

Research Paper

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Entitled:

**IMPORTANCE AND RELEVANCE OF THE COUNTRY STRATEGY PAPER  
(2002-2006)  
: THE FUTURE OF COOPERATION BETWEEN EU AND THAILAND  
IN URBAN DEVELOPMENT**

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# 1 INTRODUCTION

## 1.1 Statement of the issues / Problems statement

Many countries in Asia benefit from both bilateral (that is, nation-to-nation) and multilateral (that is, European Union) assistance (Letta, 1996). Especially Europe; that is, the European Union institutions and individual member states with their bilateral cooperation agreements; is the third largest trading partner of, and the second principal source of official development assistance to, the ASEAN nations.

Even there is not yet a genuine bilateral cooperation agreement between the EU and Thailand, but the EU and Thailand maintain long history of friendly contacts, especially on trade and economic. Therefore the 1980 EC –ASEAN Cooperation Agreement is the main framework for cooperation. The ASEM dialogue process provides another framework for bilateral exchanges. Bilateral issues are addressed in regular EC-Thailand Senior Officials' Meetings.<sup>2</sup> In addition, Country Strategy Paper<sup>3</sup> accepted by Council of European Commission through the channel of the General Affairs (see list of Country Strategy Papers and Regional Strategy Papers in Appendix 7.1), it emphasized on EC-Thailand cooperation as quoted below:

The European Commission has adopted the Country Strategy Paper, which sets out a five year (2002-2006) strategy for its financial assistance to Thailand. At the same time, it announced that over the next three years, 2002-2004, an indicative sum of €10 million has been earmarked to finance this strategy. The paper has been prepared in consultation with the Government of Thailand and EU Member States.

The Country Strategy Paper provides the framework to focus and target all European Community assistance. The overarching objective of EC-Thailand cooperation will be to support the sustainable economic and social development of Thailand. The paper outlines two focal areas for action: *trade and investment, and public health and health services*.

Briefly, strategy of EC's bilateral cooperation with Thailand focuses on technical assistance and capacity-building activities in the sectors of trade, investment, and related areas for sustained cooperation; 'focal area'; but also on the 'non-focal areas' (cross-cutting issues) which will be addressed under the existing thematic and regional (ASEAN, ASEM, Asia) programmes. This study summarize the focal and non-focal technical assistance and capacity-building activities as shown in the following table:

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<sup>2</sup> THE EC-THAILAND COUNTRY STRATEGY PAPER 2002-2006 (28 February 2002), Online - [http://europa.eu.int/comm/external\\_relations/thailand/csp/02\\_06en.pdf](http://europa.eu.int/comm/external_relations/thailand/csp/02_06en.pdf) [June 2003]

<sup>3</sup> Thailand: Commission adopts framework for cooperation (Country Strategy Paper) IP/02/677 - Brussels, 8 May 2002 - [http://europa.eu.int/comm/external\\_relations/thailand/csp/index.htm](http://europa.eu.int/comm/external_relations/thailand/csp/index.htm) [June 2003]

**Table 1: Focal and Non-focal technical assistance and capacity-building activities**

Focal issue	Non-focal issues
<ul style="list-style-type: none"><li>- Trade, investment, and related areas for sustained cooperation</li><li>- Public health and health services</li></ul>	<ul style="list-style-type: none"><li>- Science and technology</li><li>- Education and human resource development</li><li>- Environment</li><li>- Energy</li><li>- Social policy related issues</li><li>- Fight against drug production and trafficking</li><li>- Good governance</li><li>- The fight against trafficking of persons in particular women and children</li><li>- The death penalty</li><li>- The budget lines on drugs, co-financing of NGOs, democracy and human rights</li><li>- Care and assistance of refugees and displaced people</li><li>- Knowledge-based economy and culture</li></ul>

Further to the focal and non-focal key areas outlined above,

The EC will consider, in the wider context of its relations with ASEAN, the possibility of supporting joint EC-Thai initiatives for the benefit of certain neighboring South-east Asian countries (trilateral cooperation), as well as sub-regional cooperation activities in South-east Asia, where appropriate, which aim at promoting regional integration.

It can be noticed from the list (table 1) that the non-focal issues are very diversity and some of the issues ; such as in the areas of environment and Social policy related ; could possibly link to urban development, which cover the wide variety of *non-trade profit* in public policies and public projects.

European countries, especially France has a very strong character of knowledge contributor, which can be found in the history of urban development through out Asia. At the same time, in the case of Paris, many urban development projects (see Appendix 7.2) have been involved several public and private agencies. Parks, urban spaces, rehabilitation/revitalization of transportation network (i.e. ; the périphérique ring road) were from international bidding. Masbounji (2002)<sup>4</sup> also gave some examples on urban

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<sup>4</sup> Masbounji, Ariella. 'Introduction'. French Urban Strategies. 2002, Le Monteur, Paris P8-19

development strategies that in the case of France, urban development and urban planning has often attracted international interest, at the same time France is internationally renowned for such large complexes and mega schemes as the new towns, La Defense, and multi-modal hubs. These types of developments have been identified that they challenge to make their contribution to the emergence of the city of tomorrow. Thus, this study concerns on the potential of cooperation in urban development between European states and Thailand, which was stated by Masboug (2002) that it is ‘an international exchange of ideas’ that is growing importantly, with many foreign designers participating even in French Projects.

## **1.2 Specific focuses**

Thus, urban development is probably identified as part of non-focal activities since there is no direct benefit in term of trade and investment. The activities can be included education/technology transferring and consultancy, fund/loan/donation for urban development and infrastructure projects. Sustainable development and environment policy in urbanization are also the key issues.

## **1.3 Study objectives**

The outcomes of this paper are perhaps the very first study on ‘urban development’ and its link to ‘the international cooperation’ as in EU-Thailand Country Strategy Paper (CSP). The researcher has combined her background and areas of interest; in urban environmental management; and the experiences in Asia-Europe programme at Sciences-Po, Paris in this study that has been aimed to reach the three objectives:

- 1.3.1 To investigate the ultimate goals and objectives of Country Strategy Paper in the area of cooperation, especially in the non-focal issues.
- 1.3.2 To find the links and relationship among regional/international cooperative agreements between Asian and European community, and then focus on Thailand and its bilateral relationship.
- 1.3.3 To analyze the possibility and implication in both threats and opportunities of international cooperation in urban development potential for Thailand, by concerning historical information on both sides, recent policies, treaties, cooperation culture, and future feasible potentials.

## **1.4 Methodology**

The overall methodology will be descriptive and prescriptive policy analysis, to explain, evaluate and predict the possible output of the proposed policy. There will be two parts of the study:

**1.4.1 Review of nature of urban development in Thailand** – to describe the nature of urban development in Thailand, using the secondary information from related books, articles, electronic/online documents. This part of the study should clarify the past and recent situation of urban development and urbanization in Thailand. The more understanding on the issue is a crucial part for the next step of methodology; to predict and evaluation of policy outputs.

**1.4.2 Policy analysis of the CSP (2002-2006)** – using SWOT<sup>5</sup>

The SWOT analysis is the process of analyzing the organization(s) and its environment through the listing of *Strengths* and *Weaknesses* (internal) , *Opportunities*, and *Threats* (external). SWOT analysis also provides an efficient way to evaluate the influenced factors in policy, and leads to guidance and how to get the key actors involved in the management decision-making process.

### **1.5 The research questions/problems**

1.5.1 What is the goal and objectives of CSP? What are the focal/non-focal areas? And how the urban development issues is related to those areas.

1.5.2 How the international cooperation and bilateral agreement can be generated efficiency especially between European Community and Thailand?

1.5.3 Who are the key actor organizations in the cooperation? and in which level?

1.5.4 What should be any strengths, weaknesses, threats and opportunities in the cooperation?

### **1.6 Key words**

This study has tried to find some links hidden in the several evidences of efforts, which have been done through the decades of cooperation in global, regional, and international levels. These following global agendas, organizations, and meetings are the keywords, which have been reviewed and analyzed systematically in this paper, in order to search for the relevance to the urban development in the future.

- CSP (The EC - Thailand :Country Strategy Paper 2002-2006)
- EU regionalism/EC
- ASEAN
- ASEM (Asia Europe Meeting)
- APEC
- Inter-regional cooperation and external relation

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<sup>5</sup> SWOT (Strength, Weakness, Opportunity, Threat)

- Agenda 21 (UN) - Chapter 2 : International cooperation to accelerate sustainable development in developing countries and related domestic policies, Chapter 34 : Transfer of environmentally sound technology, cooperation and capacity-building, Chapter 37 : National mechanisms and international cooperation for capacity-building in developing countries.
- Millennium Development Goals (MDGs)/Millennium Summit
- Sustainable development and Integrated approach
- WTO and Doha Development Agenda, GATT

## **2 ORGANIZATIONS INVOLVEMENT/ HISTORY OF CO-OPERATION**

In order to understand the whole process of cooperation and its ultimate agreement goals in the area of urban development, this study will try to clarify and untie the complication of '*Bhagwat's Spaghetti*' relationship in the global scale and analyze into the level of Asian regionalism, and then to the bilateral relationship between the EU-Thailand. Finally, the study found the main actor organizations, which are divided into two categories: Indirect and Direct.

### **2.1.Indirect**

These following actors are the either the initiator of treaties, agreements, and agendas or the formal institution recognized by each partner of the bilateral agreement that each or both partners belong to. The institutional actors are the decision makers in policy making before the CSPs have been issued. These are included ASEAN, ASEM, and APEC. Each actors may have common interests or may partly relate or contradict in another depend on their goals, objectives and hidden agendas.

#### **2.1.1 ASEAN**

The Association of Southeast Asian Nations or ASEAN was established on 8 August 1967 in Bangkok by the five original Member Countries, namely, Indonesia, Malaysia, Philippines, Singapore, and Thailand. Brunei Darussalam joined on 8 January 1984, Vietnam on 28 July 1995, Laos and Myanmar on 23 July 1997, and Cambodia on 30 April 1999.

The ASEAN region has a population of about 500 million, a total area of 4.5 million square kilometers, a combined gross domestic product of US\$737 billion, and a total trade of US\$ 720 billion.<sup>6</sup>

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<sup>6</sup> Overview ASSOCIATION OF SOUTHEAST ASIAN NATIONS <http://www.aseansec.org/64.htm>  
[June, 2003]



(See also Appendix 7.3)

The ASEAN Declaration states that the aims and purposes of the Association are:

- To accelerate the economic growth, social progress and cultural development in the region through joint endeavors in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of Southeast Asian nations.
- To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries in the region and adherence to the principles of the United Nations Charter.
- In 1995, the ASEAN Heads of States and Government re-affirmed that “Cooperative peace and shared prosperity shall be the fundamental goals of ASEAN.”

### 2.1.2 ASEM

ASEM (The Asia-Europe Meeting) is an *‘informal process of dialogue and cooperation’*<sup>7</sup>. The ASEM dialogue addresses political, economic and cultural issues, with the objective of strengthening the relationship between our two regions, in a spirit of mutual respect and equal partnership. Apart from the Summit meetings, the ASEM process is carried forward through a series of Ministerial and working-level meetings, as well as a number of activities arising from this. Within this informal process of dialogue and cooperation, ASEM activities can be grouped into three main "pillars" : political, economic, and cultural/intellectual.

On 1 - 2 March 1996, Thailand will have the privilege of hosting the first summit ever between Asia and Europe in Bangkok,. The Asia-Europe Meeting (ASEM), as it is called, is indeed a historic occasion since it brings to Thailand leaders from two continents, representing 25 countries and the European Commission. Participants to the ASEM include the Heads of State and Government of ten Asian nations ( Brunei Darussalam, China, Indonesia, Japan, Republic of Korea, Malaysia, the Philippines, Singapore, Thailand and Vietnam ) and fifteen European nations ( Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom ), as well as the President of the European Commission.<sup>8</sup>

(See Appendix 7.4)

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<sup>7</sup> Overview ASEM [http://europa.eu.int/comm/external\\_relations/asem/intro/index.htm](http://europa.eu.int/comm/external_relations/asem/intro/index.htm) [June, 2003]

<sup>8</sup> ASIA-EUROPE MEETING: BACKGROUND <http://asem.inter.net.th/asem-info/background.html> [June, 2003]

### 2.1.3 APEC

Asia-Pacific Economic Co-operation, established in 1989 with 21 member countries in this region. APEC members committed themselves in 1994 under the Bogor (Indonesia) Declaration of Common Resolve to achieve free and open trade and investment in the region by no later than 2010 for industrialized economies and 2020 for developing countries.

APEC is part of the Asian regionalism, which is different from the others around the world, because APEC (21 nations, includes non Asian) has not emphasized and supported much in economic integration and Free Trade Areas (FTAs). The goals for greater trade integration were indicated, but not very much move forwardly in the recent years. Another outstanding of APEC is the image of the United States of America, the initiator of this forum, as can be noticed from the APEC's overview on 'Why APEC matters to American'(see Appendix 7.4)

## 2.2.Direct

Direct actor organizations are simply each side of the bilateral agreement, which are Europe and Thailand. The study will briefly clarify the characteristics of each partner institutional framework and perhaps will be more understandable in the analysis chapter.

### 2.2.1 European Union (EU)

The EU was set up after the 2nd World War. The process of European integration was launched on 9 May 1950 when France officially proposed to create 'the first concrete foundation of a European federation'. Six countries (Belgium, Germany, France, Italy, Luxembourg and the Netherlands) joined from the very beginning. Today, after four waves of accessions (1973: Denmark, Ireland and the United Kingdom; 1981: Greece; 1986: Spain and Portugal; 1995: Austria, Finland and Sweden) the EU has 15 Member States and is preparing for the accession of 13 eastern and southern European countries.

The European Union is based on the rule of law and democracy. It is neither a new State replacing existing ones nor is it comparable to other international organizations. Its Member States delegate sovereignty to common institutions representing the interests of the Union as a whole on questions of joint interest. All decisions and procedures are derived from the basic treaties ratified by the Member States.<sup>9</sup> (See Appendix 7.3)

The responsible actor of CSPs in EU is the General Affairs of Council of European Union.

The Council of Europe Union is composed of one representative at ministerial level from each Member State, who is empowered to commit his Government. Council members are politically accountable to their national parliaments.

Which Ministers attend each Council meeting varies according to the subject discussed, although its institutional unity remains intact. Thus, Ministers for Foreign Affairs attend

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<sup>9</sup> The European Union at a Glance <http://europa.eu.int/abc-en.htm> [June, 2003]

in the configuration known as the General Affairs Council to deal with external relations and general policy questions, while the Ministers responsible for economic and financial affairs meet as the Economic and Financial Affairs Council, and so on.

The frequency of Council meetings varies according to the urgency of the subjects dealt with. The General Affairs, Economic and Financial Affairs and Agriculture Councils meet once a month, while the Transport, Environment or Industry Councils meet two to four times a year.<sup>10</sup>

### **2.2.2 Thailand**

Thailand's policy-making bases on the National Economic and Social Development Plans (NESDP). NESDP is the five-year plan, which has been the master policy of the country for more than 35 years. The recent NESDP is the ninth plan for 2002-2006. It focuses on the integrated approach in development, and recognizes the participatory approach. In addition to NESDP, policy of the government (of H.E. Prime Minister Thaksin Shinawatre) that delivered to the National Assembly on 26 February, 2001 is another main country policy. Especially, emphasizing on the foreign policy objectives are : to engage in an enhanced economic diplomacy; promote a more proactive role for Thailand in international affairs by expanding relations between ASEAN members and countries in East Asia and South Asia; and to become more involved in peacekeeping and conflict prevention in the region. In comparison to the previous administration, the Government has adopted an external policy with a more commercial orientation and with a stronger sub-regional and bilateral emphasis.

Thailand also plays an important role in ASEAN and be an active partner in ASEM and a member of APEC. For more detail information on Thailand see Appendix 7.5.

### **2.3. Cooperation between EC and Asia**

After knowing each actor, the next step of this study will focus on learning how the relationships have been formed from the very beginning of the regional agenda; *'the origin'* of CSPs and then further bilateral agreements and action programmes. According to the complication of the actors as described above, the study, again, explain the cooperations into three sets:

#### **2.3.1 Cooperation between EC and ASEAN**

The EU has been a longstanding Dialogue Partner of ASEAN. It encompasses ten South East Asian countries, with key position in the Asia-Pacific region. According to Europa: European Union On-line<sup>11</sup>, it identified ASEAN as a key partner for Europe.

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<sup>10</sup> Council of European Union <http://ue.eu.int/en/Info/index.htm> [July, 2003]

<sup>11</sup> Europa : European Union on-line website <http://europa.eu.int> [June 2003]

The political dialogue entails regular Ministerial meetings, participation in the Post Ministerial Conferences which take place immediately after ASEAN's annual ministerial meetings and in the ASEAN Regional Forum. In September 2001 the European Commission's presented its Communication "Europe and Asia: A Strategic Framework for Enhanced Partnerships", which identified ASEAN as a key economic and political partner of EC and emphasized its importance as a locomotive for overall relations between Europe and Asia.

Co-operation between the EU and ASEAN is based on a *Co-operation Agreement (1980) between the EC and member countries of ASEAN*: Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam. Protocols for the accession of Laos and Cambodia to the Agreement were signed in July 2000 and are in the process of ratification, but the EU has indicated that cannot agree to negotiate an extension of this agreement to Burma/Myanmar as long as the situation as regards democracy and human rights in that country does not make significant progress. Burma/Myanmar, therefore cannot participate in EC-ASEAN co-operation actions.<sup>12</sup>

Until now, there have been already eight *ASEAN summit meetings*:

- Eighth ASEAN Summit, Phnom Penh, 4-5 November 2002
- Seventh ASEAN Summit, Bandar Seri Begawan, 5-6 November 2001
- Sixth ASEAN Summit, Ha Noi, 15-16 December 1998
- Fifth ASEAN Summit, Bangkok, 14-15 December 1995
- Fourth ASEAN Summit, Singapore, 27-29 January 1992
- Third ASEAN Summit, Manila, 14-15 December 1987
- Second ASEAN Summit, Kuala Lumpur, 4-5 August 1977
- First ASEAN Summit, Bali, 23-24 February 1976

And also *the foreign ministers of both the EU and ASEAN* have met in the framework of the political dialogue since 1978 every second year and since 1995 it has been agreed that EU-ASEAN senior officials would meet between ministerial meetings. The latest *EU-ASEAN Ministerial Meeting*, in Brussels, 27-28 January 2003. The examples of its progression from the earlier meetings are summarized at Appendix 7.6.

### **2.3.2 Cooperation between EC and ASEM**

There have been the Asia-Europe Meetings, started from ASEM1 in Bangkok to ASEM4 in Copenhagen, in addition with other meetings, seminars, and symposiums occasionally:

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<sup>12</sup> Overview The EU & the Assoc. of South East Asian Nations (ASEAN)  
[http://europa.eu.int/comm/external\\_relations/asean/intro/](http://europa.eu.int/comm/external_relations/asean/intro/) Latest update: January 2003

- ASEM Symposium on Multilateral and Regional Economic Relations (March 2003)

Main ASEM meetings

- The Fourth Asia-Europe Meeting (ASEM4) in Copenhagen (September 2002)
- The Third Asia-Europe Meeting (ASEM3) in Seoul (October 2000)
- The Second Asia-Europe Meeting (ASEM2) in London (April 1998)
- The First Asia-Europe Meeting (ASEM1) in Bangkok (March 1996)

**Table 2: Main ASEM meetings and each meeting summary**

<i>ASEM meeting</i>	<i>Focuses (contents)</i>
The First Asia-Europe Meeting (ASEM1) in Bangkok (March 1996)	<ul style="list-style-type: none"> <li>▪ Towards a Common Vision for Asia and Europe</li> <li>▪ Fostering Political Dialogue</li> <li>▪ Reinforcing Economic Cooperation</li> <li>▪ Promoting Cooperation in Other Areas</li> <li>▪ Future Course of ASEM</li> </ul>
The Second Asia-Europe Meeting (ASEM2) in London (April 1998)	<ul style="list-style-type: none"> <li>▪ The need for Asia and Europe to work together to overcome the economic difficulties faced by certain Asian countries.</li> <li>▪ The proceedings of this ASEM II Meeting; the single currency in Europe , European integration process.</li> <li>▪ Fruitful political dialogue in the Meeting, the ASEM process has moved one step forward in terms of promoting political dialogue which has been conceived as an evolutionary process.</li> <li>▪ The question of new members is still on pending.</li> </ul>

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The Third Asia-Europe Meeting (ASEM3) in Seoul (October 2000)

The Fourth Asia-Europe Meeting (ASEM4) in Copenhagen (September 2002)

- Developments in the two regions.
- Fostering Political Dialogue.
- Reinforcing Cooperation in the Economic and Financial Fields.
- Promoting Cooperation in Other Areas, including Social and Cultural Issues.
- Taking Forward the ASEM Process.
- Political dialogue on the challenges of the 21st century.
- Unity in diversity.
- Recent regional developments.
- Closer economic partnership.
- Human resources development, social cohesion and environmental cooperation.
- Deepening ASEM cooperation.
- The ASEM Copenhagen Declaration on Cooperation against International Terrorism.
- The ASEM Copenhagen Cooperation Programme on Fighting International Terrorism

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ASEM Foreign Ministers' Meetings

- Japan-Republic of Korea Foreign Ministers' Meeting on the Occasion of the Third ASEM Foreign Ministers' Meeting (May 26, 2001)
- Japan-China Foreign Ministers' Meeting on the Occasion of the Third Asia-Europe Meeting (ASEM III) (May 25, 2001)
- Chairman's Statement of the Third ASEM Foreign Ministers' Meeting (May 24-25, 2001)
- Ms. Makiko TANAKA, Minister for Foreign Affairs of Japan to attend the 3rd ASEM Foreign Ministers' Meeting (May 2001)

ASEM Finance Ministers' Meetings

- The Third ASEM Finance Ministers' Meeting (Kobe, 13-14 January, 2001)
- The Second ASEM Finance Ministers' Meeting (Frankfurt, 15-16 January, 1999)

- The First ASEM Finance Ministers' Meeting (Bangkok, 19 September, 1997)

#### Specific areas meetings

- ASEM Seminar on the Digital Opportunity (March 2001)
- ASEM TFAP Seminar on Government Procurement and IT (March 2001)
- The Asia-Europe Young Leader's Symposium

The ASEM Trust Fund is another output from ASEM2 meeting in London. It has also provided technical assistance in the social and financial sectors during the crisis, complementing the activities of the World Bank and other partners.

The ASEM Trust Fund was established following a decision of the ASEM Summit held in London on 3-4 April 1998. It was part of the 2-prong ASEM response to the economic crisis that hit Asia in mid-1997. The second prong was the trade pledge. In the Summit Statement on the Financial & Economic Situation in Asia it was noted inter alia that "Leaders welcomed the creation of an ASEM Trust Fund at the World Bank to help finance technical assistance and advice both on restructuring the financial sector and on finding effective ways to redress poverty, drawing on European and Asian expertise."<sup>13</sup>

### **2.3.3 Cooperation between EC and Thailand**

CSP overviews the purpose of cooperation between the EC and Thailand that originally aimed to assist Thai government on agricultural product and exporting, then shifted from development aid to economic cooperation in specific sectors during the three decades of relationship. This study tries to arrange the chronicle order of the cooperation from the first agreement to the latest one as followings:

**1970s-1980s** Tapioca Agreement – to assist Thai Government's crop diversification effort, to improve Thai export possibilities to the EC.

**1980s** – shift from development aid to cooperations in economic, in others specific sectors such as environment, fisheries, projects in social policies, promotion of SME, and human resources development, etc.

**1994-1999** – Thailand as a economic partner instead of aid recipient, emphasize on technical assistant cooperation for social infrastructure human resource development, poverty, human right protection, civil society, rural development, the environment and sustainable environmental management, involved in EU business and trade associations, NGOs, universities and other institutions, Thailand has been chosen as the seat of many EC-ASEAN regional projects and programmes.

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<sup>13</sup> ASEM Trust Fund [http://europa.eu.int/comm/external\\_relations/asem/other\\_activities/trust\\_fund.htm](http://europa.eu.int/comm/external_relations/asem/other_activities/trust_fund.htm) [July,2003]

**1998** – ASEM II (London) EU commitment to assist Thailand and countries hit by crisis through the ASEM Trust Fund for technical assistance for financial and corporate sectors reformation

**1998 - 2000** - to support the Thai Government in improvement of the socio-economic situation such as employment generation, the social cushion of economic crisis, stabilize the rural communities, technical assistance in financial reformation.

**1999** – to the institutional reform process towards health, coastal environmental protection management.

**2001** – base on the wider policy dialogue and focus on inclusive process with project financing instead of a project based approach.

Briefly, EU-Thai relations are solid and long-standing, based on trade and economic and development cooperation. The EU has made efforts to keep markets open to Thai products throughout the financial crisis and beyond, and to foster investments in Thailand. In The EC-Thailand CSP (2002-2006), EU's relationship with Thailand was summarized and comprised by these followings :

**1. Article 177** of the Treaty establishing the European Community – there are three broad objectives for community development cooperation:

- Fostering of sustainable economic and social development.
- Smooth and gradual integration of the developing countries into the world.
- Fight against poverty

**2. The EU's ALA<sup>14</sup> Regulation** – applies to Thailand. It focuses on strengthening the cooperation framework and making an effective contribution, through institutional dialogue, economic and financial cooperation, to sustainable development, social and economic stability and democracy.

**3. The 1980 EU-ASEAN Cooperation Agreement<sup>15</sup>** – emphasizes on commercial cooperation, granting most-favored nation treatment to the parties on a reciprocal basis and setting out their commitment to overcome trade barriers; economic cooperation, encouraging closer links through investment and technological progress; and development cooperation, contributing to economic resilience and social well-being.

**4. General System of Preferences (GSP)** – is the main EU trade cooperation instrument with Thailand, of which Thailand is a beneficiary. The EC adopted on 10

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<sup>14</sup> Regulation (EEC) No 443/92 of 25 February 1992 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America

<sup>15</sup> Council Regulation 1440/80 of 30 May 1980, OJ L 144, 10.06.1980.



December 2001 a revised GSP<sup>16</sup> regime for 2002-4, providing more benefits to developing countries in a simpler, clearer and more predictable framework.

**5. The Commission Working Document of April 2000 on the ASEM process<sup>17</sup>** – set the EU priorities for cooperation in the context of ASEM, building on the considerable success achieved thus far with an active and constructive dialogue in the three pillars of political, economic and financial, and cultural and intellectual issues.

### **3 THEORETICAL REVIEW /DESCRIPTIVE ANALYSIS**

From Chapter 2, after understanding the complex structure of organizations in the EU- Thailand relationship, Chapter 3 will review theories; on approaches of cooperation, negotiation strategy, international relationship ; then analyze, summarize, and describe them in the simplest way using tables and categories.

#### **3.1 Cooperation theory/Multilateral and bilateral negotiation**

Axelrod and Hamilton<sup>18</sup> had been cited by Macecsich (1994)<sup>19</sup> on evolution of cooperation that can be conceptualized in terms of three separate strategies ;

- **Robustness** – type of strategy which be able to thrive in a various environment composed other wide variety of sophisticated strategies.
- **Stability** – the strategy that is once fully established, it can resist invasion by other mutant strategies.
- **Initial viability** – both of the above strategy can be one of this category which is predominately non-cooperative.

Macecsich (1994) also mentioned about the ‘*Tit-for-Tat*’ strategy in the iterated ‘*Prisoner’s Dilemma*<sup>20</sup>’. The also called ‘nice strategy’, Tit-for-Tat is the simplest on of cooperating. It is a strategy of robust cooperation strategy based on reciprocity that can be thrive in a variegated environment. Finally, Macecsich had concluded that ‘*straightforwardness and simplicity*’ are the best approach, because the

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<sup>16</sup> Council Regulation No 2501/2001 of 10 December 2001 applying a scheme of generalized tariff preferences for the period from 1 January 2002 to 31 December 2004

<sup>17</sup> COM (2000) 241 final, ‘Perspectives and priorities for the ASEM process (Asia-Europe Meeting) into the new decade’, 18 April 2000.

<sup>18</sup> “Evolution of Cooperation” by Axelrod and Hamilton

<sup>19</sup> Macesich, George. *Successor States and Cooperation Theory : A Model for Eastern Europe*. 1994, Praeger, Westport, Connecticut.

<sup>20</sup> Quantitative study using game theory methods and computer simulation in order to build a payoff matrix presenting hypothetical values for the various alternatives. (Macesich, 1994)

incomprehensibly complicated strategy can appear to be chaotic and provides no incentive for the other player to cooperate.

Normally most of cooperation strategies have been aimed for economical benefit, with evidences of strong relationship of economic systems and cooperation. The issues discussed in recent and historical situations are stability in market economies, sound currency. After the early classical and neo classical contributions, '*The Philosophy of the welfare state*' has been concerned since the nineteenth century. It relates to moral not economic as called '*non-market phenomena*', they cannot be measured by the market place parameters of profit-loss and wages-costs but based on justice animated by charity (Pope Leo XIII, cited by Macesich, 1994).

Zartman (1994) categorized the characteristics and the complexities of multilateral negotiation in the introduction chapter of 'International Multilateral Negotiation'<sup>21</sup> in six minimal and basic types, which defined multilateral negotiation and distinguish it from bilateral agreement (see Appendix 7.7).

Discussing about coalition, Dupont (1994)<sup>22</sup> gave the definition of 'coalition' that it may be defined as cooperative efforts for the attainment of short-range, issue-specific objectives. He identified types of coalitions from his two cases study (see Appendix 7.8)

Zartman (1991) also added that multilateral agreement is frequently by '*consensus*' rather than a negative vote.

### **3.2 Country Strategy Paper**

Country Strategy Paper (CSP) is one of the outputs from General Affairs & External Relations Council (GAERC) in area of general policies. There are two types of Strategy Papers: '*Country Strategy Paper (bilateral)*' and '*Regional Strategy Paper (multilateral)*'. The GAERC is composed of one representative at ministerial level from each Member State, who is empowered to commit his Government. Council members are politically accountable to their national parliaments. Which Ministers attend each Council meeting varies according to the subject discussed, although its institutional unity remains intact. Thus, Ministers for Foreign Affairs attend in the configuration known as the General Affairs Council to deal with external relations and general policy questions. In 18 March 2003, The Council adopted the conclusions on the progress report on the implementation of the Common Framework for Country Strategy Papers

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<sup>21</sup> Zartman, William. International Multilateral Negotiation : Approaches to the Management of Complexity. , A Publication of the Processes of International Negotiation (PIN) Project of the International Institute for Applied Systems Analysis., 1994, Jossey-Bass Publisher, San Francisco

<sup>22</sup> Dupon, Christophe. 'Coalition Theory : Using Power to Build Cooperation'. International Multilateral Negotiation : Approaches to the Management of Complexity. , A Publication of the Processes of International Negotiation (PIN) Project of the International Institute for Applied Systems Analysis., 1994, P 148-177, Jossey-Bass Publisher, San Francisco

(see Appendix 7.9) and this CSP also lists the proposed programmes from EU member states (see Appendix 7.10), the programmes show some examples of the activities and organization actors in the level of international level (each member state to Thailand).

### **3.3 Urban development and its relationship to cooperation theme**

This part will define the meaning of urban development and its role. Urban development is one of the activities in spatial design, planning and policy. In ‘The EU Compendium of Spatial Planning Systems and Policies : France<sup>23</sup>’, it covers sectors of policies, which each sector also illustrates the practical implementation case study. Those are as followings;

- Commercial development
- Economic development
- Environmental policy
- Heritage
- Housing
- Industrial policy
- Leisure and tourism
- Natural resources
- Transport policies
- Waste management and pollution

Looking into the French case, as explained in the Compendium, France seems to have a strong foundation in urban development. policies and acts have been enacted systematically, for examples the loi d’orientation pour l’aménagement et le développement du territoire (Guidance Act on Spatial Planning and Development) , February 4<sup>th</sup>, 1995 has represented the policy of the state which combines policies of regional and local development with development of infrastructure projects intended to encourage economic development. In addition, the aménagement du territoire (Spatial Development Planning) also give a priority to the sub-sector policies such as Environmental policy and the politique de la ville (Urban Policy), the politique de développement social des quartiers (Policy for the Social Development of Urban Districts), the politique de développement social urbain (Policy on Urban Social Development), etc.

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<sup>23</sup> European Commission, *Regional Development Studies - The EU Compendium of Spatial Planning Systems and Policies - France*, 28E, 1999, EUR-OP (Office for Official Publications of the European Communities), Luxembourg

## 4 PROBLEMATIQUE/POLICY ANALYSIS

The study now will lead to the closer views of the nature of urban development and cooperate culture in Thailand and then SWOT analysis will prescribe what will be the outputs of this CSP policy and future bilateral agreements with the farsighted comments on both negative and positive sides of the CSP's partners; Thailand and either member states or the EU.

### 4.1 Review of nature of urban development and cooperation culture – in Thailand

Thailand is synonymous with Bangkok because of the concentration of national's production and wealth with its dominate national decision-making in Bangkok. Bello (1998)<sup>24</sup> called Bangkok : '*The vicissitudes of a Megalopolis*'. This term was iterated and described in the negative aspects of urbanization and urban development of Thailand. Bello started his citation from the old capital of Thailand; Ayudhaya ; which was captured and sacked by the Burmese in 1765-67. This made the transferring of the capital to Thonburi and recent Bangkok in 1782. The relationships with foreigners had been developed through commercial activities, included Chinese and Europeans. After the World War II, the Euro-oriented modernization was ended and began the strong influences of the US and US-controlled agencies especially in urban planning. '*The Lichtfield master plan*<sup>25</sup>' is an automobile city approach planning and carried out through American funding. It changed Bangkok from water-based city to an automobile city ever since and created urban sprawl and increasing numbers of cars with inefficient transportation plan. In early 1990s, the MIT team concluded that Bangkok had possibly the worst traffic congestion of any city of similar size in the world (Gakenheimer et al., Massachusetts Institute of Technology, January 1993).

The international study teams came to solve the traffic congestion. Right after the MIT team, there were the study from Japan International Cooperation Agency (JICA), Environmental and Social Impacts of Urbanization in Bangkok by Helen Ross (School of Oriental and African Studies, London) in 1993, Germany study team proposal of a three-line electric mass transit system, and about six mega-projects have been proposed, along with paralyzed decision-making by a number of factors. These mega-projects were mostly international based companies/joint ventures; The Hopewell Network or BERTS<sup>26</sup> (Hong-Kong), SNC-Lavalin (Canada), BTSC/BMA skytrain (Thai and The New World Group: a major shareholder of BTSC), and MRTA underground system (international joint ventures). Besides the transportation crisis, Bangkok seems to be a

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<sup>24</sup> Bello, Walden. Cunningham, Shea and Poh, Li Kheng. A Siamese Tragedy : Development and Disintegration in Modern Thailand. 1998, White Lotus, Bangkok

<sup>25</sup> The Greater Bangkok Plan 2533, produced by the American team Lichtfield and Associates in 1960.

<sup>26</sup> Bangkok Elevated Road and Train System

city that is out of control (Bello, 1998) with the urban and environmental problems such as the housing crisis, environmental crisis (air, water, toxic waste). NESDB<sup>27</sup> also emphasized in a report that :

The underlining cause of most urban fringe development problems confronting Thailand today is not urban land development but failure to achieve adequate coordination between private development and investment in infrastructure, particularly environmentally-related infrastructure.

Reynolds (1998)<sup>28</sup> argued on the negative impact of multinational enterprises and foreign investment in Thailand to many other relate aspects such as urban development, environment and social problems. He explained that they are held accountable for over development and damage to the environment. Urbanization and industrialization have drawn people from countryside, disrupting family and community life in the process.

#### 4.2 Policy analysis

Indicator units of this CSP policy study are analyzed in Table 3. The table shows the possible directions when the complete bilateral agreement is completed. The study prescribes future of Thailand-EU bilateral agreement as followings:

**Table 3: CSPs policy indicators**

Indicator units	Prescription
<ul style="list-style-type: none"> <li>▪ Actors</li> </ul>	<ul style="list-style-type: none"> <li>- EC</li> <li>- Thailand national government</li> <li>- Local government (e.g. BMA<sup>29</sup>)</li> <li>- Related ministries</li> <li>- Infrastructure organizations: state enterprises/private sectors (e.g. mass transit authority, international joint ventures, construction industry)</li> </ul>

<sup>27</sup> The National Economic and Social Development Board (NESDB), The National Urban Development Policy Framework. , 1992

<sup>28</sup> Reynolds, Craig J. 'Globalization and Cultural Nationalism in Modern Thailand'. Southeast Asian Identities : Culture and the Politics of Representaion in Indonesia, Malaysia, Singapore, and Thailand (edited by Joel S. Kahn), 1998, P 115-141,

<sup>29</sup> Bangkok Metropolitan Administration

Indicator units	Prescription (cont.)
<ul style="list-style-type: none"> <li>▪ Structure</li> </ul>	Bilateral (e.g. Thailand-EU, Thailand- France member state)
<ul style="list-style-type: none"> <li>▪ Strategy</li> </ul>	Straightforwardness, simplicity
<ul style="list-style-type: none"> <li>▪ Process</li> </ul>	Technology transfer, consultancy, education exchange, transnational JV, loan / financial support
<ul style="list-style-type: none"> <li>▪ Outcome<sup>30</sup></li> </ul>	Win-win (e.g. EU-construction industry investment, Thailand-urban development)

Referred to CSP, the result of EU-Thailand cooperation in general can be in these five categories: 1.) Human resource development and institutional building, 2.) Private sector development, 3.) Environment and natural resources management, 4.) Gender issues, and 5.) Good governance and community development. Urban development cooperation can extend in the more concrete activities and fit to each categories as listed in the table below:

**Table 4: Possible urban development cooperation activities**

<i>Type of the outcomes</i>	<i>Activities</i>
1.) Human resource development and institutional building	<ul style="list-style-type: none"> <li>- Strengthen capacity of urban development institutions to carry out sustainable urban development.</li> <li>- Cooperative education, curriculum assistance, and academic exchange in the field of urban planning/design, urban and environmental management, architecture, landscape architecture, urban engineering.</li> <li>- Joint research among urban study research centers /planning institutions or responsible organizations.</li> <li>- Staff development, official and students training program</li> </ul>

<sup>30</sup> See more about outcome of negotiation (Spector, 1994) in Appendix 7.10

<i>Type of the outcomes</i>	<i>Activities (cont)</i>
2.) Private sector development	<ul style="list-style-type: none"> <li>- Transfer of EU expertise and technology in a range of sectors; business training, increased co-operation between EU and Thai construction industry businesses/ joint venture and associations.</li> <li>- Start-up and expansion of firms and creation of jobs in disadvantaged regions and improved planning capacity at Government agencies responsible for urban development and construction industrial promotion;</li> </ul>
3.) Environment and natural resources management	<ul style="list-style-type: none"> <li>- Strengthened technical expertise and planning capability at Thai ministries and institutions regarding the environmental aspects of the use, development and management of natural resources through co-operation with the EU public and private sector;</li> </ul>
4.) Gender issues	<ul style="list-style-type: none"> <li>- Increased participation of women in urban development/planning decision-making at local levels, as well as in regional and international conferences, workshops and exchange programmes;</li> </ul>
5.) Good governance and community development	<ul style="list-style-type: none"> <li>- Increased understanding among Thai officials of issues related to civil service reform and corruption in order to reduce intend/unintended budget lost in urban development mega project concessions.</li> <li>- Improved quality of life for urban poor through provision of basic services and promotion of self-sufficiency.</li> <li>- Increased planning, networking and participation of national and regional NGOs through co-operation with EU NGOs; improved regional analysis of social and economic issues in urban development.</li> </ul>

#### 4.2.1 SWOT analysis

As explained in the prior chapter about SWOT analysis, the researcher has been interested in a book : ‘Listen to the Emerging Markets of Southeast Asia : Long-term Strategies for Efective Partnership’ by Corrado G.M Letta, 1996. And she used this book as the eyeglasses to look to EU-Thailand relationship from CSP. Most of Letta’s comments found very optimistic and they are worthy to listen.

#### Strengths

The strengths of CSP are those reasons why the both of the partners are benefit to each other. Asia is important to Europe and in another way round, Europe to Asia are identified by Letta (1996) as these following summary list;

- Asia plays a leading role in the world’s financial markets, which could be used by European companies in setting up joint ventures in Asia.
- Asians know more about Europe than Europeans know about Asia.
- Asia is the mobility of the people; Pacific-Asia region’s annual tourism output will increase from US\$800 billion in 1995 to US\$2 trillion in 2005 (the World Travel and Tourism Council in Brussels).
- Asia needs Europe in order to be able to exert its economic independence.
- Asia needs resources on science and technology and professional from Europe in order to speed up the growth process.
- European Union budgetary allocations have long emphasized development rather than economic cooperation.
- Asia also needs Europe in order to keep up the pace of human resources development and technological transfer.

#### 4.2.2 Weaknesses

There are some factors inhibiting cooperation as also described by Letta. The most important factor, which we cannot deny is the problem of Europe’s image in Asia. The Asian’s perception to European is more negative than to American and Japanese, who both have been in the same forum of cooperation. This study found some points of these perceptions as the weakness, even those are true or not but in the optimistic way of thinking, those can be a good lesson in searching for the better strategies to overcome them in the future of cooperation. Perhaps the effort can be seen in the March 1996 Bangkok Summit, which EU allows Europe to enhance its image in Asia. The examples of Letta’s critiques are:

- Europeans are perceived as ‘talkers’, not ‘doers’. And they seem to be awash in pessimism freezing them in to inaction – unlike the much admired ‘*can do*’ American attitude.
- They have been seen as a ‘*play-safe*’ culture focused on taking short-term bites rather than a long-term commitment.
- Europeans restrict themselves to formal agendas and timetables.



- Asians see themselves as knowing Europe much better than Europeans know Asia.
- Some Europeans see themselves as representatives of a superior civilization. And Asians are no longer willing to be lectured and hectored by those who consider that they still have a civilizing mission in Asia (Mr Anwar Ibrahim, 1994).
- The lack of transparency of European institutions creates complicated and confusing procedures and long delays.
- The Asian government officials and business leaders have complain that cooperation between Europe and Asia in the areas of science and technology has been faced the lack of funds problem, especially when compared with from Japan and the US.
- The institutional frameworks in Asia are complex and it requires time and patience to secure the involvement of the large projects.

Letta had paid attention in explaining about the role of '*cross-cultural*' that is necessary to consider the role of cross-cultural communication analysis in cooperation and partnerships with other cultures. An awareness of differences can be used to better understand the segments of individual Asian Countries to develop a strategy to the needs of that culture and to minimize the detrimental effects of cultural bias.

Culture lies at the root of differences between the various markets in Europe and between individual Asian countries. The culture conditions actions and feelings, norms, values, and attitudes; it underlies the way we behave towards others, what we expect of them in return, perceptions of success and failure, and how we react to and solve problems.

### **4.2.3 Opportunities**

In the aspect of corporate culture, the key is '*self-sustainability*', or what Asians want is not to be given a product but taught how to make it for themselves. This can be a good opportunity for those institutions, which have been discussed in the weakness side that there is not much financial support from the government in any level. Thus, it will give some chances for friendly cooperation in the areas of technological transfer and mutual long-term benefit in education/academically exchange programme to learn from each other, and also lead to the need for managing a training programme in urban development areas (urban planning, urban economic, social study, engineering, environmental management, etc.)

### **4.2.4 Threats**

'*Asian Miracle*' and the fact that ASEAN has grown rapidly, those may make any predictions fail. At the other side; the European; from a political point of view, the European Union is its own worst public relations enemy, for it make little effort to explain itself to those it purports to serve (Sir Leon Britatain, 1994., quoted by Letta, 1996). Both factors above threat the future development of cooperation cloudy.

But according to the recent situation, the future trend maybe found: there is a lack of political and financial support by European governments or the EU as a whole to European Construction Industry (ECI) firms, who is the potential actors in urban development, this perhaps threatens the limitation of cooperation fund and budget.

## **5 CONCLUSION**

Urban development in Thailand using the regionalism instrument of bilateral cooperation is a '*win-win*' for both partners of the cooperation. The importance of the CSP (2002-2006) is an impressive start, and its framework should relevant to the objectives of European Union as a whole, or at least one of the member states who may join the actual agreement. Unlike the other areas of cooperation (e.g. trade related issues), that has to be negotiated, sincerely and straightforward strategies maybe difficult to be applied. Robust agreements can be perform in the future. The effectiveness can be measured from the prosperity of ECI (European Construction Industry) and also the strong academic collaboration will prolong and deepen the urban development knowledge activities and other related networks. The successful of CSP framework may also expand to the more regional level to Regional Strategy Paper. ASEM and ASEAN, to which Thailand belongs, have a large stage for all actors to perform. Scale of urban development has never stop at a small park, but it can go beyond that to transboundary infrastructure networks, transnational tourism and its facilities, the unity of the Asian urban environment, etc.

This study may ignite the readers' hope for only a while, but the ultimate goals of this six weeks research paper are to urge all actors in the area of urban development, policy study, political science, Europe and Asia study, governments, and entrepreneurs to push forward this kind of bilateral agreement to the wider array for the better quality of life, sustainable urban environment and wealthy economic world.

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<sup>31</sup> [http://www.wto.org/english/thewto\\_e/minist\\_e/min01\\_e/min01\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min01_e/min01_e.htm)

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<sup>32</sup> <http://www.un.org/documents/ga/conf151/aconf15126-1annex1.htm>

## 7 APPENDIX

### 7.1 List of Country Strategy Papers and Regional Strategy Papers<sup>33</sup>

#### Country Strategy Papers 2002-2006

Afghanistan 2003-2006, Albania, Algeria, Argentina, Armenia, Azerbaijan, Bangladesh, Bolivia, Bosnia & Herzegovina, Brazil, Bhutan, Cambodia 2000-2003, Chile, China, Colombia, Costa Rica, Croatia, East Timor, Ecuador, Egypt, El Salvador, Federal Republic of Yugoslavia, FYR of Macedonia, Georgia, Guatemala, Honduras, India, Indonesia, Jordan, Lao PDR, Lebanon, Malaysia, Mexico, Moldova, Mongolia, Morocco, Nicaragua, North Korea DPRK 2001-2004, Panama, Pakistan, Paraguay, Peru, Philippines, Russia, Sri Lanka, Syria, *Thailand*, Tunisia, Ukraine, Uruguay, Venezuela, Vietnam, and Yemen

#### Regional Strategy Papers 2002-2006

Andean Community, Balkans, Central America, Central Asia, The Euro-Mediterranean Partnership, Latin America, Mercosur, Tacis Regional Co-operation, and Nuclear Safety

### 7.2 Examples of urban development projects list in France<sup>34</sup>

- Paris Bercy development zone, Viaduc, Faubourg Saint-Antonie, Rive Gauche (left bank), Rue Nationale, Citroen, Amandiers, Fougères Housing Estate
- New towns, other cities : Cergy-Pontoise, La Courneuve, Marne-la-vallee val D'Europe, Plaine Saint-Denis, La Defense, etc

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<sup>33</sup> The Europa Homepage : External relations [http://europa.eu.int/comm/external\\_relations/sp/index.htm](http://europa.eu.int/comm/external_relations/sp/index.htm)  
[June, 2003]

<sup>34</sup> Source: French Urban Strategy, 2002, Le Moniteur, Paris

### 7.3 Map of EC, ASEAN, ASEM members

Figure 1: Map of EC, ASEAN, ASEM members



Geopolitical and fluvial map of the EU and the candidate countries<sup>35</sup>.

Yellow – EU

Blue, Purple – Candidate countries

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<sup>35</sup> Map of Europe [http://europa.eu.int/comm/mediatheque/multimedia/select/maps\\_en.html](http://europa.eu.int/comm/mediatheque/multimedia/select/maps_en.html) [June 2003]



Map of ASEAN by Accession<sup>36</sup>



Map of ASEM<sup>37</sup>

<sup>36</sup> Fact of ASEAN (Original source : The Regional Policy Division, Asian and Oceanian Affairs Bureau, Ministry of Foreign Affairs of Japan) <http://www.asean.jp/eng/general/base/index.html> [June, 2003].

<sup>37</sup> Asian countries in ASEM <http://asem.inter.net.th/asem-info/as.html> [June, 2003]

#### 7.4 Why APEC matters Americans.<sup>38</sup>

- The economic health of the APEC region is vitally important to America's continued prosperity.
- APEC is home to our biggest customers in the world, have played a critical role in Asian recovery.
- APEC has played an important role in promoting trade and investment liberalization in the region.
- The challenge posed by the higher profile was also widely seen as galvanizing a successful conclusion of the Uruguay Round Table negotiation by demonstrating an alternative path to liberalizing trade talks if global talks were to fail.
- APEC has also played a complementary role to the International Monetary Fund and other international financial institutions in fostering a rapid Asian economic recovery. APEC encourages its members to pursue appropriate macroeconomic policies that stimulate domestic demand, and microeconomic policies to promote financial and corporate restructuring and attract investment.
- APEC is promoting increased transparency, openness and predictability based on the rule of law.
- APEC can serve a crucial role in advancing long-term projects and initiatives that will assist its members to reform their economies and implement the policy changes that will sustain the economic recovery. It also can help foster development of the physical and human capital necessary to sustain growth in the 21st century.
- APEC also promotes discussion among Leaders and undertakes programs to assure that the social infrastructure exists to allow APEC economies to take advantage of trade and investment opportunities and that economic growth translates into real social progress.
- APEC works directly with the private sector to produce results with broad benefits..
- A revived Asia-Pacific region means more exports from and investments by U.S. companies, more jobs for Americans and more U.S. economic growth. APEC's motto could be "prosper thy neighbor." The United States is committed to ensuring APEC plays that constructive role.

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<sup>38</sup> United States APEC home <http://www.apec.org/> [July, 2003]



## 7.5 Thailand fact and figure

**Table 5: Thailand facts and figures<sup>39</sup>**

Population	60.7 million
Territory	513,500 km <sup>2</sup>
GDP (USD billions)	122.2GDP
Growth Rate	4.3 %
GDP per capita	US \$ 1,910**
Inflation	1.6 %
Unemployment	3.6 %
Currency Baht	(Bt 43.24 : US\$ 1, April 23 <sup>rd</sup> 2002)
Official Reserves	US \$ 32.7 billion *
Trade Balance	US \$ 5.5 billion

## 7.6 EU-ASEAN Ministerial Meeting in Brussels progression (summary)

1. Enhancing of the co-operation at bilateral, sub-regional, regional and multilateral levels.
2. Economic and development co-operation, political dialogue and co-operation, are key aspects of EU-ASEAN relations with progression in positive developments in political and security co-operation and growth in two-way trade and investment between the two regions.
3. Enhancing regional security through bilateral and multilateral channels.
4. Commitment to the promotion and protection of human rights, including the right to development and fundamental freedoms.
5. Enhancing of co-operation across the board, including economic co-operation as a result of accelerated ASEAN economic integration and the forthcoming EU enlargement.

### Injecting New Momentum into EU-ASEAN Relations

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<sup>39</sup> Source: Asian Development Bank and World Bank, except \* Bank of Thailand and \*\* The Economist Intelligence Unit. Figures of 2000.

6. Ideas for reinvigorating political, economic and social aspects of the relationship at regional, sub-regional and bilateral levels.
7. Future actions under the ASEAN-EU Co-operation and information actions.
8. Contribution to new dynamism in the trade relationship and non-traditional security issues, environmental and cultural co-operation.

#### Key Developments in the EU and ASEAN

9. Major outcomes with ASEAN's dialogue partners; ASEAN Summit, ASEAN Plus Three Summit and the ASEAN Plus One Summits , AMM/PMC, ARF ; regarding ASEAN efforts in ensuring the peace and security, deepening economic co-operation and integration.
10. Concerning enlargement of the EU and European Security and Defense Policy.
11. The increasing political and economic integration in the two regions.
12. New Asia Co-operation Dialogue (ACD), with ASEAN countries playing the pivotal role that would promote Asia-wide co-operation and contribute to global economic development.

#### International Issues

13. Adopting of the EU-ASEAN Joint Declaration on Terrorism.
14. New International Criminal Court.
15. Developments in South East Asia and Europe in the issues of mutual interest.
16. Further contribute to the maintenance of peace and stability in the South China Sea.
17. The situation in Myanmar.
18. Supporting for the stability, territorial integrity and national unity of Indonesia, and solution of internal conflicts through dialogue and negotiation.
19. Termination of co-operation with the International Atomic Energy Agency (IAEA).
20. The current situation in the Middle East.
21. Situation in Iraq ,supporting for the UN process.
22. The important role of the multilateral trading system embodied by the WTO.
23. The international economic situation and the present global economic outlook.
24. Following the Johannesburg World Summit on Sustainable Development.

#### The Future of EU-ASEAN relations

25. New momentum into EU-ASEAN relations, a comprehensive and balanced agenda for the , goals and priorities of both sides.

26. Sharing of deep historical and cultural, economic, scientific and educational ties, and the promotion of peace, stability and development in the two regions.

#### **7.7 Zartman's types of Multilateral negotiation.**

- Multilateral means 'multiparty' negotiations
- 'Multi-issue' nature of multilateral negotiations
- 'Multirole' nature of the negotiations
- Multilateral negotiations are composed of 'variable values, parties, and roles', while in opposite, the bilateral negotiations are characterized by variable values, as opposed to fixed choices that must be voted for or against and the the roles of the parties are fixed and limited.
- The outcomes of multilateral negotiations are mainly matters of 'rule making' rather than the redistribution of tangible goods. Trade-offs between rules are often a major part of multilateral agreement structure.
- Multilateral negotiations are characterized by 'coalition' (Rapport, 1970. Lax and Sebenius, 1991 cited by Zartman).

#### **7.8 Dupont's types of coalition.**

- Groups that were broad-based, hard-core, and close on key issues.
- Intrabloc groupings.
- Issue-specific (single issue) coalitions.
- Opportunistic alignments and tactical alliances.
- Groups of external actors.

#### **7.9 March 18, 2003 Conclusion on CSPs framework.<sup>40</sup>**

18 March 2003: Common Framework for Country Strategy Papers - Council Conclusions

(Doc. 6377/03)

The Council adopted the following conclusions on the progress report on the implementation of the Common Framework for Country Strategy Papers:"

"1. The Council welcomes the Commission's Progress Report on the implementation of the Common Framework for Country Strategy Papers (CSPs).<sup>1</sup> It considers that the

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<sup>40</sup> European Commission – Country Strategy Paper  
[http://europa.eu.int/comm/external\\_relations/sp/gac.htm](http://europa.eu.int/comm/external_relations/sp/gac.htm) [July, 2003]

CSPs Framework has, as intended, proved to be a very useful programming tool and has made a significant contribution to achieving the objective of giving multiannual programming greater substance and increasing the effectiveness and quality of EU external assistance.

2. The Council notes that this exercise contributes to improve co-ordination and complementarity with bilateral aid provided by Member States and other donors. Although further progress should be made, the Council notes that Member States have increasingly been involved in the drafting process of CSPs and NIPs, in particular in the field, and that the programming process provided a window of opportunity to improve complementarity between Community aid and bilateral assistance. The preparation of CSPs is therefore in line with the Guidelines on operational coordination adopted by the Council in January 2001. Good practice of coordination in the field has been observed, in particular in the ACP countries.

3. The Council appreciates the constructive role that the interservice Quality Support Group (iQSG) is playing in order to ensure continuous monitoring of the consistency, coherence and quality of the programming process and underlines the importance of its continued work. The recommendations of the iQSG should be taken into account when reviewing the CSPs.

4. The CSPs would be an even more successful tool for managing aid if accompanied by an appropriate implementation/monitoring and review mechanism. In order to maintain coherence in the CSP process, the same basic principles should apply to CSP reviews in all regions. First, CSPs should, as a matter of principle and in an appropriate timeframe, be reviewed at the mid-term point of the implementation period. Secondly, the review should:

a.) keep the strategy up-to-date with developments in the country brought about by internal, regional or external events, including the Poverty Reduction Strategy Process where it exists;

b.) take into account and operationalise, as far as possible, new EC/EU policy initiatives and commitments that have an impact on third countries or, more generally, at international level, while fully respecting the principles of ownership and concentration of aid, the objectives and priorities of the EC Development Policy and the specificities of the relationship between each partner country and the EU;

c.) assess the results and performance and draw lessons;

d.) lead to a constant improvement of the quality of strategy documents, in particular to correct some weaknesses which had not been adequately taken into account in the "first generation" of CSPs.

5. The review should involve the Commission's Delegation, the Government of the partner country and Member States and their relevant expertise in the field. The documents containing the assessment and the proposed outcome of the review should be submitted by the Commission to the management committees for opinion. In this exercise, the Commission and Member States should strive to further improve operational co-ordination.

6. A key challenge is to integrate the programming of horizontal budget lines more closely with country/regional programming. This would be facilitated by rationalising existing lines.

7. The CSPs process has also been a first and significant step towards improving the analysis of policy coherence and establishing a link between the Community's aid and related EU policies.

8. The November 2000 Council and Commission Declaration on the EC's Development Policy<sup>2</sup>, identified six priority areas for Community action in development cooperation and stressed the importance of concentrating the EC activities in order to maximise the impact of EC Development Policy. Since then, several new external relations objectives and initiatives have emerged in the Council and from international agreements and commitments. The integration of these objectives and initiatives into the EC's Development Policy should, as appropriate, be carefully considered and implemented, in consultation with partner countries and taking due account of their specific needs. EC action in support of these new objectives and initiatives should be consistent with the agreed objectives and six EC's Development Policy priorities.

9. The Council welcomes the Commission's move towards a results based approach in the formulation of its development policy and the progressive integration of performance indicators in CSPs in order to measure the partner country's performance in terms of poverty reduction and social development. In this context, the discussions launched by the Commission and involving EU Member States, the World Bank, the OECD-DAC, and the UNDP, in order to try and foster greater co-ordination between agencies in the use of indicators in country performance assessment, should have an important influence on how this problem should be addressed in the future.

10. Every effort should be made to simplify and harmonise the process surrounding country strategies, thus reducing the transaction costs for partner countries, and to improve donor co-ordination in this respect. According to the January 2001 Guidelines, ongoing initiatives include efforts to streamline strategy documents and procedures, mutual consultation of all key donors in each institution's strategy process and, in particular, active co-operation in the areas covered by building blocks common to all CSPs. The Commission and the Member States should also strive, between themselves, to synchronise the timing of country programming and strategy preparation and review processes, as well as with the partner country's own budgetary and strategy preparation and review process.

11. Non-state actors should be consulted more systematically on CSPs and throughout the programming process as part of the discussions on the EC response strategy."

## 7.10 Proposed programmes from member states

**Table 6: Proposed programmes of EU member states**

EU member states	Organizations	Programmes
The United Kingdom	DFID <sup>41</sup> , the Foreign Office, the British Council	Education, human rights, good governance, HIV/AIDS, peace keeping, health, refugees, landmines
Germany	The German political foundations and scholarships.	Economic reform, market economy development, SMEs economy, Private-Public Partnership, Industry
Denmark	DANIDA, Mekong River Commission, Asian Institute of Technology (AIT)	Development assistance
Finland	Finnfund, Asia Europe Environmental Technology Center (AEETC), Asian Institute of Technology (AIT)	Regional basic, poverty alleviation, improvement of the environment in the Mekong River Region, small scale projects through NGOs, industrial joint ventures financial investment
Sweden	Asian Institute of Technology (AIT), UNEP, the Mekong River Commission	Burmese refugees in Thailand, donor to Asian Institute of Technology (AIT), the Mekong River Commission, UNEP environmental programme for Thailand, training course funding.
The Netherlands	The Burmese Border Consortium, ZOA <sup>42</sup>	Financial support to Dutch NGO and Burmese Border Consortium, vocational education to Burmese refugees, support private investment Dutch companies that have positive development and environmental effect in Thailand.

<sup>41</sup> DFID - The Department for International Development

<sup>42</sup> ZOA is a Dutch NGO

### 7.11 Four negotiation outcomes

Spector (1994)<sup>43</sup> identified that there are four negotiation outcomes, including two extreme options and two compromise proposals:

- Minimalist option – to protect domestic service industry, foreign standard applied.
- Compromise/transparency option – similar to minimalist option except it emphasized easy access to foreign markets and the positive impacts of establishing trade in services.
- Compromise/national option – to apply national standards to foreign enterprises.
- Maximalist option – institute uniform treatment for all countries.

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<sup>43</sup> Spector, Bertram I. 'Decision Theory: Diagnosing Strategic Alternatives and Outcome Trade-Offs', *International Multilateral Negotiation : Approaches to the Management of Complexity*. , A Publication of the Processes of International Negotiation (PIN) Project of the International Institute for Applied Systems Analysis., 1994, P 73-95, Jossey-Bass Publisher, San Francisco