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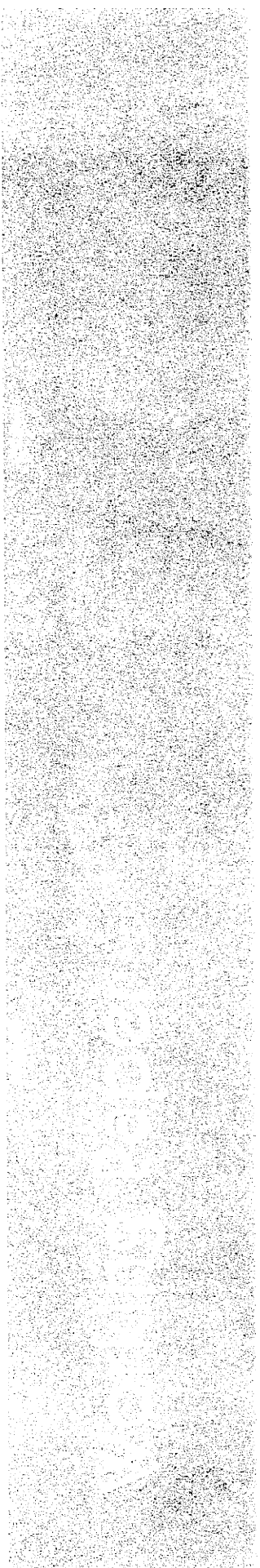
Opening the World to Omnilateralism

Wolfgang Pape



Forward Studies Unit

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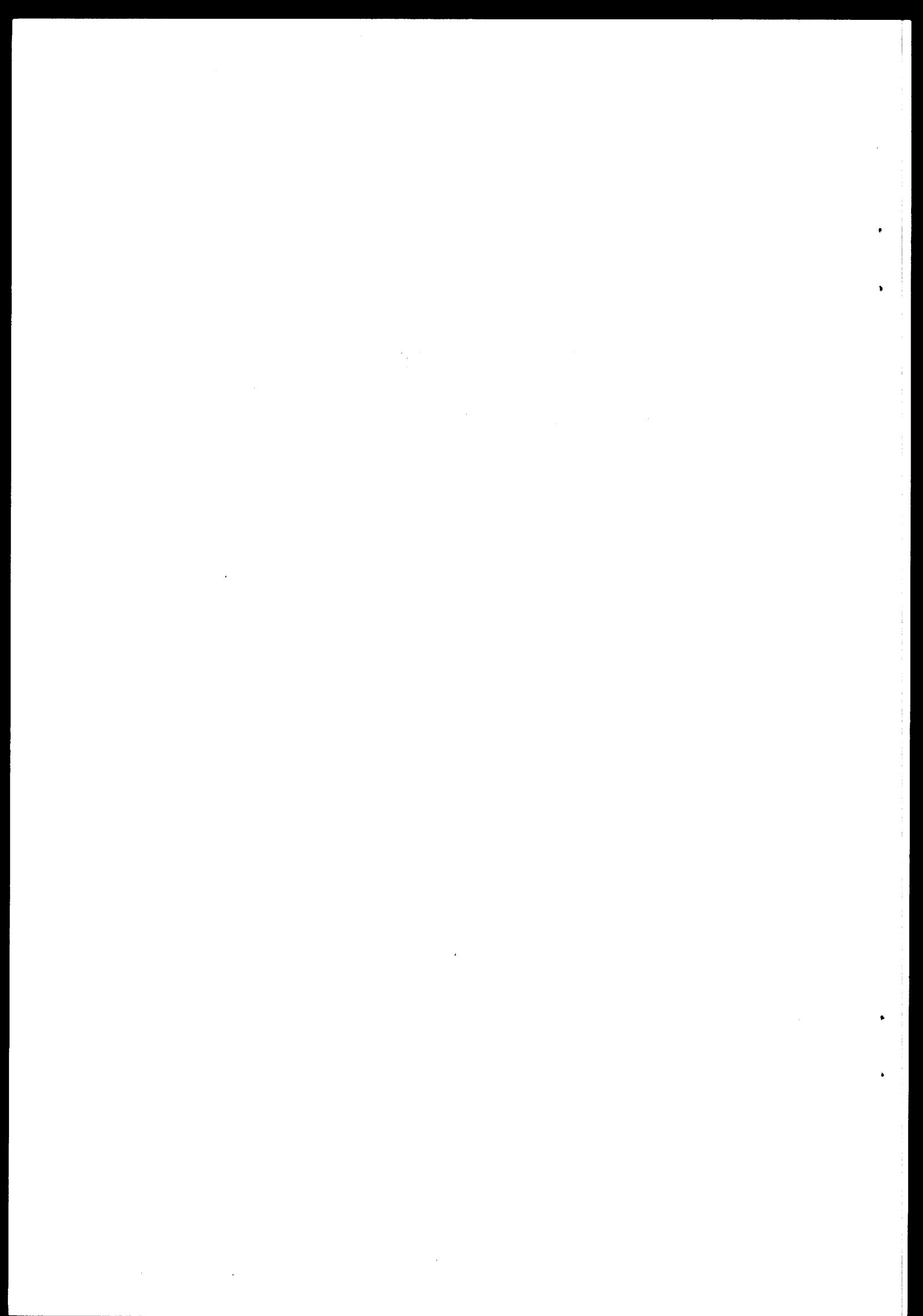
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Opening the World to Omnilateralism

Wolfgang Pape

WORKING PAPER, 1998



Opening the World to Omnilateralism - A European View*

Wolfgang Pape

Not only in the mass media, we are used to see neologisms spring up every once in a while to describe new phenomena as they evolve. During the last years, in the international press we thus have experienced the shift from geo-politics to geo-economics and now even to "geo-psychology"¹ in order to better understand what is happening in the world from France (from de Gaulle to soccer) to India (from disregard to the bomb).

However, rather than depict a situation of past or present, I have dubbed as "Omnilateralism" an appeal for a better "geo-future."²

Just consider the case of Japan: It has been repeatedly exposed to u n i-lateral American measures (victimisation?). It has negotiated numerous treaties with other countries on a b i-lateral basis (zero-sum games?). Japan is also a member of most of the so-called m u l t i-lateral institutions (passive listener?). Is it not time now that it finally contributes to an all-comprising o m n i-lateral system (commensurate with its economic power)?

As the logic of Europe as "*Weltkind in der Mitten*" (Goethe) indicates, there has to be some balance of weight on both sides, in the East as well as in the West for us Europeans. Without any doubt, America on the Western side of Europe has contributed enormously to the setting-up of the multilateral system.

The multilateral system as it evolved over the last decades can be seen also as a product of the Cold War³ in as far as it has been very much influenced by the confrontational bilateralism between East and West in the ideo-political sense. With the fall of the Wall in Berlin, it is therefore high time now to allow growth beyond the icy attitudes and warm up to new ideas, such as **omnilateralism**.

Just to mention the main institutions such as the United Nations, the GATT/WTO and the so-called Bretton-Woods system⁴, it is of course difficult if not impossible to imagine their creation without the pro-active participation by the US. Similarly West-Europeans have contributed to the establishment of these organisations, for instance through the Atlantic Charter with the UK. These contributions can be tracked to a point that the multilateral system easily appears as not only Western inspired, but even as an outgrowth of almost pure Western thinking, including of course its tolerance of otherness in pluralism.

* This presentation reflects only the personal view of the author and cannot be attributed to any institution.

1 See Flora Lewis, International Herald Tribune, 10.7.98

2 The concept of "omnilateralism" was first developed by Wolfgang Pape in World Affairs, Jul-Sep 1997, p.94-109, following his fellowship at Brookings Inst. Washington DC.

3 Chalmers Johnson (JPRI Working Paper No.22, July 1996, p. 15) even writes that "for most of the Cold War, GATT was part of an American grand strategy against the USSR in which the U.S. traded access to its market and technologies in return for the support of nations such as Japan, South Korea, and Taiwan against communism."

4 It is symptomatic that currently in the aftermath of the Asian Crisis there is a growing call to overhaul "the architecture of the global financial system" (R.Rubin, US Treasury) and to bring the Bretton Woods institutions up to date. Even Japan's Sakakibara is quoted as saying that the IMF's "checks and solutions are insufficient". (FT, 5.3.98)

For the average newspaper reader and non-expert, it is hard to make out the influence of non-western and in particular Asian countries on the setting-up and even on the working processes of these institutions. Although some of those countries have been already members or even founding fathers of the institutions, the Asians' impact on these multilateral institutions so far seems to have been minimal.

Often in the past, this was explained with the Asian countries economic backwardness and poverty, until at first Japan caught up with the West after having joined the IMF in 1952 and GATT in 1955 (OECD in 1964) and subsequently benefited considerably from that multilateral system.

Most of the EC countries early on applied Art. 35 of GATT against Japan, thus denying her relations that were assured to the other contracting parties. As these restrictions were gradually lifted over the following years, Japan's trade partners perceived the need to at least partly replace those restrictions by Voluntary Restraint Agreements and similar arrangements.

In doing so, there remains evidently the question even after decades of membership: Has Japan really adapted also its internal economic patterns to the basic principles of this Western-made multilateral system?⁵

Following the debate on Japan's industrial policy⁶, some critics argued that GATT's traditional market-based and non-discriminatory orientation showed weaknesses and thus needed modification. The West then demanded from Japan to play a more active role on the international stage "commensurate with her economic might."

However, as a matter of fact, the Japanese mainstream understanding of internationalisation or "*kokusaika*" is still too passive to lead to any pro-active input into the multilateral system which would help it also to encompass the particularities of the internal workings of their naturally very Japanese society. The process of so-called deregulation might render the country's legal basis seemingly more similar to Anglo-Saxon concepts.

However, it will hardly or at least only in the long term alter ingrained patterns of behaviour on the Japanese islands. "*Kisei kanwa: soron sansei, kakuron hantai!*" or "Softening of regulations: agreeing in principle, but opposing the details:" This slogan was recently confirmed when 80% of the Japanese wanted further deregulation, while at the same time 70% believed that certain areas with implications for their daily lives, like public security, welfare and culture should be deregulated only "with caution." Phrases taken from models elsewhere like "Big Bang" (from First of April!) and the like often sound hollow when checked for actual substance of implementation and measured against the original idea.

One is sometimes tempted to compare this slow process with the speedy adoption of continental European laws during the Meiji period (e.g. German BGB). Those alien rules were also without roots in the country's social culture which thus in many instances remained on the surface of the burnished dualism of "*tatema*" and "*honne*"⁸ The German scholar Josef Kohler once explained

5 Lei A. Nefiodew ("Der fünfte Kondratieff", Wiesbaden 1991, p.201) bluntly denies such adaptation by describing "*Japans Unangepasstheit an die internationale Wirtschaftsgemeinschaft*".

6 Cf esp. Chalmers Johnson's concept of Japan as a "developmental state" (see his book "*Miti and the Japanese Miracle*," Stanford 1982, passim) and the ensuing discussion

7 see Yomiuri Shimbun, 27.6.97

8 Time and again Japan used "cultural differences" against "universal fairness" as an argument in WTO, GATT, ISO etc. to defend particular rules in Japan from "culturally different snow" demanding divergent standards for skis (see for details W.Pape, "Nichttarifäre Handelshemmnisse in Japan," in: *Recht der Internationalen Wirtschaft, Heidelberg September 1990*) and recently alcohol as a "social lubrication" justifying a lower tax on Shochu than the "more moral stance" allows in the West (cf. Tokyo Shinbun, 22.2.97).

law as a cultural phenomenon. Hence, if it is alien in a given society, such incompatibility creates friction or might even lead to forms of schizophrenia⁹.

Also the OECD points out in its "Vision 2020" that the prospects for the New Global Age, in which all countries can be active players, depend on the ability to adapt to changes and emphasises first the many 'behind-the-border' barriers which need to be tackled.¹⁰

There is now reason for some to fear a similar dualism could sharpen in a **China** which under outside pressure precipitately and superficially adopts Western rules¹¹, but internally still cannot equally fast adapt her traditional patterns of behaviour.¹²

That for some --young people especially in China-- the reception of western thinking has already gone too far finds its expression in the recent list of the "No!" shouting best-sellers from first "Japan that can say No" to similar titles for China and also Asia altogether. From the experience with "*gaiatsu*" on Japan to open up since the mid 19th century¹³ to similar pressure from the outside on other countries, one might easily conclude that civil liberties in a state are inversely proportional to the impact of such external pressures¹⁴. Others go even farther in drawing a worst-case scenario arguing that the economic determinism of the West could well cause "violent efforts to throw off, to master, or to revenge, the invasive influence ... of disruptive Western ideas and values."

According to this view of William Pfaff "The internationalisation of any non-Western economy automatically undermines social practices, and religious and cultural norms. It is a literally subversive force.... There will sooner or later be a reaction." On this timing, I should like to qualify Pfaff's analysis, as we in Europe and America also first had to develop these concepts, one of the major problems for East Asia is the incomparable speed of development.

First in Japan, followed by the "Four Tigers" and then with South East Asia, the acceleration to reach industrialisation and subsequently beyond has dramatically progressed with each 'wild goose' following Japan and now even the 'Dragon.' Social advances that have taken centuries in the UK to grow internally are now pushed into those countries within a few years. At least backlashes, therefore, cannot be avoided, even in still well controlled societies like in South Korea (cf. New Labour Law at issue to meet OECD standards, government hardly disowning --if not even guiding-- anti-import bids as "frugality campaigns" for reasons of trade balance, thus possible violating basic

9 The increasing importance of cultural issues in international relations is exemplified by the fact that ethnic and religious strife figured prominently in all but 3 of the 31 major armed conflicts under way in 1994, according to studies by the Stockholm International Peace Research Institute (SIPRI), see Michael T. Klare, "The New Global Schisms," www.mfa.gov.tr/NEWS/selti/11-96/04.htm, 1.11.96

10 OECD Document "Towards a New Global Age," C(97) 80, Paris 1997

11 According to the director-general of the WTO, Renato Ruggiero, "...by the year 2005 all developing countries in the WTO will have the same degree of protection for intellectual property as the United States." (IHT, 27.11.96) However, thereby he neglects the considerable gap in most countries between the Western-inspired international law and its actual implementation in culturally divergent societies. It has taken Japan, for instance, decades and the realisation of Sony's trademark being copied in Latin-America in the mid-1980s in order to effectively act against counterfeiting at home in Japan itself.

12 cf. International Herald Tribune, 2.I.97: "China's Legal Reforms May Backfire for Some, Little Effect Seen on Abuse by Police"

13 Partly as a reaction there is already talk of a "reverse *gaiatsu*" by EU and Japan that is "multilateralised" against the US to see US policymakers forswear a negative hegemony and short-term unilateralism (cf. Susan Strange, EUI Working Paper RSC No. 94/10, p.4)

14 Such conclusion is drawn also in the context of NATO enlargement by Ernst-Otto Czempel, in Dieter Senghaas (ed.), "Frieden machen," Frankfurt am Main 1997; cf. also EU Ambassador E. Wilkinson, 26.3.98 at European Parliament.

principles of WTO). Furthermore, there is a growing realisation not only in Asia that nowadays modernisation does not necessarily anymore mean Westernisation.

Against superficial appearances, the recent Asian Crisis has only exacerbated these tendencies, as can be seen in particular in Indonesia. US-made medicines prescribed by the IMF ("*social-engineering*")--- although heavily sweetened with a sugar coat of billions of dollars --- are not easily swallowed even by the sick economies of the region.

The imposition of harsh and ruthless austerity policies by the IMF as well as undifferentiated pushes for de-regulation without regard to regional or national particularities could aggravate a growing Asian backlash. Negative sentiments resulting especially from the so-called "*Rubin Doctrine*" in favour of (Western) banks having lent only in dollars to Asia are already growing.¹⁵

"Some Asians are beginning to perceive such Western participation as nothing more than blatant exploitation."¹⁶ A new breed of financial professionals in Korea have taken up jobs as "Shark-Watchers" helping companies to fend off hostile take-overs by foreigners as legal changes make hostile bids much easier.¹⁷ These reactions might add to mob opposition to sharply rising prices, thus stirring up more ethnic and nationalist violence.¹⁸ "As more people lose their jobs, and once-regular purchases become unaffordable, the temptation to blame foreigners will become more acute."¹⁹ As a consequence, warnings of virulent anti-Americanism are growing louder, from Henry Kissinger and others, also in Asia itself.

Leaving alone the more recent example of the Asian financial crisis, the reoccurrence of such direct clashes of domestic and international models cannot be entirely ruled out for the future. Their impact, however, can and should be mitigated by involving the non-Western countries much more as pro-active stakeholders in the international system.

For instance, returning to the experience with Japan in GATT/WTO, such unmitigated discrepancies between inside and outside in the case of China would not only cause much greater problems for the West than in Japan's case in view of China's size.²⁰

But it would create even more problems, because China is clearly more assertive internationally, as

15 cf. *The Economist*, 10.1.98

16 See IHT, 20.1.98: "Think Twice About Forcing Change in Asia" in particular in view of increasing unemployment in those economies; cf. also the danger of China becoming less open as indicated by Rone Tempest in IHT 26.11.97 "China's Trade Barriers Provide Shelter in Asia's Storm," and *The Economist* 24.1.98, p.76 "China is now likely to learn from its neighbours' experience and proceed more slowly in opening up its own financial system and making its currency fully convertible." Also Taiwan plans "to tighten the country's financial regulatory environment" (*Oxford Analytica Brief*, 27.11.97) and its "Currency Controls May Be Kept Beyond 2000." IHT, 19.1.98

17 See IHT, 5.2.98

18 cf. IHT 10.2.98 "Suharto Talks up Economy as Unrest Spreads" in Indonesia where protesters carried national flags and vented their anger on the richer minority of Chinese descent.

19 See *The Economist*, 24.1.98, p.64 ; but already before the Asian Crisis, David A. Hitchcock described how "positive images of the US are beginning to fade in that region" based on 100 interviews in seven East Asian countries ("*Factors Affecting East Asian Views of the United States*", CSIS Report, Wash. DC 1997)

20 With its trade surplus with the US expected to be greater than that of Japan's in 1997, China has already bought a sizable amount of US Treasury bonds exceeding that of Japan in 1996. "China could jolt the US financial market as well as the world economy by dumping those bonds.... such a danger involving China is much greater compared with Japan's holding of US bonds." (see *Mainichi Shinbun*, 24.2.97).

Harou Shimada, who advises the Japanese government, fears "If you bring in 1,2 billion workers at those wages, that can destroy the global trading system." (IHT, 7.3.97)

the re-emerging "Middle Kingdom" (in its own naming)²¹ supported by a highly active overseas network of another 50 million²². China is already now the world's second largest holder of foreign exchange reserves, only after Japan²³.

This basic attitude of the Chinese seeing themselves still in the centre is clearly coming to the fore again. "What interests China with regard to foreign countries is above all the resources and methods of enrichment. Yet the Chinese are hardly more interested than before in cultures and lifestyles. Modern-day China does not experience the tremendous cultural curiosity which Japan has always felt for the West ever since the Meiji era"²⁴.

Unless China joins as an integral 'stake-holder,' and not only passive listener in the existing multilateral system,²⁵ such system remains only 'multilateral Western.' That claimed 'world order' would not be truly all-comprising and thus would remain unable to claim genuine universal values for all.

Without going into details of underlying philosophies, there are good reasons to shed doubt on the absolutism that we have reached the "end of history." Rather we can see culturally divergent identities increasingly re-emerge, after the contentions of the hot and cold wars of our century had covered them up under superficial layers of ideologies. Not only in terms of geo-politics, there is a multipolar²⁶ constellation emerging.

The mobile individuals of our days are seeking their personal roots more and more in regional and even local cultures in order to balance their loss of identity in the globalising economies. This is the case in Europe as well as in Asia where even Anglo-saxon pop music is losing ground to local or regional hits²⁷. Thus eroding the American and British dominance, a new group of singers like Eros Ramazotti and Andrea Bocelli reflect today's "Eurotaste" to a degree that even The Economist of London elevates them to "pan-European stars".²⁸

21 Prof. Yuan Ming of the Chinese Academy of Social Science expressed this sentiment during an international conference in Beijing early November 1996 with the traditional saying "China changes the world by changing itself!" Cf. Also the recent campaign in China for a "spiritual civilisation" (Wash. Post, 30.1.97). The China-expert Prof. Lucian W.Pye of the Mass. Inst. of Technology sees a "xenophobic nationalism and combative pragmatism" move into the country's spiritual wasteland at present (IHT, 27.11.96).

22 This network is most obviously spear-headed by Singapore which seems to have served as a model not only for the late Deng Xiaoping (see Andreas Huber, *Die wirtschaftlichen und politischen Beziehungen der VR China zu den ASEAN-Staaten am Beispiel Singapurs*, Hamburg 1995, p.86-89).

23 FT, 4.3.97, p.4: "China joins forum on forex"

24 See Jean-Luc Domenach, "China and the World: Uncertainties and Ambivalences," IFRI, Paris December 1997, p.3

25 David Shambaugh (IHT, 31.1.97) similarly calls for China to be a "productive partner in the community of nations."

26 Multipolarity pops up frequently now in international declarations without US participation; especially cf. Russo-Chinese Joint Declaration of 23.4.97 in Moscow on "multipolar world" e.g. reinforcing role of UN and promotion of the dialogue with the Third World, particularly in view of amending the world trading system

27 Cf. for instance the recent phenomenal growth of ethnic music particularly in East Asia with the "Queen of Dangdut" selling 500.000 records, far more than the Spice Girls, the most popular Western group across Asia where now 70% of record sales are generated by local artists (see IHT, 30.5.97). This trend of localisation of music balances the globalisation of visual communications in the computer age where symbols from icons to kanji increasingly cross cultural borders (for details see Wolfgang Pape, *Shaping Factors in East Asia by the Year 2000 and Beyond*, Hamburg 1996, p.29-32).

28 See The Economist, 21.2.98, p.81

In order to balance such re-orientation towards regional and even local cultural phenomena (cf. also the American bestseller *Jihad vs. McWorld*), world bodies rightfully deserve their name only if these organisations fully encompass the pro-active partnership of all players on this globe, from occident as well as orient.

The absolutism of neither Hegelian nor more recently Fukuyama's claimed "*End of History*," but the forces of pertinent, traded cultural notions and new patterns of communication (for example "death of distance" through the Internet) are too strong to be any longer neglected in global governance. These divergent cultural presumptions have to be understood first in order to establish a sense of "co-ownership" and an inclusive approach for international institutions which could provide an additional source of legitimacy. The need for such legitimacy has become obvious again particularly in the recent Asian Crisis when IMF measures at occasions were opposed as solely Western-made. Therefore, only stake-holding through pro-active contributions by all members would allow the international system to evolve into a modern form of participatory governance, to be dubbed omnilateralism.

One example where Eastern concepts might greatly contribute to world-wide problem solving can be derived from their more holistic approach to nature and consequently more direct *comprehension* of the interdependence in our common ecological system.

On the highly topical issue of the protection of the environment, it is the old Buddhist principles of interdependence in nature and cycles of reincarnation that lend themselves much better to understand the need for recycling of materials than our Western concept --or rather illusion-- of creation from zero. **Holistic** views of nature rather **conserve**, whereas our analytical approaches often tend to divide before conceiving common elements.

If some East Asian economies have not yet manifested these holistic values as much as could be expected from such religious background, it should be explained mainly with the rapid speed of development and the resulting social transformation that presently does not yet fully allow the reflection of traditional values. In general, poor countries have the world's worst environmental problems. They cannot afford to put up with them²⁹. With the stabilisation of a broader middle class in society, there will re-emerge a stronger identification with original values, as we have seen already in Japan in the late 1980s.

Concrete cases how the Chinese have practised already since over thousand years the concept of recycling can be found in their traditional --now called bio-intensive-- techniques of agriculture. Normally, several life-systems are co-ordinated on top of each other: For instance rabbits excrements fall into a pool of ducks and fish to fertilise it, and the pool then irrigates fields for rice and vegetables, the waste of which in turn feeds the rabbits. Many people might think that this might be good only for the Chinese. But the surprise lies in the fact that it seems to be truly good for all, i.e. "*omnibus*". Namely, basically the same techniques are now applied by John Jeavons and his colleagues of "Ecology Action" in their "bio-intensive mini-agriculture" in Willits, Northern California.³⁰

29 See The Economist's Survey of Development and the Environment, 21.3.98, p.3

30 see "Factor Four - Doubling Wealth, Halving Resource Use" by E.von Weizsäcker, A.B.Lovins and L.H.Lovins, Earthscan, p.131-132: "Many techniques of bio-intensive agriculture and horticulture are known since over thousand years in China.... Normally, several life-systems are co-ordinated on top of each other: Rabbits excrements fall into pool of ducks and fish to fertilise it, and the pool irrigates fields for rice and vegetables, the waste of which in turn feeds the rabbits." Similar techniques are now applied by John Jeavons and his colleagues of "Ecology Action" in their "bio-intensive mini-agriculture" in Willits, Northern California.

Another concrete manifestation of the holistic approach that could serve "omnibus" and enrich all our lives can be seen in the long-established Japanese horticultural art of only reducing in scale an otherwise intact whole landscape (cf. Sansui; Bonsai also for China), whilst gardening in the West traditionally amounts to systematic cutting down into geometric separation of the elements and sorts of plants etc. (cf. Parc de Versailles). Seeing "nature as the mother"³¹ is now perceived as one of the reasons for Japan's success to go beyond modernisation. Not by accident, the Worldwatch Institute gave Japan ("an impressive record") and China ("one of the most elaborate, ambitious national Agenda 21 plans") relatively good marks on their environment policies³². The fact that Chinese cities have relatively few polluting motorised bikes, mopeds, etc; but still millions of human-driven non-polluting bicycle nowadays seems to be the result less of technical and economic backwardness, but the intended outcome of a strict license system. Apparently, it is "very difficult to get a license for a motorcycle and frequently it is refused"³³.

Looking for other examples of possible oriental contributions to mend extreme and in the long-term harmful behaviour in the international, but also internal context, one is tempted to cast a critical eye in this context also on exaggerations of the "private" (cf. *privare*, lat.= robbed from the public) individual centring on a relationship with an absolute god of the book which often leads to righteousness and overdone litigation (hence new trend in US towards more arbitration etc.³⁴).

This contrasts in Confucian-Buddhist Asia with the idea of "*messhi boko*" (Japanese for self-sacrificing for the public good). Similarly indicative is the basic understanding of humans being in-between (Japanese "*ningen*" as wo-man in-between) and the strong identification with the "*ie*" or house as a group rather than only the individual in isolation.

Not entirely unrelated is the generic nexus of "*guanxi*" or connections in China which is increasingly seen as a traditional way of the modern concept of networking, be it in persona or by digirati only virtually through the Internet. Some go even farther and suggest the linked verses in dialogue of the Japanese "*renga*" tradition of multi-dimensional unity as the possible structure for networking in the information age. For them there is a need for 'synthetic' perspectives with a concept of 'circulation' {cf. 'recycling'} and 'symbiosis' instead of the Western 'analytic' methods with an extreme belief in {linear} 'progress' through 'competition' of individuals³⁵.

There must be numerous further examples for the comparative researcher, also in the Arabic world. For instance, it would be perhaps instructive to study the concept of interest-free loans as prescribed under *Sharia* for Islamic banking which is clearly on the rise now³⁶. "*Money cannot make more money. Money must be used productively. And risk has to be shared.*" These are the slogans of the 'Islamic Banker' that might be worth to consider, in particular in the wake of the so-called Asian Financial Crisis.

Of course, also Muslims recognise that interest plays a very important role in the modern economic system in the western world. It has been viewed not only as an integral part of the price mechanism,

31 See Takeshi Umehara, *Voice*, Tokyo July 95, p.166; in Japanese

32 See "State of the World 1997," New York 1997, p.9

33 Prof. Lijun WANG, EUVP, Bruxelles, 22.5.97

34 See IHT III.97

35 Cf. Kenichi Ito, "Non-European Civilizations Rediscovered," Symposium at the JDZ Berlin, 1.6.96

36 See IHT22.9.98, "Not for Muslims Only: Islamic Finance on the Rise"

but also as an important policy instrument for governments' control over the economy.³⁷ Samuelson defines interest simply as "the price or rental for the use of money". Keynes goes a step further in stating that the "money rate of interest is the percentage of excess of a sum of units of money contracted...." Seen from Islamic economics, Abu Saud also emphasises the aspect of excess when he regards "interest as the excess of money paid by the borrower to the lender over and above the principal" for its use over a certain period of time.³⁸

Muslims consider the excessive nature of interest ("riba") to breed exploitation and inequalities that run counter to the egalitarian objectives of Islam. Hence lending money for interest was depreciated, and in most cases prohibited, by all the biblical religions.³⁹

Islamic banking is based on equity ("*musharakah*") in a profit-loss-sharing system ("*mudharabah*") which aims at more stability and efficiency in allocating resources. Such partnership-financing shall make the financier participate in the risk together with the entrepreneur in the business venture.⁴⁰ However, in spite of more than two decades of Islamic financial institutions working in the field of banking with a world-wide growth now of 15%, "interest-free techniques and the specifications of basic ratings are still under discussion".⁴¹

We have seen the failure of the systems of state-planning and become increasingly aware of the great burden levied upon major parts of the population in the name of the market economy. Therefore, it is not only for Muslim experts that the Islamic systems seem to be the only credible alternative concept not yet discredited by practical experience.⁴² The debate on these systems should be pursued also by non-Muslims in an open spirit with a view towards enriching the omnilateral system with appropriate elements from Islamic economics, not at least also in order to avoid clashes of 'the West against the Rest'.

There are certainly other elements to be drawn not only from Asian cultures not yet explored here like for instance India, but also from other continents that could enhance global governance "omnibus" as co-owning and thus pro-active stakeholders.

The search for such constructive elements in emerging societies as contributions to build a truly omnilateral system, of course, will remain an ongoing task that will never be finished as long as history flows and does not end, which is our basic axiom as a starting point.

If *omnilateralism* --in contrast to the 'only multilateral system' of today-- cannot be realised, there is a danger that at some point in the future, not only China in view of its own importance⁴³ either does not see anymore a need to join the "Western-made" institutions. Or if entering as only a 'passive member' (like Japan 1955 in GATT), China might sooner or later break up the inculcated purely Western concepts from the inside like an alien and outgrown cuckoo in a nightingale's nest....

37 Cf. Saad Abdul Sattar Al-Harran, "Islamic Finance", Malaysia, 1993, p.5

38 Cf. Abu Saud, M. "Money, Interest and Qirad in Islam", in: Studies in Islamic Economics, Leicester, 1983, p.64

39 Cf. Saad Abdul Sattar Al-Harran, "Islamic Finance", Malaysia, 1993, p.6

40 Cf. Dr.Saad Al-Harran, "Leading Issues in Islamic Banking and Finance", Malaysia, 1995, p.VII; Western investment banks that take up equity of the recipient of the loan in a similar fashion share at least part of the risk of the enterprise to be financed.

41 See Volker Nienhaus, "Islamische Wirtschaftsordnungen", in: Internationale Politik, Bonn August 1997, p.17

42 Idem, p.14

43 China is already now the world's second largest holder of foreign exchange reserves, only after Japan (FT, 4.3.97, p.4: "China joins forum on forex").

Admittedly, such “*omnilateralism*” seems to be a rather idealistic vision which underrates the urgent need and this year’s window of opportunity to “constructively engage” China into the world trading system. However, it is precisely the ‘constructive’ nature of the engagement (i.e. building **together**) which should reflect China’s input to build an *omnilateral* system. Otherwise, there is clearly a risk of taking non-westerners only into the existing system tel quel like in a conservative club which accepts a new member who just happened to move into the “neighbourhood” of the club, in terms of development (like South Korea into the OECD) or have grown sufficiently important as the new boy on the block (Russia into “Group of 8” and China into WTO etc.?).

The multinational organisations, however, are expanding their geographical and thereby also cultural reach and hence should likewise encompass their new members’ particularities. This, of course, does not at all exclude the existence of universal fundamental values, as then agreed upon by all “omnilaterally.”

When I quoted Goethe’s “*Weltkind in der Mitten*” at the beginning to locate a European in between America and Asia, I wanted to indicate the relative distance and nearness of Europe to both. As we physically or the electrons on the Internet travel over the continents nowadays, one might start to wonder, if there is really anybody ‘unique’ in this world: the Japanese islanders at the periphery of Asia who have often so pretended, or the pioneering Americans now as “*cultural creatives*”⁴⁴ on their seemingly endless mainland with their exceptionalism?

Seymour Lipset in his book “*American Exceptionalism*” indirectly confirmed us in the belief that we Europeans are in many respects somewhere in the middle between the extremes at both ends of this shrinking world.

If one accepts Europe as “*Weltkind in der Mitten*,” then naturally there evolve opportunities for us Europeans to assume a role as mediator.⁴⁵ This is a role Europe can should play much more often. But its preoccupation with its own integration process (now in particular with its East) has hitherto prevented it to fulfil that function. The Cold War had strengthened the alliance with America, but left the “missing link” with East Asia. It is time the “*Weltkind*” regains its balance and opens up to omnilateralism!

One important step in that direction was taken with the establishment of ASEM, the *Asia-Europe Meeting*, which took place in Bangkok 1996 for the first time and has become a point of crystallisation in recent European policy towards East Asia. In view of the second ASEM summit in early April in London, it is certainly timely to explore its background somewhat more in detail.

The traditional ‘leanings’ of the United Kingdom towards Asia and in particular Germany’s evolving enthusiasm for the increased opportunities in that region (Bonn’s “*Asien Konzept*” of 1993) had already prepared a fertile ground upon which the European Commission in early 1994 had planted its comprehensive policy paper “*Towards a New Asia Strategy*.” The goals of this basic document were in a nutshell twofold: to raise the EU’s profile in Asia and to promote better mutual understanding.

With this strategy, co-operation had become the keyword in EU-Asia relations, and unlike US Secretary of State Christopher in November 1996 in Shanghai, Europeans do not regard it as too “hackneyed” or even lacking credibility to link it with the term ‘partnership.’ The word ‘co-operation’ is now omnipresent in the ‘Communications’ of the EU on Asia.

44 see Paul Ray, 1995, (24.6.97 at Cdp, Bruxelles) pointing out the fast growth of this new idealistic group of people in the US.

45 Such mediation by Europe is also of importance for instance in Japan’s dealing with Africa where EU countries are more experienced, or even in South East Asia where the Japanese are burdened with history and appreciate a third party to come along.

These so-called 'Communications' in general reflect a consensus for recommended policies as reached among the currently 15 Member States upon a proposal by the European Commission, the executive branch of the Union.

For instance in the main EU Communication on Japan of March 1995 the word "*Co-operation*" comes up almost 30 times, and in the Communication on China even more than 30 times! In the case of Japan, you could easily say that it was a fast road 'from confrontation to co-operation'. Some people even feel the change was too fast, more like speeding in a Porsche on the 'Autobahn.' That is: beyond the recommended speed of 130 km/h, but still in a rather safe vehicle....

However, for the first Asia-Europe summit, 1996 in Bangkok, both sides clearly considered co-operation necessary from the outset, because through complementary "strategic alliances" closer ties could better be established between the two regions.

For that purpose, ASEAN had invited China, Japan and South Korea to participate in the first ASEM, thus forming an Asian side of "*ASEAN plus 3*", that means 10 Asian countries.

It is interesting to note that the self-chosen format of the participating countries "*ASEAN plus 3*" coincides with the membership of the East Asian Economic Caucus (EAEC, or "*Caucus without Caucasians*") proposed by Malaysia's Prime Minister Dr. Mahathir.

In spite of pre-summit uncertainties and earlier scepticism about ASEM, the Bangkok meeting of leaders at highest level in March last year was regarded as a 'success beyond expectation.' It has marked a historical turning point in the relations between the two regions, as a new *dialogue among equals* between Europe and Asia has begun to replace the notion of the 'missing link' in the Triad.

This first ASEM confirmed the clear will on both sides to develop further a genuine partnership among equals. It has laid the basis for a strengthened political and economic dialogue. It opened new avenues for co-operation, in a wide range of areas including global issues such as environment and crime, and in particular in strengthening mutual awareness and cultural links between Asia and Europe. It confirmed the interest of expanding our dialogue on human values, in a constructive climate and respecting our cultural diversity.

Just to list a few concrete examples of the follow-up actions:

There are Business Fora, Meetings of Ministers of Finance and the Economy, an Environmental Technology Centre, an Asia-Europe Foundation, Youth and University Exchange Programmes, but also co-operation in the multilateral framework like dialogues on the reform of the UN and meetings on Trade and Investment which has contributed to the consensus-building in the WTO last autumn in Singapore.

A surprising reaction after the Meeting came from Malaysia's Prime Minister, as he was one of the most sceptical at the outset: "*Dr Mahathir prefers Asem to Apec*"⁴⁶ read the headline in Kuala Lumpur of an article including the following sound-bites:

"...(Asem) has been more successful than (Apec)"

"European leaders acknowledged that Asia should not be expected to follow European standards immediately as Europe had taken a long time to be where they are."

46 cf. Sunday Star, Malaysia, 3.II.96; Apec's difficulties in relying merely on peer pressure for liberalisation because of the misunderstandings between the Americans and the Asians are exemplified most recently by the call of Mexico to clarify the forum's basic plans for free trade: "Free trade for lots of countries has a very different meaning", the country's trade minister said recently, pointing out that any question "What do you mean by free trade?" in Apec "is seen as a spoiler" (FT, 12.2.97). More optimistic was still Y.Funabashi "Asia Pacific Fusion," IIE, Wash. DC 1995

"... Europe had avoided thorny issues that would have caused confrontations and had instead stressed on development."

Most unexpected was not so much the partly condescending criticism from major third countries, but the surprising reaction from some countries to discuss as a quasi-counterbalance the grouping of a so-called "JUSCANZ." This initiative to bring together Japan, the USA, Canada, Australia and New Zealand in response to ASEM is very flattering. It shows that ASEM, already at its early stages, is taking much more serious also by outsiders than originally thought. In particular the reported endeavours of "JUSCANZ" to also include Norway and Switzerland as EU outsiders might give rise to new theories of anchoring or even containment....

Such moves ---sometimes perhaps smiled upon as desperate in fear of being left out (cases of "geopsychology"?)-- only underline the necessity for the overarching international system to comprise all members as pro-active stakeholders. Thus also their institutions are further legitimised in a more participatory form of governance towards true omnilateralism.

Not the private⁴⁷ car, but the "omnibus," for and by all, might be the right vehicle for a better "geofuture."

47 cf. *privare* (Lat.) =to rob (from public)

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