

ANNUAL REPORT 2001
ON THE ACTIVITIES OF THE
EUROPEAN INSTITUTE FOR ASIAN STUDIES

By
Its Secretary General
David Fouquet

ANNUAL REPORT ON THE ACTIVITIES OF THE EUROPEAN INSTITUTE FOR ASIAN STUDIES IN 2001

In 2001 the European Institute for Asian Studies worked actively to maintain and enhance a role at the centre of the European-Asian relationship.

Most of the EIAS activities during the year revolved around the main core themes of the Institute, dealing with the EU Common Foreign and Security Policy in Asia, Economics and Trade and the broad issues of Governance and Sustainable Development.

It maintained its important role as a resource and vector of information on relations between the two regions through its core activities, including conferences, publications and contacts with institutions and visitors, including scholars, journalists, the economic community and officials.

This Institute was initiated more than 12 years earlier by a number of individuals, including Members of the European Parliament and in other institutions and the academic and business communities. Although it was originally known as the Institute for South and SouthEast Asian Studies, the Institute subsequently enlarged its field of interest and activities to East Asia and more recently to Central Asia and the Pacific on occasions.

The Institute in 2001 sought to adhere to its planned work programme for the year and generally maintained its activities and presence as foreseen in this plan. The lengthy administrative process to obtain funding, however, continued to present considerable difficulties, including recourse to bank borrowing with considerable interest costs to finance Institute operations for at least half the year. This was in part held responsible for the difficulty in maintaining the normal rate of publications scheduled and full internet operations and also hampered planning of research activities.

COMMON FOREIGN AND SECURITY POLICY

The Institute in recent years and again in 2001 has sought to study, inform, explain, and in general raise awareness of the role of the EU and its emerging Common Foreign and Security Policy in Asia. While it has been repeatedly underlined that this new aspect of EU activities will probably continue to concentrate on Europe and nearby regional priorities, including the Middle East, it also became evident in 2001, especially after the events and changes following the terrorist attacks on the US in September, that Europe was also a participant in global security issues in Central Asia and other parts of the Asia-Pacific region.

Through its seminars, conferences, briefings and publications, the Institute has devoted considerable attention to this theme, which it considers a priority in the Euro-Asian relationship and for its own mission.

In 2001, this activity touched on many of the main areas of the EU CFSP in the Asian region and countries.

Relations with China. Accompanying the surge in interest and interaction between Europe and China, the Institute during the year organised a number of activities that helped to raise awareness of conditions and trends in China and the international impact of these. These

followed on from a major conference staged by the Institute in December 2000, which examined recent developments in relations between the Peoples' Republic of China, Taiwan and Europe and was attended by some 100 leading experts from both sides of the Taiwan Straits and Europe.

Mr Su Tzen Ping, Official Spokesman of the Government of the Republic of Taiwan, spoke on "Taiwan's New Middle Way," on June 28 in a meeting co-organised at and with the Centre for European Policy Studies.

Mrs Regina Ip, Secretary of the Hong Kong Government for Security, spoke on "Hong Kong's Role in Combating Global Money Laundering," in Brussels on September 6 at a conference organised by the Institute in collaboration with the Hong Kong Economic and Trade Office in Brussels.

His Excellency Song Mingjiang, China's Ambassador to the EU, spoke on "China's Role in the World Today," October 2, in Brussels at a meeting co-organised by the Institute, the European Policy Centre and the China-Europe Management Council.

Dr Paul Lim of EIAS also participated in and addressed a conference on "China's Increased Global Exposure" at Stockholm University in September 2001, the annual Sino-European conference organised by the National Chengchi University in Taipei.

The Peace Process in the Korean Peninsula. In conjunction with the historic summit encounter between the leaders of North and South Korea, the Institute was active during the year in examining, informing and providing policy initiatives for this epochal process. This activity encompassed organisation or participation in meetings both in Europe and Korea, secondment of EIAS staff as a visiting scholar to a Korean university, hosting high-level Korean officials as speakers and making plans for a major encounter with senior officials of the Democratic Peoples Republic of Korea. Many of these actions were later disseminated in accompanying or follow-up publications.

A major conference involving Members of the European Parliament, officials of EU Member States and the European Commission, as well as academic and other experts from the Republic of Korea and Europe was held in the European Parliament in Brussels on January 12 on "Europe and the Korean Peninsula." This special briefing was organised by the Institute with the Friedrich Ebert Foundation and Glyn Ford MEP.

His Excellency Dr Kim Sangwoo, the Ambassador for International and Strategic Affairs of the Republic of Korea, addressed a meeting at the Institute on September 12 on the "Possible Role of the EU in Inter-Korean Talks."

Board Member David Fouquet, delivered a paper on European Common Foreign and Security Policy and its possible relevance to the Korean situation in June in Seoul at a conference organised by the Friedrich Ebert Foundation, the Delegation of the European Commission and the Korean Institute for Unification and attended by a number of European speakers including MEP Glyn Ford and leading academic experts.

Senior Research Fellow Dr Paul Lim was an invited guest lecturer during the summer at the Sungkonghoe University in Korea on European and international relations and has been appointed as overseas academic fellow.

In 2001, a memorandum of understanding was concluded between the Institute and Kyung Hee University in Korea for future cooperation.

Relations with Japan. Institute activities regarding Japan were highlighted by key lunch briefings and an effort to contact Japanese representatives to enlarge this aspect of the Institute's activities.

Professor Reinhard Drifte, of the University of Newcastle, spoke on EU-Japan Relations at the Institute, on June 6..

Dr. Tanaka Nobuo, vice president of Japan's Research Institute of Economy, Trade and Industry (RIETI) made a well-attended presentation in Brussels on November 25 co-organised by the Institute and the European Policy Centre and sponsored by the Japanese Machinery Exporters Association and the Japanese Mission to the EU.

Institute Director Willem van der Geest also presented a lecture in Japan as part of an 'Asian International Forum' on the topic of European Responses to Globalisation. The two-day seminar was organised by the Prefecture of Fukuoka and the Kyushu University's Centre for Economic Research and was a follow-up to the G8 Finance Ministers Meeting which had been held in Fukuoka one year earlier.

Relations with ASEAN. The Institute has been a main organiser of the series of EU-ASEAN Think Tank Dialogues, which have been undertaken with the Konrad Adenauer Foundation. The 2001 meeting took place in Bangkok, on October 15 and 16, with the collaboration of the Centre for International and Strategic Studies, Chulalongkorn University, with the participation of EIAS Director Willem van der Geest, Board Vice Chair Gwyn Morgan and Board member David Camroux. The third EU-ASEAN Think Tank Dialogue, focused on the "Global Power Play in Southeast Asia," a theme selected well before the incidents of September 11, 2001, but which proved to be particularly significant in the aftermath. Attended by over 100 persons, including experts from all 10 ASEAN countries, political and academic figures from Europe, Asia and the US. It focused on Japan's involvement in the region, the changing approaches of the Bush Administration to the region, and on constraints and obstacles to EU-ASEAN relations.

Mr Rodolfo Certeza Severino, the Secretary General of ASEAN, spoke at a conference on 23 March in Brussels on "ASEAN-Another European Union?" co-sponsored by the Institute and the European Policy Centre.

Frank Acker of the University of Antwerp's Centre for Third World Studies addressed a lunch-time briefing at the Institute on "Cambodia's Economic Transition – the Legal Reform of Rural Property Rights."

Relations with India. EU-India Think Tank Dialogue. Following lengthy discussions over a number of years over the concept, the Institute was requested by the European Commission in 2001 to organise and lead a major discussion between representatives of influential Think Tanks in both India and Europe. The activity was a result of a commitment emanating from the first EU-India Summit Meeting in Lisbon in June 2000. Some 20 such leaders attended the sessions, conducted on 15-16 October in Brussels and representative from each side and in an intense dialogue discussed a number of major strategic issues between the two and touched on plans for a more permanent relationship and activity. Later in the year, the European Commission announced its intention to launch a call for proposals regarding the establishment of a followup network in the near future. In addition, a number relationships were established at the conference which either led directly to collaboration on specific projects or visualised to such joint activities.

The event itself provided food for thought and a potential work programme to the participants, including European and Indian officials that included the European

Commissioner for External Relations Chris Patten and Indian Deputy Foreign Minister Omar Abdullah who gave keynote addresses and engaged in a lively dialogue.

EU Member States nominated two leading think tanks each to participate at the seminar. The GOI Ministry of External Affairs for its part nominated a wide range of leading institutions from India with expertise in the themes selected for the seminar. The seminar contributed to raising the profile and level of exchanges between the EU and India through enhancing involvement of think tanks.

Four simultaneous working sessions enabled the participating think tanks to identify common strands and differences in their research and analysis. The themes selected remain of key importance for both the European Union and India:

- *Federalism and Decentralisation* engaged into an examination of current trends and prospects, including also of the possible relevance for India of the special experience of evolving European integration. Noting the scope for research collaboration in this field a possible research agenda of interest to both EU and Indian think tanks:
 - 1) How is the process of globalisation, understood in terms of greater integration of markets affecting the federal structure of nation states in both EU and India?
 - 2) How to address 'Democracy Deficits' i.e. insufficient representation of people in government?
 - 3) How to facilitate decentralisation, underway in many EU member countries as well as in Indian states, and to empower local levels of government?
 - 4) How to move from 'nominal convergence' in matters such as inflation, common currency and so forth to 'real convergence' in issue of employment and distribution?
 - 5) What can India learn from the successful urban management in EU, especially in terms of identifying appropriate institutions and revenue sharing arrangements etc?
 - 6) What are the successes and problems of regional policies in EU and India?
 - 7) To what extent the EU model and process of integration appropriate and relevant for South Asia?
 - 8) How do India and the EU address multi-lingualism? What lessons can be learned from the experience of the other?
- *Global Energy Challenges* focused on energy security both for India/South Asia and EU/Europe. It noted that EU and India need to define (quantitatively, where feasible) the objective/endpoint towards which collaboration is headed. The collaboration is hampered by an information deficit (on both sides) and existing programmes should be strengthened to:
 - allow EU and Indian authorities (public and private) to meet and compare / contrast strategies
 - identify the most appropriate role of the private and public sector
 - assess business opportunities for EU & Indian industry

A holistic approach integrating technology, policy as well as institutional aspects should facilitate capacity-building/training at the academic, managerial and governmental levels. Moreover, civil society has a role in implementing the collaborative programmes through dialogue as well as public awareness programmes aimed at changing patterns of energy use, energy consumption and energy provision.

- *Global Security Challenges* considered the New Millennium security challenges, both from a regional and international perspective. The implications for Asia of the European Security and Defence Policy (ESDP) as well as the shifts in the balance of power within Asia were a central focus of discussion. A number of research networks on global security already exist, especially in Europe, but their efficiency and use was questioned.

A practical way forward was to take a step-by-step/bottom-up approach, building on common interests and areas, and on existing programs. Such low-scale collaboration does not necessarily need external (EU) funding or support - the Network is a useful tool to establish contacts and disseminate results. Several concrete ideas and proposals were put forward on hosting and exchange of (young) scholars, joint seminars and web-based exchanges.

- *Governance and Democratic Traditions* examined the growing role of civil society in both the EU and India in the design and deliverance of democratic decision-making. The session addressed the changing roles of civil society over time and space, the changing perceptions of citizens about the role of civil society organisations and their power to force change; the role of human rights; practical issues that civil society can address to promote good governance; the role of civil society in understanding/influencing the process of globalisation and, finally, the role of transnational actors in reform and development of local, regional, national as well as international governance structures.

Arun Singh of the Indian Ministry of External Affairs addressed "The Role of India in UN Peacekeeping" at a lunch-time briefing at the Institute on 23 January 2001.

ECONOMICS, TRADE, FINANCE AND DEVELOPMENT

As in previous years, the Institute continued to engage actively in the discussions and analysis of European-Asian relations in the fields of economics, trade, finance and development.

Among the major undertakings in 2001 in this sector, were:

Social Policies to Cope with Economic Instability – Lessons from Europe and Asia. Organised by the Institute with the World Bank and the European Commission on December 6 under the auspices of the ASEM Trust Fund, a conference held in Brussels at the EU Commission Charlemagne Building, focused on the inadequacy of social provisions in low and medium income countries of Asia revealed by the Asian financial crisis of 1997-98. After the crisis, a number of countries intensified their attempts to provide greater social protection and security to their populations. The one-day conference held on December 6 examined the efforts and identified ways to facilitate further policy-focused research and networking between Europe and Asia in this area.

The Brussels Conference served two purposes. First, it represented the culmination of a two-year process of analysis and meetings, drawing conclusions from the work undertaken under the project. Second, it looked ahead, both to identify an agenda of issues for future action and the special issues of regional organisations and the new challenges for policymakers following events of September 11.

The meeting brought together about 50 people, including the core network of policy analysts and policymakers who have contributed to the Social Lessons Project and Policymakers in Brussels and other European Countries.

A special seminar was organised at the Institute on November 8 to mark the launch of a new publication on "Globalisation and Social Development," edited by Professor Ludo Cuyvers of the University of Antwerp, Chairman of EIAS.

Proposals were presented by the Institute for a number of outside research projects in this sector. These included initial work to bid for a project to be funded by the British Government's Department for International Development (DFID) on Competition and

Regulation and to prepare a concept paper and proposal for the Government of Singapore on a possible Singapore-EU free trade agreement.

EIAS participated in the formulation of a major research proposal on EU-China Trade and Investment to the DG Research with the London School of Economics as the network coordinator. The proposed research network on EU-China Trade and Investment would further include the Universidad Autonoma de Madrid (S), the University of Middlesex (GB), the University of Aix-en-Provence (F), the Institut für Asienkunde (D) and Beijing University (China). Its focus will be on the legal and economic aspects of the use of trade policy instruments in EU-China trade and investment.

EIAS Secretary General David Fouquet participated in the Asia-Pacific Week programme organised by the Government of Berlin in September by delivering one of the main addresses, devoted to European-Chinese relations and attended by German and Chinese Ministers and other officials and members of the business and economic community.

GOVERNANCE AND SOCIAL RESPONSIBILITY

A theme developed by the Institute previously, beginning in 1997, was continued and expanded in 2001 under a new project directed both at the business community and its role in the broader community. In addition to the actual inauguration of this specific project, the Institute also sought to enlarge and enhance its work in this field by participating in activities directed at the related sector of sustainable investment, responsible trade and the social dimension of the Euro-Asian dialogue process. It was an objective to continue to explore the possibilities of stimulating projects and partnerships in other regions of Asia and fresh subject matters, such as corporate and public governance issues and sustainable development.

The new project on Corporate Social Responsibility between Europe and India is seen as a major element in the relationship between Europe and India. It is financed by the EU-India Cross Cultural Programme, a joint undertaking by the European Commission and the Indian Government. But it is also regarded in the Institute as a possible pilot or model for similar projects between Europe and Asian partners throughout the region. It is also a key example of the involvement of the Institute in a range of related issues and projects dealing with the broad concept of Governance-Social Responsibility-Sustainable Development. Previous activities by the Institute in this sector have revolved around Asian values and their influence in relationships with Europe and a number of proposals in the health, governance, sustainable investment and others.

Business Network for Social Responsibility. The year saw the launch, following a lengthy administrative delay in the signature of the contract which had been agreed to in principle by the European Commission in 1999, of a major project to promote Corporate Social Responsibility in India. The project, known as the Business Network for Social Responsibility, was officially initiated at a conference at the Indian Embassy in Brussels in early 2001.

Its objective was to encourage and compare the patterns and practices of European and Indian enterprises in the Indian cultural, economic and cultural context. It originally sought to attract corporate and non-governmental organisations as members to join in activities aimed at this goal.

It was part of a broader trend in the European Union institutions and the business community itself to integrate the concept of socially responsible patterns of behaviour in corporate practices in Europe and in relationships with the developing world. As part of this movement, the Institute also entered into contacts and working partnerships with other organisations, such as the Corporate Social Responsibility (CSR-Europe) system composed of numerous

major enterprises and based in Brussels, others involving related partners in both Europe and Asia and in the embryonic efforts of the EU institutions to spread the concept in the Union and the external world. The latter was illustrated by the input provided by the Institute's own CSR project into the European Commission's Directorate General for Social Affairs' Communication on Corporate Social Responsibility which was aimed at displaying the broader dimension of this movement beyond the original zone of application in Europe and into the rest of the world, and also in collaborating with the Directorate General for Trade and Trade and Commissioner Pascal Lamy and their preparation for a major event in 2002 on incorporation of such responsible corporate trade practices in international trade relations.

The Institute's specific project, based on EU-Indian relationships, became a pilot project illustrating the concept in actual practice, not only in Europe and other Western and developed-country frameworks, but in cooperation with other partners in Asia and the developing world.

The project was introduced by the four partner organisations: the European Institute for Asian Studies in Brussels, acting as the coordinating secretariat; the Business Community Foundation in India, the Assemblée Permanente des Chambres de Metiers in France and the Natural Resources Institute in Great Britain.

The project was coordinated by Regine Mandy, who had previous experience in Asia on projects for the Food and Agriculture Organisation, and assisted by Navtej Dhillon, who had previous experience with the International Research Centre headed by former British Foreign Secretary Sir David Owen.

It was financed and supported by a grant from the EU-India Cross-Cultural Programme launched in 1997 to promote joint projects in various sectors, such as media, business, cultural and others.

Activities during 2001. Over a period of 12 months, four workshops, two seminars and four round tables were organised under the umbrella of the BNSR project, focusing on selected themes of corporate social responsibility. These workshops and seminars aimed to mobilise businesses, academic experts and other key players with an interest in social responsibility in Europe and in India. They were also designed to provide a framework for the preparation of the EU-India CSR Conference which took place on 21 November in New Delhi, to coincide with the second EU-India Summit and the EU-India business Summit.

In particular, the following seminars, workshops and roundtables were organised in 2001:

- EIAS workshop on *Business Network for Social Responsibility: How to move from concept to action*, organised in Brussels on 9 February 2001
- BCF workshop on *Business Response to Natural Disaster*, organised in Gujarat on 19 April 2001
- EIAS workshop on *Business Environmental Responsibility in Asia*, organised in Brussels on 9 May 2001
- APCM seminar on *New Co-operation and Partnership between French and Indian Craft Industries: A way to build social cohesion and create jobs*, organised in Paris on 18 May 2001.
- BCF Workshop on *Sensitising BCF Board of Business to CSR issues in India*, organised in Bombay on 9 August 2001.
- NRI Workshop on *Corporate Social Responsibility and the Indian Export Food and Beverage Sector*, organised in London on 5 September 2001

- BNSR Partner's workshop on the *preparation of BNSR Conference*, organised in Brussels on 19 October 2001
- Four roundtables organised between May and November 2001 by APCM to debate and set up practical projects with potential Indian partners in the craft sector.

The events organised in 2001 have been instrumental in bringing recognition for the unique contribution to the CSR debate in India and Europe made by the project team and partners.

A major milestone in the development of the project's activities took place in New Delhi on 21 November when a conference gathered several dozen participants from Europe and India to discuss concrete examples of Corporate Social Responsibility in practice. The conference was organised by the Institute project on CSR and its partner in India and one of India's major industrial and business federations, the Federation of Indian Chambers of Commerce and Industry (FICCI), at the latter's headquarters. FICCI is a grouping of several thousand businesses which had its origins in the country independence movement several decades ago and continues to be a major influence in the economic and political life of India. The CSR conference in New Delhi took place just prior to and in conjunction with the EU-India political Summit and the EU-India Business Summit to gain maximum participation and visibility.

This EU-India CSR conference, organised by the BNSR Secretariat and its four partners, EIAS, BCF, NRI and APCM was the first-ever conference on corporate social responsibility, to be organised in an EU-India framework.

One of the objectives of the conference was to launch the BNSR Network, which aims to bring together European and Indian companies of all sizes, as well as stakeholders and civil society organisations, to develop a cross-cultural approach to CSR. The conference explored the extent to which the concept of corporate social responsibility has developed and is practised in Europe and India. It looked at what CSR means for European and Indian companies and how they can work together in developing multicultural CSR practices. A key feature of the conference was a discussion on a Declaration and Action Plan on CSR, which had been drafted by the conference organisers.

Outputs and Impact. The draft declaration called on business in India and Europe to work together in order to respond effectively to the growing demand, from both stakeholders and the community at large, to adopt responsible business practices. It pointed to the need for Indian and European companies to share their experiences and best practices, with the aim, however, of developing synergies between different cultural models of CSR, rather than imposing a given model.

The draft action plan aims to bring together the flag carriers of corporate social responsibility in India and the EU, and to create a CSR task force of Indian business, policy makers and civil society in order to (1) promote CSR in India and (2) interact with their European counterparts on a regular basis. Other activities include promoting CSR through training programmes and encouraging its more effective implementation in the supply chain.

Finally, EU-India BNSR has also drawn on the discussions that took place at the BNSR Conference on CSR to contribute to the Green Paper of the European Commission. BNSR response to the consultation on the Green Paper on CSR can be downloaded from: www.europa.eu.int/comm/employment_social/soc-dial/csr/csr_responses.htm

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The EU-India CSR project staff also was actively involved in the preparation and implementation of a Roundtable on Foreign Direct Investment and the Environment in Asia held on 8-9 May in Brussels. This roundtable was a joint project by UN, European and Asian official bodies and a number of non-governmental organisations in preparation for the World Summit on Sustainable Development in South Africa in 2002.

In this same light, a project proposal was prepared, drafted and presented in response to a Call for Tender by the Research and Development Directorate of the European Commission to undertake a comparative assessment in the field of health services provision. The proposal encompassed a network of research organisations in China, Bangladesh, Thailand, Vietnam and in Germany and Denmark with the Institute serving as central secretariat.

EIAS staff made several presentations on governance issues in international conferences. Addressing the Third Asia-Europe Young Parliamentarians Meeting in Indonesia, which focused on Governance in a Globalising World, the EIAS Director Dr. Willem van der Geest was a key-note speaker on the topic of 'Asian and European Perspectives on Governance'.

Dr Paul Lim attended the meeting of the ASEM Law Enforcement on Child Welfare held in Guangzhou on 10-12 November 2001, organised by the Supreme People's Prosecution Service of the People's Republic of China. He also attended a meeting in April in Norwich, England, organised by the Centre for Research in European Studies and the Asia Pacific Group of the University of East Anglia on "Europe and the Asia-Pacific: Culture, Identity and the Representations of Regions."

Dr Leila Fernandez Stembridge addressed a meeting at the Institute on 18 September on the subject of China's internal migrations.

CREATING INTERNATIONAL NETWORKS

While priority continued to be placed on assisting the European institutions in the formulation of its policies and relations, the Institute has also continued to widen its activities and contacts to Asian embassies and other representations in Europe (including such organisations such as the ADB), the research and academic community in both regions, the business and economic community and other interested parties, including the press and media.

The Institute regards this widespread network of professional contacts as one of its main assets to offer to the European institutions and Asian partners.

Strategic Alliance for Asian Studies. As part of this general reaching out, the Institute solidified its relations with other European and Asian partner organisations. This manifested itself most prominently in the reinforcing of the Strategic Alliance for Asian Studies, composed of the International Institute for Asian Studies in Leiden, the Nordic Institute for Asian Studies in Copenhagen and the Institut für Asien Kunde in Hamburg, which were joined by the EIAS in 2000 and later Asia-Europe Centre of the Fondation Nationales des Sciences Politiques/Institut d'Etudes Politiques (Sciences-Po) in Paris in 2001. The Alliance has begun a policy of staging at least one major annual conference.

In 2001, EIAS collaborated in the organisation of two such international fora on ASEM and general EU-Asia policy within the framework of the Asia Alliance. One was a roundtable on the Future of the ASEM process held during the 2d International Convention of Asian Scholars in Berlin from 9-12 August, attended by Malcolm Subhan, Vice Chair of the EIAS Board, who presented a paper on the future of ASEM. organised by the Free University of Berlin. The Forum was attended by several hundred international scholars from across Europe, Asia and United States.

The second such gathering was the Asia-Europe Forum which took place in Leiden on 15 October, organised by the International Institute for Asian Studies, a founding partner in the Alliance. It was attended by 200 academic specialists from across the Netherlands. The keynote speaker at that conference was European Commissioner for External Relations Chris Patten. Dr Paul Lim of EIAS also attended and spoke on "Europe and Asia: Towards a New EU Strategy."

Other Networking Activities

Furthermore, EIAS staff contributed to international academic debate through participation in several academic networks. At the suggestion of the European Commission's delegation in Tokyo, the EIAS Director was invited to give a lecture as part of an 'Asian International Forum' on the topic of European Responses to Globalisation. The two-day seminar was organised by the Prefecture of Fukuoka and the Kyushu University's Centre for Economic Research and was a follow-up to the G8 Finance Ministers Meeting which had been held in Fukuoka one year earlier. Participants to the Forum, which is to form the basis of a new inter-regional network, were senior academics from leading think tanks in Japan, the Philippines, Taiwan, Korea, Indonesia, Vietnam, Thailand, Malaysia and Hong Kong. An American official (State Department) and EIAS were the only non-Asian contributors. The Forum, attended by 700 persons, was given extensive media coverage.

Senior Research Fellow Dr Paul Lim was Visiting Scholar and Lecturer, Songkonghoe University, Seoul, South Korea where he lectured in the field of EU-Asia relations. He also participated in a conference co-organised by ASEF, the Institute of International Relations, Hanoi and the Danish Institute of International Affairs on "The new Global Agenda in Asia and Europe and Prospects for Co-operation" (Hanoi, December 10-11, 2001). At the 2001 Asia-Europe Cooperation Forum in Stockholm on "China's Increasing Global Exposure and its Implications" he presented a paper on "The European Union's relations with China". The Forum was organised by the Institute of International Relations, National Chengchi University, Taipei, the European Institute of Japan Studies, Stockholm School of Economics and the Center for Pacific Asia Studies, Stockholm University. He also chaired sessions on the ASEM process in an international conference entitled, "Europe and Asia-Pacific: Culture, Identity and Representations of Region" at the University of East Anglia (May 2001) as well as a session on "Asian Business environmental responsibility: A Reality" in conference on "Asia-Europe Exploratory Roundtable on Foreign Direct Investment and the Environment" (May 2001). Furthermore, EIAS staff made occasional presentations and lectures at the Universities in the Belgium and the Netherlands.

In all of these activities, the vision of the Institute remains to continue to work toward gaining additional capacity and recognition as an indispensable participant in the European-Asian dialogue. A key primary objective also remains to reach its potential as a bridge between the European institutions and other main participants in this relationship in both Europe and Asia.

In this respect, the Institute sought to continue to be responsive to the immediate and longer-range needs and requests from the European Commission, the European Parliament, Asian embassies and other key partners and other interested parties.

The majority of the Institute's activities continued to focus on extending contacts and awareness through meetings, communications, research and others which tended to concentrate on major elements of EU-Asian relations.

EIAS Research. EIAS in-house research focused on these main themes:

- *Economic and Financial Liberalisation in Asia*

This research focuses on regulatory reform of the financial sector and the importance of 'sound' regulation, appropriate to the economic context. Research into this theme was undertaken during 2001 by Dr Willem van der Geest focusing on financial sector issues in Bangladesh. This research has been co-financed through a small grant from the Department for International Development (GB) as part of a larger research programme implemented by the Institute for Development Policy Management, University of Manchester (GB). Findings of this research were presented at a conference on the 'Financing of Development' at the University of Manchester (April 7-8, 2001) and the paper has been included in the IDPM Working Paper Series, moreover, the Institute of Development Studies, Sussex is publishing a summary in its *Insights 21*.

In collaboration with the University of Manchester a new research theme is being developed in the area of *Regulation and Competition*. The DFID (UK) has awarded a framework grant to the Institute for Development Policy Management (IDPM) to develop a new research *Centre on Regulation and Competition* at the University. EIAS would be expected to be commissioned to undertake research into the regulatory reforms for the new services sectors and the possible impact these regulatory reforms may have on reducing poverty incidence in selected Asian countries.

- *Governance and Democracy in Asia*

A major research proposal was developed to undertake a comparative assessment of governance issues in the health sector, examining issues for Bangladesh, China PRC, Thailand and Vietnam. This will be a collaboration involving several European universities including Heidelberg and the Gerhard Mercator Duisburg in Germany and Aalborg in Denmark..

EIAS staff made several presentations on governance issues in international conferences. Addressing the Third Asia-Europe Young Parliamentarians Meeting in Indonesia, which focused on Governance in a Globalising World, the EIAS Director Dr Willem van der Geest was a key-note speaker on the topic of 'Asian and European Perspectives on Governance'.

These themes were also central to some of the Lunch Briefings held at EIAS.

- *The Evolution of the ASEM process*

Research continued to take stock of the impact of this process on political dialogue and relations between Asia and Europe during the year 2001. EIAS Senior Research Fellow Dr Paul Lim presented several papers on aspects of the ASEM process in international conferences, for example on 'Europe-Asia Security co-operation' at the Korean Institute for International Economic Policy in Seoul (August 2001). He also was one of the Chairperson at a conference of ASEM Law Enforcement Agencies on Child Welfare, held in Guangzhou, China (November 2001).

- *EU-China Trade and Investment Network.*

EIAS participated in the formulation of a major research proposal on EU-China Trade and Investment to the DG Research with the London School of Economics as the network coordinator. The research network on EU-China Trade and Investment will further include the Universidad Autonoma de Madrid (S), the University of Middlesex (GB), the University of Aix-en-Provence (F), the Institut für Asienkunde (D) and Beijing University (China). Its focus will be on the legal and economic aspects of the use of trade policy instruments in EU-China trade and investment.

- *EU-ASEAN Relations.*

EIAS remains an active analyst of EU-ASEAN relations, in particular through its close participation and co-organising of the EU-ASEAN Think Tank Dialogues. A research paper contrasting EU integration and the ASEAN integration by EIAS Director was presented at an international conference at the Centre for European Studies, Chulalongkorn University, Bangkok. It was subsequently published in the proceedings as well as in *Panorama*, an international journal published from Manila. This research theme was also further developed through the co-organisation of the EU-ASEAN Think Tank Dialogue (see above).

COMMUNICATIONS AND INFORMATION

EurAsia Bulletin. During 2001, the Institute's periodical publication, EurAsia Bulletin, continued to appear on a regular basis and seven issues were published, with an average of around 60 pages per issue. As in previous years, the publication contained information and insight into the evolving relationship between the European Union and Asia and provided detailed analysis about major political developments in Asia and about the work of the EU Institutions - the European Parliament, the Commission and the Council of Ministers - as this affected Asia.

The coverage of developments in Asia included: the ousting of President Estrada of the Philippines and his replacement by President Arroyo, the election victory of Mr Thaksin in Thailand, the crisis in Sino-US relations over US reconnaissance flights, Mr Koizumi taking office as Prime Minister in Japan, the Indo-Pakistan summit meeting in Agra, the murder of the royal family in Nepal and the Maoist insurgency, the taking of hostages by the Abu Sayyaf group in the Philippines, the fall of President Wahid and the election of President Megawati in Indonesia, the ASEAN ministerial meetings in Hanoi and the Seventh ASEAN Summit in Brunei, the legislative elections in Taiwan and Sri Lanka and, dominating the latter months of the year, the war against terrorism and the crisis in Afghanistan and their repercussions, especially on relations between India and Pakistan.

Other issues covered included the problem of drug trafficking in Pakistan, the third United Nations LDC Conference, the opening of the Tibet Office in Brussels, sustainable development in India, elections in East Timor, Japan's foreign policy, an analysis of the EC Commission's New Asia Strategy and trade union co-operation in South Asia.

The production of EurAsia Bulletin was directed by its Editor, Dick Gupwell, aided by the Assistant Editor, John Quigley, and the Associate Editors, David Fouquet and Malcolm Subhan. For several months, it benefitted from the assistance of Penkhae Intarasuwan. Other contributors were Dr Ikramul Haq, William White, Dr Aidan Foster-Carter, Gerard Collins MEP, Dr Willem van der Geest, Navtej Dhillon, Dr Iftikhar Malik, Dr Paul Lim, Dr Axel Berkofsky, Dr Vikas Goswami, Wolfgang Kreissl-Dörfler MEP, Dr Tazeen Murshid, Dr David Camroux, Duncan Freeman and Bishnu Rimal.

Transformation of the Eurasia Bulletin.

During the year, the Institute and a number of its leadership and members were active in the consideration of a possible transformation of the Institute's publications, especially the regular EurAsia Bulletin, its main periodical since 1997, whose mission has been to increase information about the European-Asian relationship. Part of the discussion revolved around the interest in increasing revenue from the publication to reduce its budgetary impact. A study was commissioned by an outside consultant with experience in publishing in both Asia and Europe which began late in 2001 and was aimed at providing input and recommendations for possible editorial and business changes in 2002.

Relaunch of the Web Site. Work was also accelerated in late 2001 to upgrade and actualise the Institute Internet site, which had been without a responsible webmaster since the departure of the previous part-time person in late 2000. Interviews were held to find a pool of appropriate candidates to fill this important task and make the EIAS site a more appropriate medium of information about EIAS activities and the European-Asian relationship. Numerous contacts were also made with various web design professionals and agencies with a view to upgrading the impact and contents of this medium.

EIAS Briefing Papers. During the year, the Institute published five documents in this series, which has been the main research and academic publication of the Institute. The papers published during the year, were –

- Economic Consequences of Rapprochement on the Korean Peninsula, by Deok Ryong Yoon, of the Korean Institute for International Economic Policy;-
- ASEM: Moving from an Economic to a Political Dialogue, by Nicolas O'Brien, a former official at the European Commission returned to the Foreign Ministry in Ireland.
- Export Opportunities of Thailand to the EU, by Prof Ludo Cuyvers of the University of Antwerp; -
- US-Indonesia Relations Post-September 11 by Ambassador Wiryono Sastrohandoyo, Special Envoy of the Indonesian Government on Peace Negotiations in Aceh;-
- On the Future Outlook for Taipei-Beijing Relations Prof Werner Pfennig, of the Institute of Contemporary China and Asia Studies at the Free University of Berlin;-

Visitors. The Institute continued to inform and assist numerous visitors from Asia, but also from Europe, the US or Australia in their efforts to expand their knowledge and contacts concerning European policies towards Asia. These visitors ranged in stature from key officials to journalists or university students. They also involved in some cases, representatives from major international or regional organisations such as the Asian Development, ASEAN or SAARC. In the category of educational visits, the Institute in 2001 again received a class of graduate students from the Chevening Fellows at the University of Cambridge and from Science-Po in Paris. In general, all such visitors were met by and often received a specialised briefing from Institute staff concerning some aspect of EU-Asian relations. In 2001, the number of visitors registered ranged from 50-60 and a number were directed to the Institute by the EU Visitors Programme, thereby representing a useful support for programme and a constant source of contacts for the Institute.

Financial Summary

The year 2001 was, like 2000, another difficult year financially for the Institute, due to the delayed payment by the Commission of the main part of the 2000 subsidy. However, on this occasion, it was not necessary to defer paid of salaries, as was the case in 2000. It was also a difficult year because of the decision of the Commission to propose, for the 2002 Budget, the abolition of the individual direct subsidies to various organisations, including the Institute, and to replace these with a general pool of money available to all. However, this proposal was rejected by the European Parliament and the sum was also increased substantially.

It was also the third year in succession that the Institute EU subsidy remained at levels of 300,000 euros or below, after 1996 and 1997 which had seen allocations totalling 375,000. The lower levels of financing resulted in somewhat lower staff capability, with departures sometimes not being replaced for extended periods of time.

In another way, 2001 was a much better year than 2000. Whereas, in 2000, the Institute registered an excess of expenditure over revenue amounting to FB 1,808,552 (Euro 44,832),

in 2001 it produced an excess of revenue over expenditure of FB 987,231 (Euro 24473). This was made possible to a large extent by a considerable reduction in administrative expenditure and delays in replace of staff , which reduced outstanding net liabilities considerably.

The Institute's main source of revenue continued to come from the annual subsidy provided through the EU Budget. The amount, which the Budgetary Authority voted for our Institute in the 2001 Budget (Euro 300,000), was the same as for 2000. Given the need to be able to show the Commission written evidence that we were able to obtain a minimum of 20% of total revenue from other sources, the procedure for obtaining this subsidy was again lengthy. As in 2000, the main part of the 2001 subsidy, amounting to Euro 270,000, was transferred only in mid-October. The residual 20% of the 2001 subsidy had been transferred in August. This also had the effect of preventing the Institute from undertaking major expensive activities until the funding arrived. It was also the main reason why the Institute had, once again, to sustain a hefty bank overdraft for several months and, consequently, to bear the cost of substantial bank interest charges (FB 414,307).

The major part of other income from non-EU sources came from sponsorship, or co-financing, of conferences, seminars, etc (FB 3,355,058) and from commissioned research (FB 912,998). This was a major increase on the previous year. On the other hand, revenue from membership fees and registration fees to meetings were both slightly down. As regards membership fees, the relatively high figure in 2000 resulted from a membership drive that year. There was also a considerable decrease in income from the sale of publications (FB 55,415 to FB 26,040). This reflected two factors: first, the continuing absence of a designated person responsible for the sale of publications, since the departure of the last Publications Manager at the end of 1999; and, second, the lack of new publications, especially in the category of Occasional Papers. If greater revenue is to be expected from this source, then both these problems will have to be remedied.

A further category of income relates to the BNSR Project (now referred to as the EU-India CSR Project). Here, the EU co-financing of FB 3,810,708 is normally considered (at the Commission's insistence) to be in a separate category from the rest of the Institute's budget. Nevertheless, it has been an important contribution to the overall activities of the Institute.

Internal management

During 2001, the Institute held its usual series of administrative meetings in conformity with its status as an *association sans but lucrative* under Belgian law. The Administrative Board met on five occasions (January 22, April 26, June 28 continued on July 16, October 8 and December 4). The Executive Committee, comprising the Officers of the Administrative Board, met on seven occasions (February 15, March 30, April 23, June 11, June 18, September 12 continued on 24 September, and November 6). The XIIth Annual General Meeting was held on April 26. On this occasion, the four-year mandate of the Institute's third Administrative Board expired and a new Administrative Board was elected. The fourth Administrative Board then elected its new Officers at its first meeting on June 28. The Officers constitute the Institute's Executive Committee. The composition of the new Administrative Board is as follows:

Chairman	Prof. Ludo Cuyvers
Vice-Chairman	Mr Gwyn Morgan
Vice-Chairman	Mr Malcolm Subhan
Secretary-General	Mr David Fouquet
Treasurer	Mr Dick Gupwell
Members	Dr David Camroux Mr Surur Hoda

Ms Shada Islam
Mr Boudewijn Jonckheere
Ms Panicker Kamalan
Mr Hasan Kazmi
Dr Paul Lim
Prof. Gérard Saunier
Mr Eric Tourres
Ms Laurence Vandewalle

During the year work was launched on a clearer definition of the roles of the Institute's officers, bodies and personnel in order to clarify responsibilities and improve efficiency. The work began under the leadership of Secretary General Dick Gupwell and was continued in the second half of the year by his successor David Fouquet.

Part of this exercise also included a review and consideration of recommendations by members and staff on various changes that included an attempt to make the EIAS Administrative Board more efficient in the decision-making process.

For several days in September, the Institute was the subject of a special audit inspection by a European Commission official from the Directorate for External Relations who completed the task that enabled the release of some 270,000 euros representing 90% of the total EU subsidy for 2001.

In 2001 the personnel of the Institute remained relatively stable, but included the departure of William White, the Director's Assistant, to take a position with the EU Commission delegation in Beijing. Major additions included the engagement of two persons who devoted their activities entirely to the functioning of the EU-India Corporate Social Responsibility project, which the Institute visualises as a possible pilot for extension into other Asian regions.

EIAS CALENDER OF EVENTS FOR 2001

January:

- January 12: Special Briefing on "Europe and the Korean Peninsula" (1)
- January 22: Meeting of the Administrative Board
- January 23: Lunch Briefing on "The role of India in UN peace-keeping" (2)

February:

- February 8: BNSR (EU-India CSR) project launch conference (3)
- February 15: Meeting of the Executive Committee

March:

- March 23: Special Briefing with Rodolfo Severino, ASEAN Secretary-General (4)
- March 30: Meeting of the Executive Committee

April:

- April 10: Lunch Briefing on "Rural property rights in Cambodia" (5)
- April 19: EU-India CSR Workshop in Ahmedabad, India (6)
- April 23: Meeting of the Executive Committee
- April 26: Meeting of the Administrative Board
- April 26: XIIth Annual General Meeting

May:

- May 8-9: Round-Table on "Investment and Environment" (7)
- May 31: Lunch Briefing on "China's WTO accession and agriculture" (8)

June:

- June 6: Lunch Briefing on "Deepening the EU's political relationship with Japan" (9)
- June 11: Meeting of the Executive Committee
- June 18: Meeting of the Executive Committee
- June 28: Meeting of the Administrative Board
- June 28: Special Briefing on "China-Taiwan relations and the EU" (10)

July:

- July 16: continuation of meeting of the Administrative Board

September:

- September 6: Special Briefing on "Fighting money-laundering in Hong Kong" (11)
- September 12: Lunch Briefing on "The role of the EU in inter-Korean talks" (12)
- September 12: Meeting of the Executive Committee
- September 18: Lunch Briefing on "Migration and economic reform in China" (13)
- September 24: continuation of meeting of the Executive Committee

October:

- October 2: Special Briefing on "China's role in the world" (14)
- October 8: Meeting of the Administrative Board
- October 15: Asia-Europe Forum, Leiden
- October 15-16: Third EU-ASEAN Think Tank Dialogue, Bangkok
- October 15-16: First EU-India Think Tank Dialogue, Brussels
- October 25: Special Briefing on "Japan's structural economic reforms" (15)

November:

- November 6: Meeting of the Executive Committee
- November 8: Prof. Cuyvers book launch "Globalisation and social development" (16)
- November 19-21: EU-India CSR Conference in New Delhi (17)
- November 25: Special Briefing on Japanese exports

December:

- December 4: Meeting of the Administrative Board
- December 6: Conference on "Social Policies and Economic Instability" (18)

Notes on Reports and Related Publications

- (1) EurAsia Bulletin, January-February 2001, p. 50; See also EIAS Briefing Paper 2001-01 by Dr Deok Ryong Yoon
- (2) Idem, p. 54
- (3) Idem, p. 56
- (4) EurAsia Bulletin, March 2001, p. 51
- (5) EurAsia Bulletin, April-May 2001, p. 51
- (6) EurAsia Bulletin, June-July 2001, p. 53
- (7) EurAsia Bulletin, April-May 2001, p. 54
- (8) EurAsia Bulletin, June-July, p. 46
- (9) Idem, p. 48
- (10) Idem, p. 51
- (11) EurAsia Bulletin, August-September 2001, p. 56
- (12) Idem, p. 58
- (13) Idem, p. 60
- (14) EurAsia Bulletin, October-November 2001, p. 56
- (15) Idem, p. 57
- (16) Idem, p. 59
- (17) Idem, p. 60
- (18) EurAsia Bulletin, December 2001, p. 62 and ASEM Trust Fund Website