

Title: The Political Economy of ASEM: Expectations and Prospects

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Abstract: This paper is both a review and assessment of ASEM against the backdrop of two traumatic crises both in 1997 which changed the course of Asia more than Europe. The Cambodian coup may be more an ASEAN affair but it highlighted the discomfort Europeans would have with human rights across-the-board in Asian. The Asian financial crisis escalating into economic and even socio-political crisis as in Indonesia and Korea were equally striking, ending the Asian growth with equity phase in all affected Asian countries. Asia was thus on the whole less prepared to continue with the ASEM process especially when it could do nothing constructive to alleviate the difficulties arising from this crisis.

We did end up questioning the ASEM concept and process, whether it was too loose and cautious a courtship at the expense of alienation the ordinary citizenry in both Europe and Asia. The APEC model may not be perfect and even its more economics and business intentions are experiencing difficulties in delivering trade liberalization and investment facilitation, there are some private sector and commercial interests in the APEC process to guide the officials and politicians along. By contrast, ASEM seems to be in realms of diplomats and ambassadors, intellectuals and elites and ephemeral networks which excite at higher levels and quite impossible at present to translate and transmit to the ground levels.

Nonetheless, we do believe that the necessary groundwork in cultural rapprochement may have been necessary though the time and opportunity now with Asia almost back on track on its growth path should not be missed. Asia still needs a lot of help and guidance in two areas in particular. One is facing globalization and governance which requires transparency and enlightened practices which Asian tradition, values and culture tend to sidestep. The other is in social safety nets and welfare which have been family and communitarian based by tradition. As much as Asia can learn from Europe in these two areas, Europeans may find out for themselves

how some Asian ways of life provide an alternative even if it is not for European consumption. A real breakthrough in the “Clash of civilization” would be made even if Europe and Asia can allow each other’s cultural history and tapestry to live side by side in a tolerant and harmonious fashion so long as exchange of goods and services as well as ideas continue.