
The European Community and ASEAN PARTNERS IN BUILDING A WORLD OF PEACEFUL COOPERATION

By: Hans-Dietrich Genscher, Foreign Minister of the Federal Republic of Germany

One of the positive and forward-looking developments in world politics during recent years has been the co-operation between the European Community and the Association of Southeast Asian Nations (ASEAN). For new and model forms of co-operation and new structures of stability are taking shape under this inter-regional co-operation in a world marked by crises and unresolved conflicts.

Today, the international community of States faces great challenges. It is struggling to enunciate new principles of order which are meant to do justice to the needs of the strong as well as the weak in regard to peace and freedom and of the poor as well as the rich in regard to economic and social progress.

But the international community has not yet found any satisfactory answers to the changes which have occurred since the end of World War II: to the differences between East and West; the advance of the Soviet Union to world-power status globally competing with the USA; to the entry of the Third World States into the arena of international policy, and the problems in relation between North and South.

The capacity of mankind for atomic self-destruction has hitherto not been limited by a world order of peaceful co-operation, it is only the equilibrium of deterrence which safeguards mankind's survival.

The structural crisis of the world economy presents difficult economic and social problems for the industrial and the developing countries.

The explosive rise in population threatens to increase the misery in many parts of the world to a dangerous extent within a short period of time. Over 800 million people already live in the most bitter poverty today. In the year 2000, there will probably be more than 6 billion people in the world, in-

cluding 5 billion in the developing countries. It is becoming more and more difficult to ensure a dignified existence for them.

Many countries of the Third World are experiencing grave internal convulsions which bear upon the fundamental issues of their national and cultural identity. The international situation is characterized by unresolved conflicts and armed disputes. Every year, over 500 billion dollars are spent in the world on armaments — as if mankind needed weapons more urgently than ploughs, tractors, houses and clothes in order to satisfy the basic needs of mankind.

In the main, we are still trying to resolve the problems of the end of the 20th century with the means and structures of international co-operation handed down from the 19th century. At the same time, these problems have become so complex and so urgent that a new departure and new forms of co-operation are becoming necessary if we are to succeed not only in safeguarding survival for people in East and West, North and South, but also in giving them reasonable prospects of a worthwhile existence in the approaching 21st century.

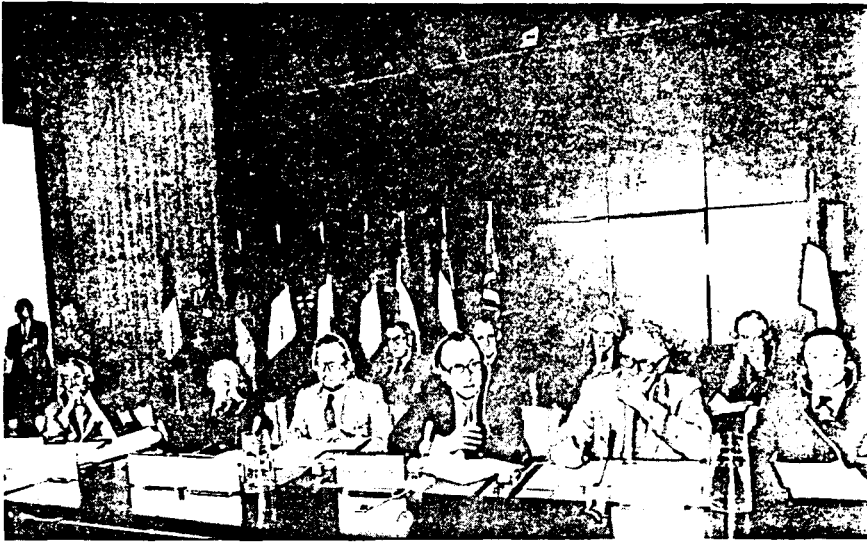
Today, no State on its own can ensure peace, economic and social welfare for its citizens. As a result of the increasing international division of labour, the economic integration and the concomitant mutual dependencies the pursuit of an effective



The Foreign Minister of the Federal Republic of Germany, Hans-Dietrich Genscher has expressed his opinion on EEC — ASEAN cooperation in an in-depth article for the magazine "ASIEN" of the Hamburg — based Asia Institute. The Institute has given permission to "EUROPA" to reproduce Mr. Genscher's article.

policy seems possible and sensible only in conjunction with other nations under international co-operation. That applies to a certain degree even for the major powers which despite their political and military might and their great natural wealth, cannot forgo a well-functioning international political and economic order without impairment to themselves. But that also applies in particular to the medium-sized and smaller States in all regions of the world, which are dependent on international co-operation and assistance in order to be able to articulate and resolve their problems.

For that reason, we must



The first ministerial meeting EEC-ASEAN was chaired by the German Foreign Minister Genscher (22 November 1978). From left to right F.M.s Rajaratnam (Singapore), Romulo (Philippines), Kusumaatmadja (Indonesia), Genscher (F.R. of Germany), Haferkamp (European Commission) and Upadit Pachriyangkun (Thailand).

ASEAN as an economic partner

The ASEAN States form an essential part of an Asian-Pacific zone of growth which is gaining increasing significance in the world economy. ASEAN is one of the economically fastest growing regions in the world. From 1973 to 1980, the ASEAN States achieved annual growth rates in real terms of between 6.8 and 7.9 per cent. These are "dream rates" compared, for instance, with the real growth rate of about 3 per cent p.a. in the EEC during this period of time. The ASEAN States' share of world trade only amounts to about 3 per cent; nevertheless, they enjoy an unusually large wealth in primary commodities and energy. Four of the five members produce oil and natural gas; ASEAN is the world's largest supplier of tin, natural rubber, tropical hardwoods, palm oil and copra; and an important producer of such important raw materials as copper, sugar, coffee, rice and tobacco. Singapore, the second largest port in the world, is also one of the most important financial centres and the heart of the Asian dollar market.

The EEC and ASEAN are frequently and quite rightly referred to as "natural partners" whose economies supplement each other in ideal fashion: on the one hand there is technical know-how and financial resources and, on the other, the production and processing of raw materials — and all this within the framework of two dynamic large-scale markets. Both sides need co-operation. From this realization, we have drawn practical conclusions and embarked upon the task of co-operation with ASEAN.

Since the Community decided in 1972 to develop its trading and economic links with the Asian Commonwealth countries, it has also strengthened its relations with the ASEAN States which do not belong to the European Community's traditional area of association and preferential treatment, i.e. the Mediterranean and Africa. Since then, the reciprocal contacts have increased continuously.

The most important stages of this growing co-operation were as follows:

organize world-wide cooperation with the aim of creating a really global world system of co-operation as the only means of successfully tackling the great problems of our age. We must organize this co-operation on three levels:

- We have an instrument for universal co-operation in the United Nations and it is important to strengthen this and to make better use of it.
- Beneath the global level, we must support the functional organizations such as the Movement of Non-aligned States, the Conference of Islamic States or the Organization of African Unity. They are significant forums for effective international co-operation.
- Thirdly and finally, we must promote regional groupings of States on the basis of equal rights. They constitute factors for stability, moderation and balance and at the same time they permit new forms of international relations, i.e. supra-regional co-operation between regional organizations.

Two regional groupings have so far been particularly successful: the European Community and the five States of Indonesia, Malaysia, the Philippines, Singapore and Thailand in-

tegrated within the Association of Southeast Asian Nations. The two communities have come closer together in economic and political terms during the last few years. This is all the more remarkable in as much as the two groups of nations are separated by great geographical distances and as their members are medium-sized powers with pronounced regional interests. Furthermore, they are highly developed industrial States on the one hand and developing countries in the most different stages of development on the other.

Three important factors characterize the co-operation between the two groups of countries and make this a model for inter-regional co-operation.

1. Within the framework of mounting world economic interdependence, the two sides provide an example of mutually advantageous economic co-operation between industrialized and developing countries.
2. The two groups of States are exercising a wider measure of influence on international developments and have thus become a factor in world politics.
3. As regional groupings, the two communities render an irreplaceable contribution to the stability of their given region.

- From 1972, regular contacts between the EEC Commission and the committee of ASEAN Ambassadors in Brussels.
- In 1975, the appointment of a joint study group,
- In 1977, the opening of the dialogue at ambassador level in Brussels.
- In November 1978, my initiative during the German presidency led to the first meeting of Foreign Ministers from the two organizations in Brussels. This conference decided to initiate exploratory talks which resulted in a comprehensive agreement on co-operation, which was signed by the European Community and the Foreign Ministers of the five ASEAN States in the Malaysian capital of Kuala Lumpur in March 1980.

The Agreement entered into force on 1 October 1980. It is valid for five years and thus sets the framework for expanding trading and economic links between the EEC and ASEAN for the first half of the Eighties.

Areas of cooperation

Trade between the two groups of States is to be increased by granting most-favoured nation treatment, a reduction in obstacles to trade and improved access to the markets. An expansion in economic co-operation is envisaged in a number of sectors such as mining, energy, transport and telecommunications — to name but a few of the important areas. The investment climate is to be improved by better agreements to protect investment and, for the first time, the Community has agreed within the framework of a Co-operation Agreement to strengthen co-operation on development policy — particularly in favour of regional ASEAN projects.

The first achievements under these agreements are already beginning to take shape. In October 1981, the joint committee of co-operation which deals with the implementation of the Agreement decided upon a two-year programme for increased co-operation in the fields of science, technology and energy.

And early next year (1983),



Signing of the E.E.C. — ASEAN economic cooperation agreement in Kuala Lumpur (7 March 1980) From left to right: H.E.'s Rajaratnam (Singapore), Kusumaatmadja (Indonesia), Ruffini (Italy), Datuk Hussein Onn (Malaysia), Rithauddeen (Malaysia) Haferkamp (European Commission), Romulo (Philippines), Sithi Savetsila (Thailand).

the Community plans to hold an industrial conference on a few sectors of mechanical engineering in an ASEAN country.

The goals of this Agreement fit into the Federal Government's development policy: the integration of developing countries within the world economy, greater access to the markets of the industrial countries, and a refusal to resort to protectionism and economic regimentation. The important thing now is to continue to make full use of the opportunities provided under this Agreement by common efforts on the part of the contracting partners and above all by private enterprise and to develop as much as possible mutual relations.

The ASEAN States have at their disposal a huge potential of talented and eager workers and a large-scale market comprising over 250 million people. In the year 2000, the region will probably have 400 million people, i.e. a greater population than the USA and Japan together. At the same time, however, that poses one of the most difficult challenges in the region. Serious socio-economic problems arise from the need to provide jobs for the quickly growing population, the disequilibria in the distribution of income, the shortage of fertile arable land, shortcomings in the educational sector and from other typical problems peculiar to fast developing socie-

ties.

One of the essential needs will be to concentrate development co-operation in those fields which are important for a development of the region in stability. This includes in particular the expansion of a labour-intensive farming sector and the improvement of the infra-structure. It is also important in the field of education and in the provision of training and advanced instruction for specialists and executives to make use of the incipient moves towards closer co-operation. The German Foundation for International Development is already inviting large numbers of specialists and executives from ASEAN States to the Federal Republic of Germany. Training courses for members of the Foreign Services of these countries are already being held in co-operation with the EEC.

Vocational training possesses decisive importance for the economic and social development of the region. In this field, the Europeans can render major contributions — also within the framework of the Co-operation Agreement.

But the EEC and ASEAN must not only co-operate at State level. They must also promote to a larger extent the willingness of trade and industry on both sides to co-operate on a supra-regional basis over and beyond the established bilateral co-operation. The recently

founded EEC-ASEAN Business Council ought to see its prime task in this field. For the economy of the European Community, there now arises the possibility of a substantial expansion of its market and opportunities for investment. The ASEAN States rank among the most interesting regions in the Third World for European investment abroad in the field of exploiting and processing raw materials. On the other hand, the further opening of the European market for the products of the ASEAN States contributes to ASEAN's wish for a diversification of its trading links and strengthens its international trading position. Capital investments and the transfer of technical know-how improve the economic basis of the ASEAN States.

Growing confidence

Confidence is growing in a region which has stabilized in political terms and which is pursuing largely rational market-economy principles in economic terms. The overall volume of direct foreign investment in the ASEAN States at the end of the Seventies is put at between 20 and 25 billion dollars. This means that the ASEAN States were able to attract about 1/5 to 1/4 of all foreign investment in developing countries as a whole which is estimated to total about 100 billion dollars.

In this field, the Europeans must avail themselves more of the opportunities for co-operation. Europe has a large backlog demand in trade and investment in the ASEAN region where the Japanese and Americans traditionally hold the strongest position. Admittedly, trade between the EEC and ASEAN has doubled during the last four years: in 1980, ASEAN exported goods to the EEC worth 9.8 billion dollars and imported goods worth 7.6 billion dollars. However, this only accounts for just over 2 per cent of the European Community's foreign trade. Its share of approximately 14 per cent of ASEAN's foreign trade means that the Community takes third place a long way behind Japan (25 per cent) and the USA (18 per cent). A very similar picture emerges for investments: here again, Japan leads with over 32 per cent ahead of the USA (16 per cent) and the EEC (14 per cent). These few statistics show how much still has to be done in order to make complete use of the opportunities for economic co-operation.

The potential for a mutually advantageous co-operation between the ASEAN region and Western Europe is so great that it is worth while to tackle the problems with energy. The Federal Republic of Germany will use its best endeavours together with its partners in the EEC to achieve even greater

economic integration between the European Community and ASEAN in future. In this field, we can build on a solid foundation of mature relations.

Peace and stability

The meeting of Foreign Ministers in Kuala Lumpur marks the climax of a trend towards closer economic co-operation and at the same time the beginning of a completely new phase of relations between the two groups of States: the EEC and ASEAN took a step forward towards a new kind of inter-regional political co-operation. The European Community and ASEAN have adopted common positions on Afghanistan and Kampuchea. For the first time, the two regional groups have issued joint declarations documenting their wide measure of political agreement vis-à-vis the whole world. For the first time, the EEC and ASEAN have exercised a joint influence on world affairs. Since then, they have become a joint force for peace and stability in the world.

There is no need to explain to what degree the move towards unification in the European Community after centuries of enmity and bloody conflicts between European neighbours has brought together the nations of Western Europe. The success — over thirty years of political, economic and social stability — speaks for itself.

Integration has also proved to be an instrument for regional pacification and stabilization for the States of Southeast Asia too. ASEAN's significance for stability in Southeast Asia becomes clear when one bears in mind the initial situation of this community of States.

The five partners comprise people of different extraction, religion, language and culture. They have different political and economic systems. They have reached different stages of development: the gross national product per capita (1980) varies from 4,129 US dollars in Singapore to 480 US dollars in Indonesia. Thailand was one of the few nations in the Third World able to maintain its independence during the colonial era. The other ASEAN States once form-



Mr. Wilhelm Haferkamp, Vice-president of the European Commission addresses participants to the ASEAN-EEC industrial conference in Jakarta in January 1979.

ed part of various colonial empires and this has influenced their set of values and above all the legal systems and the administrative infrastructure there. Prior to the foundation of ASEAN, the relationship between the Southeast Asian States was marked by lack of unity, distrust and conflicts.

During the first years of integration, ASEAN had thus at first the function of helping to overcome the tensions stemming from the past. They succeeded in doing this in fact, for example in regard to the potential conflicts between Manila and Kuala Lumpur in the area of the southern Philippines and in the Malaysian constituent State of Sabah. Moreover, ASEAN has proved its value as a catalyst in reducing the confrontation between Singapore and Indonesia.

This created the basic conditions for realizing an active regional co-operation such as then assumed concrete shape in 1976 — nine years after the foundation of ASEAN — in the Declaration of Bali.

The Declaration of Bali is a kind of basic law of ASEAN together with two implementing laws, a treaty of friendship and co-operation and a treaty on the establishment of a permanent secretariat. These agreements could be called ASEAN's "Treaties of Rome."

The prospect for a community of stability transcending economic co-operation becomes quite clear in the preamble to the Declaration of ASEAN Concord voted in Bali. This states: "Each member State resolves to eliminate threats posed by subversion to its stability, thus strengthening national and ASEAN resilience." Since then, the integrating forces of ASEAN have become stronger. The concept of regional co-operation for safeguarding peace independence and development in one's own region has put down strong roots in Southeast Asia.

Joint positions

ASEAN has meanwhile succeeded in admirable manner in maintaining joint positions and gaining the support of other States and regions for this. The

five countries have so far not succumbed to the danger of a splitting up of the partners. As a result, they have acquired a wider measure of independence and capacity for action.

The occupation of Kampuchea by Vietnam, Hanoi's discernible policy of achieving predominance in Indochina, the resulting threat to Thailand, and above all the exodus of Vietnamese and Kampuchean refugees by land and sea have disconcerted the ASEAN States to a large degree and led to common political moves. At the 34th and 35th sessions of the United Nations General Assembly, for example, the ASEAN States carried through resolutions which reaffirm the right of the Kampuchean people to determine their own fate without any foreign interference for themselves. The ASEAN States succeeded with the support of a large number of nations, including the members of the European Community, in insisting upon the holding of an international UN conference on Kampuchea whose results reflect the political efforts of the Five. The peace plan set out in the conference's "Declaration on Kampuchea" forms a good basis for the creation of a durable peace order in the region which guarantees the independence, sovereignty and territorial integrity of Kampuchea as a non-aligned and neutral State and which rules out intervention by foreign powers.

ASEAN lies at the point of intersection between two oceans and two continents. By their domination of the linking sea routes, the Five gain special strategic significance. At this point, the interests of the two superpowers — the USA and the Soviet Union — as well as those of Japan and China meet together.

It was the presence and the growing commitment of Southeast Asia's supra-regional powers which, in the light of the Vietnam conflict, suggested the need for closer co-operation between "The Five." Since then and in addition to the goals pursued in the field of economic and development policy, the efforts undertaken by the member States to find an independent role of their

own vis-a-vis the four powers' influence upon the region have proved to be the strongest cement of cohesion. As a result, these States have become a notable political factor in the region.

The quadrangle of power in the Southeast Asian region formed by the USA, the Soviet Union, China and Japan has become a Pacific pentarchy which includes ASEAN. Typical of this is the fact that the first journey undertaken by the new Japanese Prime Minister Zenko Suzuki at the beginning of 1981 did not take him to Washington but to three ASEAN countries.

However, the distribution of forces in this pentarchy is very much to the disadvantage of ASEAN. In order to illustrate this, one need only think of the varying economic strength of the countries concerned. Japan's gross national product in itself exceeds by tenfold that of all the ASEAN States together. The asymmetry of relations can be mitigated in the long term by a diversification of the ASEAN States' foreign relations.

Political means

The ASEAN States wish to resolve the problems of their region with political means. They wish to preserve their independence and to keep their region as free from foreign influence as possible. As early as 1971, the Five issued a declaration in Kuala Lumpur proposing that Southeast Asia should be recognized by the international community as a zone of peace, freedom and neutrality. Since then, they have continued to pursue this goal with persistence and last reaffirmed it in the final declaration of the Conference of Non-aligned States in New Delhi in 1981.

The Federal Government and its partners in the European Community vigorously support this policy of non-alignment and independence. In its co-operation with ASEAN, the Community expresses in concrete and convincing form the principles of our Third World policy:

— strengthening the independence of the countries of

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really using a double standard to measure the three crises?

In the case of Poland, it was a question of showing the West's disapproval of Soviet intervention. Neither the United States nor the Community countries ever thought that they could influence events in Poland by imposing a total trade embargo. Such an attempt would have been doomed to failure (in addition to doing a considerable disservice to the economic interests of the Community.) In the case of Argentina there is a distinct possibility that economic sanctions may help influence their negotiating position, given that a quarter of their exports are destined for European markets.

In the Argentine case there was another consideration to take into account. Great Britain appealed to its fellow member states on behalf of a group of islands which have been part of the Community's overseas territories, since the United Kingdom's Accession Treaty.

It was politically and economically easier to impose import restrictions than to limit exports. As far as imports are concerned one can always find supplies elsewhere, particularly in the case of Argentina's exports. They consist primarily of meat, wheat, wool, textiles, apples and garlic; all of which it is not difficult to find substitutes for.

Future relations

But even if the embargo has had a positive influence on European political integration, it is an instrument which should be used carefully. It would be regrettable if the embargo had a lasting effect on the economic and political relations between the European Community and Latin America and its introduction has clearly demonstrated that political cohesion is not unique to Europe; it also exists in Latin America. It would be a great pity if the Falkland crisis, which does not affect the vital interests of either Great Britain or Argentina, were allowed to damage future relations between the two continents.

*Community Exports to	
Argentina	(US \$m)
German Federal Republic	1253
Italy	635
France	432
United Kingdom	402
Netherlands	183
Belgium/Luxembourg	125
Denmark	40
Ireland	11
Greece	1
Community Total	3,082

Community Imports from	
Argentina	(US \$m)
German Federal Republic	709
Italy	498
Netherlands	483
France	296
United Kingdom	266
Belgium/Luxembourg	155
Denmark	138
Greece	52
Ireland	5
Community Total	2,602

Source: OECD 1980.

E.E.C. — Asean

(Cont'd from page 8)

- the Third World;
- refusing to accept zones of influence;
- co-operating on the basis of equal partnership; and
- promoting regional groupings.

Dimension

Against this background, co-operation between the European Community and the ASEAN States — originally and largely oriented towards economic co-operation — is acquiring a world political dimension. For ASEAN, the European Community is a political partner which provides support within the framework of equal co-operation; it rejects the pursuit of domination and, in the long term, could constitute a counterbalance vis-à-vis the superpowers and Japan.

A vital role

As the President of the Philippines, Ferdinand E. Marcos, declared in 1977 at the opening of the third conference of ASEAN Ministers of Economics, ASEAN is a viable organization which has acquired the right to call itself the most successful regional grouping ever attempted in Asia and has gained the right to play an extremely vital role in the decision as to what kind of future will be shaped in the region.

This observation remains equally pertinent if we replace ASEAN by the EEC and Asia by Europe. The two communities exercise a shaping influence upon the future of their region. Together, they can at the same time render a contribution to peace and stability and to a world order of partnership and co-operation. By means of active and successful regional and intra-regional co-operation, they can provide the world with a model for the future.

Courtesy: "ASIEN"
(Institut für Asien-Kunde,
Hamburg)

In brief

Ties with Gulf states

European Community relations with Arab and Gulf states drew closer in early June with visits by the heads of regional organisations to Brussels and the signature of a cooperation agreement.

The period was marked by the visit to Brussels of Fakhri Kaddori, the Secretary General of the Arab Council for Economic Unity on June 7 and A. Bechara, the Secretary General of the Gulf Cooperation Council on June 9 to 11. During his visit, Mr Kaddori signed a technical cooperation agreement between the Arab Council and the European Community. This accord was aimed at establishing closer relations and working arrangements between the two regional organizations in a number of sectors of joint interest.