

# EU weapons embargo with China to remain in place

by Dr Axel Berkofsky

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The European Union is not planning to lift the weapons embargo currently in place against China. The embargo was imposed after Beijing used military force to crush peaceful pro-democracy demonstrations in Tiananmen Square in June 1989. This was the message coming from the EU Council foreign ministers' meeting that took place in Luxembourg on April 26 and 27.

After the weapons embargo issue did not even make it onto the agenda of the last EU Council meeting in late March, the EU foreign ministers decided to discuss the issue over a "working lunch" in Luxembourg, an indication, perhaps, that the embargo issue was not receiving the level of attention Beijing was hoping for. While Beijing's policy-makers and China's state-controlled media gave optimistic reports that the EU would follow the Franco-German request to review and possibly lift the embargo, the EU's foreign ministers instead decided to delegate the controversial issue to a lower level.

"The Council requested", the official summary of the lunch-time discussions reads, "the Permanent Representatives, a Committee of EU Member States ambassadors, and the Political and Security Committee (PSC) to take the issue forward". The PSC is made up of ambassadors plus military officials from EU Member States. One week before the EU Council meeting in Luxembourg, Irish Foreign Minister, Brian Cowen, told his Chinese counterpart that attempts to urge the EU to lift the ban against weapons sales to China were not likely to be successful as long as Ireland holds the Presidency of the European Union.

"I have given to my Chinese colleague our frank assessment that we don't believe, as things stand, that a decision is likely during our Presidency" Cowen said, when meeting Chinese Foreign Minister, Li Zhaoxing, at the Asia-Europe Meeting (ASEM) in Straffan, Ireland, on 20<sup>th</sup> April.

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Analysts believe that Ireland does not intend to dedicate a great deal of time or effort into developing a consensus on the weapons embargo issue before it hands over the rotating EU Presidency to the Netherlands, at start of July. China's human ongoing rights violations and its failure to provide clear and specific evidence on the improvement of its human rights record, EU observers widely agree, will remain the main hurdle Beijing has to overcome in its campaign to see the EU weapons embargo lifted. Brussels and Beijing established a human rights dialogue back in 1996, but EU Commission officials usually refer to the progress of the dialogue as "very limited."

Foreign Minister Li, for his part, dismissed the bad news indicating that Beijing is prepared to wait if necessary. "All good things take time. It is all up to our European friends" he said, for the official record.

Off the record, however, Beijing's policy makers have long insisted that the embargo is a "relic of the Cold War", standing in the way of Brussels' goal to establish the "strategic partnership" with Beijing, envisioned in the EU's security strategy paper *A Secure Europe in a Better World*. The paper, carrying Javier Solana's signature, calls for a "strategic partnership" with China in the context of the EU's Common Foreign and Security Policy (CFSP), but it provides no details on the how-and-what of EU-China security co-operation.

Before resuming to dedicate official high-level attention to the weapons embargo issue, however, the EU Council decided to review its non-legally binding Code of Conduct for weapons sales to China. The Code, updated in 1998, obliges all EU Member States to inform each other about arms export licenses they issue and sets out clear criteria for granting those licenses. The Code stipulates that EU weapons licences cannot be issued if the recipient country violates human rights norms, international law or uses the arms for internal repression or international aggression.

The Code, however, is not legally-binding and remains open to interpretation by EU Member States, leading to criticism by the United States that the code might not keep France and Germany from exporting weapons and weapons-related technology to China, once the embargo is lifted.

In order to address US concerns that French state-of-the-art Mirage jets and stealth German submarines could be on their way to Beijing before long, the EU Council has requested its Working Party on Conventional Arms (COARM) to review and, if need be, to propose modifications to the code. The EU's efforts to identify and close loop-holes in the Code of Conduct are indeed overdue, confirms Amnesty International, the London-based human rights watchdog.

At least seven EU Member States, Amnesty claims, take advantage of the absence of legally-binding rules and sell weapons parts and accessories to China, including bombs, mines and ammunition. US political analysts, such as Roger Cliff and Evan S Medeiros at the Washington-based RAND Corporation, believe that EU arms manufacturers are eager to resume high-technology weapons exports if and when the EU decides to scrap the embargo.

"European technology transfers before 1989 played a key role in enabling China to develop modern surface-to-air and air-to-air missile systems", they wrote in the *International Herald Tribune* recently. Lifting the EU embargo, they fear, would further boost the modernisation of China's military which is "largely aimed at preparing for a potential conflict with Taiwan". Updating China's missile programme by deploying precision-guided missiles is part of these efforts and explains China's strong interest in the EU's Galileo radio satellite navigation system, according to Dr Steve Tsang, Reader in Politics at St Anthony's College, Oxford University.

At the sixth EU-China summit in Beijing in October 2003, the EU and China agreed to develop jointly the Galileo initiative, although China is mainly interested in the military use of the system, Tsang writes in the *Far Eastern Economic Review*. "China's keen interest in the EU's Galileo radio satellite project is mainly driven by the prospect of acquiring an alternative to the American-operated Global Positioning System (GPS) for its version of the US Joint Direct Attack Munitions (JDAM)", Tsang writes. The US JDAM is a GPS-guided "smart bomb" that can be produced inexpensively and, unlike conventional missiles, is able to evade missile defence systems.

While the EU put the weapons embargo issue on the backburner until further notice, China for its part decided to keep up the pressure on Brussels policy-makers. Although Chinese Prime Minister Wen Jiabao's recent visit to Brussels was dominated by China's long standing wish to gain EU approval of China's market economy status (MES) within the World Trade Organisation (WTO), the Chinese Premier still found the time to urge EU leaders not to mix business with principles.

The EU, Wen reportedly told EU Commission President Romano Prodi, is making an "economic mistake" to link China's progress on human rights to lifting the arms embargo and China's official recognition as a market economy. While Prodi promised Wen to publish a preliminary EU judgement on whether China's is ripe for economy market status sometime in May, the EU Commission President limited himself to saying that China had made "progress" with respect to human rights. This does not appear to mean that the embargo will be lifted soon. ■

# Promoting human rights in EU-Asia relations: Burma, China and Indonesia

by Dr Georg Wiessala

The growth of a human rights perspective within a changing and evolving European Union has come about in response to both internal developments and global events. It has been suggested that the development was 'incremental', if not inevitable, and that human rights concerns, from being the preserve of external international organisations, were integrated more comprehensively into contemporary EU governance. The main mechanisms of this integration have been the EU's political strategies, its ideological activism and the framework of Community Law. This process entailed the deliberate construction of a new political identity, encompassing human rights as part of a shared sense of 'European-ness' and entailing a duty to promote global human rights. This self-perception informed the growth of EU co-operation with other international organisations, member states and third countries, among them many in Asia.

## ***Human Rights as an 'Enabling Dynamic' of EU-Asia Relations?***

On the basis of this 'incremental' integration of human rights into its legislative and political frameworks, the EU developed a complex set of priorities and agendas regarding human rights promotion. The main objective of the process was the desire to enhance capacity, presence and 'profile' of the Union in foreign policy matters. Below, I examine how this agenda took its cue from EC Development Policy and impinged on the EU's emerging Asia Strategy, which surfaced in 1994. I identify EU human rights concerns in Asia and investigate their enabling and restraining aspects against the background of the so-called 'Asian Values' debate, in particular by investigating EU human rights strategies for Asia in the context of three case studies covering China, Indonesia and Burma.

Most of the impetus for EU human rights policies towards Asia arose out of development policy, which emerged in 1958 as an early expression of the EU's belief in democracy. Holtz showed how the new policy underwent successive stages of 'Europeanisation'. In this process, the history of European indifference towards Asia represented one example of an early political imbalance. However, an emerging European human rights agenda regarding Asia can also be traced to EC co-operation with the African, Caribbean and Pacific (ACP) nations. The EU-ACP framework was shaped by the two *Yaoundé* and four *Lomé*

Conventions (1965-2000) and a 1996 *Green Paper* on EU-ACP relations. From the basis of these documents, 'human-rights clauses', or 'essential-element-clauses', were later afforded unequivocal prominence in the wider arena of EU external policies and contractual relations. Two Commission Communications from 1995, in particular, were instrumental in this process.

A new development framework agreed in *Cotonou* (Benin) in 2003 confirmed these trends. While the *Lomé III* Convention (1985) had only contained what Scappucci named 'timid references' to human rights, and particularly *Cotonou*, established a much firmer conditionality between Development Assistance and EU-ACP 'political dialogue'. Article 8 of the *Cotonou* Agreement was said to require 'co-operation in areas directly affecting the human condition beyond boundaries and beyond governments'. A 'consultation procedure' under Articles 96 and 97 provided for a graduated system of deferral of EU-ACP co-operation. These clauses could be invoked in cases of corruption or a failure to adhere to an 'essential element' of the Convention, such as respect for human rights. The procedure was used on a number of countries in Africa. A 1998 Commission document further systematised the human rights content of the EU-ACP dialogue. It found further expression in a joint Council-Commission statement of November 2000. Article 1 of Council Regulation No. 443 from 1992, covering Asian and Latin American countries (the so-called ALA-Regulation) also confirmed this agenda. However, the legislative review of this Regulation between 2002-2004 reinforced concerns about the connections between the EU's development aims and its more overtly 'political' objectives.

Outside the ACP network, new provisions (Articles 177-181) inserted into the Treaty of the European Union (TEU) through the Treaty of Maastricht (Article F.2) tied Development Aid to human rights, facilitating new EU budget lines targeting their promotion. The Commission also launched a new Human Rights and Democratisation Unit, and instigated a European Initiative for Democracy and Human Rights (EIDHR) programme, a funding-mechanism worth approximately €100 million annually. These activities were legally grounded in two Council Regulations from 1999. Developments were further aided by the establishment of the new EuropeAid Co-operation Office as a distribution agent and by the articulation of the UN Millennium Development Goals of 2000, which referred to 'good governance'. In general, a more forceful implementation of human rights was widely seen to contribute to a more 'politically mature' EU-ACP relationship. The EU-ACP dialogue was further sensitised to human rights contents when systems of contractual tendering relating to ACP countries were 'untied' from national providers and thus opened to Europe-wide scrutiny and competition. The enactment of the *Cotonou Agreement* on 1<sup>st</sup> April



2003 and the *Proposed Guidelines for ACP-EU Political Dialogue* adopted by the ACP-EC Council of Ministers in May 2003 can be seen to represent a formal sanctioning of these developments. The stricter conditionality was both accompanied by, and itself a symptom of, a wider ‘paradigmatic shift’ in EC Development Policy, namely, the transition from non-reciprocity to comprehensive trade liberalisation in a ‘harsher’, more globalised, environment. In this area, human rights clauses set an important precedent, illustrating the potential for dissent as regards future EU policies. The clauses also foreshadowed another round in the ‘Asian-Values’ dispute. Furthermore, some analysts pointed out that, ‘the EU’s self-appointed role as sole adjudicator of human rights standards in the context of Development Aid was never without its critics, as much of the EU human rights agenda in Development Policy tended to reflect euro-centric political and social concerns, rather than those of the developing world’.

Apart from these roots in EC Development Policy, the *EU Declaration on Human Rights* by the Luxembourg European Council in June 1991 was significant for a common EU human rights approach towards Asia. However, the greater ‘catalyst’ for a more coherent policy arose in the early to mid 1990s. Soon after the Single Market had been achieved in 1992 and in parallel with enlargement negotiations with former Eastern European, Baltic and Mediterranean countries, the Commission deliberately made considerable efforts to ‘export’ its model of democracy and its view of human rights. Initially, this was limited to the ‘near-abroad’ of the EU. However, the extension of human rights policies to Asia became both a natural continuation of the logic regarding a ‘value-added’ model of external relations, and a policy prerogative of its own.

New geo-strategic realities and the threat of being outmanoeuvred by the US and Japanese presence in Asia were the catalysts for the Commission’s 1994 paper, *Towards a New Asia Strategy*. The document, which was portrayed as an EU ‘Go-East-Statement’, directed many specific human rights policies at the region. In addition to this, from 1996 to 1999, the EU signed third-generation co-operation agreements with countries in South-East Asia (Cambodia, Laos, Vietnam) which included ‘essential-element’ clauses. But the Asian Financial Crisis of 1997-98 and the Asia-Europe Meetings (ASEM) held since 1996, necessitated upgrading these initiatives, through a number of measures regarding ‘focus countries’ in Asia from 1994 to 2003. These blueprints provided selected regional or country-specific *foci*, but emerged primarily in response to specific events, such as the reversion in 1997 of Hong Kong and Macao in 1999 to China, or the emergence of political change in Indonesia in 2000. From 2000 onwards, a more streamlined EU Asia human rights policy emerged,

partly through a Commission report “On the Implementation of Measures Intended to Promote Observance of Human Rights and Democratic Principles in External Relations 1996-1999” and, also, a paper on “The European Union’s Role in Promoting Human Rights and Democratisation in Third Countries”, of May 2001. These ‘policy landmarks’ re-asserted the ‘indivisibility’ and ‘universality’ of human rights.

The US-led attacks on Afghanistan, the invasion of Iraq and a higher level of concern for ‘shared values’ in Europe and Asia rendered EU human rights policies in Asia subject to a certain strategic re-focusing, for instance towards Iran or Pakistan. As commonly agreed, the meetings of the EU General Affairs Council in 2001 and 2002 and, in particular, the summits of heads of State and government at Ghent and Laeken presaged a change in Europe’s Asia policy: the EU was now actually ‘making waves’ in this field, rather than just ‘drifting along’. Thus, the Commission’s 2001 ‘roadmap’, *Europe and Asia: A Strategic Framework For Enhanced Partnerships*, elevated human rights to one of six ‘key priorities’ in future Asia policy. Specific Country Strategy Papers on Asian countries and the Commission’s latest paper on South-East Asia from July 2003, *A New Partnership with South-East Asia*, further cemented the pivotal position of human rights in EU Asia diplomacy.

In conclusion, it can be said that a more wide-ranging human rights dialogue strongly informed the EU’s policies in general and its relationship with Asia in particular. Through its origins in legal debate and development policy, EU views on human rights closely mirrored the new Treaty provisions and their emphasis on individual freedom and liberty. The EU’s views became the ideological pivot, or ‘enabling-dynamic’, of the Union’s strategies for Asia. EU-Asia inter-regional linkages were thus shaped by more intense human rights debates, with both the European and the Asian sides acting and reacting, in equal measure, to a renewed exchange about politics, culture, values, identities or power.

### ***Human Rights as ‘Inhibitors’ of true EU-Asia Dialogue?***

The preceding arguments showed how the EU commitment to the ‘trptych’ of human rights, good governance and the rule of law thus found its way into the Treaties and agreements the Union concluded with third countries and how human rights became a catalyst, often an indispensable element, of the EU-Asia partnership. This section will illustrate that, while these policies accelerated EU foreign policy interaction with Asia in a number of areas, they also constituted impediments to a further expansion of the EU-Asia dialogue. Human rights became, arguably, the most significant field of intellectual debate and contention

within EU-Asia relations. The analytical framework for this part of the investigation derives from an analysis of the Asia-Europe Meetings (ASEM) and of the relations between the EU and the Association of South-East Asian Nations (ASEAN). Both these 'group-to-group dialogues' can serve as examples of the constraints inherent in a progressive 'institutionalisation' of EU-Asia dialogue.

The Asia-Europe Meeting (ASEM), the 'inter-regional' summit linking 15 EU and 10 countries in Asia was at times seen as a 'journey of re-discovery'. The idea originated in the Commission's 1994 New Asia Policy, in a 1995 Council Report and in the Presidency Conclusions to the 1995 Madrid European Council. In Asia, Singapore was instrumental in proposing the format, whilst, on the European side, the Commission promoted ASEM between 1996 and 2002. To a lesser degree, ASEM was influenced by the European Parliament and by non-governmental agencies, such as the Asia-Europe Foundation (ASEF). These alternative scenarios often played an important part in calling for a stronger emphasis on human rights commitments. The more general ideological underpinning of ASEM was defined in the context of a 'triangular', or 'trilateral', model of international relations, comprising the 'global economic engines' of North America, Western Europe and Eastern Asia, in which the Asia-Europe leg was perceived as the 'Cinderella', or 'weakest link'. This format was routinely referred to in terms of thematic 'pillars' or 'clusters', which included the area of 'political relations'.

In spite of a variety of inputs, however, ASEM was regarded as an 'Asian Way with Western agenda' which frequently resulted in a 'dialogue of difference' within the framework of a 'self-other-discourse'. Holland pointed out that 'implied moral hierarchies were explicitly eschewed in favour of equality of partnership'. In spite of a series of *ASEM Informal Seminars on Human Rights*, a more noteworthy human rights 'pillar', akin to the ACP context, was 'only conspicuous by its absence', and the EU appeared to show Asia 'two faces'.

Consequently, ASEM relied heavily on dialogue about new markets, regional integration and cultural links. Human rights remained increasingly *hors de combat*. On the one hand, the compartmentalisation of ASEM into 'pillars' was significant in the context of exchange and learning. On the other hand the concomitant 'marginalisation of issues by consignment to the cultural category', where the 'light refreshments of inter-regional exchange' were served, exacerbated the neglect of human rights. This was a risk some observers had predicted. Moreover, politics, trade and, above all, security in South and South-East Asia, were in the ascendancy from 11<sup>th</sup> September 2001 onwards and came to dominate the ASEM agenda.

The resulting paucity of a human rights dimension in the ASEM process was conditioned by a number of other issues. ASEM was meant to rely on the design-principles of 'equality', 'evolution', 'informality', 'multi-dimensionality' and 'high-level leadership'. Gilson coined the phrase of 'armchair-dialogue' for this phenomenon; it denoted the idea of an ASEM that was to be agenda- (and pressure-) free. And Paribatra encapsulated the 'ASEM-informality' in his characterisation of ASEM as 'triple-non: non-exclusive, non-country-specific and non-confrontational'. However, contrary to this deliberately 'informal' ethos, ASEM evolved into a specialised, institutionalised, format comprising a sprawling range of structures. This phenomenon, which was described as 'institutional overload', may be held primarily responsible in promoting 'forum-fatigue', to the detriment of a more profound human rights agenda. ASEM was degenerating into a trans-continental 'talking-shop', excelling in what was aptly termed as *pirouettes sémantiques* on human rights.

In addition, ASEM overlapped with other Euro-Asian *fora*, for instance, EU-China relations, the EU-ASEAN dialogue or Asia-Pacific Economic Co-operation (APEC). As a consequence, the diversity, which should have become part of ASEM was largely lost: the potential to conduct 'summits of differentiation' frequently resulted in 'summary duplication'. The debate about Burma, which became a member of ASEAN in 1997 but, as of 2003, remained outside the ASEM framework, exemplified these shortcomings. Last, but not least, it has been observed that 'preoccupations have varied from summit to summit'. Rather than embracing a human rights policy, successive ASEM summits were 'hijacked', by the need to get to know one another in ASEM 1, 1996; the Asian Financial Crisis for ASEM 2, 1998; the war against the Taliban in ASEM 3, 2000; or '9/11' for ASEM 4, 2002. It became clear, however, that the issue emerged as a major inhibiting agent. A statement of Danish Foreign Minister Per Stig Møller in 2002 summed up the EU's basic dilemma: 'we have no choice but to accept deeper involvement with governments having less than perfect records on human rights and democracy, but willing to progress in the right direction'.

The relationship between the EU and the Association of South-East Asian Nations (ASEAN), was also symptomatic of the inhibitory potential of human rights in EU-Asia relations. For at least three reasons, an integration of the 'human challenge' into EU-ASEAN co-operation proved difficult. Firstly, EU-ASEAN dialogue highlighted the difference between a supranational, integrationist, 'value-driven' EU and a much looser, less legalistic, non-committal, inter-governmental ASEAN. ASEAN, as a 'heterogeneous grouping', was based not on binding treaties, but on the 1967 *Bangkok Declaration* (Annex IV), on voluntary



co-operation and a weaker ambition towards integration. Muntarhorn's paradigm of the Union as 'maximalist institutionalism', ASEAN as 'gradual incrementalism' was a succinct description of EU-ASEAN divergencies. Secondly, there was little in the way of precedent for human rights concerns in ASEAN or concerning EU-ASEAN relations. The *EU-ASEAN Co-operation Agreement* of 1980 ignored human rights. Intergovernmental dialogue mechanisms did not come to any fruition until after the financial crisis of 1997-98 and intensive lobbying by a number of NGOs. Initiatives such as the *ASEAN Programme on the Rights of Children* or the *ASEAN Human Rights Commission* were nascent, post-crisis products, which suffered from problems of definition. Finally, on the strength of the economic exchange involved, EU-ASEAN dialogue was routinely promoted as the 'backbone' of EU-Asia dialogue. But relations developed their 'dark side' throughout the 1990s as regards Burma and the issue of 'engagement' with the affairs of individual ASEAN member states. EU-Asia relations may not quite have become 'hostage to a [Burmese] junta', but in terms of 'values' and political cultures, ambiguity proved to be the handmaid of the ASEAN consensus.

The ASEAN key 'political formula' - enshrined in the *Treaty of Amity and Co-operation in South-East Asia* - promoted 'non-interference', 'restraint shown in tolerance' and 'accommodation of one another's needs'. Solidum summarised this as follows: 'ASEAN leaders seem to share some invisible ground rules, which is an element of the Asian Way. Officials instinctively know when not to get involved in [one] another's problems, even when invited to do so'. It has been argued that this 'ASEAN spirit' afforded preference to collective (Asian) values over individual rights and to economic development over political freedoms. Against this background, the ASEAN statement criticising Burma in June 2003 represented the exception, rather than the rule. The EU, on the other hand, has eschewed any ASEAN 'accommodation-agenda', aiming instead for a worldwide promotion of human rights. As a result of this discrepancy, the active furtherance of human rights remained largely excluded from the official EU-ASEAN agenda. ■

This extract was prepared by *EurAsia Bulletin* from Dr Georg Wiessala's forthcoming EIAS Briefing Paper "The Politics of Re-Orientation and Responsibility: European Union Foreign Policy and Human Rights Promotion in Asian Countries" which will be published shortly. Dr Wiessala is a Reader in International Relations, University of Central Lancashire, Department of Education & Social Science, Preston, United Kingdom.

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## EIAS Policy Brief

### ***2004 Indian Parliamentary Elections***

EIAS Senior Research Fellow, Dr Apurba Kunda, will shortly publish a new Policy Brief on the results of the Indian general elections. Dr Kundu will offer analysis and policy recommendations following the Congress-led election victory. India, the world's largest democracy, second-most populous state, fifth-largest economy and sixth declared nuclear weapons power has returned a Congress government to power after five years of BJP rule. This stunning result has myriad implications for the domestic and international economy and security of India. How were the elections won and lost? What is the future of India's programme of economic liberalisation? What are the implications for India's relations with Pakistan and other countries?



# Outcomes and implications of the SAARC Summit

by H.E. Mr. Tariq Fatemi

The 12<sup>th</sup> SAARC Summit, held in Islamabad from 4<sup>th</sup>-6<sup>th</sup> January 2004, with Heads of State and Government of all member countries in attendance, came at the end of a year long wait. Even in the weeks preceding it, there had been considerable speculation regarding various aspects of the Summit.

The Summit was ground-breaking on two fronts. On the bilateral front, the meeting of the South Asian family provided the perfect backdrop for a warm and productive dialogue between President Pervez Musharraf and Prime Minister Atal Bihari Vajpayee, at the conclusion of which the two sides agreed on the resumption of a "Composite Dialogue", leading "to peaceful settlement of all bilateral issues, including Jammu and Kashmir, to the satisfaction of both sides". On the multilateral front, the Framework Agreement on South Asian Free Trade Area and the SAARC Social Charter were signed.

The Summit was made possible due to the proactive initiatives taken by the leadership of both Pakistan and India in the months preceding it. This helped create the right kind of atmosphere for holding of a successful Summit. The announcement of a unilateral ceasefire across the Line of Control, unilateral resumption of over flights and a number of Confidence Building Measures, including enhancing people-to-people contacts and efforts to improve communication links, were some of the steps by Pakistan, that created the synergies that culminated in the Summit and the agreement to start a dialogue.

It must be recognised that India and Pakistan are the two major players in the region and any success of SAARC has to be based on the settlement of all outstanding issues between the two countries. This may not be the ideal situation, but it is a reality. The atmospherics, therefore, gain all the more importance in this context.

Coming to the Summit itself, it was truly historic as all the leaders gave clear evidence that they were focused and determined to work together to promote the objectives that are needed to help usher in peace, progress and prosperity of their peoples. They were conscious of the growing inter-dependence within and amongst nations and regions, in an increasingly globalised world and were guided by the vision of a peaceful and prosperous South Asia. There was a realisation that across a region that covers a vast expanse of land and water, with a multi-lingual and

multi-faith population of over a billion and a half predominantly poor people, peace and progress must and should remain their greatest expectation. There was also a realisation that we need to take a holistic approach that encompasses the entire spectrum of inter-state relations in South Asia. Politics may be divorced from economics, but the imperatives of geo-economics can no longer be ignored either.

The major outcomes of the Summit are summarised in the Islamabad Declaration, adopted by the Summit. I would venture to briefly touch upon its most notable achievements:

The signing of the Framework Agreement on South Asian Free Trade Area (SAFTA) was a major milestone. Under the Agreement, trade tariffs between member states would be reduced by the beginning of 2006, paving way for increased intra-regional trade. The signing of the SAARC Social Charter is another momentous development. The ten-point Charter requires the signatories to take legislative, executive and administrative measures for the social uplift of their peoples. It also binds the member states to share and review implementation strategies of their respective socio-economic uplift plans in the fields of education, health, human resource development, poverty alleviation, women development, youth mobilisation, population stabilisation, drug rehabilitation and reintegration of minorities and migrant programmes. The Charter aims at bringing the much needed social change in the living conditions of South Asians, over 30 percent of whom live below the poverty line.

There was recognition that poverty alleviation was the greatest challenge facing the people of the South Asian region. It was, therefore, decided to declare poverty alleviation as the overarching goal of all SAARC activities. Provision of basic needs, promotion of literacy and healthcare were recognised as regional priorities. The Plan of Action on Poverty Alleviation, prepared by the SAARC Ministers of Finance and Planning was adopted. This Plan of Action provides a concrete macro framework for national and regional efforts to address all issues related to poverty in a meaningful manner.

The leaders agreed that a study on South Asian Energy Co-operation, including the concept of an Energy Ring needed to be undertaken by the Working Group on Energy. The Declaration reiterates the commitment to the creation of a South Asian Economic Union. The Summit also underlined that creation of a suitable political and economic environment would be fundamental to the realisation of this objective.

The importance of people-to-people contacts has been realised and, in this context, strengthening of transport, transit and communication links has also been stressed.



Member-states agreed to look closely at the prospects of setting up a South Asian Development Bank. The year 2004 was declared as SAARC Awareness Year in order to promote awareness of and prevention from HIV/AIDS, Tuberculosis and other serious communicable diseases.

It was also recognised that strengthening of scientific and technological co-operation across the region was fundamental to accelerating the pace of economic and social development.

The importance of undertaking regional co-operation in conservation of water resources, environment, pollution prevention and preparedness to deal with natural calamities was realised. Effective implementation of the SAARC Environmental Plan of Action was stressed upon in this context.

Realising that terrorism was a major threat facing the region as well as the world, the Summit categorically condemned terrorist violence, in all its forms and manifestations. The signing of the Additional Protocol to the SAARC Regional Convention on Combating Terrorism, that deals with financing of terrorism, was a further manifestation of the Summit's commitment to eliminate terrorism from South Asia.

The Declaration envisages South Asia to be a peaceful and stable region, where each nation is at peace with itself, as well as with its neighbours, and where conflicts, differences and disputes are settled through peaceful means and dialogue.

Let us now turn our attention to the future prospects of SAARC. It goes without saying that a strong SAARC is an investment for peace in the region, as greater interaction would help to pre-empt differences becoming grave issues that threaten peace. Although the Association's Charter does not allow for raising of bilateral disputes at its meetings, it still has the potential of acting as a peace broker. This added role to resolve regional problems, with the consent of the concerned parties, could go a long way towards making SAARC as active politically, as it is becoming economically. There seems to be a realisation that SAARC should not be subject to the volatility of the Sub-continent – rather it should itself prove a stabilising element to bilateral relationships.

Admittedly, the history of SAARC has been high on promise and low on delivery. To change the organisation into a more vibrant and result oriented body, we need to overcome our differences and disputes and create a climate of mutual trust and confidence. With the concrete steps envisaged in the Social Charter, SAFTA and Additional Protocol on Terrorism, these goals appear achievable. SAARC needs to become a dynamic organisation, on lines similar to the EU and ASEAN. The political will to do

so appears forthcoming now, and it augurs well for the future of the organisation.

The question of South Asian Economic Union and creation of a single currency, though touched upon during the Summit, appear somewhat premature. A better integrated trading system, allowing free movement of goods and people, and better transport and communication links, that are pre-requisites for an economic or a monetary union, are still missing. The decision to make SAFTA operational in just four years time is courageous and most commendable. A beginning has been made with SAFTA, and one hopes that the process would be brought to fruition in its true spirit.

Any discussion of the SAARC Summit would be incomplete, without mentioning the understanding reached between Pakistan and India, at its sidelines. Although technically not a part of the Summit, it was the Summit's biggest story. This is precisely the reason such regional summits are so important – they provide the leaders with an opportunity to come together without pressures that accompany a bilateral Summit. This freedom provides an atmosphere conducive to major developments. It also gives credence to the theory that whatever the level of hostility, dialogue and personal contact always remain important. Prime Minister Vajpayee demonstrated statesmanship when he agreed to turn the "Courtesy calls" into substantive meetings and then to the language of a statement that confirms resumption of the composite dialogue, on all issues, including Kashmir. We now look forward to the process actually starting a meaningful and result-oriented dialogue, that can lead to the settlement of all outstanding issues, between India and Pakistan.

The most sensitive aspect to be considered by both sides is that the people of Kashmir must not be ignored, or sidelined, at any cost as they are the final arbiters of their destiny. An imposed decision will not be acceptable to the Kashmiri people and their inclusion in the peace process is at the root of a lasting peace in the sub-continent

In conclusion, what needs to be recognised is that the absence of conflicts and the beginning of normal relations among the seven states are the minimum, not the maximum, expectation of the people of the region. Ideally, friendship among them is a prior requirement, to enable and sustain friendly co-operation among the SAARC member governments. South Asia, home to one fifth of humanity, is currently out of step with other regions of the world, that were able to transcend their differences and disputes, and embark on a steady course to economic growth and development. Our region also has immense resources. By building the right synergy in our national endeavours, we could also put our region on the path to economic development.



The Summit has had its fair share of sceptics – some saying that it would be a failure, while others going to the extent of pronouncing that it would not even be held. Patience, perseverance and statesmanship prevailed in the end. It has been hailed as a success by everyone. Yet it must not be forgotten, that in spite of all the euphoria, it is no more than a first step towards economic co-operation, peace and prosperity. The biggest challenge for the SAARC leadership now is to implement the understandings reached in Islamabad. Otherwise, the future of SAARC would not be any different from the past and the region will continue to experience discord, poverty, under-development, illiteracy and other social ills. Coming out of the Summit, however, the hopes of the 1.6 billion people are high and the world too is expecting, a more prosperous and peaceful future for the region. The true significance of the Summit was the delineation of a future-oriented road map for SAARC that, if implemented, will finally place the region on the track to peace, growth and development. ■

H.E. Mr. Tariq Fatemi is Ambassador of Pakistan to the European Union. Ambassador Fatemi made this presentation as Chair of the SAARC ambassadors in Brussels.

## General Discussion

by Dr Apurba Kundu

Mr Malcolm Subhan, Chair of the Luncheon Briefing and Vice Chair of the European Institute for Asian Studies, wondered whether given the co-operation shown at the SAARC Summit, do the ambassadors adopt a collective approach to the EU in discussing issues of mutual concern; for instance, as regards preferential trade? In reply, H.E. Mr Tariq Fatemi said not as yet. However, the EU has publicly and privately expressed great happiness at the results of the SAARC Summit in Islamabad. Their representatives have already started studying how to assist these measures in becoming more fruitful. Relations between SAARC and the EU are at a very early stage of development, but are looking very hopeful. Ambassador Fatemi suggested that this has always been the goal of EU representatives. Ms Maria Carrilho, Member of the European Parliament (MEP) and Chair of the Inter-Parliamentary Delegation to South Asia said she was aware of the great desire of South Asian people to travel within the region. The EU can do more, both formally and informally, in making sure that SAARC process continues: 'Our influence can be greater than our assignments', she said. The EU should do all it can to try and develop further links between Europe and South Asia, including co-operation between universities and links between civil society organisations. Mr Thomas Mann MEP and Vice Chair of the Inter-Parliamentary Delegation to South Asia

noted he had much experience with the region being Vice Chair since 1994 and as President of the Tibet Parliamentary InterGroup. Regarding the SAARC Summit in Islamabad, he said, it is 'amazing for us to hear this excellent result'. Mann recalled visiting Islamabad before the Summit and hearing people say that they were distrustful of it coming up with any results, since bilateral conflict cannot be discussed at SAARC. Many of the local parliamentarians he met also said progress could not happen. Mann also recalled how, when his delegation met with Musharraf, the Pakistan President said that he does so much to fight terrorism in Pakistan and other countries, but that this is not being recognised adequately.

Mr Thomas Mann asked whether the results of the SAARC Summit are all just talk? What concrete measures are being taken? In reply, H.E. Mr Tariq Fatemi said that Summits are not all talk citing, for instance, the Terrorism Protocol which spells out how to combat terrorism in the region, especially as to the financing of terrorist groups. The EU has already offered, and we are already talking of how to strengthen institutions that combat terrorism.

Ms Shada Islam, journalist and member of the Board of the European Institute for Asian Studies noted that the EU Troika would visit South Asia in February 2004. What exactly does SAARC want from the EU, she asked? Are there areas for co-operation between the SAARC countries in international forums? In reply, H.E. Mr. P.K. Singh said India enjoys numerous meetings with the EU on a regular basis, for example, meeting with the EU Troika every six months, and there also is an annual EU-India Summit. So what is discussed is pretty standard. Note that there is an open dialogue at the Troika meetings, he said. The agenda is only indicative and both parties are free to discuss what they want; for example, the UN, Iraq, weapons proliferation. The countries of SAARC often co-operate in international forums; for example, our positions at the recent World Trade Organisation (WTO) Summit were very close. On issues such as trade in textiles and sugar, we have many common positions, and have often co-operated in presenting these at international meetings. H.E. Mr Tariq Fatemi added that the EU Troika would be coming to Pakistan in February 2004. We have an *ad hoc* arrangement with the EU. However, we discuss issues of concern with the EU. The European Parliament should have no misgivings with the representational strength of Pakistan's domestic politics. With the Troika, we will discuss politics, economics and commercial matters, as well as how the EU and Pakistan can strengthen co-operation in combating terrorism, he said.

Mr Peter Roell, Minister Counsellor, Permanent Representation of Germany to the EU asked the panel for examples of how to foster closer relations among the SAARC members states? In reply, H.E. Mr.



Maudud Ali said the SAARC Summit in Islamabad addressed specific agenda items of co-operation that would render maximum benefits, including a regional energy system, anti-terrorism and free trade. In the past, we have seen the effectiveness of Track II methods as well, which have encouraged the promotion of culture and sports in South Asia. We know that we get the highest number of television viewers for a cricket match between India and Pakistan. These have been taking place everywhere in the world—for instance, Sharjah, Dubai and Toronto—except South Asia. There is a tremendous potential for the media to develop exchanges. H.E. Mr Narayan S. Thapa commented that technical communities covering a large range of areas in the EU and South Asia have long agreed to speak to each other. These are continuing to develop within a system of seven specific communities.

Mr Nawab Khan, journalist, Islamic Republic News Agency (IRNA) asked if the free movement of goods and persons is essential to economic development. What plans are there for extending visas to the people of South Asia so they may travel freely within the region? In reply, H.E. Mr Tariq Fatemi agreed that free movement was essential. Measures are being taken in this area and we have already agreed to an extension of visas to parliamentarians, judges and journalists. We are also very conscious, he said, of the need to develop and promote tourism. Of course, this very much depends on extending visas, an idea that is always been pushed vigorously by non-governmental organisations (NGOs).

Mr. John Chalmers, Senior Correspondent, Reuters, noted that Ambassador Fatemi had stated that the people of Kashmir must not be ignored. Should there be a plebiscite in Kashmir—because Musharraf has said this is not necessary? In reply, H.E. Mr. Tariq Fatemi said we should be clear on this. Musharraf did not rule out a plebiscite. What he said was that, as the issue of Kashmir has remained unresolved for 50 years, the leaders of Pakistan and India should show imagination in looking for a solution. For the sake of beginning a dialogue, we should use our imagination. However, the people of Kashmir must be taken into account, for ‘any solution that does not satisfy them will be a prolongation’ of the conflict. By now, the Indian deputy prime minister has already met with leaders of the Kashmiri movement. This is a remarkable development. H.E. Mr P.K. Singh said that, led by [Indian] Deputy Prime Minister [L.K.] Advani, all senior officials dealing with Kashmir are even today meeting with the Hurriyat. This in itself is a notable development. The Hurriyat leadership ‘has shown political courage’ in coming to Delhi to meet with the highest Indian leadership.

Mr Dick Gupwell, Secretary General, European Institute for Asian Studies outlined that he had always

said how useful SAARC was, but many have scoffed at this. Thus, I was struck by the Indian ambassador’s remarks that a groundswell has been building up over the years in favour of regional co-operation. I have noticed this great enthusiasm at numerous conferences over the years. Maybe, that building up of pressure is finally being seen in concrete results. Will increased regional co-operation, especially the agreement to proceed with SAFTA, mean strengthening the SAARC secretariat in Kathmandu? In reply, H.E. Mr Narayan S. Thapa said that, at present, the SAARC secretariat has a Secretary General rotated between the seven member states. My personal feeling is that the SAARC secretariat should be strengthened. However, there are many cells in the foreign ministries of the member states that already look after SAARC. But manpower has to be increased to ensure the enforcement of SAARC decisions. H.E. Mr Maudud Ali noted that several sources suggest that SAARC has been ‘just limping along’ on a very limited payroll and budget. The secretariat will need strengthening.

Dr Apurba Kundu, Senior Research Fellow, European Institute for Asian Studies, wondered whether, at the risk of ‘raining on the parade’ of the highly positive outcome of the SAARC Summit in Islamabad, the success of the Summit was very much due to the personal relationship forged between Musharraf, who has escaped two recent assassination attempts, and Vajpayee, a man of advanced years. Will the re-invigorated SAARC survive after Musharraf and Vajpayee have departed the scene?

In reply, H.E. Mr Tariq Fatemi said support for SAARC is strong. He recalled that a reception at the home of the Indian ambassador in Islamabad after the Summit was attended by representatives of all the political parties in Pakistan. He expressed confidence that the agreements reached at the SAARC Summit in Islamabad would be supported by all political parties in Pakistan. H.E. Mr. P.K. Singh added that personal diplomacy and the personal chemistry of leaders have become a very important part of diplomacy today. It is not a *cliché* to say that the SAARC Summit in Islamabad was a defining moment. There is clearly good personal chemistry between Musharraf and Vajpayee, which comes but rarely. There also was personal chemistry between [then Pakistan Prime Minister] Benazir Bhutto and Rajiv Gandhi, but the moment was lost due to unfortunate developments. Therefore, one must be a little wary of the current euphoria. There is one important difference between then and today. There is one important difference, however, between then and now, he said. Then, they [the political leaders] were trying to carry public opinion. Today, the political leaders have broad public opinion behind them. Not just the intelligentsia wants relations in South Asia to improve; today the move seems motivated from below. ■

## Kyrgyzstan's accession to the WTO

by John Quigley

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The Kyrgyz Deputy Minister of the Ministry of External Trade and Industry, Mr Muktar Jumaliev, speaking at a lunch briefing on 20<sup>th</sup> January 2004, told the European Institute for Asian Studies that Kyrgyzstan placed significant emphasis on an open economy and developing trade ties, both regionally and within the context of the World Trade Organisation (WTO). The accession to the WTO in 1998 represented an important milestone in Kyrgyzstan's independence, particularly in light of the fact that Russia has still not joined the world trade group.

As a landlocked country, most of Kyrgyzstan's trade takes place with its Central Asian neighbours. Kyrgyzstan's accession to the WTO represented an important step forward, given that the country was without any significant industrial sector or, at the time, any major trade exports. However, the government saw a clear potential benefit to membership, not least in terms of attracting foreign direct investment. Foreign investors are conscious that Kyrgyzstan has reformed its domestic trade policies and institutions to prepare for membership. In turn, Kyrgyzstan has access to major export markets, cheaper imports and the WTO's trade dispute settlement mechanism. Small countries, Mr Jumaliev said, tend to have little ability to solve trade disputes on a bilateral basis.

Membership of the WTO did not come without costs to Kyrgyzstan, in terms of the pooling of sovereignty, the economic and fiscal costs and the more liberal trade regime the government put in place. The civil service had to designate specific national experts to work solely on meeting accession criteria. The government established an office in Geneva and national civil servants were required to travel frequently for bilateral and multilateral meetings. In fiscal costs, the government has reduced import tariffs to 10%, even though this is a major source of revenue for a country like Kyrgyzstan. Even though the period between the application and subsequent entry into force of the WTO Agreement was one of the shortest ever, for a country the size of Kyrgyzstan, the process represented a major investment of time and money.

As part of the accession process, Kyrgyzstan demanded that its export products should receive ready access to foreign markets and that Kyrgyz exporters should enjoy non-discriminatory treatment. In turn, the government offered a more favourable climate for foreign investments and adapted the domestic legal system to comply with WTO standards. Increased

flows of foreign goods, services and investments should be a spur to domestic production in terms of quality and competitiveness, Mr Jumaliev said. Kyrgyzstan received technical assistance to meet the application criteria from the United States development agency USAID, particularly in preparing domestic legislation. The European Union also assisted through providing training courses to civil servants.

To comply with WTO rules, the Kyrgyz government follows open and liberal trading policies, is eliminating tariff and other barriers and promotes trade without discrimination. Under the national treatment rule, Kyrgyzstan is prevented from discriminating against import goods and like domestic products by being unable to offset tariff reductions through higher domestic non-tariff measures, such as a consumption tax. Since 1994, the government has been making changes to trade legislation, Mr Jumaliev said. This culminated in the adoption of the list of countries that enjoy most favoured nation status in February 2000.

In terms of Gross Domestic Product (GDP) figures, membership of the WTO has proved advantageous for Kyrgyzstan. In 1998, at the time of accession GDP stood at SOM34bn (US\$1=SOM40) increasing by almost 50% to SOM48bn in 1999 and to SOM75bn in 2002. It is estimated that in 2003, GDP had risen to SOM78bn. The dollar-som exchange rate is pegged and the National Bank does not intervene to support the currency. Over the last couple of years, Kyrgyzstan's trade growth has developed with new partners outside the Commonwealth of Independent States (CIS). Since accession in 1998, when the trade balance between the CIS and other WTO members was approximately 50:50, the ratio has changed by 2002 to favour the WTO countries 60:40. In 2002, Kyrgyzstan's main export trading partners were Switzerland, Russia and the United Arab Emirates, whereas the main import partners were Kazakhstan, Russia and Uzbekistan. The European Union accounted for only 3.9% of total exports in 2002 but made up 20% of imports.

In 1998, foreign direct investments stood at US\$140m falling to US\$90m in 2001 before rising to US\$95m by 2002. While much of Kyrgyzstan's trade takes place with its Central Asian partners, unfortunately its neighbours are not members of the WTO. This means that, while the domestic economy is opening up, Kyrgyzstan continues to face high tariff barriers in regional exports.

Responding to questions, Minister Jumaliev said that WTO entry has benefited Kyrgyzstan and will help promote WTO membership in the region. The region-wide Customs Union and free trade agreements that Kyrgyzstan has signed with neighbours have not been as successful as once hoped. ■



# Taiwan's referendum on cross-strait relations

by John Quigley

The Adviser to Taiwan's President Chen Shui-bian and member of the Legislative Yuan, Professor Chang Hsu-Cheng, told the European Institute for Asian Studies, on 16<sup>th</sup> January 2004, that Taiwan intended holding a referendum on the nature of the military threat from the People's Republic of China. The referendum, which will be held on the same day as the March 20<sup>th</sup> Presidential election, should not be characterised as a move towards independence, Professor Chang said, as Beijing has alleged.

According to Professor Chang, even though Taiwan faces a threat of 500 missiles and where China has not renounced the use of force, the referendum is an initiative to help preserve peaceful cross-strait relations. Following the introduction of legislation in November 2003 permitting the holding of referendums, the government moved quickly to enforce Article 17, which permits the President to announce a referendum. The law had been held up for over twelve years by the Kuomintang in attempt to prevent the legislative Yuan from exercising direct democracy. The government expects a large turn out, exceeding 80% of voters, for both the March 2004 Presidential election and the referendum, which will be held on the same day to reduce the cost to the State.

The principal aim of the referendum is to preserve the *status quo* between China and Taiwan. This should not be construed as a step towards Taiwanese independence, Professor Chang said. As a self-governing country, Taiwan has no need to continually declare its sovereignty. The referendum will provide an opportunity for the Taiwanese people to focus on the nature of the military threat emanating from Beijing, which has both bilateral and regional implications.

Reports from the US Pentagon indicate that the People's Liberation Army (PLA) considers the use of force against Taiwan as a policy option. Indeed, the recent PLA military exercises included the scenario of sinking a United States aircraft carrier. Over the course of 2004, China is expected to deploy supersonic cruise missiles, which are very difficult to detect. Rather than engage in an arms race, Taiwan would prefer to use whatever financial resources it possesses to develop its economy. With an estimated one third of Chinese living in poverty, perhaps Beijing should consider doing the same, Professor Chang suggested.

As a regional power, China must consider carefully its role in preserving peace and stability. Threatening

Taiwan, should be seen by the international community as unacceptable. As a start, the European Parliament has called on Beijing to withdraw the missiles aimed at Taiwan but we need more international pressure, to help protect the Taiwanese people. In a message to the people on the subject of the referendum, President Chen Shui-bian said that Taiwan demands that the cross-strait issue be resolved peacefully. China must renounce the threat of the use of force and withdraw the missiles. Otherwise, this could lead to an arms build up, which is in no ones interest. The second proposition in the referendum, President Chen has said, would ask the Taiwanese people whether they favour holding negotiations with China.

Contrary to Chinese allegations, the holding of the referendum will not raise tensions across the strait. Taiwanese intentions are clear in contrast to China's attempt to imply dark motives. Taiwan wants a policy of constructive engagement with China. The characteristics of this policy would be co-existence (hopefully peaceful), co-operation (through economic ties) and co-prosperity. However, in a bold propaganda move, Beijing has told the government of the Philippines that, in the event of war, there would be a large number of Taiwanese refugees trying to get to the Philippines. Speaking in December 2003, President George Bush told Prime Minister Wen Jiabao that, should China invade or threaten Taiwan, then the United States would intervene.

Responding to questions, Professor Chang indicated that talks between the United States and Japan were more focussed on countering the threat from North Korea, than trying to include Taiwan in a missile defence system to counter China. The US-Japan talks have progressed beyond the research phase, although the proposed system is not perfect. China is trying to deploy missiles with multiple war-heads, in an attempt to subvert the US-Japan defence system. Currently, Taiwan only has the ability to detect missiles that are 90 seconds away, but is trying to purchase technology which would provide early warning up to 300 seconds. Being so close to China, Taiwan must rely on international opinion to China, that Beijing would pay too heavy a price in attacking Taiwan.

Once the outcome of the referendum and the Presidential election is clear, hopefully China will recognise the need for dialogue. Unfortunately, some in the Chinese leadership harbour illusions that Taiwan will become like Hong Kong. Professor Chang acknowledged that the idea of a referendum had been controversial domestically but, now that the two propositions had been published, people's doubts would be lifted. ■

## EU commends Pakistan's democratic progress

by John Quigley

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Despite harbouring long-held concerns about human rights abuses and the lack of democracy in Pakistan, the European Union has concluded a new so-called "third generation" Co-operation Agreement on Partnership and Development with the Islamic Republic. Calling the Agreement "an important step in the enhancement of relations", the Council of Ministers approved the terms on 29<sup>th</sup> April but made no reference to either *human rights* or *democracy* in their statement. The Agreement would seem to serve the EU's strategic interests in Pakistan, in trade terms, as an ally in the war against terrorism and for its regional role, including with Afghanistan and Kashmir, however, the suppression of human rights concerns to trade principles represents a worrying trend for Europe's common foreign policy.

The Agreement, as formally concluded on 29<sup>th</sup> April, expands considerably the range of EU-Pakistan co-operation to include initiatives in trade, development, economic programmes, energy, tourism, regional co-operation and science and technology. Negotiations on a draft Agreement began in December 1996. By April 1998, both sides were ready to initial a new third generation Agreement but internal events in Pakistan and the European Parliament's refusal to ratify the text delayed its formal entry into force. Signature eventually took place in November 2001 in Islamabad in the teeth of Parliamentary concern. The Agreement does not contain a financial perspective as the National Indicative Programme (NIP), signed with Pakistan in January 2003, provides the framework for EU spending. Between 2003 and 2005, the NIP has a budget of €71m.

Formally, the Council was able to proceed with the conclusion of the new Agreement following a vote in the European Parliament. Parliament's vote to endorse the third generation Agreement represents a significant setback in its commitment to the protection and respect for human rights, as an essential element of EU foreign policy. The vote came despite revelations that the head of Pakistan's nuclear programme, Dr A. Q. Khan, was revealed to be a long-time proliferator of nuclear weapons technology. In a very tense political atmosphere, the author of Parliament's interim report on the Agreement, John Cushnahan, an Irish Christian Democrat, refused to allow his report to proceed. Facing heavy pressure to advocate ratification of the Agreement, Mr Cushnahan said he could not support a position that favoured conferring political legitimacy on the Musharraf regime, rather than supporting human

rights. Instead, the chair of the Foreign Affairs Committee, Elmar Brok, brought the report to plenary saying Pakistan's support in fighting terrorism overrides the EU's human rights concerns, serious though they may be. Mr Cushnahan led the EU's Election Observation Mission to Pakistan for the October 2002 general elections and characterised the electoral process as "seriously flawed".

The major element in the EU Council and European Commission drive to convince the Parliament that the Agreement is essential to EU-Pakistan relations is their continued reference to the provisions of Article One of all such third generation agreements. Article One has become the basis for Europe's co-operation with third countries. Referring to the Universal Declaration on Human Rights, Agreements now state that respect for human rights and democratic principles "constitutes an essential element" to co-operation. While admirable in principle, the unfortunate reality is that the EU has never suspended an Agreement for violations of the terms of Article One. Although the signature of the current Agreement was postponed on four different occasions, culminating with the military coup by General Musharraf in October 1999, both the Council and Commission now believe that the EU should pursue a policy of "engaging with Pakistan, rather than isolate it".

Pakistan's progress in the protection of human rights will be news to the EU-funded European Initiative for Democracy and Human Rights (EIDHR). According to a European Commission Staff Working Document, dating from December 2003, priority objectives for Pakistan in 2004 include actions to stamp out torture and impunity, protection of minorities, support to democratisation, strengthening the judicial system and building the capacity of civil society organisations. Interestingly, Pakistan is not yet one of the signatories to the UN Convention against torture and other cruel, inhuman or degrading treatment. Even Commissioner Patten agrees that "several serious concerns remain" on human rights including the "blasphemy law, violence against women, the death penalty and child labour". Nevertheless, Patten says "on balance" he favours the entry into force of the Agreement.

The Partnership and Development Agreement builds upon a Trade-related Technical Assistance Programme signed between the EU and Pakistan in February 2004. With a total budget of €6.5m, the EU will contribute €5m and Pakistan €1m to the three year initiative which seeks to build the expertise of government officials and private enterprise, in light of Pakistan's membership of the World Trade Organisation (WTO). The Programme will also address intellectual property rights and export competitiveness. The UN Conference on Trade and Development (UNCTAD) and the UN Industrial Development Organisation (UNIDO) will provide some €400,000 in funding. ■

# EIAS awarded European Commission Partnership Agreement

by Dr Willem van der Geest

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After a lengthy period of uncertainty, the European Commission awarded a three year (ECPA) to the European Institute for Asian Studies for its work on relations with Asia. The award was won following the publication of an open and competitive Call for Proposals, published in the Official Journal of 18<sup>th</sup> November 2003 with a deadline for submission of applications on 31<sup>st</sup> December 2003. The EIAS application consists of a detailed application form plus a work programme, complemented by not less than 19 documents detailing the legal, financial, administrative and personnel features of EIAS. The contract with the European Commission has been signed in April 2004. The three year Partnership Agreement framework contract includes a 2004 work programme and budget. The maximum eligible grant will be for an amount up to €330.600 (no more than 70 per cent of the total eligible budget).

The Action Plan of EIAS for the implementation of the European Commission Partnership Agreement 2004-2006 is as follows:

The European Institute for Asian Studies (EIAS) is a Brussels-based research and policy think tank that analyses political, economic and security relations between the European Union (EU) and Asia. EIAS's annual work programmes during 2004-2006 will be developed on the basis of an annual strategic analysis of ongoing developments in Asia and the identification of the specific interests of the EU, as well as the feasible and desirable responses from the EU. The main instruments EIAS uses to develop and disseminate its strategic analyses are (i) public meetings and conferences, and (ii) regular publications, website and international presentations. For this it draws on a small in-house research capability as well as through its participation in sustainable networks with researchers and analysts from across EU and Asia.

### **Public meetings and conferences:**

EIAS will offer a platform to high-profile speakers from Asian and European countries or institutions (e.g. Ministers/Executive Directors/ award-winning academics and analysts), seeking to ensure an informal exchange of views and information between them and analysts and decision makers from within the EU (approx. 4-6 per year). These sessions will be complemented by in-depth roundtables, at which a variety of viewpoints and interests will be represented,

with a view to improving and deepening mutual understanding (approx 4-6 per year). Luncheon briefings, normally at the EIAS premises over a sandwich, will facilitate the informal discussion of politically sensitive subjects, sometimes off-the-record (6-8 per year). Occasional research workshops will facilitate the articulation of analytical perspectives on EU-Asia developments. To ensure an outreach to the international academic community, research workshops will normally be co-organised with European or Asian think tanks or research centres, especially with the European Alliance for Asian Studies (2-3 per year).

International conferences will seek to inform a wider audience about developments in Asia and the role of the EU in these (2-3 per year). International conferences foreseen during 2004-06 will include the EU-ASEAN Think Tank Dialogue in Brussels/Lisbon (2004); Jakarta (2005) and Brussels/Warsaw (2006). Further conferences taking stock of progress of the Asia-Europe Meetings (ASEM) during 2004 and 2006 will be held in Brussels and possibly Helsinki. Asia Update meetings will be organised at the European Parliament (annually), in order to inform Members and their staff about developments in Asia and Europe's interest.

### **Regular publications, website and international presentations:**

To reach a wide audience, EIAS will undertake the publication of the *EurAsia Bulletin*, EIAS Briefing Papers and EIAS Policy Briefs. These publications will generate articles, reviews and viewpoints, together comprising a baseline analysis of EU-Asia relations. The publications are disseminated through the EIAS website as well as through targeted free circulation within the EU institutions. EIAS senior staff will also participate (by invitation) in international academic meeting as speakers or co-chairs (approximately 4-6 times per year) and will also prepare *ad-hoc* advisory papers on the request of EU institutions (2-4 per year). EIAS will welcome approximately one hundred international visitors to its premises each year for informal discussion on aspects of EU-Asia relations.

### **Governance:**

EIAS is a self-governing independent organisation with a small professional staff guided by an Administrative Board and Executive Committee, regulated under the public law of Belgium on *associations-sans-but-lucratif*. Its annual accounts and financial statements are prepared by a professional accountancy firm and audited in accordance with international auditing standards.

EIAS invites interested parties and possible partners to get in contact with the EIAS Director for comments, further information and ideas for collaboration. ■

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