



**ASEM Public Conference on Europe-
Asia Inter-regional Relations**

Brussels, 12-13th July 2010

Background Issues

Discussion Paper

June 2010



This project is funded by
The European Union



A project implemented by
DFC



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Disclaimer: This paper was prepared by Dr Fraser Cameron at the request of DFC Consultancy, Barcelona, and funded by the European Commission. It reflects the views of the author alone and does not commit the European Commission in any way.



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I. ASIA AND EUROPE'S GROWING IMPORTANCE IN THE WORLD

The world is in a state of flux as a result of the biggest economic and financial crisis for over half a century. The recent G8 and G20 meetings in Toronto were devoted to debates on continuing fiscal stimulus packages and austerity packages. Asia has coped better with the crisis than Europe and US. For several years, Asian growth rates have surpassed those in Europe and the US leading to a new balance of power in the global economy reflected in the transformation of the G8 into the G20. ASEM leaders at the Beijing summit in 2008 began a discussion on these issues which has led to growing pressure to reform other global institutions, from the UNSC to the IMF and World Bank, and to establish new fora to deal with key issues such as climate change. The changes in quotas agreed at the spring meeting of the World Bank were a response to this pressure.

In Asia, attention has been focused on the spectacular rise of China and India. There are also moves to develop closer regional integration in Asia as witness the recent proposals from the Japanese and Australian governments as well as the China-ASEAN free trade agreement. There are also moves to explore security cooperation. The EU now has a history of over 50 years and remains the most advanced example of regional integration in the world but it took almost a decade to secure agreement on the Lisbon Treaty which is supposed to enhance its profile on the world stage. Most recently attention has centred on the public debt crisis and the resulting problems for the Euro zone. There has even speculation about the future of the single currency prompting the EU to agree to a massive €100 bn stabilisation fund. The President of the Council, Mr Herman van Rompuy, has been tasked with presenting proposals for greater economic coordination within the EU by the next European Council in October.

As Asia and Europe increase their profile on the world stage there is a need to further develop relations between the two regions. With 45 partners (soon to be 48 with the accession of Russia, Australia and New Zealand), together representing half of the world's GDP, almost 60% of the world's population and 60% of global trade, ASEM could be playing

a greater role on the world stage. Europe's trade with Asia amounted to €750 billion in 2009 (more than North and South America combined). Total European FDI in Asia is estimated at €350 billion with €40 billion invested in 2008 alone. The European Union itself spends over €800 million on development assistance in Asia and this rises to over €3 billion when one includes development assistance from the EU member states.

The Europe-Asia agenda includes a wide range of issues - political and economic, climate change, energy, terrorism, non proliferation, migration, educational, cultural and people to people relations, and science and technology. There is also a common effort to ensure stability in Afghanistan (and Pakistan). And there are often intensive bilateral relations between individual European states and Asian partners. This paper reviews the current relationship and offers some proposals for discussion in advance of the next ASEM 8 summit in Brussels on 4-5 October 2010, see www.asem8.be

II. EVOLVING REGIONAL INSTITUTIONAL ARCHITECTURES IN ASIA AND EUROPE

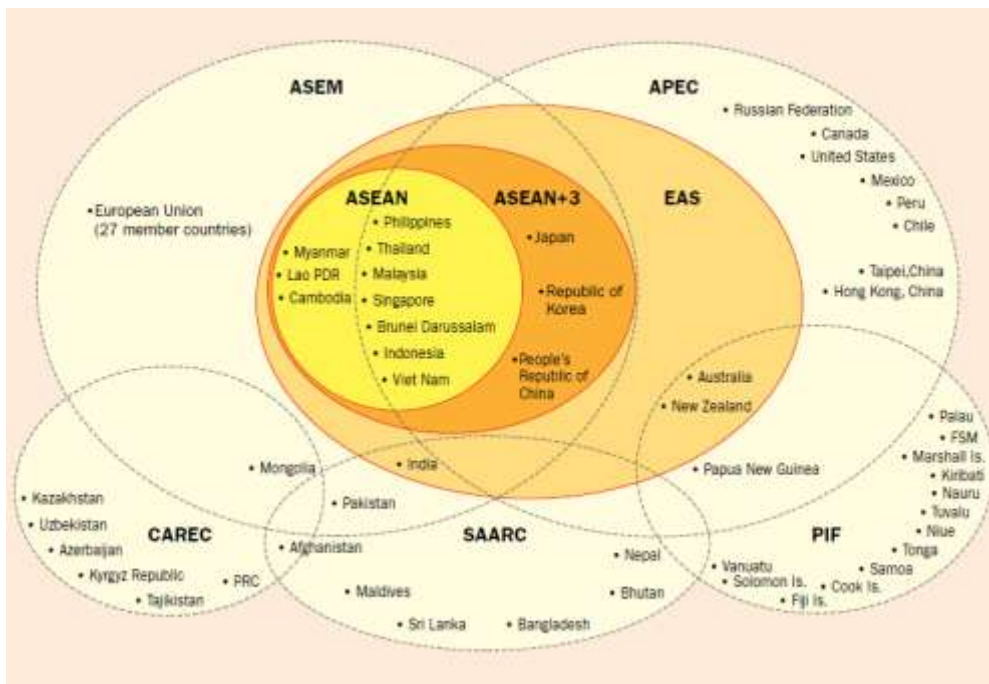
This session will review political trends in Asia and assess the proposals for closer Asian integration. The European presentations will consider recent developments in Europe and assess to what extent the Treaty of Lisbon is likely to bring about a change in the external relations of the Union, especially vis-à-vis Asia.

Asia

The world has been fascinated by the continued high growth rates experienced by China, India and other countries such as Korea and Indonesia. This has led to numerous articles about a new global balance of power and some analysts have even talked of a G2 arrangement between China and the US. Certainly the increased economic strength of Asia has led to a more assertive Asia in political and security affairs. In terms of regional integration, there have been a number of interesting proposals put forward. In September 2009, Japan's ex-Prime Minister, Yukio Hatoyama, proposed a sweeping East Asian Community while a few months later Australia's Prime Minister, Kevin Rudd, called for an Asia-Pacific Community. These proposals would have implications for existing bodies such as

ASEAN and ASEAN plus Three. But speeches about the need for closer cooperation have not always been followed by action. China, for example, seems unsure whether to support moves for regional integration. ASEAN remains the most developed Asian regional body although it has not always lived up to expectations. The SARCC has shown few results. The reasons for this failure to move forward include a lack of trust, a failure of political will, economic differences, a close attachment to national sovereignty and outstanding security problems.

Graph 1 Asian regional groupings



Yet there appears to be a new wind of change in Asia. Tackling economic crises, climate-change and other global challenges point towards stronger regional architecture, both for formulating and policing commitments. But how to build the new architecture? There seems little appetite for a brand-new organisation and a whole new set of meetings. To balance China's rise, some want the East Asia Community to be expanded to include the US and Russia, or even to have an Asia-Pacific scope. China seems to favour ASEAN+3 as the lead institution. Perhaps more important than formal regional structures is the development of trade and infrastructure links. New roads, railways and pipelines are criss-crossing Asia. For example, new pipeline are being built from Turkmenistan and from Russia to China, and from Iran to Pakistan. Trade within the region is growing at roughly twice that

with the rest of the world. From almost nothing 20 years ago, China is India's biggest trade partner with a volume that may top \$60bn this year.

Europe

In the first half of the decade, following the successful introduction of the euro and the enlargement of the EU to 27 member states, the EU seemed to be on the right track. But there followed a period of internal disputes over institutional changes followed by the severe impact of the global economic crisis. Europe is now in a sustained period of uncertainty, largely due to the very high levels of public debt in some member states which have caused speculation about the stability of the euro zone. Nearly all governments have announced austerity packages which have led to a number of protests and strikes which threaten social cohesion.

There is also uncertainty about future enlargement. While accession negotiations with Croatia are almost complete, there is little progress with Turkey. Iceland and FYROM (Macedonia) are waiting to start negotiations while membership seems to be an ever-more distant goal for the states in the Western Balkans. The EU is negotiating a new agreement with Russia but the talks are progressing slowly because of lack of clarity on trade (WTO) and energy issues (Energy Charter). The Eastern Partnership, designed to bring Ukraine, Belarus, Moldova, Georgia, Armenia and Azerbaijan, closer to the EU, has not fulfilled expectations.

The EU institutions are now operating under the new Lisbon Treaty. It will take some time for the changes brought about by the new treaty to take effect. For example, the EU is still discussing the modalities of the new External Action Service which is designed to give the EU greater coherence and visibility on the global stage. The Service is headed by Baroness Ashton who is simultaneously the High Representative for Foreign and Security Policy and a Vice President of the European Commission. Another change under Lisbon was the creation of a President of the European Council. The former Belgian Prime Minister, Herman van Rompuy, was appointed to this position which involves chairing the meetings of EU heads of state and government and some external representation duties. Both Ashton and Rompuy have been criticised for their alleged lack of experience.

Discussion points might include:

Could the euro-crisis in fact lead to a further leap forward in European integration?

What is the likely impact of the EU's new institutional arrangements under Lisbon?

Who now speaks for Europe?

What are the EU's foreign policy priorities?

What is the impact of China and India's growing regional and global roles?

What are the prospects for deeper integration (e.g. customs union, free trade area, single currency) in Asia given the importance countries attach to national sovereignty and non interference in internal affairs?

What future for ASEAN, ASEAN +3/ +8, Asia Pacific Community, APEC, EAC?

Could Asia ever develop its own *acquis communautaire*?

What roles for Russia, in Asia?

What roles for Australia/New Zealand in Asia and the Pacific?

III. SECURITY ISSUES IN EUROPE AND ASIA

This session will examine security issues in Asia against a perceived reduction in American influence and a rising Asia. The European presentations will review the main issues facing the EU. Speakers will consider the prospects for Asia and Europe to cooperate on global security.

The EU has made only limited progress in strengthening its security architecture. NATO remains the prime focus for hard security with 21 members of the EU also members of NATO. This year NATO is due to adopt a new strategic concept which will likely maintain the status quo – a focus on territorial defence and capabilities to deal with global threats. One of the main issues concerns relations between the EU and NATO which have been blocked by the Turkish/Cyprus dispute. There is a pressing need to further develop the EU's common security and defence policy (CSDP) in order to take on greater responsibility for the EU's own security as well as regional and global security. The EU has undertaken more than 20 ESDP missions including substantial operations in Bosnia, Kosovo and Chad. It also worked

closely with ASEAN in the Aceh crisis. The Lisbon treaty provides for 'structured reinforced cooperation' in the defence field which means that those member states 'ready, willing and able' may act together in the name of the Union. But is the Union ready to take on more responsibility for security matters?

Among the unresolved security issues in Asia are the situation on the Korean peninsula, Taiwan, Kashmir and the territorial disputes in the South China Sea. The Asian Regional Forum (ARF) is the principal body for the discussion of security issues but it has no decision-making powers. The new Shanghai Cooperation Organisation (SCO) of which China and Russia are members has made little impact. One should not forget the role of the US in Asian security. Pax Americana has been the dominant force for the past half a century and this is likely to remain unchanged for the foreseeable future despite noises about the relative decline of American power. At the same time, there are signs that some Asian countries are re-assessing their security situation in light of the continuing rise of China as a global actor. One area for closer Europe-Asia cooperation could be in tackling piracy.

Discussion points might include:

What future for NATO?

What are the prospects for closer EU-NATO relations?

Is the EU ready to play a greater role in security matters?

Is there a role for Europe in Asian security?

What are the most dangerous 'flash points' in Asia?

What are the possible consequences in Asia of a decline in US power?

Could there be an Asian OSCE?

What roles for the Shangri La and Shanghai Cooperation Organisation (SCO)?

What future for the Asian Regional Forum (ARF)?

Will Australia and New Zealand pull Asia into a more Pacific role?

What role for Russia in Asian security?

What similarities and differences between Asia and Europe regarding energy security?

IV. PROSPECTS FOR EUROPE-ASIA RELATIONS

Relations between Europe and Asia are organised on several levels. There are the region to region arrangements under ASEM (and EU-ASEAN); there are the relations between the EU and individual countries; and there are the bilateral relations of EU member states with individual countries. The ASEM summits, held every two years, are a useful occasion for stocktaking and discussion of current global issues. For example, the 7th summit in Beijing in 2008 came in the middle of the global financial crisis and provided a good opportunity to exchange views on recovery plans. It also helped enable the new entrants to the G20 to play a more effective role.

Some critics argue that ASEM has become too big (with further enlargement looming) and hence there has been a trend to use working groups to prepare reports for discussion among all members. There is a need for further debate on how to improve ASEM mechanisms. The EU has negotiated a free trade area with Korea and is currently negotiating major partnership agreements with China, India, Indonesia and the Philippines.

There are also moves to seek new agreements with Vietnam, Malaysia and Thailand. Discussions are continuing about updating the EU-Japan Action Plan. It is interesting to speculate whether this now means the EU is placing more emphasis on bilateral as opposed to regional arrangements.

What more could the EU and Asia do together, especially in the security field? There is already some cooperation on terrorism but differences remain on how to define terrorism and how to deal with terrorists. Maritime security could be a fruitful area to deepen cooperation. A number of European and Asian vessels are patrolling the seas off the coast of Somalia. Nuclear proliferation should also be an area where the two sides can cooperate. As the US suffers from what some have called 'imperial overstretch' could there be a greater role for the EU in future?

Asia and Europe also share a common interest and responsibility in protecting global public goods. There is a shared interest in improving multilateralism and global governance. Could ASEM Members develop joint perspectives on how to reform global governance? There are several international policy initiatives that the EU has planned for the period ahead where cooperation among ASEM members would be important. They concern trade and finance, climate change, global food security, migration and security. It is not clear, however, whether there is the political will to work together on these issues.

V. GLOBAL ECONOMIC AND FINANCIAL POLICIES

This session will review the contributions that Europe and Asia are making to the global economy and policies. How to move away from fiscal stimulus packages? How to tackle budget deficits? Financial markets regulation. The different growth models in Europe and Asia – are they converging or diverging. Evolving economic cooperation between Asia and Europe. Prospects for currency realignment. Prospects for reform of the IFIs.

Asia

The current global economic and financial crisis has hit the US and Europe more than Asia which learned the lessons of the 1997-98 crisis. That crisis stemmed largely from Asia's vulnerability to international capital flows. By contrast, for Asia, the latest crisis was mainly an external demand shock. The unprecedented 12% drop in global trade in goods in 2009 hit Asia hard. But Asia's build-up of foreign exchange reserves in recent years (from less than \$1,000bn in 1998 to nearly \$5,000bn in 2009) insulated it from the financial upheaval that followed Lehman's collapse. The world was grateful that Asian governments provided a fiscal stimulus to help maintain global growth. In 2009 China grew at 8% while the EU declined 0.5%. Major export economies such as Japan, Korea, Taiwan have all redirected trade towards China.

The value of trading on stock exchanges in Asia overtook that of European rivals last year. About \$18,600bn in shares were traded in Asia compared to \$13,077bn traded in Europe. This trend is continuing in 2010. The importance of Asia was underlined by the expansion of the G8 to G20 to include India, Indonesia and Korea as well as China and Japan. Indeed, Asia and Europe now have the majority of seats around the G20 table. Much of the recent debate including at the Toronto meetings has focused on economic imbalances and currency issues (revaluation of the renminbi) and Europe's loss of economic competitiveness, allied to doubts about the continuation of Europe's generous welfare model. A further issue has been global financial regulation with countries discussing how best to regulate the banking system.

There is also renewed interest in cooperation in currency matters in Asia – revival of the Chiang Mai Initiative with a new monitoring and surveillance mechanism to reassure lenders. On the trade front, ASEAN is attempting to create an FTA followed by an ASEAN Economic Community by 2015 in which goods, skilled workers and capital are supposed to move about freely. Intra-regional trade has expanded dramatically (from 20% in 1950 to over 50% today) and there has been a proliferation of FTAs in Asia (over 200 with China/ASEAN being the biggest) but sensitive sectors are usually excluded. China, Japan and South Korea are also discussing a possible FTA. To date, growing integration applies only to production, so-called 'factory Asia'. Sixty per cent of manufactured exports go to Europe

and the US. Asian consumers—unlike counterparts in Europe, who compare prices for goods and even services across borders—inhabit fragmented markets.

Asia’s elites agree with the common analysis: that a rebalancing of growth is needed away from exports to the West and more towards fostering local demand instead. China has a key role to play here. They also call for financial integration to spur much-needed regional investment. But countries’ huge accumulation of dollar reserves does little to help either aspiration. Meanwhile, for all that its national leaders acknowledge that Asia is growing daily more interdependent, few yet accept the logical corollary - that monetary and fiscal policies need to be better coordinated.

Figure 1 – Asia and Europe compared

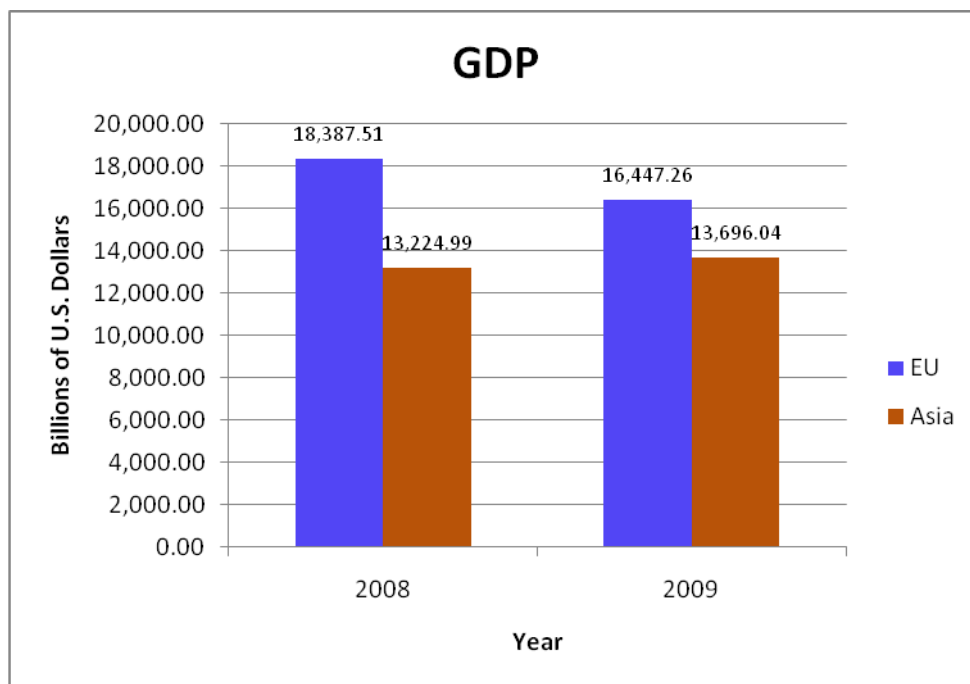
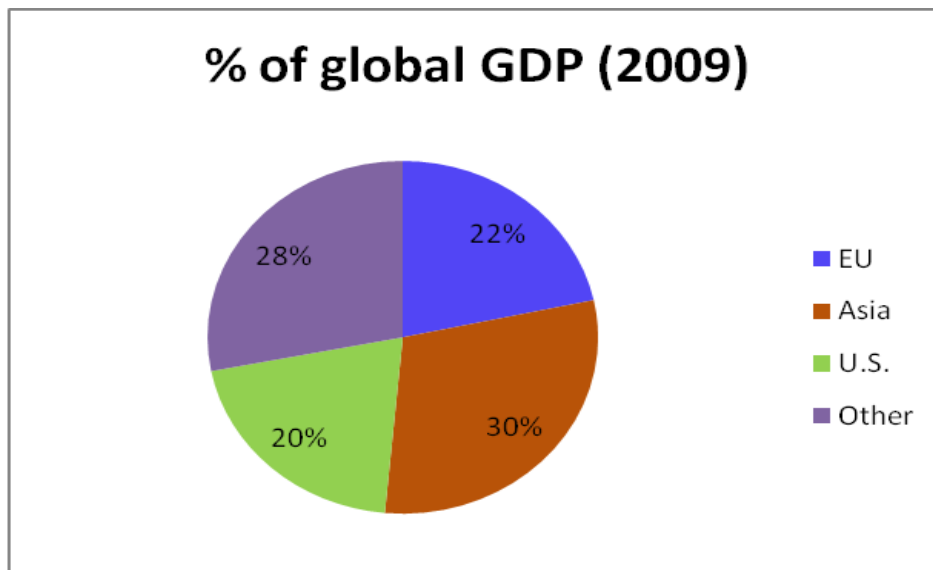


Figure 2 – Share of Global GDP



Europe

The economic crisis which has led most European governments to introduce major cuts in public spending has led to a renewed debate about economic governance in Europe. The EU has struggled to meet its own targets with regard to the Lisbon agenda (its attempt to become the most competitive region of the world by 2010). There are concerns about Europe's lack of competitiveness, rigid labour markets and low spending on Research and Development. Government debt and deficit levels have risen to historic highs with growing concerns about the implications for the stability of the euro. Most European countries have had to introduce stringent new austerity measures. The euro has fallen from its peak against the dollar and there has been repeated speculation against the single currency, prompting some to question its future viability. The EU has now agreed a massive stabilisation fund and also agreed to impose sanctions against member states who exceed agreed debt levels. Some experts consider that these failings are due to the lack of fiscal and economic powers at the EU level. However, all is not negative. The EU internal market remains highly attractive to Asian countries. Europe has 61 of the top 100 firms in the world and 11 out of the 15 most competitive economies.

Discussion Points might include:

Impact of the debt crisis on the euro zone – and on European countries not in the eurozone

Could the crisis lead to some countries leaving the eurozone?

How safe is the euro?

Is there a coming US dollar crisis as a result of their deficits – will Asians keep buying US Treasury Bills?

Impact of the eurozone crisis on Asia

What sanctions could the EU realistically impose on Member States breaking the rules?

Could the crisis lead to some form of EU economic governance?

Prospects for raising domestic consumption in Asia?

Chances of closer currency cooperation in Asia?

How to better coordinate economic policy to prevent or minimise global imbalances?

The debate on stimulus packages versus austerity measures

Prospects for global banking regulations

What roles for Europe and Asia in the G20 discussions of global economic reform?

Could Europe and Asia agree an approach to reforming the international financial institutions?

VI. PERCEPTIONS OF EUROPE IN ASIA AND PERCEPTIONS OF ASIA IN EUROPE

The awareness of the EU in Asia has increased in the past six years, largely due to the euro, the Single Market and the economic strength of the Union. There has been some interest in the EU model of integration, notably in ASEAN. In some parts of Asia the EU is recognised as an important player in regulatory behaviour and setting standards. Internal divisions on issues such as Iraq, the arms ban on China and the constitutional treaty have not helped the EU's image as a coherent political actor. Awareness of Asia in Europe has risen steadily but is focused mainly on the economic rise of China and, to a lesser extent, India.

VII. GLOBALISATION (WINNERS AND LOSERS: TRADE AND DEVELOPMENT POLICIES, SOCIAL COHESION, AGEING POPULATIONS)

This session will consider the policies Europe and Asia have introduced to deal with the “losers” in the globalisation process. To what extent is social cohesion a problem – in Europe and Asia? What is the future of development cooperation in Asia and elsewhere? Is there life left in the DDA WTO round? Has the momentum to agree a legally-binding climate change treaty been lost? Prospects for green technology? Consideration of the policy challenges e.g. health care, arising from ageing populations in Asia and Europe.

Globalisation

Europe and Asia have benefited enormously from the expansion of international trade which is the bedrock of globalization. But not all parts of Europe or Asia have benefited to the same extent. Many countries in the ‘Global South’ argue that they have suffered from changes in terms of trade. Rural populations have not experienced the benefits compared to most of their urban counterparts. While expanded trade has generally resulted in more jobs, the parallel growth in competition has forced many companies to shed workers in order to cut costs, boost efficiency and increase profits. In many European countries, high unemployment has become a political issue. Some less-developed countries, including China and India, have also had to deal with areas of jobless growth. The need to cut unit labour costs to compete in the global market has led to the elimination of guaranteed employment and over-staffed factories. Unemployment has also been exacerbated by the proliferation of low-cost imports from low-wage countries. Though these imports are a small part of the total, they are concentrated in labour-intensive sectors such as footwear and clothing. This has led to rising demands for protectionist measures against Asian countries using cheap labour without incurring the welfare costs that companies in Europe have to pay. There seems to have been little effective follow up to the 2009 ILO ‘Global Jobs Pact.’ A wider issue is the degree to which the state should interfere in the market. There are different ‘models’ on offer in Europe, in Asia, and in Russia.

Trade

The entry of China and other Asian countries into the WTO has been positive but there remain problems of implementing WTO commitments and rules. While the region's development has had a largely positive impact on the global economy (new markets for the EU, cheaper goods helping to reduce inflation, etc) the EU has experienced growing trade imbalances which have become a political issue. The difficulties encountered in the Doha Round, not least by some Asian countries, have led to a proliferation of bilateral trade agreements in Asia. These developments have led the EU, while not neglecting Doha, to focus its trade policy on the most dynamic Asian economies and to seek bilateral as opposed to regional arrangements. It is worth noting that Doha was not even mentioned in the G20 Toronto communiqué.

The recent financial crisis is estimated to have led to a 20% fall in flows of foreign direct investment to Asia, but recovery to past high levels is underway. Asian FDI in the EU has also been growing: ASEM countries were responsible for 7% of FDI to the EU in 2008. Agriculture and food security are also topics of interest for ASEM, especially in the context of multilateral trade talks. Global agricultural liberalisation would lead to increased trade, and benefit South Asia (e.g. India), and key agriculture exporters such as Thailand, but not all Asian and European countries.

Figure 3 Asia and Europe Trade

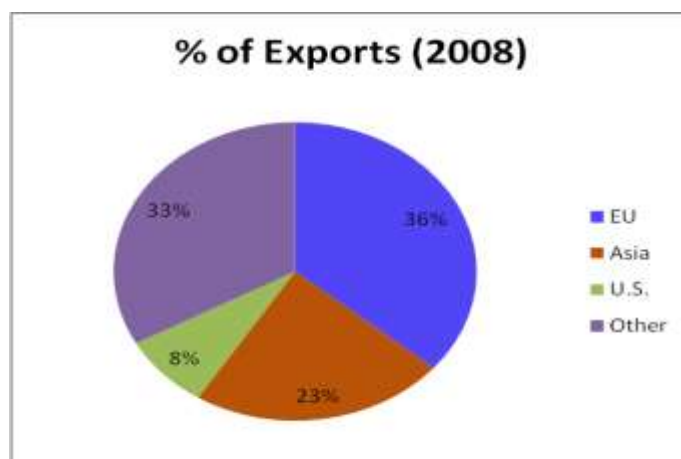


Figure 4 Asia and Europe Trade

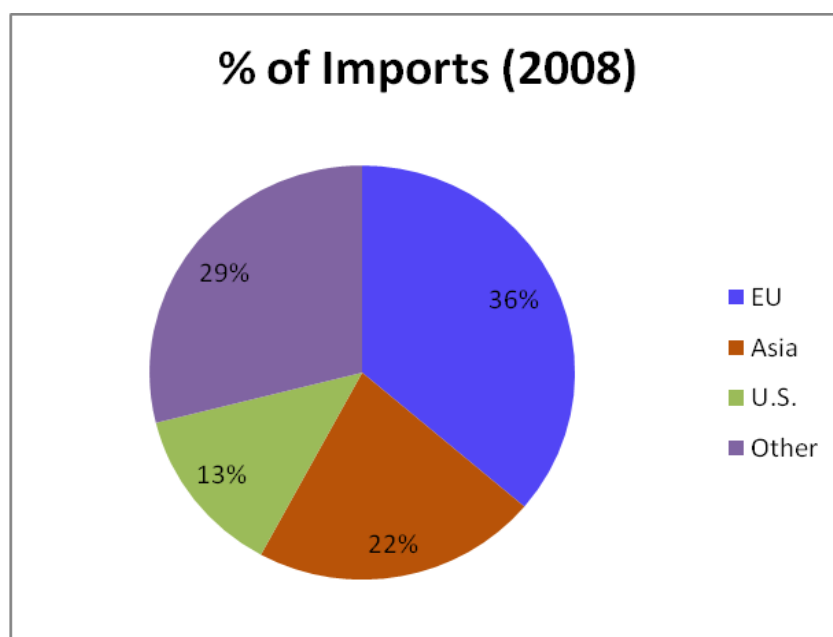


Table 1: Asia and Europe Compared

	GDP (in billions of U.S. dollars)	% of global GDP	Military expenditures (in billions of U.S. dollars)	% of exports (based on U.S. dollars)	% of imports (based on U.S. dollars)
EU 2008	18,387.5	22.1	316	36.2	36.2
EU 2009	16,447.3	21.6	322.5	-	-
Asia 2008	13,225	29.0	220.9	22.8	21.7
Asia 2009	13,696	29.9	239.9	-	-
U.S. 2008	14,224-	20.8	616.1	8.0	13.2
U.S. 2009	14,254-	20.5	663.3	-	-
Other countries 2008	-	28.1	-	22.1	20.3
Other countries 2009	-	28.1	-	-	-

Development

The EU remains the largest provider of development assistance in the world but there are increasing questions about the effectiveness of this aid. The EU provides almost €4 billion a year to ASEM countries in official development assistance, about a quarter of the total aid

the region receives. There are questions, however, about the effectiveness of this aid partly due to an overload of smaller projects and sub-optimal coordination between the EU and Member States. The Seoul High Level Forum on Aid Effectiveness in 2011 will be an important landmark for mutual accountability.

The financial crisis has also been a setback to efforts to achieve the Millennium Development Goals. A number of governments have reduced their aid budgets or postponed the target date when they hoped to achieve 0.7% of GDP for development purposes. Poverty reduction has come about more from economic growth than aid.

Some ASEM countries are characterised by net immigration (Japan, Malaysia), others by net emigration (Philippines, India). The EU is not the major destination, but a development-friendly migration policy is needed, including within the context of the EU Blue Card scheme. Although there have been some fears of a 'brain-drain', recent evidence is that migration can raise the rate of return on education in poor countries, and thus act as an incentive to enhance the skills base. Remittances are also a factor, amounting to 11% of GDP in the Philippines (2008) and 8% in Vietnam. Global migration is set to grow and ASEM countries will have to define effective strategies to deal with this challenge.

The Beijing declaration on sustainable development was full of nice words about the importance of increasing efforts to protect the environment and to tackle the threat of climate change. But in Copenhagen last December global leaders only managed to agree a short statement that fell way short of the EU's hopes for a legally binding agreement. While the EU continues to emphasise the importance of climate change it appears to have less salience in Asia. The Australian government, for example, has dropped its plans to introduce legally binding targets for CO₂ emissions. Yet Asia is confronted with massive environmental problems that impact directly on the prospects for sustainable development. Both Europe and Asia have a shared interest in controlling climate change and in developing climate compatible development pathways. The two regions also have a shared interest in energy security. New discoveries are changing the energy landscape but the world will be reliant on fossil fuels for decades. Asia and Europe should be working together on energy efficiency and green technology.

Social Cohesion

Globalisation has led to winners and losers not only between states but within states and societies. In the past decade income disparities have widened dramatically within Asia and Europe. In Europe there is much resentment at the huge salaries and bonuses paid to bankers while top managers can now earn more than a hundred times the average wage. There are similar disparities in Asia. There is also growing resentment in Europe at the huge debts being passed from this generation to the next. There are many now questioning whether Europe can continue to maintain its generous social welfare system, especially unemployment benefits, free health care and state-funded pensions. Analysis of European experience shows that employment is the principal route to social inclusion, placing growth and labour market policies at centre-stage. Regional policy also has a role to play. In Asia, social protection is far less developed although becoming a higher priority. ASEM has made social inclusion a priority and ministers will discuss the issue in the Netherlands in December.

Ageing Populations

One of the biggest social issues facing many states in Asia and Europe is the rapidly ageing population. More than 50% of the population in Japan and more than 40% of the population in Germany is over 50. This means that there will be a steadily increasing burden on health care and a reduced tax base to finance welfare and pension benefits. There are also many social implications of an ageing population.

Discussion points might include:

Who are the winners and losers in the globalisation process?

Does economic growth and globalisation lead to widening differences?

How serious are rising demands for protectionism in Europe and Asia?

Does the proliferation of bilateral FTAs mean the DDA WTO round is dead?

How effective is EU development policy in Asia?

What are the prospects for the MDGs?

What prospects now for a legally binding treaty on climate change?

Will Europe and Asia make real progress towards low carbon economies?

Can Europe maintain its current generous welfare policies?

Does cutting European government debt and deficits threaten the European social model?

And is Asia moving towards the European model?

Could the drift away from social cohesion lead to political unrest?

What can Asia and Europe learn from each other with regard to the problems of ageing populations?

VIII. PEOPLE-TO-PEOPLE RELATIONS (EDUCATIONAL AND CULTURAL LINKS BETWEEN ASIA AND EUROPE)

How do the peoples of Asia and Europe – the two greatest and oldest centres of civilisation and more than half the human race - relate to each other? Do their mutual educational, cultural and people-to-people links do justice to the two continents' importance and potentials? The roles of tourism, the internet, the media and civil society. What measures could be envisaged to enhance people-to-people relations to mutual advantage?

Globalisation has brought Europe and Asia closer together but there remain many misperceptions and a lack of mutual understanding. Studies show a high degree of ignorance about each other's society and achievements. The spreading religions—Buddhism, Hinduism and Islam—that once brought Asians closer to each other no longer

bind. Europe is increasingly secular. What has been the impact of the ASEM inter-faith dialogue? Education and culture are two areas where they would appear to be tremendous scope to improve mutual understanding. The media, including the new media and the internet, also has a role to play even though there are concerns about media and internet censorship. Another sector to promote the human dimension is responsible tourism. The number of Asians visiting Europe has tripled in the past decade. Civil society plays an increasingly important role in all our societies. The possibilities for closer ties should be explored.

Discussion points might include:

- What scope is there for increasing educational and cultural exchanges?
- What role for the media (especially the new media – Internet, Facebook, etc)?
- Is media freedom under threat?
- What role for civil society in improving mutual understanding?
- How successful have the EU Centres been in Asia?
- Where are the Asian centres in Europe?
- What is the scope for increasing youth and student exchanges?
- Trends in tourism – Asians to Europe and Europeans to Asia
- Does tourism help or hinder breaking down misperceptions?