

ANNUAL REPORT 2002

ON THE ACTIVITIES OF THE

EUROPEAN INSTITUTE FOR ASIAN STUDIES

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2002 ANNUAL REPORT ON ACTIVITIES OF EIAS¹

INTRODUCTION

In 2002, the European Institute for Asian Studies (EIAS) accelerated its activities in virtually all its main areas of specialisation. EIAS continued to play a high-profile and meaningful role in the dialogue between Europe and Asia and also served in the role of a Track II sounding board for new policy input for decision-makers at the European level throughout the year. This was done not only in the context of the European Union's Common Foreign and Security Policy, but also in the fields of Corporate Social Responsibility, Governance and the International Political Economy.

Considerable emphasis was placed during the year on the Asia-Europe Summit Meeting (ASEM) process, the EU's relations with the Association of South-East Asian Nations (ASEAN), the implications of the events of September 11 on EU-Asia relations and various political, economic and security issues in the Asian region. EIAS activities included international conferences and seminars, in-house research and publications.

These actions were conducted in close collaboration with EU and other public institutions, academic scholars and networks and other bodies, such as foundations and non-governmental organisations. One especially noteworthy relationship in this context has been the active membership of EIAS in the European Alliance for Asian Studies (EAAS), composed of five original partners in several EU countries (Belgium, Denmark, France, Germany and the Netherlands). This is an expanding network of institutions, expecting shortly to include Spain, Italy and others, with a focus on the analysis of Asian affairs and devoted to increasing understanding in Europe of contemporary developments within Asia.

Despite the continued severe handicap of a limited budget, EIAS, which remains a small organisation, managed to stay at the heart of the European-Asian relationship and to serve its diverse constituencies through its work programme of conferences and seminars, publications and communications, research and contacts and involvement in networks and consultations.

These conferences displayed, not only the depth of the contents in the Institute's activities, but also indicated the scope of its relations with partner organisations throughout Europe and Asia, a major asset of the Institute, which is steadily growing in importance.

In its 13th year of operations, EIAS continued to provide added-value to its stakeholders by multiplying and leveraging its limited resources in collaborations and networks dedicated to increasing information, awareness and understanding of the European-Asian relationship and the issues involved.

¹ This Annual Report 2002 on Activities of the European Institute for Asian Studies includes, *inter alia*, comments on the audited 2002 EIAS Annual Accounts, which were available in early April, 2003. It replaces the 'draft report' as submitted to the European Commission, DG External Relations on 27 February 2003.

During the year (as, indeed, in the two previous years), much time and energy was devoted to considering and planning for preparing for the possible challenge of an uncertain future, beginning in 2004, when the European Commission had indicated it would no longer include specific appropriations in the Preliminary Draft Budget for institutes dealing with the EU' s external relations, such as EIAS. As of 2003, therefore, the Institute may well have to bid in a competitive environment for specific EU project and programme financing and seek its core funding from other sources or activities.

At the same time, however, EIAS has continued and expanded its contacts with the services of the European Commission, which, with the European Parliament, are its primary partners in the EU institutions, in order to co-ordinate the development of a work plan that is mutually beneficial and sustainable in the long-term.

Through its well-appreciated programme of conferences and briefings, communications, publications and contacts, EIAS has continued to fulfill its role as a useful and, perhaps, indispensable presence in the European-Asian relationship.

A matter of intense discussion during the year was the Institute' s communications policy and, especially, the operation of its regular periodical publication, the *EurAsia Bulletin*. In view of the possible impending transition from programme to project funding, the financial sustainability of this publication has been kept under continuous review. Should core or programme funding for this activity come to an end, the EIAS would have radically to review its current publication policy, especially the current free distribution of certain publications, particularly to members and staff of the EU institutions.

FINANCING²

As in the previous 12 years, the Institute obtained the major part of its revenue from the EU Budget and, under the terms of this arrangement, supplemented this with part-finance from non-EU budget sources in well in excess of 20 per cent of its overall expenditure. The appropriation granted to EIAS in 2002 amounted to 360,000 euros for the second year in succession (an increase on previous years).

In 2002, the Institute raised additional resources through its traditional partnerships with the major German political foundations – the Friedrich Ebert Stiftung, the Friedrich Nauman Stiftung and the Konrad Adenauer Stiftung. These partners provided funding for many of the major conferences co-organised by EIAS on the social dimension of ASEM, EU relations with the Democratic People' s Republic of Korea and the Fourth EU-ASEAN Think Tank Dialogue. In addition, the Taipei Representative Office in Brussels also co-financed an International Conference held in Berlin under the auspices of the European Alliance for Asian Studies. This Conference focused on exploring the EU' s experiences with federalism and integration as a means of conflict prevention or resolution in East Asia.

² This section is based on the 2002 annual accounts drawn up by the EIAS accountants, INCOGE, and audited by Messrs. Toelen, Cats, Morlie & co.

Non-EU budget revenue was also provided by membership fees, additional external subscriptions to the *Eurasia Bulletin* and sales of other publications, such as *EIAS Briefing Papers*.

EIAS STAFF AND VISITING RESEARCHERS

With this level of financing, the Institute, in 2002, maintained a staff of four specialists supported by one part-time administrative assistant and a house-keeper. Furthermore, two full-time staff worked from EIAS premises, entirely devoting their time to the separate EU-India Corporate Social Responsibility (CSR) project, which received additional and distinct financing under the EU-India Cross-Cultural Programme.

The EIAS personnel during 2002 included the Director, Dr Willem van der Geest, the only salaried full-time senior manager; a full-time Assistant to the Director, Ms Roberta Zavoretti; a Senior Research Fellow, Dr Paul Lim (two-thirds time), a full-time Assistant Editor for the *EurAsia Bulletin*, Mr John Quigley; a part-time Administrative Assistant, Ms Zoe McCarthy (two-thirds time) and a cleaning person Ms Evelyn Nacyno (0.16% time).

In addition, an economic research assistant was employed part-time over a period of two months to assist on the EU-Singapore trade study and an external consultant (Mr Duncan Freeman) was contracted to conduct a survey on future options for the *EurAsia Bulletin*. Occasional part-time junior external service providers, interns and student-workers were engaged on an *ad hoc* basis to assist with conferences, publication mailings and other routine activities.

During the year, the EIAS Director, Dr Willem van der Geest, was especially involved in (i) the management and conducting of the EU-Singapore free trade agreement study project; (ii) organising the five international conferences involving EIAS, as well as the in-house briefings programme. These latter included the following presentations:

- *Rapporteur* to the Fourth EU-ASEAN Think Tank Dialogue, European Parliament, Brussels (Nov 27, 2002)
- ‘Economic Reform in North Korea – illusion or reality?’ presentation at EAAS International Conference on ‘Exploring Federalism and Integration - EU, Taiwan, China, Korea’, Berlin (Oct 27, 2002)
- *Chair* of session of economic partnership at the EU-DPRK relations dialogue at the European Parliament (Oct 15, 2002)
- *Europe-Asia, One year after September 11*, Welcome and Opening Address, EAAS International Conference, European Parliament; (Sept 11, 2002)
- *Chair and Rapporteur* of the *Consultative Forum on ASEM IV* (May 7, 2002)

The EIAS Director also attended to a demanding schedule of academic networking across Asia and Europe including:

- Invited Speaker on *Globalization and International Mobility*, Fourth Asia-Europe Young Parliamentarian Meeting, Venice, co-organised by ASEF, the Camera dei Deputati, Roma and the Cini Foundation; (Oct 18-20, Italy),
- *Political Economy of Bangladesh*, Convener/Speaker at Panel Discussion at 17th Modern South Asia Conference, Heidelberg; (Sept 13, Germany)
- *Globalization and International Trade*, Public Lecture at the Bangladesh University, Dhaka; (Aug 17, Bangladesh)
- *EU-Asia Relations* special half-day session, Intensive Programme on the European Union, College of Europe, Brugge; (July 20, Belgium)
- *Economic Reform in South Asia*, one-day lecture session Summer School on Modern South Asia, University of Heidelberg, co-organised by EIAS with the South Asia Institute, Heidelberg; (July 16, Germany)
- *The EU's External Relations with Asia 1993-2000* European Union Forum, Academia Sinica, Taipei; (June 5, Taiwan).

He was also the editor of the *EIAS Briefing Papers* series. He was granted six weeks leave without pay to undertake an assignment in Dhaka, Bangladesh.

Dr Paul Lim, Senior Research Fellow, one of the founding members of the Institute, announced his departure in February to take a teaching post in Malaysia and left in September. Following approval by the Board on the basis of this information, a recruitment procedure was launched in the summer and concluded late in 2002.

Ms Roberta Zavoretti was recruited in an open competition as the Director's Assistant, replacing Mr William White, who left to take a post at the EU Delegation in Beijing. Ms Zavoretti also assumed the role of managing the re-design of the EIAS web site, in addition to the organisation of EIAS conferences and meetings.

Mr John Quigley continued his work as Assistant Editor of the *EurAsia Bulletin* preparing articles on the EU institutions' deliberations about Asia, as well as taking responsibility for the publication's production and distribution.

Ms Zoe McCarthy, Administrative Assistant, dealt with payments, salary administration, membership administration, organisation of meetings and general enquiries.

Ms Regine Mandy, the coordinator of the CSR project, departed in mid-year to join the new EU Commission programme Asia Pro Eco and was succeeded by Mr Navtej Dhillon who had been the Assistant Coordinator. Ms Amita Joshi was recruited to assume the latter role until the end of the project (21 December 2002).

Furthermore, during 2002, EIAS welcomed two visiting researchers to work from its premises. Dr Greg Austin, formerly the Research Director of the International Crisis Group, Brussels, was offered a one-year non-stipendiary association with EIAS to facilitate his research work on China and the New World Order (April 2002-03). He contributed actively to EIAS activities as author of two *EIAS Briefing Papers* and by presenting papers at two EIAS conferences, as well as speaking at an EIAS Luncheon Briefing. Dr Thomas Ba Win was offered a position as a visiting researcher for a fixed term of three months (Sept-Dec), while preparing a report on EU-Burma relations for the Euro-Burma Office, Brussels.

EIAS EXECUTIVE COMMITTEE

EIAS also benefitted greatly from the voluntary unpaid services of senior Members of its Administrative Board, in particular its Secretary-General, David Fouquet, and the Vice-Chairman, Malcolm Subhan, both of whom contributed their capacity on at least a half-time and frequently three-quarters' time basis. The other members of the EIAS Executive Committee are Prof Ludo Cuyvers, Chairman of EIAS, Mr Dick Gupwell, Treasurer, and the EIAS Director, Dr Willem van der Geest (ex officio)

During the year, Mr Malcolm Subhan was particularly active in assisting the CSR project, while also assuming the editorship of the *EurAsia Bulletin* in August and assisting the development of, and advising, the EU-India Forum of the EU Economic and Social Committee, and in seeking to develop activities and liaising with South Asia in general.

Mr David Fouquet was especially involved in planning and seeking development of new activities, particularly involving Japan, China and Korea, as well as the ASEAN region. He assisted in an international conference in Phnom Penh on the occasion of the ASEAN summit on the future of ASEAN and in organising and chairing a conference on Indonesia in Brussels. A major effort in 2002 was to work closely with EU Commission staff to develop a project to monitor and advise on the ASEAN Regional Forum. He also participated and spoke at all the conferences co-organised by EIAS.

EIAS CONFERENCE PROGRAMME 2002

CONSULTATIVE FORUM ON ASEM IV (MAY 6-7, 2002)

In response to proposals emanating from the European Commission and in conjunction with the Europa Office of the Friedrich Ebert Stiftung, EIAS, during March-May 2002, actively participated in a series of three conferences focusing and debating a 'social dimension' of the ASEM process. The series were held in Berlin, Bonn and Brussels and were a useful contribution to the policy dialogue into this significant question for ASEM and the public in its participating countries. The conferences were attended by representatives of non-governmental organisations, trade unions and official institutions from both Asia and Europe.

The 'Consultative Forum on ASEM IV', held in Brussels on May 6-7, was co-organised by the Friedrich Ebert Stiftung and EIAS and formulated proposals on the scope and modalities of instituting a Social Forum as an integral component of the two-yearly Asia-Europe Meetings. Representatives of civil society organisations attended the Consultative Forum with a strong focus on inter-regional cooperation between Asia and Europe, as well as by official observers from several Asian countries, including the People's Republic of China.

EUROPE-ASIA: ONE YEAR AFTER SEPTEMBER 11 (11 Sept. 2002).

A major international conference, conducted in collaboration with its partners in the European Alliance for Asian Studies, revolved around the theme of the impact of the terrorist attacks on European-Asian relations. This one-day conference was amongst the Institute's most successful events in terms of attendance. Held on September 11, 2002 in the European Parliament building in Brussels, the conference had some 220 persons registered and was attended by 150 to 180 persons throughout the session.

The programme sought, in the first session, to assess the implications at the level of the EU strategy vis-à-vis Asia. In the second session, it assessed the implications for political relations and human rights issues. The third session focused, in particular, on Central Asia, while the fourth session looked into Europe's dialogues with Islam.

Ambassadors and Counsellors from attended the programme

- Nearly all the ASEAN Member States, in particular Ambassador Mashor Ahmad from Brunei Darussalam, who addressed the second session on behalf of the ASEAN Brussels Committee;
- West and Central Asia, including Iran, Kazakhstan, Kuwait, Mongolia, Uzbekistan;
- South Asia, with the Ambassadors from Sri Lanka and Nepal and Counsellors from India, Pakistan and Bangladesh; as well as,
- senior representatives from East Asia (Hong Kong, Taiwan, China and Japan).

From the European side, three Members of the European Parliament spoke, namely Jules Maaten, a Dutch Member of the ELDR group, Nirj Deva, a British Member of the EPP group and Senora Maria Carrilho, a Portuguese Member of the PES Group. Jules Maaten, the rapporteur on the European Commission's communication on relations with Asia, had sponsored the EIAS request to hold the meeting at the European Parliament.

Furthermore, quite a few EU Member States sent members of their permanent representations to this meeting and numerous EU officials, leading academics, prominent NGOs and members of the Press corps also attended.

EU RELATIONS WITH THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (15 Oct 2002)

In a major event on October 15, 2002, the Institute organised a one-day high-level seminar convened by two Members of the European Parliament, Glyn Ford (PES) and Jules Maaten (ELDR) at the Parliament on the relations between the EU and the DPRK. The DPRK was represented by the **Vice-Minister for Foreign Affairs (Europe), Mr Choi Su Hon**, and three of his senior colleagues from the European Department. The EU Presidency was represented by Mr Carsten Stauer, Secretary of State of the Danish Ministry of Foreign Affairs. While serving to review and forecast the future of these relations, the meeting took place the day before the announcement in Washington that DPRK officials had just a few days earlier revealed the existence of a previously undisclosed programme they were conducting into uranium enrichment. The high level seminar provided new information and additional details

on some of the recent economic reforms adopted in the formerly entirely planned economy and concerning the significant diplomatic contacts with neighbours, such as South Korea and Japan, as well as the US.

The nuclear issue figured prominently in the unique high-level EU-DPRK conference in Brussels. However, the officials from Pyongyang and the other European participants did not directly address the details of the country's nuclear and weapons development activities. The DPRK delegation dealt with both conventional and nuclear aspects of the situation on the Korean Peninsula, as well as the role of other powers and confidence-building measures. Several European speakers emphasized that it would also be to their advantage to agree on a system of nuclear safeguard inspections by the UN International Atomic Energy Agency, as soon as possible, and to accept other arms control regimes in nuclear, missile technology and biological weapons. Noting their readiness to engage in additional confidence-building measures, the DPRK delegates explained that their military forces and missile programmes were partly in response to the strong US military presence in the Peninsula and region, which included nuclear weapons targeted on the DPRK and high-technology weapons.

The delegates also repeatedly stressed that their nuclear, missile and other weapons technology development programmes were both for defence against the threat from "hostile superpower" forces in South Korea and an important source of export earnings, which would have to be compensated for if abandoned. During the visit of the Japanese Prime Minister, Mr Koizumi, the DPRK had indicated that a moratorium on testing rocket technology was holding up important communications and weather satellite programmes, which should also be compensated for by the international community. The delegates contended that the US had violated the terms of the Agreed Framework by failing to deliver promised technology associated with the nuclear power programme of KEDO.

EXPLORING FEDERALISM AND INTEGRATION - THE EU, TAIWAN, CHINA AND KOREA (Oct 26-27, 2002)

This thought-provoking two-day conference, entitled "Exploring Federalism and Integration – the EU, Taiwan, China and Korea," was organised by the European Alliance for Asian Studies in collaboration with Kyung Hee University, Seoul. The gathering of policymakers, academics, analysts and journalists from both Europe and Asia took place at the Japanese-German Centre on the campus of the Free University of Berlin. Berlin had been chosen as a symbolic example of another half-century division which had been overcome.

Speakers came from Beijing University, Academia Sinica, Chengchi University, Kyung Hee University and some of the participating Alliance institutes. Among the key officials to address the meeting were former Taiwanese Prime Minister, **Mr Vincent Siew**, as well as Bi-Khim Hsiao, a Member of the Legislative Yuan in Taiwan. Mr Graham Watson MEP, the President of the European Liberal Democratic and Reform Group, chaired the first day of the Conference and also spoke at the session.

Key players in the very complex geopolitical divisions in East Asia appear to be pursuing policies that precluded immediate re-unification. Mainland China and South Korea, it was suggested by some experts, seem to be favouring the *status quo* for the immediate future in the belief that time is on their side. However, Taiwan and the DPRK were regarded as seeking to overcome the confines of past isolation.

Reunification across the Taiwan Straits or the 48th parallel in Korea, both signs of division for over half a century, will probably not take place in the immediate future, political figures, academic experts and independent analysts generally agreed; but, while they also agreed that existing political tensions made bold moves toward greater unity unlikely, they also suggested that economic relations and confidence-building measures could continue between China and Taiwan and North and between South Korea.

While considerable risks remain in both these flash-point regions, recent emphasis on forging new economic links between the two sides was seen as a hopeful basis on which to develop an improved political and security environment in the two regions.

FOURTH EU-ASEAN THINK TANK DIALOGUE (Nov 25-26, 2002)

Leaders and representatives of major South-East Asian and European think tanks analysed relations between the Association of South-East Asian Nations (ASEAN) and the European Union and issued a number of recommendations and conclusions to Foreign Ministers and senior officials from the two regions planning to meet in Brussels, in January 2003, to revitalise the relationship and confront global and bilateral issues.

The Dialogue brought a select group of think tank directors from 8 ASEAN countries to Europe to exchange views with key actors in the European political, academic and business sectors. The key motive for initiating these Dialogues has been to develop a sharp and critical focus on EU-ASEAN relations, looking at the core issues of economic recovery, multiple manifestations of Asian regionalism, strategic and political discordance and assessing the scope for greater inter-regional cooperation with the EU.

This Fourth EU-ASEAN Think Tank Dialogue in Brussels, following from Manila (1999), Strasbourg (2000) and Bangkok (2001), was again jointly organised by the Konrad Adenauer Stiftung and the European Institute for Asian Studies. This year's Dialogue covered four topics:

1. Regional Integration and Regional Solidarity
2. EU-ASEAN Relations - Political and Strategic Dimensions
3. WTO Doha Development Round - EU and ASEAN Perceptions
4. ASEAN and China - Competitors for Foreign Investment?

This year's Dialogue, held in close collaboration with the European Parliament's ASEAN Delegation, focused on both the strategic and the economic challenges, which the ASEAN region faces. Prof Ludo Cuyvers of Antwerp University asked whether new mechanisms of financial 'solidarity' could, perhaps, deepen the faltering

ASEAN integration process, not unlike the regional and cohesion funds of the EU? However, discussants from the floor stressed that the institutional structure of ASEAN was only embryonic, lacking a supra-national body that could initiate legal directives. Moreover, there was no single political institution with a mandate from the ASEAN Member States, nor its people, to oversee commitments and their implementation.

The focus of the second day of the Dialogue moved from international political relations to economic aspects – most prominently through the keynote address of **HE Dr Supachai Panitchpakdi**, Director-General of the World Trade Organization. He stressed that promoting free and fair trade had always been central to his thinking and that he had attended the September ASEM IV meeting in Copenhagen with the same message as he wished to deliver at this Dialogue. The multilateral process was vital to make headway towards predictability and certainty, in an increasingly uncertain world. Both the EU and ASEAN were called upon to contribute significantly to the important cause of multilateral trade-liberalization. During his brief three-year tenure at the WTO, he wished to strengthen the legal framework for international trade, to increase technical and financial cooperation with developing countries to best manage trade liberalization, to ensure greater coherence in the international system and, last but not least, to strengthen the WTO secretariat.

EIAS LUNCHEON BRIEFINGS DURING 2002

EAST ASIAN ECONOMIC INTEGRATION- finding a balance between regionalism and multilateralism (23rd January, 2002)

Prof Sung-Hoon Park, holding the Chair in Economics and International Trade at the Graduate School of International Studies, Korea University, emphasised the need for and gains of deeper economic integration in East Asia despite divisive historical legacies.

CAMBODIA'S COMMUNE ELECTIONS - Findings of the EU Observation Mission (26th February, 2002)

Mr Carlos Costa Neves, MEP, Chief EU Observer for Cambodia's Commune (local) Elections, reviewed the findings of his mission, noting significant restrictions on press activity and on the election process, which had been greatly limited the legitimacy of the elections. Nevertheless, he emphasised the importance of observations as a means to engender a democratic tradition.

INDONESIA'S TRANSITION: Towards a Productive democracy? (5th March, 2002)

Mr Johan O. Menajang, Executive Director of IPCOS, the Institute for Policy and Community Development Studies in Jakarta, focused on the problems of ongoing decentralisation in Indonesia.

THE FUTURE OF ASEAN (12th March, 2002)

Mr Eric Teo, of the Board of the Singapore Institute for International Affairs, addressed the problem of the major differences in economic development status amongst the members of ASEAN. He argued that a multi-speed regional cooperation and integration process was inevitable and should be seen as a chance to move ASEAN ahead faster.

ON THE ECONOMIC FUTURE OF HONG KONG (Tuesday 16th April, 2002)

Mr. Christopher Jackson, Special Representative for the Hong Kong Economic and Trade Office to the European Union, emphasised the economic expansion taking place in the Pearl River Delta and the likely benefits that this would bring to Hong Kong.

CHINA'S NEW SECURITY CHALLENGES IN TAIWAN AND CENTRAL ASIA (24th April, 2002)

Dr. Greg Austin, Senior Visiting Research Fellow, EIAS, spoke about the multiple security challenges facing China. He focused on the implications of the increased US military presence in Afghanistan and in China's neighbouring countries, compounding China's internal challenges in Xinjiang and Tibet, as well as the ongoing tension across the Taiwan Straits.

CONFLICT RESOLUTION IN SOUTH ASIA – What Role for the EU? (21st June, 2002)

Mr J. N. Dixit, Former Foreign Secretary of India, addressed the question of Kashmir and discussed possible scenarios for conflict resolution. He focused on the limited scope and severe obstacles for an agreement between Pakistan and India, arguing, nevertheless, that mediation was unlikely to be helpful.

INDONESIA'S FORESTS: A Burning Issue (9th July, 2002)

Mr. Stephanus Djuweng, of the Institut Dayakologi in Kalimantan, Indonesia focused on law enforcement for environmental conservation to conserve Indonesia's fast disappearing rainforests.

SECURITY AND PEACE IN IN THE KOREAN PENINSULA AND NORTH EAST ASIA (22nd October, 2002)

H.E. Ra Jong Yil, Ambassador of the Republic of Korea to the United Kingdom, addressed the scope for normalisation of Inter-Korean relations, emphasising humanitarian rather than economic motives.

HONG KONG' S CONTROVERSIAL SECURITY LAW (15th November, 2002)

Mr. Martin C.M. Lee QC, Chairman of the Democratic Party, Hong Kong, pointed to the need for a comprehensive review of the proposals

PAKISTAN'S GENERAL ELECTIONS 2002 (12th December, 2002)

Mr John Walls Cushman, Member of European Parliament and Chief EU Observer for Pakistan's Elections, focused on the findings of the EU Observer Mission. He explained the criteria used to draw up his report and the need for outside monitoring to improve governance within the Asia. The Ambassador of Pakistan to the EU, H.E. Tariq Fatemi, kindly agreed to be the discussant.

EU-INDIA CORPORATE SOCIAL RESPONSIBILITY PROJECT

The European Institute for Asian Studies has, for the past two years, managed a pilot bilateral EU-India CSR project and now has the objective of expanding its scope, both conceptually, to include other elements of governance, and, geographically, to encompass the Asian region.

In 2002, its second year of operation, the EU-India Corporate Social Responsibility (CSR) programme moved into a productive phase, in which it established itself as a major presence in the global effort to create a new paradigm for behaviour of international enterprises and in the attitudes of host countries in the developing world.

The programme in 2002 concentrated on both the producing of a crucial resource and reference information tool to assist such CSR activities and to stage workshops aimed at setting the stage for concrete European-Indian relationships in this sector.

The two persons on the staff, not only expanded the project Internet web site and developed the project newsletter, but also devoted considerable energy to producing an important booklet and CD-ROM that together constitute a useful information tool for the continuation of CSR activities in India and Europe. The CD-ROM, for example, contains a complete inventory of both European and Indian firms actively pursuing CSR activities and a description of these activities and contact persons for each enterprise.

World-wide pressure for a change in corporate culture is being intensified and there is a dramatic increase in the social expectations of the role of corporations in society. It is no longer just about philanthropy or ethics but also includes accountability to shareholders, employees and society at large.

The immediate and concrete importance of Corporate Governance struck with sudden force in 2001 when a large multi-billion-dollar American pension fund announced it would no longer invest in several Asian countries because of what it regarded as their deficiencies in applying norms of behaviour, such as transparency and accountability.

Corporate social and environmental reporting are becoming the norms for enterprises operating on a global scale. Such standards are gradually imposing concepts such as third party auditing of social and environmental reports. The widening notion and practice of Corporate Social Responsibility is also becoming one element of risk assessment because they can affect performance, stock values and bankruptcy.

Brand-sensitive firms are, perhaps, the most responsive and, sometimes, with their global reach and capacity, can be extremely influential, while, on a wider scale, public sector capacity-building, global rule-making and assisting poor countries in improving social service are now being pushed on to companies.

While such behaviour is increasingly accepted in OECD countries, there is also a perceived need to expand such activities in other regions, including Asia.

The initial EU-India CSR project was financed by the EU and the Government of India as part of the EU-India Cross-Cultural Programme, operated by the EU Commission External Relations Directorate-General. Its purpose was to establish a network of European and Indian companies to examine prevailing conditions and to disseminate information. It was composed of the European Institute for Asian Studies in Brussels, the Business Community Foundation in New Delhi, the Chamber of Crafts and Industry in France and the Natural Resources Institute in Britain.

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

A major milestone in the development of the project' s activities took place in New Delhi, on 21-22 November, 2001, when a conference gathered together 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 partners in India and one of India' s major industrial and business federations, the Federation of Indian Chambres of Commerce and Industry (FICCI), at the latter' s headquarters.

While the concept of CSR has gathered momentum in Europe and has been the subject of an EU Commission White Paper in 2001, this project has been the only related inter-regional undertaking of CSR to date. While the focus of the White Paper, under the Commission' s Social and Employment Directorate-General, has been entirely within the European Internal Market, the DG for Trade has also expressed an interest in mainstreaming the concept in all external economic relations. Through this new dimension, the project will address the need to enlarge the awareness and dynamic of CSR and Corporate Governance in Asia.

EIAS COMMUNICATIONS

The year marked an intensification of the work of the Institute to develop and enhance its means of external communications. Essentially, the EIAS communications and publications activities revolved around its regular monthly periodical, the *Eurasia Bulletin*, launched some 6 years earlier, its Internet world-wide web site, initiated some three years earlier, and its scholarly EIAS Briefing Paper series, initiated also six years ago.

EIAS WEB SITE

Much of the effort aimed at improving these means of communication, information and reaching out to the EIAS members and broader support base revolved around the *Eurasia Bulletin*, discussed above and the EIAS web site, *www.eias.org*.

The Institute' s first-generation web site had been created in 1996-7, with support from the European Commission, to establish an EIAS presence in this expanding means of communications. The first venture was known as the Cyber-Forum and was seen by its creators as a sponsored means of interactive communications on European-Asian relations. The plan also gained commercial sponsorship from a few major European international enterprises and was designed to channel questions and discussion from the public at large to major political personalities. However, use by outside parties over time was revealed to be limited but, nevertheless, required extensive effort and input to respond to questions and to maintain up to date content.

A second-generation EIAS website was developed in 1999, which was considered more informative and primarily devoted to the Institute' s activities and publications,

unlike the first venture, which nevertheless was maintained on the internet for a certain time.

In 2002, the task of updating and improving the EIAS web site was assigned to Ms Roberta Zavoretti, a newly recruited staff member, who, with the assistance of an external consulting web designer, developed and maintained an entirely new third generation EIAS website. This has become a more dynamic means of information and status for the Institute. It has been frequently updated with the papers presented at EIAS conferences and their outcome, summaries of Lunch Briefings, photographs and other publications.

The EIAS website attracted, in the period October-December 2002, approximately 30,000 'hits' per months. Disregarding visits of search engines, etc., the web-statistics indicate that the site attracts approximately 100 visitors per day, who on average visit the EIAS web-site for 13 minutes each.

A further objective is seen as making the site a useful information tool on EU-Asian relations in the future. The occasion was also used for the development of a separate CSR project web site, which is also updated on a regular basis.

EURASIA BULLETIN

Considerable effort was also devoted during the year with the objective of adapting and evolving the EIAS monthly publication into a more dynamic and revenue-producing product. The *EurAsia Bulletin*, launched in 1997, had been planned as a means of providing regular information on developments in Asia and Europe for EIAS members and other interested audiences in EU institutions and elsewhere.

A study and evaluation of the *EurAsia Bulletin* and its prospects for producing additional revenue was carried out in 2002 by Duncan Freeman, an Institute member with publishing experience in both Asia and Europe. Following several weeks of examination, a report was presented to the EIAS Board.

Mr Dick Gupwell, the publication's Founding Editor and a founding member of EIAS transferred the responsibility of the Editorship of the *EurAsia Bulletin* as of August 2002 to Mr Malcolm Subhan, also a founding member of EIAS. He was appointed as Editor for the remainder of year, subsequently extended. Mr Subhan brings four decades of experience in journalism. It was decided that a further review would be conducted in the course of 2003. Since September 2002, the publication was produced once more on a regular monthly basis (after a period as a bi-monthly publication), articles became more focused and condensed, and more outside contributors were identified and involved.

EIAS BRIEFING PAPERS

The EIAS Briefing Paper series, edited by Dr Willem van der Geest and Dr Paul Lim (until his departure from EIAS in September), has been the Institute's primary means of presenting significant intellectual input on public policy recommendations on topics affecting European-Asia relations. These papers are generally some 12-15 pages in length and may be researched and written specifically for the Institute or be

derived from papers presented at its conferences. The following were the Briefing Papers published in 2002:

- BP 02/01* *ASEM, APEC and East Asian Economic Integration*
 Prof Sung Hoon Park, (February 2002)
- BP 02/02* *The China Periphery: The New US Challenge and Beijing' s*
response
 Dr Greg Austin, (December 2002)
- BP 02/03* *Pakistan at Fifty-Five: From Jinnah to Musharraf*
 Dr Plamen Tonchev, (August 2002)
- BP 02/04* *European Union Policy Responses to the Shanghai Co-operation*
Organization
 Dr Greg Austin, (December 2002)
- BP 02/05* *Mapping Muslim Politics in South-East Asia after September 11*
 Prof Suzaina Kadir, (December 2002)

ADVISORY SERVICES TO THE EU

EIAS is also occasionally called upon to respond quickly to requests for information or analysis in its areas of expertise from Members of the European Parliament, staff of the European institutions or the Asian and European diplomatic missions to the EU.

On occasions, these requests represent a demanding challenge for a rapid response since they result from an unfilled capacity, experience or information in the EU institutions. During the year, such urgent requests included those from staff in the European Commission requiring a rapid update on the geopolitical flash points in Central Asia. MEPs and European Parliament Committee staff requested repeatedly requested background information on the delicate relations between the EU and certain specific Asian countries. In each instance, the request required an immediate allocation of time and resources and, in many instances, a written information report of several pages to the Member making the request. Sometimes such requests could be dealt with just by a telephone or e-mail providing the necessary information and insight.

Notable instances of ad-hoc services include advice to Parliamentary Members of the election Observation Mission to Pakistan, the briefing of European Parliament's Members travelling to XinJiang, China, incidental support for a website created by a Member as well as advice on the drafting of Parliamentary questions focusing on Asian political issues.

VISITORS TO EIAS

The Institute also continued to play a useful role as a contact point in Brussels in a way that maximised contact with the European institutions for a steady flow of visitors to its premises. During the year 2002, some 100 such visitors registered with the Institute on the occasion of their contact with the Institute or members of its staff. This number corresponded broadly to the number registered in 2001. This role as a

contact and information point is a capacity that could be enhanced in the future to become an even more significant service.

Some of these visitors included senior and high-level officials, diplomats, academics and representatives of business or civil society, as well as contacts with students, researchers or others attending an EIAS Lunch Briefing for the first time. In some instances, these visitors were involved in discussions leading to important and concrete results, such as a visit in early 2002 from a delegation from the North Korean Foreign Ministry, led by the director of the unit for European affairs in Pyongyang, which culminated in the EIAS conference on October 15, 2002 on EU-DPRK relations, also attended by a senior-level delegation (see above).

Other visitors initiated more sustained working relationships between EIAS and visitors in its capacity as a useful and informative unofficial intermediary to European institutions and policy-makers.

Some of these visitors were referred to the Institute directly via the EU institutions in the framework of the official visitors' programme, whereas others were referred to EIAS by Asian diplomatic missions in Brussels.

INTERNAL EIAS GOVERNANCE

During 2002, 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 (March 21, April 25, June 28, September 10 and November 27). The Executive Committee, comprising the Officers of the Administrative Board, met further on eight occasions (February 8, March 14, April 9, June 27, July 19, September 10, November 6 and December 4). The XIIIth Annual General Meeting was held on April 25. Programme Review meetings were held with the European Commission's DG External Relations (Asia Directorate) on May 13 and October 2.

During 2002, work continued on an improved definition of the roles of the Institute's officers, bodies and personnel, in order to clarify responsibilities and improve efficiency. The composition of the Administrative Board, as of the bi-annual election of Officers, in June 2001, has been as follows:

| | |
|-------------------|-------------------------|
| Chairman | Prof. Ludo Cuyvers |
| Vice-Chairman | Mr Gwyn Morgan OBE |
| Vice-Chairman | Mr Malcolm Subhan |
| Secretary-General | Mr David Fouquet |
| Treasurer | Mr Dick Gupwell |
| Members | Dr David Camroux |
| | Mr Surur Hoda OBE |
| | Ms Shada Islam |
| | Mr Boudewijn Jonckheere |
| | Mrs Panicker Kamalan |

Mr Hasan Kazmi
Prof. Gérard Saunier
Mr Eric Tourres
Ms Laurence van de Walle