are several problems associated with adherence to an international framework to manage temporary labour migration from the perspectives of sending areas. One problem for sending countries is their limited capacity to manage temporary labour migration. This is partly due to the fact that in the Asian context “the migration industry is a major player” (Asis 2005: 32). Government regulators in such cases are thus helpless in the face of the heavy role played by private labour recruitment agents and brokers. Moreover, the governments in many sending countries are poor, ill-equipped, and too badly managed to face the challenges posed by such a comprehensive framework especially as these pertain to regulation enforcement. Simply building the capacities of

²⁵ Shortly after signing it, ASEAN set up a “Committee on the Implementation of the Declaration” in 2008.

public institutions in the sending areas will not suffice to address the capacity problem. The problem is complex as it involves long-standing issues of people's trust and transparency in governance. At the same time, there is the moral hazard problem. The entry of massive income remittances from overseas migrants can deter or delay efforts to institute more effective, efficient, less corrupt, and transparent governance mechanisms (Xinying 2008).

Migration policies fail because they do not take into account the complexity of the migration process (e.g., the existence of networks, and a migration industry, among others) as well as migrant agency. The existence of tractions (e.g., red tape, corruption, etc.) within the bureaucracy of a state can also lead to migration policy failure. Cooperative migration for regional development has also been seriously sidelined by the war on terror resulting in greater emphasis by states on border protection and restrictive labour migration as well as immigration policies. Comprehensive migration policy failure is brought about by incoherent policy outlooks and short-term perspectives (Castles 2004). All countries in the region have embraced significantly different sets of migration policies in terms of how they integrate migration into the broader socio-economic policy framework (Kaur 2007). For instance, it will be difficult for migrants to be accommodated into the mainstream policy framework as long as there are problems in many polities in the way that they marginalize their respective ethnic minorities in the guise of "civilizing projects" (Duncan 2008). This is one major challenge to crafting a comprehensive migration policy for East Asia.

A comprehensive regional migration framework requires effective coordination between units within the bureaucracy of the polities involved. There must be a workable and coherent action plan that will deal with resolving and preventing conflicts and tensions from arising across sending and receiving jurisdictions. The action plan must also involve a degree of transparency towards as well as genuine participation from civil society groups. The goal of a good action plan is to narrow the gap between rhetoric and action. Most importantly, the action plan must embody and be linked with other aspects of development and must be able to address the root causes of why people move (and not merely the symptoms). Above all, any comprehensive regional migration policy architecture must be rights-based. It needs to protect and promote without depriving migrants of their rights, their agency, and their sense of autonomy.

As with any international arrangement, the (a) reluctance of national governments to discuss and (much less) agree upon common principles and norms including (b) their unwillingness to relinquish even a small part of their formal regulatory authority, makes any discussion of any global governance infrastructure untenable. The unwillingness of states to give up part of their sovereignty with respect to the cross-border movement of people "is ironic, in that states have never had full sovereign control over migration and have lost much of what little they had in the era of globalization" (Newland 2005: 3). Historically, national authorities in destination areas have always been unwilling

to accede to migration conventions, treaties, and agreements for a variety of reasons such as the presence of a small number of migrants in the country; the likelihood of economic, social, and political instability if governments were to give a “preference” to foreign labour over local workers; the lack or absence of infrastructure to apply these agreements and make them effective; the unwillingness of parties in power to commit to binding agreements for the reason that it privileges certain foreigners over others; the view taken by certain political groups that such conventions are no longer appropriate given the complexities of globalization and international migration; perceived problems in integrating migrant populations into their respective polities and societies; among many others (Taran 2000: 92). Any attempt to establish a global governance infrastructure relevant to international migration must take into account certain existing “complications” to the global governance—international migration equation. These include current national policies and program to manage migration or control immigration; formal bilateral arrangements such as labour, economic, or cultural agreements; regional and global dialogues, consultations, and exchanges such as those taking place within ASEAN, the EU, and the UN; international legal conventions and protocols; and multilateral systems such as the ILO, IOM, and the UN. The region’s migration systems are heterogeneous, complex, and dynamic which makes it difficult to engage its systematic management.

CONCLUDING STATEMENTS

This paper has taken a quick look at the current migration regime²⁶ in place in East Asia. The strategic goal is for states to be able to collectively and cooperatively manage the issues that arise out of the migration phenomenon so that the negative impacts are minimized. But in the absence of a single and all-encompassing multilateral framework for managing migration what has emerged is “a complex and fragmented tapestry of overlapping, parallel, and nested institutions” (Betts 2011: 2). It is important to recognize the fundamental flaws in the international system that can mitigate the establishment of universal norms and standards. These flaws include the existence of basic “logical contradictions” (e.g., the principle of non-intervention versus the desire to promote democratic and human rights); “the absence of any institutional arrangement for authoritatively resolving conflicts (particularly in terms of ensuring compliance among concerned parties); and clear “power asymmetries” among states (Krasner 1999). There is an inherent incompatibility between the territoriality of states in relation to immigration questions and the universality of human rights attached to migrants. In the final analysis, it is states—not the international system as a whole—that determine the direction of international agreements and conventions.

²⁶ A migration regime refers to the institutions and power relations that manifest themselves in relation to who gets to leave, stay, live, and work in a territory.

The role played by civil society groups and private business interests needs to be re-examined further in view of their strong presence in the East Asian migration context. The importance of such groups cannot be underestimated.²⁷ As such, Track Two consultation mechanisms in Asia and Europe may provide yet another platform upon which migration issues can be placed on the agenda and tackled on a more concerted and multilateral level. However, the problem with most Asian states is their refusal to acknowledge the legitimacy of their respective civil societies as partners in the attainment of national development. Migrant groups tend to advocate issues that national authorities in receiving areas may not be willing to consider such as the granting of citizenship to foreigners and giving foreign workers the right to demand equal treatment and protection including the right to organize and to be politically represented. In advocating for such concerns, migrant groups also have an agenda that implicitly (and sometimes explicitly) questions the social and political status quo and at the very least points out the incompetence or ineffectiveness of national agencies and existing mechanisms. This point is not altogether lost to national authorities and which would lead them toward the path of greater resistance to their (i.e., NGO) claims and concerns.

What ought to be the orientation of existing institutions? Should they be mere platforms for discussion and debate or coordinating bodies for common projects and action plans or outright enforcement agencies with the power to sanction erring members? As discussed above, when forced to make a choice states are willing to put their adherence to a rights-based norm on hold rather than sacrifice their security and territorial prerogatives. But while states are oriented towards strengthening their borders (through stringent immigration controls, among others) the trajectory of international conventions is to tear down these same borders. States would not be willing to enter into such a sovereignty-reducing scheme unless it is in exchange for something more important. Clearly, a “grand bargain”²⁸ would be necessary to address this inherent flaw in the international system to manage migration. Unfortunately at present, states are unwilling to bargain.

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²⁷ One study showed that the UN Convention on Migrant Workers is known to national government authorities in both sending and receiving areas largely through the efforts of NGOs (Iredale and Piper 2003: 6).

²⁸ A grand bargain is an agreement whereby “each party does something it would not otherwise do that have a desired and mutually beneficial long-run impact” (Widgren and Martin 2003: 199).

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New Areas for Asia-Europe Cooperation with Regard to Global Governance: The Issue of Migration from a European Point of View

Joaquín Arango

How would global migration look like if it were presided over by global governance? I do not know of any attempt to envisage it, but it can be reckoned that it would favour a much higher volume of human mobility, matching the level of exchanges that in other spheres characterizes the era of globalization. It would be orderly and transparent. It would happen in accordance with national laws, which in turn would be influenced by an international legal framework. The rights of migrants, asylum-seekers and refugees would be duly protected, and they would be offered opportunities to develop as workers and persons. Migration would fulfil its redistributive function between developed and less developed countries, to the benefit of both. Its developmental effects upon source countries would be enhanced. The labour needs of receiving countries would be satisfied.

Needless to say, contemporary reality bears little resemblance to this ideal picture. Indeed the marked contrast between reality and the desideratum represented by the global governance of international migration makes a strong case for trying to bring the former closer to the latter. The reasons that underlie the efforts carried out by the G20 and other international instances to set rules and procedures for trade and financial movements in our globalized world have an obvious correlate in the realm of international migration. The need to set up global spaces and frames for the regular encounter of the major actors involved—in this case sending, receiving and transit countries—in which not only rules can be adopted but also practical agreements reached and implemented, is no less pressing in the field of human mobility than in that of commercial and financial exchanges.

Yet, the issue of the global governance of international migration—under the different terms used to refer to it—has been systematically avoided until recently by the international community. Receiving countries tended to regard it as a conflict-ridden one, and opposed its treatment in international fora, probably thinking that their interests were basically opposed to those of sending countries and hardly amenable to significant cooperation. The 1994 UN-sponsored International Conference on

Population and Development, usually referred to as the Cairo Conference, provides a good example of such reluctance.

RECENT EFFORTS

Fortunately, signs of change in this respect are visible in recent years. A number of relevant international institutions have been taking a positive stand in this direction, starting with the Global Committee on International Migration (GCIM) launched by the preceding General Secretary of the United Nations, Kofi Annan, in 2003. The Commission presented a valuable report two years later. It was followed by other UN initiatives, such as the High-Level Dialogue on International Migration and Development (2006) and the Global Forum for Migration and Development (GFMD), created in the same year and convened in Brussels in 2007 and in Manila in 2008. Other institutions that have shared a similar spirit and put forth initiatives include the World Bank, the International Organization for Migration (IOM), and the Organization for Economic Cooperation and Development (OECD). The issue is gaining momentum. The aim is to design and establish a new international order that would replace the present disorder.

As for the reasons that explain such a change, several can be thought of. On the side of the receiving countries, there is an increasing concern with unauthorized migration. And there is an increasing recognition that, in order to curtail it, the cooperation of origin and transit countries is essential. In a more formal and less frank way, it is increasingly repeated that cooperation among sending, transit and receiving countries is necessary for the good and orderly management of international migration flows. In addition, whether openly recognized or not, it is increasingly clear that all developed and high-income countries need immigrants, to fill shortages or interstices in their labour markets and to alleviate the implications of population aging.

As for the other side of the migration connection, it is generally believed that source countries could benefit from the development-inducing effects of migration—above all through remittances, the transfer of skills and the action of the diasporas—and from the safety-valve function of reducing labour surpluses. Decisive in this respect has been the spectacular growth in the volume of remittances in recent times—certainly until the onset of the current crisis, but even after it. In a world avid of paths conducive to development, this relative novelty has been eagerly received. The doubts that many studies have raised about whether remittances contribute to development have not detracted from the pivotal role often accorded to them, whose potential for poverty alleviation is less questioned.

A further step in the positive climate about migration that prevails in a number of international organizations is the idea that between the population and labour-force structures of young developing countries and aging developed ones there is a potential for complementarity; a potential that, if adequately exploited through international

migration flows, could yield win-win results, or even win-win-win if the possible benefits for the migrants themselves are added.

A DEGREE OF SCEPTICISM

Yet, it can be asked whether the aforementioned initiatives have any future, or even whether the very idea of a global governance of migration is a realistic one. There are reasons that warrant a degree of scepticism. The new order that is sought, based on internationally respected rules and efficient procedures for the regulation of human mobility in the era of globalisation, has not gone beyond the stage of desideratum. The degree of international cooperation that exists, as far as the management of international migration is concerned, is clearly unsatisfactory. In fact, there are reasons to doubt that the aims of many receiving countries in this respect go much beyond bilateral or multilateral agreements for the readmission of unauthorized migrants.

Many obstacles stand in the way of the new global order. One is the ingrained reluctance of states to accept limitations of sovereignty in this realm. As an example, only one receiving country—Portugal, which happens to be a sending one too—has ratified the Convention on the Protection of the Rights of All Migrant Workers and Members of their Families, adopted in 1990 and in force since 2003. Another hurdle arises from the significant differences in interests and orientations that are found among nations. Many receiving countries are especially, and increasingly, keen on attracting highly skilled workers and professionals and reluctant to admit the less skilled ones, while many sending countries would be happier if the reverse picture prevailed. A number of major receiving countries are liberal democracies, while many others are autocratic states, something that raise doubts about the possibility of reaching agreements about minimum standards in terms of migrants' rights. The securitization of migration and asylum, clearly on the rise after the events of 9/11, but even before that date, has created an environment hardly conducive to cooperative frameworks.

THE EUROPEAN UNION AND THE EURO-MEDITERRANEAN REGION

The influence of international organizations and fora can play a strategic role in the efforts to advance towards a more balanced international order for migration and asylum. But migration policies are still primarily and basically made by national states. The aforementioned international initiatives notwithstanding, the decision power in this realm remains in the hands of national governments, especially those of the receiving ones, because their policies are the ones that have the greater influence on migration flows and on their impacts.

Yet, the general principle that migration policies are the province of national states admits one partial exception. It comes from the existence of the European Union, made

up of 27 states, most of them immigration-receiving countries. Although they retain a large degree of decision-making capacity, a common UE immigration and asylum policy is in the making. By itself, this fact could constitute a step in the long way leading to a new global order, because by definition the common policy implies agreements and cooperation among a large number of countries whose relevance in this realm is beyond any reasonable doubt. Indeed the EU has become the first destination region in the world, as far as the number of migrants is concerned.

As is well known, the EU has embarked—formally since 1999, informally since the mid-1980s—on the construction of a common immigration and asylum policy, an endeavour that has made considerable progress but has still a long way to go. Such a process is proving to be slower and more difficult than expected at its start, in the EU Tampere Summit of the Fall of 1999, when it was officially launched, following the ratification of the Amsterdam Treaty that *europeanized* immigration and asylum matters. This notwithstanding, it is taking place, to a large extent due to the initiative and impulse of the European Commission, and despite the reservations often voiced by influential member states. Since its start, the Commission has played a pivotal role in the design and implementation of the common policy, and some of the initiatives that more clearly point towards a global order bear its mark. This is, to give an example, the case of the so-called “Global Approach to Migration”, formally adopted by the EU in 2005, and which rests on the three pillars of promoting legal migration, reducing irregular migration and cooperating with third countries.

Much as other receiving countries, European nations need cooperation with sending and transit countries for the orderly management of migratory flows. Such a need was recognized in the Tampere Summit, when cooperation with sending and transit countries was included as one of the three or four pillars on which the common policy should rest. It can be reckoned that in order to be stable and solid such cooperation should work to the benefit of both ends of the migration relationship, sending and receiving, and that it should go beyond the mere control of flows. From the viewpoint of the EU, it should extend to all countries that constitute significant sources of migratory currents towards Europe, but it should be primarily applied to the relationships with the neighbouring ones, those bordering the Mediterranean basin in what, together with Europe, is often referred to as the Euro-Mediterranean region. The case of the European Union and its neighbours in the Mediterranean basin provides an apt illustration of the benefits that could be reaped if there were more cooperation in the area of migration, and at the same time of the difficulties that stand in the way of the building of a new order based on interregional cooperation. It constitutes an example of theoretical possibilities and practical difficulties.

AN EXAMPLE OF THEORETICAL POSSIBILITIES AND PRACTICAL DIFFICULTIES

In all receiving countries, migration is presided over by a tension that opposes needs to fears—or needs to reluctance and reservations—especially if it involves the possibility of migrants staying and being incorporated into society and the nation. Such a conflict is solved, or at any rate faced, in different ways and with different outcomes in different migration regimes.

In the case of Europe, both needs and fears are very large indeed. In the EU-27, persistent low fertility and very high levels of life expectancy result in very rapid ageing of the population. Deaths already outnumber births in 10 of the EU's 27 member states, and others will follow suit. The active population is bound to shrink in the near future. According to recent forecasts by Eurostat, the EU's active population will start declining by 2012, even with yearly flows of 1.5 million immigrants. Should flows remain at that level, in the following decade the active population would shrink by 14 million. The Commission estimates a reduction of 52 million people of working age by 2050.

And the need for immigrants does not stem only from demographic reasons. A structural mismatch between the needs of the economy—increasingly a knowledge-based one—and the output of the educational system also contributes to it. As in other parts of the world, there is an increasing need for professionals and highly skilled workers.

All in all, this is the reverse picture of the one that obtains in the countries of the Southern and Eastern shores of the Mediterranean (SEMC). The very high fertility levels that prevailed there until less than a quarter of a century ago—despite the marked decline recently experienced by the majority of them—produced very large cohorts, which are now responsible for the young population structure that presides over their demographic reality. The high number of young women in reproductive age also results in a considerable number of births despite the decline of fertility. But the dominant feature is the relative size of the active population. In itself, the present population structure in these countries offer what is known as a “demographic bonus” or “demographic dividend”, i.e., a structure characterized by a high proportion of young adults and a relatively low dependency ratio that could be highly favourable to economic development, should the remaining conditions on which this depends also be favourable. Yet, if other conditions make economic growth sluggish, such a population structure makes it utterly difficult to provide jobs for the plethora of youngsters it contains, and the “demographic dividend” becomes a demographic burden.

The contrast between the respective population structures of the EU-27 and the SEMC is indeed stark. The needs that stem from the respective demographic and labour force structures of the EU and the SEMC structures are basically complementary as well. The North needs, and will increasingly need, people of working age; the South/

East has many such people for whom it does not have jobs. In the latter, the number of jobs will have roughly to double in the next twenty years to meet the aspirations of the active population. This implies that the number of jobs should increase at an annual rate not below 3 per cent. In order to achieve this, economic growth should be much more vigorous than it is nowadays. It can be predicted that employment will continue to be a crucial challenge. In such a context, out-migration appears as an important necessity for the countries bordering the South and East shores of the Mediterranean. In addition, labour migration is highly valued in terms of the remittances it brings, which rank among the highest in the world. Out-migration from certain countries in the region is certainly sizeable, not only towards Europe but also towards the oil-producing countries in the Gulf region, but it absorbs only a little proportion of the labour supply. To be more than a partial solution, it ought to be more substantial.

Conversely, in many areas of Europe labour shortages are already chronic and widespread. In the future, in the absence of large immigration, they would constitute a serious bottleneck for economic growth. In theory there are alternatives to immigration, but they are unlikely to happen. The need for skilled workers is generally recognized, but less skilled ones are also required. Present demographic trends have another powerful implication, and this is the threat of insolvency of the pension systems that stems from the combination of shrinking cohorts entering the labour force and the constant increase in the number of pensioners. The ratio between active persons for every inactive one in the EU is gradually declining, and bound to reach hard-to-sustain levels in a not too distant future. While it is generally recognized that immigration is no a panacea for such ills, it is no less clear that they could be alleviated by immigration flows larger than the present ones.

The complementarity that exists between the labour force needs of the EU countries and the SEMC could make migration particularly beneficial to both sides, leading to win-win scenarios. This, in turn, could improve the public evaluation of migration in European societies, making it more acceptable.

Yet, there are important obstacles that stand in the way of increased migration between the two sides concerned. One stems from the fact that the complementarity between different endowments of labour supply and demand becomes less relevant if it does not encompass skill mixes as well. But this could be alleviated through cooperation. The most important ones have to do with politics, more precisely with the existence of adverse feelings and attitudes towards immigration, and they result in immigration policies which are hardly adequate for the realization of the win-win potential.

The political climate which surrounds migration in Europe is hardly conducive to the conversion of migration needs into actual migration. Two trends can be discerned in our days in this domain: negative attitudes towards migration and restrictive admission policies, and they are closely connected. Immigrants from the South/East Mediterranean are often the focus of adverse attitudes against immigration. Indicators

of integration leave much to be desired, and they are often used to fuel anti-immigrant feelings. In turn, the latter provide the soil on which increasingly restrictive policies tend to prosper. Obviously, complementarity would have better chances to give way to larger flows in a more liberal migration environment, but the likelihood of such liberalization is minimal. And insofar as the present state of things remains unchanged, prospects for win-win migration scenarios belong largely in the realm of wishful thinking.

Indeed, existing immigration policies are hardly adequate for the realization of the win-win potential. In most European countries, admission policies are highly restrictive, particularly as far as labour migration is concerned. They give *de facto* precedence to entitlement-based entries—i.e. based on the rights of family reunion and asylum—and to irregular migrants, who tend to have less risk-aversion and to be less skilled. Both effects contribute to the perception of migration as unwanted or *subie*, as it has been recently termed, and therefore to a negative evaluation of migration that fuels an adverse climate.

THE NEED FOR CHANGE

A better governance of migration in Europe would require a number of changes aiming simultaneously at devising better, more balanced migration policies and at improving the atmosphere in which it takes place. The necessary change in the orientation of migration policies could start by taking seriously the Global Approach. Doing so would entail investing more heavily in cooperation with source and transit countries and redressing the balance between the first two terms—promoting legal migration and fighting irregular migration—a balance that so far has been severely distorted in favour of the latter.

As for legal migration, it is due time that the EU develops a proactive policy that hopefully would be later followed by member states. Enlarging the avenues for legal migration would break the vicious circle of increasing restriction and more unwanted migration. Its cornerstone would be an adequate immigrant admission and selection system which would combine short-term considerations with a mid-term outlook presided over by active population and skills considerations. In so doing, it would do away with the prevailing admission systems which are presided by short-term considerations, above all those directed at filling vacancies in the labour market, a cumbersome paradigm that generates a host of unintended consequences and does not secure the satisfaction of labour market needs in the medium-term. The new admission paradigm would not only look for the highly-skilled immigrants, but also for the less-skilled.

In this respect, circular migration could prove to be a win-win formula. As far as receiving countries are concerned, it could provide a flexible scheme for changing labour market needs. In addition, it could allay part of the reluctance that some countries show towards permanent migration, especially of the less-skilled. For source

countries, it may lower the costs of outmigration, reduce the brain drain, and contribute to the transfer of skills. And it may afford valuable additional income to families. Yet, in order to exploit its potential, the idea of circular migration should be taken seriously, beyond the mantra that it constitutes today.

An adequate migration regime, able to orderly channel migration and to better satisfy the needs of the labour markets, might allay some of the reservations of a hostile public opinion and contribute to changing the social perception of the costs and benefits of migration.

The latter would also require a new impulse to integration policies. Integration is necessary for social, political and moral reasons, but also for economic ones, and to upgrade the perception of existing immigration. The comprehensive approach put forth in the EU Tampere Summit of 1999 should be retaken and invigorated. The principle of “fair treatment”, established therein, should be given its full weight. The importance of integration for social cohesion does not need to be pondered. It is also essential for the well-being and the life chances of citizens of immigrant background. The management of migration would benefit from mainstreaming it, i.e., introducing the issue in all areas of EU policy, including external relations.

Many clouds cast shadows over the European sky as far as migration is concerned. They point to the need for a better governance of migration and its implications. Indeed, if rightly managed, migration could contribute to solve pressing needs in receiving countries, to foster development in sending ones, to promote a better understanding between peoples and nations and, last but not least, to improve the lives of millions of citizens all over the world. It could be an instrument of redistribution that could yield win-win-win results, instead of frustration, tensions and fears.

Europe and Asia can contribute to bringing that ideal picture closer, first of all by improving national policies. There is ample room for it, from protecting migrant rights to offering migrant workers wider avenues for developing as workers and people, from devising more liberal and efficient migration regimes to enhancing the development effects of migration and its returns.

Is there room for Euro-Asian cooperation in the way that leads to global governance? There is some at the bilateral level, between pairs of countries connected by migration flows, especially between China, the Philippines and countries in South Asia with a number of European countries.

But there is more room at the multilateral level. Europe and the Asia-Pacific region are major actors in the global migration scene, and their combined influence could make a decisive contribution towards the global governance of international migration.

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Combating Human Trafficking: A Challenge for International Cooperation in the Case of Thailand

Chatchom Akapin

INTRODUCTION

Human trafficking has become a global concern.¹ Alarming, there have been more than one million victims of this crime worldwide, most of whom are children and women.² Reports from the International Labour Organization reveal that the profits derived from human trafficking are approximately USD32,000 million each year³, ranking third after drugs trafficking and illegal weapon smuggling.⁴ This is the reason why this kind of crime has been increasingly pervasive.

In Southeast Asia alone, the problem of human trafficking has remained in this region for many years. According to the US State Department, there are around 700,000 victims each year, one third of whom are women and children forced to fall into sex trade and illegal labour practices. The victims are from Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Thailand, and Vietnam. Most of these victims are traded within Asian countries including Bahrain, Malaysia, Maldives, Singapore, and Thailand. Also, many of them are brought to the United States and Europe to be exploited in force labour and forced prostitution.⁵

¹ Puan Sri Datin Seri N. Sarasswathy Devi, "Protection of Victims, Particularly Women and Children, against Domestic Violence, Sexual Offences and Human Trafficking", a paper presented in the ASEAN Law Association, 9th General Assembly 2006, pp. 508-510.

² Thanachart Paliyavej, "The problem of human trafficking", *Prachachart Dhurakit*, January 21, 2006.

³ Kumaralingam Amirthalingam, "Protection of Victims, Particularly Women and Children, against Domestic Violence, Sexual Offences and Human Trafficking", a paper presented in the ASEAN Law Association, 9th General Assembly 2006, p. 566.

⁴ Puan Sri Datin Seri N. Sarasswathy Devi, "Protection of Victims, Particularly Women and Children, against Domestic Violence, Sexual Offences and Human Trafficking", p. 516.

⁵ US State Department, *Trafficking in Persons Report 2010: Thailand (Tier 2 Watch List)*, pp.1-2.

OVERVIEW OF HUMAN TRAFFICKING SITUATION IN THAILAND

The situation of human trafficking in Thailand is critical. The country has been involved with this situation in three dimensions: country of origin; country of transit, and country of destination.

As for the country of origin, most Thai trafficking victims were sent to Bahrain, Malaysia, Maldives, and Singapore. Furthermore, some Thai men who migrate for low-skilled contract work in Taiwan, Malaysia, South Korea, Israel, the United States and the middle-east countries are subjected to the conditions of forced labour and debt bondage. It should also be noted that many Thai workers become the victims of forced labour in European countries, including Sweden, and Poland, as well as the United States for work on construction sites, in slaughterhouses, and on farms.⁶

Another country in Europe where Thai victims were found is Spain. Early this year, the Anti-Human Trafficking Division (AHTD) police arrested a Thai man who was accused of luring seven Thai women into prostitution in Spain. In this case, the Thai Embassy in Madrid alerted Spanish police to the suspected forced prostitution at a night club, where 20 people, including the seven Thai women, were later rescued in a police raid.⁷ Elsewhere, South African police recently rescued 21 Thai women, believed to be human trafficking victims, from an alleged brothel.⁸

With regard to the country of transit, many traffickers from various countries often use Thailand as a hub for smuggling trafficking victims to other countries due to the country's relatively good transportation system such as air and land transport. Research found that many victims from Thailand's neighbouring countries such as Cambodia, Lao PDR, and Vietnam are often sent to countries in Europe and North America through Thailand.⁹

As regards the country of destination, many men, women and children in Thailand's neighbouring countries migrate to Thailand. Surprisingly, this situation also happens to people from as far as Russia and Fiji. The purposes of these people range from seeking economic opportunities, fleeing adverse political situations, and escaping military repression. Records show that most trafficking victims identified within Thailand are migrants who have been forced or lured to forced labour or commercial sexual exploitation. Regarding forced labour, most of these victims were employed to work in low-end garment production, seafood processing, and maritime fishing. Many Burmese, Cambodian, and Thai men were found trafficked onto fishing boats that travelled throughout Southeast Asia and remained at sea for several years. It should also

⁶ Ibid.

⁷ Author unknown, "Spanish Sex Ring Exposed", *Bangkok Post*, August 29, 2010.

⁸ Author unknown, "21 Thai women rescued from S. Africa brothel", *Bangkok Post*, May 31, 2010.

⁹ Chatchom Akapin, Human Trafficking in South East Asia, a research submitted to Naval War College, 2006, p. 12.

be noted that these trafficking victims were forced to work without pay.¹⁰ A question arises here: why do these people work at sea for such a long time without pay? The answer is simple: they are forced to work with a threat that if they do not obey the boss's instructions, they would be beaten, which could end up with death, or abandonment on a deserted island in the middle of the ocean.¹¹

THAILAND'S RESPONSE TO THE HUMAN TRAFFICKING PROBLEM

As discussed earlier, Thailand has been facing the problem of human trafficking for many years as source, transit, and destination country. Therefore, the Thai government has adopted two main measures to address this ailing situation, i.e. legal measures and administrative measures.

LEGAL MEASURES

In fact, Thailand has voluminous legislation with the potential to cope with human trafficking-related crime. These include the Prevention and Suppression of Prostitution Act B.E. 2539 (1996), the Measures on Prevention and Suppression of Women and Children Trafficking B.E. 2540 (1997), the Child Protection Act B.E. 2546 (2003), and the Penal Code. Most recently, Thailand has passed a specific legislation on combating human trafficking—Anti-Trafficking in Persons Act B.E. 2551 (2008).

It is important to note that this piece of legislation introduced a number of innovative measures, such as pre-trial hearing, provision of assistance to the victims, victim protection during the investigation and trial, and allowing public prosecutors to claim for compensation for the victims upon conducting a criminal case. Moreover, this newly enacted legislation has also adopted various legal principles to ensure efficiency of law enforcement. This includes providing the definition of human trafficking, adoption of the “conspiracy” principle, adoption of extra-territorial jurisdiction, and adoption of the “obstruction of justice” provision. This paper will provide a discussion on the abovementioned principles.

Definition of “human trafficking”

This is to define what actions will be considered as offences under the Anti-Trafficking in Persons Act B.E. 2551 (2008). This definition is stipulated as follows:

Whoever, for the purpose of exploitation, does any of the following acts:

- (1) procuring, buying, selling, vending, bringing from or sending to, detaining or confining, harbouring, or receiving any person, *by means of the*

¹⁰ US State Department, *Trafficking in Persons Report 2010: Thailand (Tier 2 Watch List)*, p. 1.

¹¹ Chatchom Akapin, *Human Trafficking in South East Asia*, a research submitted to Naval War College, 2006, p. 4.

threat or use of force, abduction, fraud, deception, abuse of power, or of the giving money or benefits to achieve money or benefits to achieve the consent of a person having control over another person in allowing the offender to exploit the person under his control; or

(2) procuring, buying, selling, vending, bringing from or sending to, detaining or confining, harbouring, or receiving a child;

He or she is guilty of trafficking in person

Introducing “pre-trial hearing”

Given that the process of legal proceeding could take a long time, many victims or witnesses might not be able to remain in Thailand until the trial is finished. Therefore, this Act allows a public prosecutor to bring the trafficked person or a witness to testify in the court before a lawsuit is filed. It should be noted that the public prosecutor may initiate this pre-trial hearing process by himself or by receiving a request from an inquiry official, or the trafficked person, or a witness. In doing so, the prosecutor has to file a petition to the court, specifying all the crimes alleged to have been committed and the reason why the testimony must be taken promptly.¹²

Adoption of conspiracy principle

It appears that many human trafficking offences are related to networks. As a result, this Act stipulates the conspiracy provision to ensure that those who are involved with this kind of crime in any form will be brought to justice. This includes

- supporting the commission of the offence, aiding by contributing property, providing a place for the commission, assisting by any means so that the offender will not be arrested;
- demanding, accepting, or agreeing to accept any kind of benefits in order to help the offender of trafficking in persons not to be punished.¹³

Interestingly, the conspiracy principle introduced in Thailand’s first-ever specific legislation against human trafficking also covers those who are involved with the crime *indirectly*. As the law stipulates:

- Whoever *prepares* to commit the trafficking in person offence shall be liable to one-third of the punishment stipulated for such an offence¹⁴;

¹² The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 31.

¹³ The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 7.

¹⁴ The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 8.

- If two people or more *agree* to commit the trafficking in person offence, they will be liable to no more than one-half of the punishment stipulated for such an offence¹⁵;
- More severe punishment if the crime is committed by at least three people, or by any member of an organized group.¹⁶

Adoption of the extra-territorial jurisdiction

Like many countries, Thailand has adopted the territorial jurisdiction, i.e., any person who commits an offence will be punished only if the crime is committed within the kingdom, except for some cases such as crime against the monarchy, or national security where such jurisdiction could be expanded outside the country. As far as human trafficking is concerned, however, even if the crime is committed outside Thai territory, the offender could be punished in the kingdom.¹⁷

Claim for civil compensation by public prosecutors

Under Thai laws, public prosecutors usually handle the criminal cases with an aim to bringing the offenders to justice only, while the duty to claim for civil compensation belong to the victims themselves through filing civil lawsuits. The Anti-Trafficking in Persons Act B.E. 2551 (2008) however provides convenience for victims who wish to claim for civil compensation by allowing public prosecutors to seek compensation in civil lawsuit on behalf of the victims along with the criminal lawsuits. Also importantly, this service is free of charge.¹⁸

Introducing the “Obstruction to Justice” principle

Perhaps, this is the first time Thailand has introduced this kind of offence. It stipulates that any person who tampers with the inquiry, investigation, prosecution, or criminal proceedings related to human trafficking cases shall be punished. The following actions will be considered a criminal offence:

- (1) Giving, offering or agreeing to give property or other benefit to a trafficked person or other witness for inducing such person not to visit the competent official, inquiry official, public prosecutor or not to attend the court for giving facts, statement or testimony, or inducing such person to give facts, statement or testimony that is false, or not to give facts, statement or testimony at all, in the criminal proceedings against the offender under this Act;

¹⁵ The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 9, para 1.

¹⁶ The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 10.

¹⁷ The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 11.

¹⁸ The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 35.

- (2) Using of force, coercing, threatening, compelling, deceiving, or using any other means causing a trafficked person or other witness not to visit the competent official, inquiry official, public prosecutor or not to attend the court to give facts, statement or testimony, or inducing such person to give facts, statement or testimony that is false, or not to give facts, statement or testimony, that is false, or not to give facts, statement or testimony at all, in the criminal proceedings against the offender under this Act;
- (3) Damaging, destroying, losing or rendering useless, taking away, altering, changing, concealing or hiding any document or evidence, or fabricating, making or using any document or evidence that is false in the criminal proceeding against the offender under this Act;
- (4) Giving, offering or agreeing to give property or other benefit to the Committee member, the CMP Committee member, subcommittee member, any member of the working group or to the competent official under this Act, or to judiciary official, public prosecutor, or inquiry official or demanding, accepting, or agreeing to accept a property or any other benefit in order to induce such person to do or not to do any act, or to delay the doing of any act contrary to the duty of such person under this Act;
- (5) Using of force, coercing, threatening, compelling or using any other wrongful means to the Committee member, the CMP Committee member, sub-committee member, any member of the working group or to the competent official under this Act, or to judiciary official, public prosecutor, or inquiry official to induce such person to do or not to do any act, or to delay the doing of any act contrary to the duty of such person under this Act.

Premise search in absence of warrant

In general, Thai government authorities are not allowed to search any premise unless there is a warrant granted by the court. However, given that human trafficking is a serious crime where the victims could face fatal treatment if the assistance is provided too late, or where crucial evidence might be removed or destroyed if the authorities' raid is too slow, the Anti-Trafficking in Persons Act B.E. 2551 (2008) allows the authorities to search any premise in order to rescue victims, or to obtain any evidence, even without a search warrant, provided that it is in cases of emergency as discussed above.¹⁹

Temporary custody of victims

The newly enacted Act also states that in cases where there are reasonable grounds to believe that anyone is a trafficked person, and it is necessary to obtain clarification of the case or to secure the protection of the trafficked person, the competent official may take such person into his or her custody. However, such custody shall not exceed 24

¹⁹ The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 27 (4).

hours, and at the same time shall be reported to the Commissioner-General of the Royal Thai Police, Director General of Special Investigation Department, Director General of Social Development and Welfare, or the Provincial Governor, as the case may be.²⁰

Confiscation of the benefits derived from human trafficking offences

As discussed above, human trafficking is a lucrative business for many offenders.²¹ Thus, Thailand's Anti Trafficking in Persons Act B.E. 2551 (2008) attempts to get rid of the benefits that the criminals get from committing the crime by means of stipulating that any offences related to human trafficking is a predicate offence under the money laundering law. This means that any benefits derived from human trafficking offence could be confiscated under Thailand's Anti-Money Launder Act.²²

Administrative Measures

Apart from relying on laws, Thailand employs administrative measures as another mechanism for combating human trafficking problems. Such measures include providing assistance for victims, victim protection, and the Anti-Trafficking in Persons Fund.

Providing assistance for the victims

Many trafficked persons, especially those who were trafficked from abroad, need help in terms of food, shelter, medical treatment, rehabilitation (both physical and mental), education, vocational training, legal aid, and return to the country of origin of the victim, etc. Despite such assistance, however, consent and opinion from the victim shall be also taken into account. It should be noted that this administrative measure is written in the Anti-Trafficking in Persons Act B.E. 2551 (2008).²³

Victim protection

A number of human trafficking offences are connected with organized groups, many of which could resort to getting rid of all relevant evidence. These could be in the form of killing or threatening victims and witnesses. As a result, the law requires the government to provide protection to the victims for their safety before, during, and after the trial, as well as to coordinate with the relevant authorities of the country in which the victims reside to continue such protection.²⁴

²⁰ The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 29.

²¹ Kumaringam Amirthalingam, "Protection of Victims, Particularly Women and Children, against Domestic Violence, Sexual Offences and Human Trafficking", a paper presented in the ASEAN Law Association, 9th General Assembly 2006, p. 566.

²² The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 14.

²³ The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 33.

²⁴ The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 36.

Anti-Trafficking in Person Fund

It is obvious that many activities under the Trafficking in Persons Act B.E. 2551 (2008) would not be successful without financial support. Consequently, the fund for prevention and suppression of human trafficking is established for

- (1) Providing assistance to the trafficked person under Section 33;
- (2) Providing safety protection of the trafficked person under Section 36;
- (3) Providing assistance to the trafficked person in a foreign country for returning to the Kingdom or domicile under Section 39;
- (4) Preventing and suppressing of trafficking in persons according to the regulations prescribed by the CMP Committee;
- (5) Managing the Fund (Section 44).²⁵

Network building

Thailand has so far created many networks for assistance and protection of children and women with relevant government agencies, private sectors, international organizations and volunteers. This is to coordinate and protect the victims uniquely, fast, and systematically.

Internationally, Thailand has voluntary networks in seven countries, namely Denmark, the Netherlands, France, Germany, Switzerland, Austria, and Japan. It should be noted that all of them are the countries of destination for transnational human trafficking.²⁶

Evaluation of Thailand's Response

Although the country is currently equipped with powerful-looking legislation, and a variety of administrative measures, statistics shows that the result of eradicating this kind of crime is not satisfactory at the moment. According to the United States' report on Trafficking in Persons in Thailand 2010, arrests, investigations, and prosecutions are relatively minimal while the situation of human trafficking is still widespread. Also the criminal justice system remains slow in handling criminal cases, including human trafficking cases. For example, the Thai government has not yet tried the case involving the forced labour of Burmese workers in a shrimp-processing factory although the case took place in 2006.²⁷

In 2009, the competent officials, in partnership with NGOs, rescued 51 Burmese workers from a locked room near a fishing port, where it was believed these workers had been sent to work as labourers on fishing boats. The court later convicted one

²⁵ The Anti-Trafficking in Persons Act B.E. 2551 (2008), Section 44.

²⁶ Department of Social and Human Security, *Report on the Prevention and Suppression of Human Trafficking*, p. 8.

²⁷ U.S. State Department, *Trafficking in Persons Report 2010: Thailand (Tier 2 Watch List)*, pp. 4-5.

individual and sentenced him to two years' imprisonment. However, as there was more than one trafficker involved, the investigation to bring the rest of the wrongdoers to justice is still ongoing. In another case that took place in July 2006, where there were 39 deaths on a fleet of six fishing boats due to malnutrition because the captain failed to provide them with food and freedom, the authorities have not arrested any offenders involved

Another cause of inefficient law enforcement is corruption, which the report argues remains widespread among Thai law enforcement personnel. It appears that many brothels and other commercial sex venues, and seafood and sweatshop facilities are protected by some local police, and some relevant authorities. The report also mentions that frequent changes of victims and witnesses' addresses hamper the government's ability to make greater progress on investigation.²⁸ Obviously, most trafficking cases involve not only victims who are trafficked from abroad, but also witnesses who live abroad. As a result, international cooperation with other countries is of great importance.

THAILAND AND INTERNATIONAL COOPERATION TO COMBAT HUMAN TRAFFICKING

As discussed at the outset, human trafficking has become a global concern as it is not limited to any particular jurisdiction, but is pervasive worldwide. Thus, it is indispensable that all countries render cooperation to each other to ensure that offenders will not be able to escape from justice merely because they do not reside in the country where the crime takes place or because the evidence is abroad.

In fact, it is obvious that international cooperation is seen as a significant tool to deal with this issue. That is why the United Nations Convention against Transnational Organized Crime with its Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Woman and Children was introduced. So far, 117 out of 141 parties to the United Nations have signed this Protocol. Thailand also signed this Protocol on December 18, 2001, but the country has not yet ratified it as the enactment of the Transnational Organized Crime Act is still ongoing.

However, Thailand can cooperate with other countries to combat the human trafficking problem even before the country ratifies the protocol. This can be done through international agreements on mutual legal assistance and extradition. To date, there have been fourteen bilateral treaties on mutual legal assistance, and ten bilateral treaties on extradition to which Thailand is a party. As regards mutual legal assistance, there are several types of cooperation. These include inquiry and producing documents, provision of documents and information in the possession of government agencies, serving documents, search and seizure, transfer of persons in custody for testimonial purposes,

²⁸ Ibid.

locating persons, initiating proceedings upon request, and forfeiture or seizure of property.

While mutual legal assistance focuses on obtaining evidence, extradition has its emphasis on the offenders. In the general rule of criminal procedure law of most countries, a legal action cannot be taken against anyone without his or her presence. As a result, many criminals who manage to flee from the country where they have committed offences can escape from justice. However, extradition was introduced to overcome the problem of jurisdiction's rigidity. In doing so, the requested state can extradite the person who is currently residing in its territory upon a request from a requesting state. Then the extradited person will have to be in the requesting state. It should also be noted that extradition also applies for convicted persons who manage to flee from serving sentences in the country which rendered judgment. If extradited, the fugitive must be brought to serve the sentence in the requesting country.

Aside from mutual legal assistance and extradition, Thailand has entered into another kind of international cooperation—memorandum of understanding on cooperation against human trafficking—with many countries. These include:

- Memorandum of Understanding on cooperation against Trafficking in Persons in the Greater Mekong Sub-Region.
- Memorandum of Understanding between the Government of the Kingdom of Thailand and the Government of the Lao People's Democratic Republic on Cooperation to Combat Trafficking in Persons, especially Women and Children.
- Memorandum of Understanding between the Government of the Kingdom of Thailand and the Kingdom of Cambodia on Bilateral Cooperation for Elimination of Trafficking in Children and Women and Assisting Victims of Trafficking.
- Memorandum of Understanding between the Government of the Kingdom of Thailand and the Socialist Republic of Vietnam on Bilateral Cooperation for Eliminating Trafficking in Persons, Especially Women and Children and Assisting Victims of Trafficking.
- Memorandum of Understanding between the Government of the Kingdom of Thailand and the Government of the Union of Myanmar on Cooperation to Combat Trafficking in Persons, Especially Women and Children

CONCLUSION AND RECOMMENDATIONS

The discussion above provides a clear picture that although Thailand has enacted the Anti-Trafficking in Persons Act B.E. 2551 (2008) which encompasses a number of state-of-the-art legal measures such as pre-trial hearing, conspiracy, obstruction to justice,

and confiscation of the benefits derived from the offences related to human trafficking, as well as administrative measures such as providing shelter and other assistance to the victims, and introducing the Anti-Trafficking in Persons Fund, the situation of human trafficking in the country is still far from ideal. It is obvious that this problematic situation does not result from the laws, but mostly from the enforcement. Therefore, this paper suggests more cooperation at both domestic and international levels. Importantly, such international cooperation should not be limited to government agencies; non-government organizations should be encouraged to get involved as well.

At the domestic level, cooperation among government agencies concerned, as well as NGOs, will help provide information which is necessary for law enforcement. Moreover, domestic cooperation will help enhance the efficiency of law enforcement. For example, the local police or officials from the Special Investigation Department may request the immigration officer to intercept offenders who are leaving Thailand or the inquiry officers or prosecutors may request officials from the Department of Social Security and Welfare or NGOs to participate in an investigation where the victims are women or children. This could yield a better result as the officials from the Department of Social Security and Welfare are trained to deal with women and children in an investigation, while many NGOs provide assistance to the victims in terms of food and shelter.

At the international level, cooperation through mutual legal assistance as well as extradition will enhance the efficiency of gathering evidence to prove offenders' guilt and make sure that they will be subject to the justice system no matter where they live at the time legal action is taken.

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Asia After the Crisis: The Shift of Power to the East and New Initiatives for Regional Cooperation

Wiryo Sastrohandoyo

Let me begin by stating the obvious: all countries need internal peace and stability as well as freedom from external threats to their national security, in order to achieve economic growth and political development.

The attainment and maintenance of internal stability is essentially the responsibility of each country. Nevertheless, to some degree the internal situation in any country is always affected by the external environment.

The external environment, however, is not something that the individual country can create by itself. Peace, security and stability within the environment require the cooperation of other countries within a bilateral, regional and global framework.

On a multilateral basis, such cooperation is carried out through international forums, institutions and arrangements. But even within these frameworks, there are barriers to full and perfect cooperation. And it is usually in a crisis situation that nations are more willing to take bold initiatives that create effective and durable international institutions and arrangements.

After the economic and financial crises of 2008 and 2009 the international and regional orders find themselves in a new situation. In this situation it has become clear that the solution to the persistent global issues of food security, energy security, nuclear non-proliferation and disarmament require intensive multilateral cooperation.

This and the fact that the leader of the most powerful nation in the world is a multilateralist have provided **an opportunity for both Europe and Asia to re-think the political and economic architecture of the world and our own regional architecture in the Asia-Pacific.**

ASEM, of course, will always be a factor in any new international order. It was established in 1996 at least partly on the notion that there had to be a triangular architecture among the centres of gravity of the world at the time. There was already a longstanding connection between Europe and the North American continent through the NATO. The Asia-Pacific Economic Cooperation (APEC) forum had already

connected East Asia with the rest of the Pacific region, including North and South America. Hence, it was felt that there was a need for a forum or process that would connect Europe with Asia. That need was fulfilled by ASEM.

With that last need fulfilled, the world assumed a triangular architecture with the main components being the United States, the EU and Asia. But today that triangular architecture is changing mainly because other centres of power and influence have risen to become key players in global affairs.

Within Asia the new titans are China and India. In Southeast Asia, Indonesia has regained its dynamism and now wields not only economic clout as the third most dynamic economy in the continent, after China and India, but also soft power as the world's third largest democracy, after India and the United States, and the country with the largest Muslim population, the overwhelming majority of whom are moderates.

Between Asia and Europe is Turkey, which, like Indonesia, is gaining economic clout and taking political initiatives that are positive and constructive. In South America, Brazil has emerged as another key global player.

Thus today the global architecture is dominated by a forum in which these new centres of power are full and active participants: the G20, which has unabashedly proclaimed itself as the world's premier forum for international decision-making. There is a great deal of talk in international circles that it may well become the premier forum for all global issues. That is not going to be a reality any time soon: it has not yet wiped away the effects of the Crisis and it certainly cannot do what a universal organization like the United Nations can do—especially when the latter is finally reformed.

THE US: WOUNDED BUT STILL MIGHTY

The United States is still the world's most powerful nation but is no longer in a position to take unilateral initiatives and succeed. Still, no global initiative can succeed without the US being on board.

The G20 would not be half as effective as it is today if the United States were not on board. Under the administration of President Barack Obama, the United States has taken a multilateralist and consultative approach to global affairs.

American presence in East Asia has always been regarded as generally desirable, being a force for stability, but during the Bush presidency, the US government's tendency toward unilateralism had raised a great deal of concern among the regional countries. We therefore welcome President Obama's foreign policy commitment to *forging a more effective framework in the Asia-Pacific and working with East Asian countries that can promote stability and prosperity for the future.*

Unfortunately, a very large part of the American nation deems this multilateralist approach ineffective. At the same time, the United States is struggling to recover from the economic downturn and to cope with a high unemployment rate and the approval

rating of President Obama is way down at a time when mid-term elections are about to be held. These developments will probably not deter President Obama from pursuing a basically multilateralist and consultative foreign policy.

ASIAN DIVERSITY

Asia, on the other hand, has an entirely different problem: its diversity. Indonesia's immense diversity is typical of the continent (with the exception of Japan and perhaps Korea). It is an archipelago of 17,000 islands with a population of 220 million divided into over a thousand ethnic groups speaking some 300 languages. In one province, Papua, two villages living side by side speak two entirely different languages, which nobody else in the province understands. And yet Indonesia is barely 12 percent of the whole Asian region—where most nations are just as ethnically diverse.

The variety of Asia, in terms of culture, economies, and political systems, is so great that even a small city-state like Singapore has to make a vigorous, government-led effort to manage the variety of cultures that are competing for dominance in the national life.

We often like to cite such variety as an advantage, even a form of wealth. But in this age of globalization, when regional integration is an imperative, we are not so sure that it is an advantage.

THE EU: CONTINENTAL UNITY VERSUS NATIONALISM

That is why not a few thoughtful Asians look to Europe with a wish that the remarkable achievements of the European nations could be transplanted to Asia: Europe has an integrated defense and security system, a common market with a single currency, a supranational legislature and government, and a constitutional document. Hence, these thoughtful Asians often ask the question: Why can't Asia accomplish the same kind of integration.

And the answer invariably is: We Asians do not have the same essential and basic unity with which the peoples of Europe are blessed with.

For centuries two of the greatest nations of Asia—Japan and China—isolated themselves from each other and from the rest of the world. And for about four centuries, the other countries of Asia were isolated from one another by Western colonial administrators. It was only toward the middle of the 20th century that we began to be really aware of one another, and we had to go through a steep learning curve before we could effectively cooperate with one another.

Europe's case was quite the opposite: over the millennia, there was a great deal of cultural interpenetration among European nations. Even when European nations were making war against each other, they were absorbing from each other, contributing to

each other's cultural formation. That is why a European constitutional document can define Europeanness in terms of the influences of Roman law, Christian morality, liberal democracy and the principles and ideals derived from the Age of Enlightenment.

Today, however, there is basis for the question of whether the European Union remains as united as it has always been. The Crisis revealed that Europe might not be that united after all as individual nations went their own way rather than help one another.

And as nationalist forces continue to rise, European governments have become more sensitive to the demands of their respective national majorities and have become less inclined to ask their effort to make sacrifices for the sake of the entire continent.

SHIFT OF GRAVITY

However, today there is no doubt that the world's economic centre of gravity is shifting from the Atlantic to the Pacific, specifically from the Western powers to the Asian powers, most of which are in East Asia. But East Asia's regional architecture is messy, although it is clearly part of the solution to the global problems of our time. Logically, the global architecture needs to be reformed in such a way that the economies of East Asia will have a greater say in global decision-making on socio-economic issues.

A new world order is in the making and the emerging economies of East Asia certainly have a significant niche in that new world order. As a group they could be a significant force in that new world order. So it is only logical that the question is asked: How should East Asia position itself economically and politically?

But East Asia is not a single unit. The individual economies of East Asia—notably Japan, China, South Korea and the countries of ASEAN—are still driven by nationalism and narrow self-interest.

There are ongoing attempts to unite East Asia through ASEAN-driven processes—the ASEAN Plus Three process and the East Asia Summit, which includes India, Australia and New Zealand. Also covering the East Asian region are two processes: the ASEAN Regional Forum and the Asia-Pacific Economic Cooperation Forum. That makes for a multilayered, multifunctional regional architecture.

The nature of the Post-Crisis World will depend a great deal on how the current crisis is resolved. Had the crisis not originated in the United States, countries would have cried out for help from the US and Wall Street, and like the US Cavalry in cowboy movies, this money machine would come riding to the rescue.

But this time, the US is among the besieged economies and cannot be the rescuer. And so are most of the members of the G8—the world's most industrialized countries. So the G8 cannot solve the problem. It has to expand and become the G20.

BEING PART OF THE SOLUTION

Thus the G20, originally a forum of finance ministers, was elevated to the Summit level and became the world's premier forum for economic decision-making. An economically integrated and politically coherent East Asia could be the significant force in the G20 and be part of the solution to every global economic problem.

But the East Asian regional architecture is multilayered and multifunctional and its borders are not clear. In a word, it is messy. The situation is even messier now, if you consider the different bilateral disputes and the many intra-state conflict situations in the region.

To remedy the situation, Kevin Rudd, then Prime Minister of Australia, in June 1998 proposed a process of consultation toward an Asia Pacific Community, an overarching forum that would include the United States. And Japan proposed an East Asia Community that also included the United States. Neither of the two proposals gained enough support.

Then suddenly in March this year, Indonesia proposed the expansion of the East Asia Summit to include both the United States and Russia, and this proposal gained the support of the ASEAN members.

Today it is almost definite that during the East Asia Summit this month, the foreign ministers of the United States and Russia will be allowed to address the meeting. In October 2011, during Indonesia's chairmanship of ASEAN, the leaders of the United States and Russia will be attending the East Asia Summit. It is also almost definite that ASEAN, which is the driving force of various processes in East Asia and the Pacific, will further expand with the admittance of East Timor during Indonesia's tenure as chairman.

Indonesia will also continue pushing for ASEAN, through its rotating chairmanship, to have a permanent seat in the G20 thereby enlarging the voice of the developing world in that forum. And it is quite possible that during its chairmanship next year, Indonesia will rally the ASEAN membership to establishing a Bali Concorde III, which will endeavour to give ASEAN a global outreach. This means ASEAN deliberately extending help to other parts of the world to the extent that its resources will allow and in fields in which ASEAN has experience and expertise—for instance, peacekeeping, disaster relief and technical cooperation through triangular arrangements.

While the Asia-Pacific regional architecture today is messy, it could be worse without ASEAN, and worse still without the initiatives of an Indonesia that is today eager to exercise soft power.

Certainly, much has already been achieved by way of maintaining what the Indonesia's Foreign Minister Marty Natalegawa call "dynamic equilibrium," which is a

situation where no single power is predominant. Powers like the United States, Russia, China, India, Japan and Australia will always play important roles in the region but in such a way that they will balance each other, while ASEAN mans the driver's seat in all regional processes.

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The KAS headquarters is located in Berlin, capital of the Federal Republic of Germany.

In Asia, its offices are located in Cambodia, China, India, Indonesia, Malaysia, Mongolia, Kazakhstan, Korea, Pakistan, the Philippines, Thailand and Vietnam. In 2002, KAS set up its Regional Office in Singapore.

The Political Dialogue Programme of the KAS Regional office organises and sponsors international conferences and seminars around the ASEAN+3 Region annually with a focus on political and social development, political parties and civil society, social market economy, regional security and international cooperation and relations between Asia and Europe.

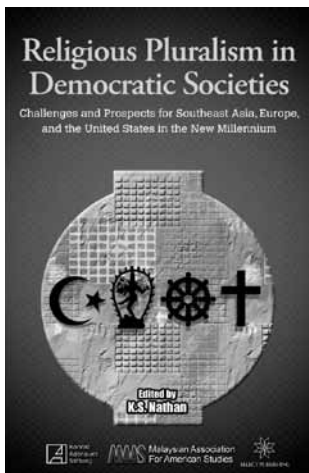
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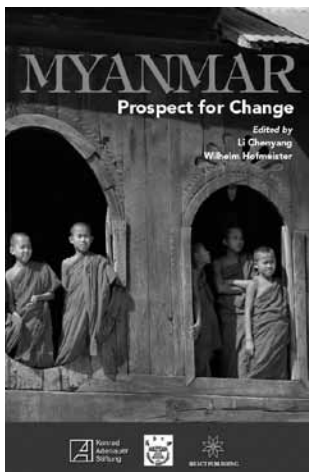
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Myanmar: Prospect for Change

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