ASEM OUTLOOK REPORT 2012
FORESIGHT IS 20/20
SCENARIO BUILDING FOR POLICY ANALYSIS AND STRATEGY DEVELOPMENT
ASEM Outlook Report

Volume 2

Foresight is 20/20
Scenario Building for Policy Analysis and Strategy Development

Singapore 2012
Published by:
Asia-Europe Foundation
31 Heng Mui Keng Terrace
Singapore 119595

Designed and Printed by:
Xpress Print Pte Ltd
No. 1 Kallang Way 2A
Singapore 347495

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The selection and compilation of statistics and other data contained in the volume are the responsibilities of the writers.

The analysis contained in the volume was carried out by the writing teams, based on the views of the participants of several consultative meetings held since 2010. It does not necessarily reflect the views of ASEM, ASEF, UNU-CRIS, the publishers or the editors of this volume.

ASEF’s contribution was made possible with the financial support of the European Union. The views expressed herein can under no circumstances be regarded as reflecting the position of the European Union.
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I. Preface

On the occasion of the 9th ASEM leaders’ summit in November 2012 in Vientiane, the ASEM process connects 52% of the world’s GDP, almost 60% of the world’s population and 68% of global trade. As a forum for dialogue, it is becoming increasingly important in addressing key global issues facing the international community. Given the size and further expansion of ASEM, it is evident that deepened Asia-Europe co-operation is no longer a luxury but a necessity.

With this in mind, Asia and Europe need to rely on different dialogue frameworks, such as ASEM, to deepen their co-operation, improve dialogue both inter- and intra-regionally, and share the burdens of global responsibility.

ASEM Outlook Report 2012 focuses on the future of Asia-Europe relations in four sectors (security and conflict management; economic and financial integration; environmental governance; and public health and pandemic preparedness). The report contains recommendations to address emerging global and regional challenges.

ASEM Outlook Report 2012 was made possible through the collaboration between the Asia-Europe Foundation (ASEF) and the United Nations University Institute on Comparative Regional Integration Studies (UNU-CRIS).

The idea behind the report was first introduced by the former Director of the Intellectual Exchange department of ASEF, Ms Sol Iglesias. The conceptualisation and coordination of the preparation of the report was carried out by ASEF and headed by Ms Anjeli Narandran and Ms Grazyna Pulawska, supported by Mr Thierry Schwarz, Director of the Intellectual Exchange department of ASEF, while UNU-CRIS supported the endeavour through their team led by their Director Prof. Luk Van Langenhove and Ms Léonie Maes.

The publication was edited by Ms Sol Iglesias and Prof. Luk van Langenhove. Ms Leong Wenshan assisted with the proofreading and final editing of the publication.

The report consists of two distinct volumes. Volume One, entitled “Asia-Europe Relations At-A-Glance”, focuses on the current state of affairs by providing key statistics to illustrate economic, social and political developments in both regions. Volume Two, entitled “Foresight is 20/20: Scenario Building for Policy Analysis and Strategy Development”, provides analysis and policy recommendations designed to map out possible trends and shifts in Asia-Europe relations and explores the changing role of the myriad of actors involved in international relations. The outcomes are based on the findings of ASEF’s multi-stakeholder consultations to develop strategic foresight scenarios across a number of policy areas as well as UNU-CRIS’ analysis.
A number of ASEF staff contributed to the multiple aspects of the research and report. These include: Ms Anjeli Narandran (Introductions to Volume One and Volume Two and of the first section of Security and Conflict Management in Volume Two), Ms Grace Foo and Ms Sumiko Hatakeyama (on the Facts and Figures chapter in Volume One), Ms Sunkyoung Lee and Mr Peter Lutz (on Public Health and Pandemic Preparedness in Volume Two), Mr Ronan Lenihan (on Perceptions Matter! in Volume One and Economic and Financial Integration in Volume Two), Ms Grazyna Pulawska (on Environmental Governance in Volume Two), and Ms Ratna Mathai Luke (Conclusions and Security and Conflict Management in Volume two).

Prof. Luk Van Langenhove, Dr Philippe De Lombaerde, Ms Léonie Maes, Dr Hana Umezawa, Dr Lurong Chen and Dr Georgios Papanagnou of UNU-CRIS contributed to the section of “Asia-Europe 2030: Key Actors in the Future of ASEM” in Volume Two.

In addition, external researchers contributed to several chapters. Ms Claire Wilson contributed to the Facts and Figures chapter in Volume One, Mr Simon Høiberg Olsen to the Environmental Governance chapter in Volume Two, and Mr André Edelhoff to the Economic and Financial Integration chapter in Volume Two.

The publication could not have been achieved without the substantial support and co-operation of the above-mentioned people. Their profiles are available in the section “About the Contributors”.

I. Preface
This volume looks at the future of Asia-Europe relations after examining the current state-of-play in bi-regional relations in Volume One, “Asia-Europe Relations At-A-Glance”.

Scenarios, in this volume, do not refer to predictions of what will happen in the future. Rather, scenarios outline a few distinct and plausible futures that might happen. Planners and policy makers may glean deeper insight into which specific strategies, among options, can be expected to work effectively in every scenario. These would therefore be robust strategies or policy options in which to invest.

ASEF embarked on four scenario-building processes throughout 2010 and 2011 in the following areas: soft security and conflict management, economic and financial integration, environmental governance and public health and pandemic preparedness. Out of these processes, three distinct and divergent scenarios — twenty years into the future — depicting variations in international political organisation, emerged: tight integration under unified global leadership; carving the world into regional blocs; and dominance of the private sector in the provision of public goods. Each variant differs in how resources are distributed and how the global economy is organised.
II. Introduction

Three scenarios

In this volume, we speak about these three scenarios as Grey Paradise, GloCal Blocs and MosaInc., respectively. All three scenarios are built around a set of plausible developments twenty years into the future, based on an iterative analysis of social, technological, economic, environmental and political factors or trends that influence the outcomes of events and assessment of the most relevant uncertainties surrounding them. This introduction describes the scenario logic used throughout the volume.

Figure 1. Scenario logic

As Figure 1 shows, the three scenarios are distinct from one another. Grey Paradise is characterised by global political organisation, economic control by authorities and redistributed resources. GloCal Blocs is a future dominated by regional political blocs, collective economic interest at the regional level and resource utilisation for regional development. MosaInc. is marked by weak political structures, economic self-interest and resource abuse.

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1 The names and logic are adopted from ASEF ASAP Scenarios: Accurate Scenarios, Active Preparedness (Singapore: ASEF, 2011) in the field of pandemic preparedness as the most extensive storylines among the three scenario-building processes referred to above. For the full report, see http://www.asef.org/images/docs/ASEF%20ASAP%20Scenario_final%20report.pdf.

2 Extensive reference was made to the analysis of these factors in the ASEF ASAP Scenarios as well as the European Environment Agency. http://www.eea.europa.eu/soer/europe-and-the-world/megatrends.
II. Introduction

The scenarios vary in three areas: global political arrangements, global economic arrangements and resource distribution.

Global political arrangements

```
| Politically global | Politically regional/national | Politically weak |
```

“Politically global governance structures” refers to a unified international political structure. In contrast, “politically regional/national governance” refers to strong regional blocs (in Asia, Europe, North America, Latin America, Africa). “Politically weak governance” refers to the dominance of the market and private sector actors relative to an ineffectual public sector.

Global economic arrangements

```
| Economic control by authorities | Regional/collective economic interest | Economic self-interest |
```

“Economic control by authorities” refers to a high level of organisation by the international governance structure. “Regional/collective economic interest” refers to the segmentation of markets and co-operative economic arrangements into regions. “Economic self-interest” refers to the dominance of market forces and private sector interests, with minimal government intervention at any level.

Resource distribution

```
| Redistributed resources | Resources for own development | Resources as commodities |
```

“Redistributed resources” refers to widespread access to public goods and services, implying relatively low levels of inequalities throughout a global populace. “Resources for own development” refers to a concentration of resource use within regional boundaries, implying high levels of inequality between and among regions. “Resources as commodities” refers to the provision of public goods and services through the market (commonly through privatisation), implying high levels of inequality throughout the global populace.
II. Introduction

The architecture of three possible worlds

Grey Paradise

In Grey Paradise, the development agenda in Asia and Europe is dominated by global political structures, redistributed resources and economic control by authorities. Continuing crises lead governments to increasingly put their faith in international regimes. This technocratic answer to financial, ecological and security challenges enables significant progress, resulting in an efficient and equitable temporary “paradise”. Asian countries, fuelled by continued economic expansion, gain more power and increasingly dominate the international scene. Authoritarian governance becomes the global role model. Such global governance enables much progress in many areas but also evokes increasing dissatisfaction among large sectors of the population and significant social problems, including a “grey” population that in turn has significant impacts on labour, economic productivity and social cohesion.

MosaInc.

In MosaInc., developments in Asia and Europe are characterised by weak political structures, resources that are used as commodities and economic self-interest. In a series of economic, natural and human disasters and crises, political structures fail to provide an effective response. Budgetary room for manoeuvre gradually shrinks. People turn to self-organisation, and civil society organisations and businesses take over services that are no longer provided by public institutions. The dispersion of power leads to a mosaic of actors and structures in which firms and corporations are the strongest players; MosaInc. Open and globalised markets and societal segregation are features of this innovation-rich future, challenged by many inequalities and security problems.

GloCal Blocs

In GloCal Blocs, Asia and Europe are ruled by smaller regional or national political structures that use resources for their own development and to promote regional economic interests. In the GloCal Blocs scenario (the name being a portmanteau of “global” and “local”) countries seek local solutions to global problems — with varying degrees of success. The global drive for development leads to stiff competition for scarce (natural) resources between groups of states. While there is co-operation within each bloc, there is intense competition between them. Food becomes a central element in this power struggle.
II. Introduction

Four lenses through which to view the future

These are the four sectors in which the scenario-building exercises were carried out. They were selected due to their relevance; prominence in existing Asia-Europe dialogue; and potential for bi-regional or indeed, global impact in the next 20–30 years.

Soft security and conflict management

There has been a growing realisation that effective conflict prevention and peace-building programmes require multi-agency co-ordination in responding to a conflict situation. Since conflict management policies and activities need to be mainstreamed across different policy instruments, there has been a shift towards strategic multi-stakeholder dialogue as a tool to prevent and mitigate conflict. To address the complexity that is involved in building an inclusive and strategic multi-sector Asia-Europe partnership on conflict transformation, the 8th Asia-Europe Roundtable (8th AER), co-organised by ASEF, the Friedrich Ebert Stiftung (FES) Office for Regional Cooperation in Asia and the Singapore Institute of International Affairs (SIIA), adopted a strategic foresight approach to evaluate those decisions and actions required to enhance regional conflict transformation mechanisms in Asia and Europe and develop different bi-regional strategic partnership possibilities.

The 8th AER, with the theme of “The Future of an Asia-Europe Strategic Partnership in Conflict Transformation”, which was organised in Bali, Indonesia in May 2011, marked the culmination of the AER series which began in 2003 and has been consistently recognised as a valuable forum for Asia-Europe dialogue on conflict management. The series covered the whole conflict management cycle — from conflict prevention, conflict mediation, conflict resolution to post-conflict reconstruction and reconciliation.

Using scenario-building exercises over the course of the workshop, the 8th AER explored the different trajectories of Asia-Europe co-operation that could develop in the future with regard to conflict and security issues. The section on soft security issues in this publication draws on the findings of the 8th AER, among other resources.

Economic and financial integration

In any plausible future for Asia and Europe, the issue of economic integration will play a pivotal role. Deepened or decreased economic integration, be it global, intra-regional or regional, will help to shape our future and how Asia and Europe interact with one another. The current global economic challenges have pushed the global and regional integration debate to the fore. Global leaders have outlined the need for stronger global rules and more coherence in regional economic structure in order to ensure a more stable global economic system. Key economic developments in Asia and Europe are pushing intra-regional and inter-regional integration. The sovereign debt crisis represents a major turning point for EU integration as it moves towards a stronger more integrated Eurozone.
II. Introduction

Asia, on the other hand, is experiencing its own push for integration to support a shift in regional economic drivers for growth and stability intra-regionally. The push towards an ASEAN economic community is a development that stands out in this era of deepened integration.

The inspiration for much of the section examining “Economic Integration” is borne from discussions and findings of the ASEF-led workshop “Impact of the Crisis on Economic and Financial Integration in Asia and Europe”. This joint initiative brought together a group of twenty economists and regional integration specialists for a two-day workshop in Ljubljana, Slovenia in September 2011. The workshop used a strategic foresight approach to map out the key drivers and trends that impact economic and financial integration in Asia and Europe. The final report from the workshop outlined six key issues that will shape the stability of economic development in Asia and Europe. Central among these six issues was the need solve the Eurozone crisis through the implementation of co-operative mechanisms on sovereign debt restructuring. Another key outcome was the need to support East Asian integration to strengthen regional coping mechanisms. Recommendations from the workshop report outline key developments and shifts in economic integration that will have a profound impact on how the future is shaped and how future crises are averted.

Environmental governance

As natural resources continue to dwindle, it is becoming clear that economic growth cannot continue to provide for human development. The earth’s resources are finite; even efficiency improvements, productivity increases and innovations may no longer be able to facilitate economic growth for the future. The human population of the planet has now passed seven billion. However, not everyone enjoys a good quality of life. Many remain deprived of access to essentials such as clean water, energy and food. Beyond the distributional aspect, there is still much to be done at the political level if the world is to sustain a projected population of nine billion by mid-century and still provide sufficient goods and services for people to live a dignified life. In this regard, the concept of sustainable development is gradually becoming the only choice for current and future generations.

Historically, Asia and Europe share strong connections that may play significant roles in the decades to come. Existing patterns of consumption and production, persistent income disparities and the growing need for more resources to ensure development will shape international power relations and influence global security. Governments, businesses and civil society will increasingly be drawn in to co-operate in devising workable solutions to the emerging challenges related to the provision of services necessary for a good and sustainable life.

The ideas contained in this section originate from a two-year project of the Asia-Europe Environment Forum titled “Asia-Europe Strategies for the Earth Summit 2012”. Discussions, debates and brainstorming sessions took place during a series of workshops that produced inputs relevant for policy makers, civil society as well as businesses regarding how sustainable development policies should be designed for the future. The workshops used foresight
methodology to identify emerging challenges in sustainable development for Asia and Europe. This chapter is built on the results of these workshops and will provide information on three future scenarios sketching out the roles and options for all involved stakeholders.

**Public health and pandemic preparedness**

Public health has become an increasingly important item on the agenda in international relations. One reason is that many public health issues, such as pandemic preparedness and response, can only be successfully addressed if states co-operate on a global level.

At the 7th Asia-Europe Meeting (ASEM) Summit in 2008, the need to address pandemic preparedness and response was recognised. Subsequently, ASEF, with the support of the Japanese government, established the ASEF Network for Public Health. This network organised the “ASEF Network for Public Health: Accurate Scenarios, Active Preparedness” (ASEF-ASAP) project. The purpose of this project is to support the development of strategies for multi-sector pandemic preparation in Asia and Europe, on the basis of future scenarios. The ASEF-ASAP scenarios were published in 2011. The section on public health draws on the information presented in this publication, amongst other sources.

The three scenarios explored in this volume are also adapted from the scenarios developed through the ASEF-ASAP process. They have been expanded to encompass the three other sectors that this volume explores.

**Megatrends and mega challenges**

In each of the four sectors detailed above, the three scenarios interact with selected megatrends — great forces in societal development that will affect many areas for many years to come. How will accelerating technological change manifest itself in a Grey Paradise? What will the repercussions of this interaction be on the way we prepare ourselves for future public health crises? For the purpose of this analysis, this volume makes use of the megatrends identified by the European Environment Agency (EEA) in *The European Environment: State and Outlook 2010* — *Assessment of Global Megatrends*:

**Social**

1) Increasing global divergence in population trends
2) Living in an urban world
3) Disease burdens and the risk of new pandemics

**Technological**

4) Accelerating technological change: racing into the unknown
II. Introduction

*Economic*

5) Continued economic growth?
6) From a unipolar to a multipolar world
7) Intensified global competition for resources

*Environmental*

8) Decreasing stocks of natural resources
9) Increasingly severe consequences of climate change
10) Increasing environmental pollution load

*Political*

11) Environmental regulation and governance: increasing fragmentation and convergence

Two more political megatrends were identified through ASEF’s scenario building activities:

12) New security challenges
13) The evolution and emergence of international actors

An additional megatrend, classified under “Values” was also identified through the scenario building process:

*Values*

14) Changing values/beliefs/priorities

Not all megatrends were explored in detail in the analysis of the future of the four sectors. In each sector, the megatrends that were deemed most relevant — and likely to have the greatest impact on that sector from the present to the year 2030 — were selected for further analysis. The reasons for the selection of each megatrend can be found in each of the four thematic sections of “Four Facets of a Shared Future”, the next section of this volume.

**The evolving roles of the main actors in Asia-Europe relations**

Both Asia and Europe have experienced significant political and security uncertainties in their respective regions as a result of the collapse of bipolarity and the emergence of multi-polar centres of influence. Moreover, the emergence of the truly transnational problems, such as climate change and the proliferation of weapons, have made it necessary for the international community to take a more interactive and co-operative approach by enhancing the multi-level governance, composed of local entities, national governments, regional and global organisations.
II. Introduction

As such, some regional organisations have started working hard to tackle the range of problems via comprehensive and co-operative approach. Indeed, the ASEM process is one of such efforts, involving a comprehensive three-pillar agenda, comprising economic dialogue, political dialogue and other (socio-cultural) negotiations.

While governmental actors are in their transitional phase adjusting their modus operandi to suit the new environment, a series of new actors have emerged with the aim of influencing the global agenda. As a consequence of the growing interdependence and the various channels of communication, these non-governmental actors have ample opportunities to make their voice heard and defend their interests in the formulation of policies.

Last but not least, the role of media in the 21st century should not be underestimated. As we have entered the new phase of communication era, information and communication technology (ICT) now offer an incredibly diverse range of communication channels and therefore concur to create an interconnected world. Most importantly, ICT are characterised by their remarkable accessibility to the general public: besides connecting people worldwide, they provide them with a series of channels that allow them to voice their concerns to a larger audience. This in turn contributes, to a certain extent, to the much advocated participatory approach to decision-making that aims to involve stakeholders in the decision process.

**Scenario building for policy analysis**

This volume presents an analysis of the opportunities and threats embedded in the set of three wildly diverging yet possible futures, focusing on four critical sectors in Asia-Europe relations. Having identified the changing role of non-state actors as a significant megatrend, the analysis will include an evaluation of the roles that states, non-governmental organisations, the old and new media, businesses as well as regional and international bodies could play in the future.

The volume aims to serve as a tool for policy makers and civil society organisations to understand the forces influencing Asia-Europe relations at present; imagine the possible impact of current policy decisions, taking into consideration uncertainties surrounding future bi-regional relations; mitigate the potential negative outcomes of global trends through careful policy planning; and design innovative mechanisms to ensure greater environmental, human and economic security.
III. Four Facets of a Shared Future

1. Security and Conflict Management

Introduction

Perspectives of what constitutes a “security challenge” have evolved over time: intra-state conflict has overtaken inter-state conflict in both number and intensity and the “war on terror” claims equal priority as traditional state warfare.

New trends converge with our current understanding of international co-operation, the role of the state and what constitutes a security concern — giving rise to a complete re-imagining of the issues, architecture and actors in the security arena of tomorrow.

New concepts (of conflict transformation), priorities (such as non-traditional security), values (resulting from human migration) and technology (internet) have disturbed traditional notions of “borders” and “communities” and have resulted in an evolution of our understanding of the actors and governance models involved in negotiating human security.

Understanding the stresses that these mega-trends can place on multi-level security co-operation will enable policy makers to be better prepared in adapting to the fault lines that underscore all regional security arrangements.

This chapter looks at the three possible futures through a soft-security “lens”, analysing the impact of three key megatrends on the sector.

Soft-security

Richard Ullman argues that non-military threats could conceivably inflict as much damage on the state as traditional weapons of mass destruction. A dangerous communicable disease or a series of natural disasters could threaten the security of the state as much as two warring groups might (Ullman 1983, 129–53).

Ullman goes on to argue that while they may not immediately be seen as threats that require military response, the devastation brought about by certain non-military crises may force the state to take action. The lack of policy attention given to non-military threats may in fact be the largest security threat.

This is one of the most succinct attempts at re-framing military security as a sub-set of security along with other security threats. This departs from older views in which the concept of security was embedded in security or military studies.

In this chapter, security refers to the traditional concept of military force to ensure that the state remains free from danger, fear or anxiety. Soft-security threats refer to conflicts that fall outside of the realm of war that do not necessarily need to be counteracted through physical force.
The recent decades have seen increased efforts to improve regional co-operation between Asia and Europe. In addition to the existing dialogue at the ministerial level between the European Union (EU) and the Association of Southeast Asian Nations (ASEAN), the Asia-Europe Meeting (ASEM) process which began in 1996, reviewed the political and security situations in both regions and agreed on the importance of international initiatives to resolve outstanding problems. Significantly, it recognised the importance of enhancing bi-regional partnerships on peace and security issues.

In response to this call, the Asia-Europe Roundtable (AER) series was established with the aim of examining international relations issues between the two regions, with a view to identifying and sharing best practices on solutions to common or contrasting problems.

Regional co-operative mechanisms for peace and security remain a key priority in the 21st century. At the 8th ASEM Summit held in 2010, ASEM leaders stressed the continued importance of “effective regional architectures of security and co-operation in Asia and Europe based on mutual respect… and on partnership among various regional organisations and fora”.

Alongside the development of regional mechanisms, there has been a shift in terminology to better detail the nuances of the peace-making process, moving from “conflict management” to “conflict transformation”. Conflict transformation refers to actions and processes that seek to alter the various characteristics and manifestations of violent conflict by addressing the root causes of a particular conflict over the long-term. It deals with structural, behavioural and attitudinal aspects of conflict. Most importantly, it is a process of engaging with and changing the relationships, interests, discourses and societal structures that support the continuation of violent conflict.

**Key actors**

Within the ASEM area, the main institutional actors in conflict transformation remain the regional groupings to which the individual ASEM member states belong.

ASEAN is the most prominent regional institution in Southeast Asia. While it seeks to uphold the principle of non-interference in the domestic affairs of member states, ASEAN has been working on policy initiatives for regional security co-operation. Apart from the ASEAN Regional Forum (ARF), the ASEAN Defence Ministers Meeting Plus (ADMM Plus) was created to contribute towards the establishment of the ASEAN Security Community by promoting dialogue within — and between — ASEAN and its dialogue partners in defence and security co-operation. The first meeting of ADMM Plus (ten ASEAN countries plus eight dialogue partners) was held in 2010.

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3 This section is adapted from *The Future of an Asia-Europe Strategic Partnership in Conflict Transformation* (ASEF, FES & SIIA 2011).

4 Ibid.
III. Four Facets of a Shared Future

In the EU, the Common Foreign and Security Policy (CFSP) was first established under the Maastricht Treaty, which saw the creation of the “three pillar” structure of the EU. CFSP decisions are taken through inter-governmental consensus in the European Council. Occasional divergence of member states’ positions — such as with regard to the 2003 Iraq invasion — have not deterred the successful advancement of the CFSP, as evidenced, for instance, through increasing intra-EU co-operation within international organisations like the UN; successful development of joint strategies and responses to international challenges such as terrorism and human rights concerns; and the increasing consolidation of member state approaches to third countries and other regions.

The implementation of the Lisbon Treaty on 1 December 2009 has resulted in significant consolidation within the EU. This has included the creation of the role of High Representative of the Union for Foreign Affairs and Security Policy, a fusion of two previous foreign policy roles — the High Representative for CFSP in the European Council, and the Commissioner for External Relations in the European Commission. In support of the High Representative, the European External Action Service (EEAS), a joint foreign and defence office, was created.

The Organization for Security and Co-operation in Europe (OSCE) works extensively on security issues. With regard to conflict, the OSCE works through its Conflict Prevention Centre (CPC) on conflict prevention, crisis management and post-conflict rehabilitation. To prevent conflicts involving minorities, the OSCE set up the office of the High Commissioner of National Minorities (HCNM) in 1992 to provide early warning and, where appropriate, early action to prevent the rise of ethnic tensions. For example, when conflict broke out in Macedonia, the High Commissioner could relay the early warning to the relevant national and central authorities without having to wait for authorisation from the OSCE Chairperson’s office.

Alongside the EU, the North Atlantic Treaty Organization (NATO) is a political-military alliance that provides its European members with both security guarantees and the capabilities and framework to act “out of area” in peace-enforcement and peace-keeping operations. NATO has been involved in difficult operations in Afghanistan and Libya. It co-operates with the EU, although political problems (such as the Cyprus question) prevent both organisations from making the most out of their potential.

At the 8th AER in 2011, however, some participants were doubtful as to whether NATO would be able to or even willing to play a role of a regional stabiliser, particularly in Asia, in the future. It was further argued that when looking at the process of conflict management, a stronger focus should be on soft means to end conflicts, with less emphasis on military solutions.

Many experts believe that “NATO should limit future full-scale military interventions to Europe and increase better co-operation with its contact countries — Japan, Republic of Korea, Australia and New Zealand — along with emerging states like India… [to] ensure a wide, flexible network of global partnerships to help add both legal and moral legitimacy and operational efficiency” to NATO’s undertakings in the future (Atlantic Community 2011).
Security challenges have long informed the agenda for ASEM meetings. This concern was re-affirmed at the 10th ASEM Foreign Ministers Meeting in June 2011 where the focus was on non-traditional security issues. With the blurring of traditional and non-traditional security, the meeting underlined the importance of co-operation. As the Hungarian Prime Minister, Viktor Orbán stated at this meeting, “Lone fighters can no longer be successful” (Orban 2011).

**Definition of parameters: three key issues**

*International co-operation*[^5]

The continued rise of countries like China and India as superpowers will have key implications for both international and regional relations. While there are those who would view these developments with concern — especially for regional stability and power relations — new powers could also become “regional champions” taking on greater responsibility to maintain regional security and peace, with the support of regional and international institutions. Regional institutions need to not only be more proactive in their efforts to strengthen their own dialogue processes with member states, they also need to hone international and bi-regional co-operative measures to foster consultation on regional and international political and security issues.

*The changing role of the state*

States tend to perform certain basic functions. They provide infrastructure, make laws and ensure the security of their citizens. History shows that when states have failed to perform these functions the result has been social decrepitude, civil unrest and war. However, the state is now rarely the only agenda setter when it comes to these three basic roles — civil society groups, the media and businesses are able to exert considerable pressures on the state. In a globalised world, the fate of a sovereign state is also intimately connected to that of its neighbours, regional bodies and international institutions.

*Emerging soft-security challenges: food security, environmental security and terrorism*[^6]

Apart from co-operation on traditional inter and intra-state conflict mitigation, international and regional organisations are also increasingly working together on “non-traditional” security and conflict management issues. With the realisation that multilateral security co-operation can no longer be confined to traditional military concerns alone, “non-traditional” human security concerns such as terrorism, climate change, transnational crime, resource scarcity, health epidemics, etc., have been, for some time now, at the forefront of contemporary security frameworks. For example, the United Nations Development Programme (UNDP), the EU, the United Nations Department of Political Affairs (UN DPA) and four other UN partners are working on a joint programme to provide technical assistance to relevant stakeholders in conflict-affected countries.

[^5]: This section is adapted from *The Future of an Asia-Europe Strategic Partnership in Conflict Transformation* (ASEF, FES & SIIA 2011).
[^6]: Ibid.
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As Asia and Europe strengthen their economic ties to one another, efforts to improve the Asia-EU strategic partnership have become stronger. Beyond economic co-operation, there is an increasing push to work on other strategic issues relevant to both regions — including non-traditional security issues such as climate change, migration and maritime security. The impacts and consequences of climate and environmental degradation on migration, natural resources and food security are being increasingly noted. Studies also exist that emphasise the causal links between food security and natural resource competition with conflicts.

The increasing securitisation of these issues in global debates has put environmental co-operation on the security agenda. Given the difficulties in securing political consensus on climate change and natural resource management, regional actors would have to seek more opportunities for international co-operation on these issues.

Three megatrends

Whilst the changing nature of conflict can be a trend that will very likely affect the security debates of the future, several other megatrends and the interaction between them are as important for understanding the uncertainties of the future and thus preparing better for the management of crises and conflicts.

The following section addresses three megatrends, amongst many others, that are considered to have the most imminent or prevailing effect in the occurrence of a security conflict and in crisis management.

Accelerating technological change

As mobile devices reach ubiquity, the increased speed of communication and reach of information that ensue will be both a securitising factor and a way to mitigate widespread panic, aggression or misinformation. This double-edged sword is already being wielded by a range of actors — from governments to terrorist cells eager to direct, if not control, the flow of information.

Cloud computing, still a vague concept for many non-“native” internet users, will come of age, thereby redefining “ownership” of data, mobility and security. Widespread information sharing and ease of access are seen to outweigh potential privacy concerns at the moment — at least from the perspective of the average end-user. However, a networked community jacked to a cloud runs the risk of unprecedented cyber-attacks or simply a virus gone wild.

Social media have revolutionised how we define communities and nations. As a tool for social change, they offer a seemingly unlimited source of ideas accompanied with the means to mobilise thousands within minutes. In a frontier-free world of equals, credit, responsibility and blame are hard to assign. What will be the consequences with regard to privacy, intellectual property rights, crime and punishment?
Geospatial technologies such as global satellite navigations systems, real-time cartographical software and remote sensing, to list a few, are changing the way we understand the interactions between the physical and the virtual and more fundamentally, time and space. From estimating flood damage to planning evacuation routes during a suspected terrorist attack to understanding crowd dynamics during periods of high-level civil unrest, geomatics lend order to chaos and predictability to seemingly random events. However, they pose their own unique challenges to established security and governance structures, offering hitherto unimagined opportunities for targeted attacks on key infrastructure and the disruption of public order.

Finally, technological advances in food production, through novel farming methods and genetic modification of crops have resulted in higher yields but also pervasive scepticism with regard to the ecological sustainability and the long-term impacts of such methods. It is unknown if this biotechnological response to food scarcity will result in health and/or ecological distress in the decades to come.

*Increasing global divergence in population trends — migration*

Identified as the new “thorn in the side of inter-regional security relations” with the potential to create conflict and cause diplomatic tension over migrant rights and protection, migration has long been a key policy concern for regional security (ASEF, FES & SIIA 2011). The International Organization of Migration (IOM) estimates that there are about 214 million international migrants worldwide today with the possibility of these numbers reaching 405 million by 2050 (IOM 2011).

Interacting with the traditional drivers of migration — political instability, ageing populations, government policies, opportunities for economic growth, etc., which all influence migration movements in both sending and receiving countries — are the new challenges of climate change, global warming and environmental degradation which have an impact on mass migration. Countries such as Tuvalu already face imminent extinction while Bangladesh, the Maldives and Vietnam face similar threats from rising sea levels. By 2050, approximately 200 million people are expected to be "environmentally induced migrants" within their country or abroad (Brown 2008).

Given the multiple contexts in which migration patterns have to be studied, it is not surprising that many attempts have been made to apply scenario methodology to migration in order to understand its future trends and implications. But while the long-term demographic, political, sociological and economic drivers are important in understanding migration motivations, migration processes themselves are much more dependent on “relatively short-term changes in policies, economic cycles and trends and other hardly predictable fields” (Paoletti et al. 2010). This means that any analysis about the future of migration patterns is subject to ever changing international, regional and domestic priorities and responses of states.
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International actors — civil society, businesses and the emergence of The State 2.0

With a change in the 21st century’s global geo-political arrangements, the emergence of new powerful, political and non-state actors has meant that in terms of international security, “we are confronted with a threefold development. First of all, there are more actors on the global stage; secondly, they are fighting about more issues; and thirdly, they are using more means to do so” (cited in Chunakara 2012). Multiple actors, together with the changing nature of conflict (from inter-state to intra-state, low-intensity, protracted conflict), have led to the realisation that when it comes to conflict management, “no size fits all”. As the global security challenges of the new century become more diverse and yet more inter-dependent, there is a need for a comprehensive approach to conflict management and security; already there is a perceptible shift from traditional “conflict management” towards “conflict transformation”.

How megatrends will shape the future

In analysing the future of Asia and Europe from a soft-security perspective, this section presents three possible scenarios, in which three distinct models of governance prevail. The characteristics of the differing scenarios will largely depend on the extent to which the three issues (i.e., cooperation and communication, the role of state and soft-security issues) receive priority and attention by policy makers and the public. Also fleshed out in these scenarios are the megatrends identified earlier (i.e., accelerating technological change; increasing global divergence in population trends [migration]; and the evolution and emergence of international actors).

The following analysis and recommendations are partly based on the 8th Asia-Europe Roundtable (8th AER), co-organised by ASEF, the Friedrich Ebert Stiftung (FES) Office for Regional Cooperation in Asia and the Singapore Institute of International Affairs (SIIA). To address the complexity that is involved in building an inclusive and strategic multi-sector Asia-Europe partnership on conflict transformation, the 8th AER, held in Bali, Indonesia in May 2011, adopted a strategic foresight approach to explore the different trajectories of Asia-Europe co-operation that could develop in the future with regard to conflict and security issues.

Grey Paradise

In a world dominated by global political structures, widely redistributed resources and a dominant state, Asia-Europe collaboration will remain relevant in 2030, and strengthen towards building a common security framework. Such global governance allows for progress in many areas but a significant erosion of the role of civil society and a shift in the “traditional” role of the state.

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7 Conflict transformation focuses not just on the short-term prevention or resolution of conflicts but addresses the serious structural challenges and inequities of communities that often lie behind conflicts. See Hugh Miall, Conflict Transformation: A Multi-Dimensional Task”, Berghof Foundation for Conflict Studies: 2004.

8 See Introduction chapter to this volume on the methodology in this scenario-building exercise.
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1. Grey Paradise: Accelerating technological change

In a Grey Paradise, strong state governance and heightened international co-operation help bridge the digital divide. National initiatives to increase access to the online sphere are backed by international structures like the United Nations (UN), which play a strong regulatory role. Government spending on information technology (IT) infrastructure and education increases considerably while “development” and “overseas development aid” are redefined to have an Information and Communication Technology (ICT) focus. These initiatives result in a proliferation of internet access points, an increase in the availability of cheap computers and a generation of internet “natives”

As co-operation increases and the distribution of resources becomes more equitable, access to information and communication technologies increases. According to the International Telecommunications Union, there were approximately 2.5 billion internet users globally in 2011. This represents around 35% of the global population. Considering both users of personal computers and mobile-only internet users, this figure could exceed five billion in a world with a population of around eight billion.⁹

As online communities grow in terms of size and clout, they serve as a counterweight to the state, giving rise to a brief flourishing of civic participation, social movements and non-state media initiatives. Protests and demonstrations peak around 2020 and then wane as governments and citizens both accept civic participation in political decision-making as the norm.

This results in changes in the way states negotiate this new terrain of public opinion and how they engage their citizens. Strict censorship by government regulatory bodies, decentralisation of censorship through punitive measures against website hosts and the “guidance” of online opinion through the discrediting of alternative viewpoints and the provision of “correct” information could become increasingly common in the authoritative states in a Grey Paradise as can already be seen in certain present-day regimes (Zhang and Shaw 2012). In the worst cases, there is a widespread clampdown on social media by state authorities. In response to the challenge that the internet, and in particular social media, poses to the Westphalian model of governance, states enact internationally binding treaties to curb online freedoms. Governments can no longer afford to be ambivalent regarding the internet.

In this climate, there is a heightened perception of technological or cyber-threats leading to the militarisation of cyber-security. Myriam Dunn Cavelty (2012) explains,

In the last decade, cyber-security has risen up the ranks to become what is perceived as a crucial component of any national security plan or agenda. The ubiquity of the personal computer and mobile devices along with the rapidly increasing complexity of cheaply available software and hardware contribute to a sense of vulnerability. This, combined

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with the “faceless” nature of the perceived threat, make cyber-security issues both terrifying and unlike other traditional threats to national security. Often the response of the state is further militarisation.

The following classification of cyber threats has been taken from Dunn Cavelty’s “The Militarisation of Cyber Security as a Source of Global Tension” (2012, 16):

**Cyber war:** The use of computers to disrupt the activities of an enemy country, especially deliberate attacks on communication systems. The term is also used loosely for cyber incidents of a political nature.

**Cyber terror:** Unlawful attacks against computers, networks, and the information stored therein, to intimidate or coerce a government or its people in furtherance of political or social objectives. Such an attack should result in violence against persons or property, or at least cause enough harm to generate the requisite fear level to be considered ‘cyber terrorism’. The term is also used loosely for cyber incidents of a political nature.

**Cyber sabotage:** The deliberate disturbance of an economic or military process for achieving a particular (often political) goal with cyber means.

**Cyber espionage:** The unauthorised probing to test a target computer’s configuration or evaluate its system defenses, or the unauthorised viewing and copying of data files.

**Cyber crime:** A criminal activity done using computers and the internet.

**Hacktivism:** The combination of hacking and activism, including operations that use hacking techniques against a target’s internet site with the intention of disrupting normal operations.

Originating in the United States of America in the 1970s, cyber security discourse spread to the rest of the world in the 1990s framed as an urgent matter that only the state had the power to solve. “The latest trend is to frame cyber security as a strategic-military issue and to focus on countermeasures such as cyber offence and defence, or cyber deterrence.”

In a Grey Paradise, the reaction of the strong state to perceived cyber threats could result in the development and acceptance of internationally agreed norms on cyber war. The cyber dimension could also tip the scales against traditional superpowers if they have weaknesses in their cyber infrastructure. In the worst case, the framing of cyber threats as “wars” could result in states handling online threats like they would an attack on land, at sea, in the air or in outer space.

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10 Ibid.
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fact, “Cyberspace” is now already an officially designated sector in US military strategy. As Dunn Cavelty points out, “Thinking in terms of attacks and defence creates a wrong image of immediacy of cause and effect.”

As cyber threats become more “real”, the tendency to retaliate in “real” terms also increases. Indeed the White House’s new International Strategy for Cyberspace (2011) declares that the US reserves the right to use military action in response to hostilities in cyberspace (United States Department of State 2011).

The strong states and stable international governance of Grey Paradise do, however, offer a number of opportunities when it comes to anticipating, mitigating, managing and recovering from crises.

A United Nations Foundation report on the role of information and social networks gives an insight into what could be possible when strong international bodies and a technological approach to security threats meet (United Nations Foundation 2009). The report identifies four areas in which information and social networks could have a positive impact in the context of conflicts or crises: early warning and communication needs; building community resilience; coordination in emergencies (national and international); and post-crisis services and development.

In a Grey Paradise, governments and international organisations play a crucial role in disseminating timely and accurate information on impending crises, allowing co-ordinated responses to be delivered in time to arrest them or reduce their impact. The highly efficient early warning systems serve as two-way channels of communication, directing information and concerns from citizens to governing bodies while communicating evacuation measures, status reports and real-time information from authorities to those in affected areas.

Concerted efforts in developing these two-way channels, coupled with education and preparedness initiatives within at-risk sectors of society, result in communities that are well-equipped to handle a range of emergencies. The earlier United Nations Foundation report concludes that “meeting the information needs of communities before the onset of emergencies is an important way to build preparedness and resilience” (United Nations Foundation 2009, 25). The level of international co-ordination and strength of the national infrastructure present in a Grey Paradise would make meeting such needs possible.

Once such communication infrastructure is in place, the dissemination of information and the coordination of a multi-sector response to crises would be far easier to manage. In a Grey Paradise, citizens would place great trust in state authorities, complying with measures they put in place during emergencies. If such measures are based on accurate and timely information, the emergency response is likely to be successful due to the strong existing support architecture. However, if governments and international organisations are unable to obtain accurate, real-time status reports from affected areas, thereby formulating poor responses, their efforts are likely to

11 Ibid.
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exacerbate the crisis. Once again, two-way communication is key: “it is the people concerned who themselves have the most detailed and immediate information needed for humanitarian agencies to deliver an effective response” (United Nations Foundation 2009, 37).

Finally, technological solutions also have a role to play in post-crisis reconstruction and infrastructure development. In an uncertain post-conflict or post-crisis climate, accurate monitoring could mean the difference between lasting peace and a resurgent conflict. In a Grey Paradise, post-conflict communities can partake in many of their usual activities via online tools (such as banking, education, job applications, communicating with friends and family as well as leisure activities). Mobile phones and cloud computing provide much-needed continuity to communities whose lives have been disrupted by crises. It is, however, crucial that authorities in a Grey Paradise integrate NGOs, other civil society groups and the business sector in their plans for rebuilding after a crisis. This will facilitate greater economic activity, a more rapid normalisation of social interactions and more lasting peace.

2. Grey Paradise: Increasing global divergence of population trends — migration

With the globalisation of the economy and the regularisation of labour migration in the early 21st century, “migration management” became a keyword amongst policy makers to shape and limit migration movements. The competition for high-skill labour increased, especially in Europe, for specialised sectors such as health and information technology. This demand is fuelled further, in a Grey Paradise, by ageing populations, especially in the OECD countries.

With large Asian populations already working and settling in Europe, migration inflows into Europe continue, regardless of any developments that improve socio-economic conditions in sending countries (Bijak et al. 2004). With increased efforts to regulate their labour markets, restrictive migration policies are set in many countries — in both Asia and Europe — with the view of controlling migration inflows, especially for lower skill levels. In such conditions, irregular migration tends to increase so that greater efforts need to be made to tackle human trafficking and illegal migration channels, which often leave workers more vulnerable to the vagaries of the market.

To ensure equity and access to essential social security benefits for those at opposite ends of the earning scale, states in a Grey Paradise adopt a solidarity-based approach to labour (ASEF, FES and SIIA 2011). The crisis conditions of the early 21st century emphasised the importance of social security provisions for workers to weather economic uncertainties. While this results in greater global equity in protection of migrant rights, it also places a huge burden on the state with regard to the development of the necessary infrastructure for the management and regulation of migration and the provision of adequate social protections to all citizens.
In the “borderless” Grey Paradise, increased and improved international agreements on labour migration amongst ASEM countries result in joint mechanisms to address the concerns of the global labour market. Asia and Europe are able to transform some migration challenges into opportunities through the development of an open and integrated bi-regional labour market, ensuring a regulated flow of skilled and unskilled labour among the two regions.

Key features of this open and integrated labour market could be\(^{12}\):

- a common and comparable wage policy that is adopted by all social partners (namely, governments, employer and employee associations);
- transferable social security and pension benefits; and
- a solidarity-based social insurance system in both regions which includes universal coverage of income security and social protection

Despite its wider economic benefits, the free movement of people within and between Asia and Europe is not without challenges. Social tensions in host countries arise due to large inflows of immigrants. Following the trend that began in the aftermath of the 2009 financial crisis, right-wing political parties in Europe exploit public dissatisfaction with regard to the influx of low-skilled labour in the region while growing frustration in Asia with foreign white-collar employment also increases. Xenophobia and anti-immigrant sentiment can cause new conflicts by rousing collective identity emotions.

Integration of immigrants and their families in the host country is identified as the key to maintaining social cohesion. “Governments therefore need to plan in terms of long-term migration and effective integration strategies for immigrants and their families”\(^{13}\). In addition to promoting policies of social inclusion, governments enforce equal opportunity and anti-discrimination laws. Certain best practices such as Rotterdam’s “meetings between old and new residents” are emulated across regions.\(^{14}\)

One important gain from the redistribution of populations across ASEM is mutual understanding and respect for the different values and mindsets of people. In the Grey Paradise of 2030, policy makers across the ASEM countries:\(^{15}\)

- prioritise integration policies to ensure political trust;
- attempt to harmonise education systems so that secular and intercultural training is provided from primary education onwards;

\(^{12}\) Extracted from *The Future of an Asia-Europe Strategic Partnership in Conflict Transformation* (ASEF, FES & SIIA 2011).


\(^{14}\) For more information, see the World Economic Forum’s project “Stimulating Economies through Fostering Talent Mobility”, http://www.weforum.org/industry-partners/groups/ps-professional-services-0.

\(^{15}\) Extracted from *The Future of an Asia-Europe Strategic Partnership in Conflict Transformation* (ASEF, FES & SIIA 2011).
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- promote the development of multicultural education programmes as an effective peace-building measure; and
- work together towards establishing world-class trans-regional universities and the seamless movement of academics and students

Despite the most concerted effort of ASEM governments, security challenges associated with migration remain. Migration due to environmental factors, in particular, climate change, becomes an increasingly important security issue. A US National Intelligence Council report (Centra Technology, Inc. and Scitor Corporation 2010) already identifies climate change migration hotspots in Cambodia, Indonesia, Thailand and Vietnam. The report — with contributions from the Asian Development Bank — predicts “large-scale migration from rural and coastal areas into cities” and that this form of internal displacement will “increase friction between diverse social groups already under stress from climate change”\textsuperscript{16}

The topic gained global attention with the inclusion of migration specific clauses in the policy processes of the UN Framework Convention on Climate Change (UNFCCC). The Cancun Adaptation Framework, adopted at the 16th COP in December 2010, invited parties to take:

Measures to enhance understanding, coordination and cooperation with regard to climate change induced displacement, migration and planned relocation, where appropriate, at the national, regional and international levels (para 14.f)

Christian Parenti in The Tropic of Chaos identifies two possibilities of political adaptation to climate change (2011). The first response could be to develop a new diplomacy, which seeks ways to avoid, contain and reduce the conflicts that could develop from climate change related, food and water insecurities. The alternative approach is that of:

… [the] armed lifeboat: responding to climate change by arming, excluding, forgetting, repressing, policing and killing. One can imagine a green authoritarianism emerging in rich countries, while the climate crisis pushes the Third World into chaos (Parenti 2011, 12).

ASEM governments struggle to find ethical and sustainable ways to address the socio-economic implications of large-scale migration due to climate change.

3. Grey Paradise: International actors — civil society, businesses and The State 2.0

In a world dominated by global governance structures, the UN remains the natural epicentre for the protection of human security. However, the UN has a mixed record when it comes to structural prevention. Limited mostly to preventive diplomacy and mediation, most UN successes have so far been restricted to small and medium states. When major powers are involved in a conflict situation (either directly or indirectly) or when there is lack of government consent,

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the active involvement of the UN, including the Security Council, in the structural prevention of conflict is currently less likely (Rubin and Jones 2007). This remains true in the Grey Paradise scenario.

Successful UN efforts in this area result from collaboration and co-operation with other multilateral, international and regional institutions. The UN has been involved in the capacity building of regional organisations (such as the Economic Community Of West African States, or ECOWAS) since regional institutions are better placed to be responsible for the “co-ordination of the implementation of systemic prevention measures at the regional level. They also increase capacities for operational prevention and for co-ordinating the implementation of peace agreements and reconstruction programs” (Rubin and Jones 2007, 401). This becomes more common in the highly networked Grey Paradise.

In 2010, EU policy watchers identified that more active co-operation with international processes, such as the UN, should be part of the EU’s strategy towards becoming a powerful global actor.17

As outlined in its 2010 Hanoi Plan of Action, the ASEAN Regional Forum (ARF), which was established to foster dialogue and consultation on political and security issues in the Asia-Pacific region, strengthens co-operation measures with other regional and international security bodies in a Grey Paradise.

With Asia-Europe collaboration remaining relevant in 2030 and moving towards building a common security framework, specific measures are undertaken at the ASEM level to improve the effectiveness of joint Asia-Europe co-ordination in the conflict sphere. They include measures that:18

- Enhance inter-operability of national peace-keeping forces, including trainings;
- Enhance programmes in building conflict transformation capabilities; and
- Establish a joint Asia-Europe Peace-keeping Centre

Among the emerging new powers, China and India receive special attention. As part of their efforts to be recognised as international actors with global interests, both China and India emerge as prominent development actors in their own right.19

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17 In a 2010 strategy paper for EU foreign policy, the European Union Institute for Security Studies recommended that the EU should go beyond the Joint Declaration of 2004 on co-operation with the UN in crisis management and explore ways in which Common Security and Defence Policy (CSDP) operations can be integrated with UN operations. Furthermore, the specific expertise that the EU may develop in security sector reform should also be at the disposal of the UN. Current proposals to enhance EU mediation and facilitation mechanisms in full association with UN structures should be promptly fulfilled. See further details in A. de Vasconcelos (ed.), “A strategy for EU foreign policy”, European Union Institute for Security Studies Report No. 7, June 2010.

18 Extracted from The Future of an Asia-Europe Strategic Partnership in Conflict Transformation (ASEF, FES & SIIA 2011).

19 Both Countries already provide development assistance. Under the India Development Initiative, the country currently disburses about US$2 billion per year while covering 158 countries in its Technical and Economic Cooperation scheme. China, likewise, has increased its development assistance — usually a package of aid, trade and investment. China’s
Regional heavyweights “could also become ‘regional champions’ by having a greater responsibility to uphold regional peace and security — which in turn raises the possibility of the improvement of protection and human rights standards — with the support from regional and inter-regional partners” (ASEF, FES and SIIA 2011, 18). When it comes to accepting and promoting international protection norms such as the Responsibility to Protect (R2P) doctrine, the influence of emerging powers in supporting international intervention in a crisis situation is especially important.

Citing principles of non-interference and sovereignty, BRICS countries (Brazil, Russia, India, China and South Africa) have traditionally been reluctant to support R2P. However, as Stuenkel points out, “While it may have been feasible to prize sovereignty over intervention at all times before, emerging powers’ interests are too important and complex to hold on to such a radical position. A protracted political crisis in the Middle East, for example, strongly affects all BRICS members’ national interests, and if they were able to articulate a common strategy in specific moments, they’d be able to offer a serious alternative to the established powers’ narrative” (Stuenkel 2012). And although it hasn’t yet gained traction, the inclusion of the “Responsibility while Protecting” principle (RwP) in the 2011 IBSA Summit Declaration is seen as being indicative of the growing flexibility of at least some of the BRICS powers to support R2P interventions under specific circumstances. This is a trend that is likely to continue in a Grey Paradise.

For the ASEM process, Stuenkel recommends that:

> While R2P is an international instrument, which requires decision-making at the UN level, ASEM actors should begin to discuss the implications of R2P at the inter- and intra-regional levels. Since R2P has an impact on the disaggregation of actions, the roles and responsibilities of different actors need to be identified (including those of non-state actors). Standards need to be set which would involve a far more complex legal framework than what is currently in place. Consensus at the bi-regional level would present a united voice at the international table.

When a country begins to exceed the status of a regional power and starts moving in the direction of being a global player, it may also exercise its dominance in the existing security structures, which can be a source of some instability in the region. The rise of one key player in the region could also see a reaction from other state actors — either from a single state or from a grouping, in the form of new institutions, to maintain the balance of power. For example, ASEAN’s efforts to strengthen regional integration efforts are often seen as a desire of the region to maintain its political and economic space, situated as it is, between China and India (Sherman et al. 2011). The instinct to integrate further regionally may thus be in reaction to the insecurity felt by states as a result of the rise of regional powers in a densely interconnected Grey Paradise.

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2011 White Paper describes a nearly 30% annual growth of its foreign aid between 2004–2009 (Sherman et al. 14). Both countries also participate in UN peace-keeping operations — by 2010, China had contributed 17,390 personnel to nineteen UN missions, which is more than any other UN Security Council permanent member (Sherman et al. 18).
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#### Table 1. Matrix — Grey Paradise

<table>
<thead>
<tr>
<th>Co-operation</th>
<th>The State</th>
<th>Soft-security Concerns (food, environment, terrorism)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technology</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Facilitate international co-operation</td>
<td>- Highly regulated</td>
<td>- Increase in state surveillance</td>
</tr>
<tr>
<td>- Reduce digital divide</td>
<td>- Little space for free collaboration</td>
<td>- Improved early warning systems for food and</td>
</tr>
<tr>
<td></td>
<td>- Producing public goods on the grid</td>
<td>environmental insecurity</td>
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<tr>
<td></td>
<td></td>
<td>- Increase in hacking and hacktivism</td>
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<tr>
<td></td>
<td></td>
<td>- Nation-state sponsored cyber-attacks</td>
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<tr>
<td></td>
<td></td>
<td>- Cyber vector as a force multiplier in nation-state</td>
</tr>
<tr>
<td></td>
<td></td>
<td>conflicts</td>
</tr>
<tr>
<td><strong>Migration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- In a “borderless” world, increase and</td>
<td>- Huge burden on the state for regulation and</td>
<td>- Increase in food insecurity</td>
</tr>
<tr>
<td>improved international agreements on labour</td>
<td>infrastructure for migration</td>
<td>- Increased environmental migration leads to increased</td>
</tr>
<tr>
<td>migration</td>
<td>- Increased trafficking</td>
<td>state burden</td>
</tr>
<tr>
<td>- Greater global equity in protection of migrant</td>
<td>- Opportunities for individual states to</td>
<td>- Clash of “values”, ghettoisation; old vs. young</td>
</tr>
<tr>
<td>rights</td>
<td>obtain human resources in those areas it is</td>
<td></td>
</tr>
<tr>
<td>- Focus on economic incentives</td>
<td>lacking</td>
<td></td>
</tr>
<tr>
<td>- Diminishing sense of community</td>
<td></td>
<td></td>
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<tr>
<td>- Younger people have greater opportunities to</td>
<td></td>
<td></td>
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<tr>
<td>move</td>
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<td></td>
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<tr>
<td><strong>International Actors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Increase in international alliances/networks</td>
<td>- Tension between state representatives and</td>
<td>- Increase in information networks</td>
</tr>
<tr>
<td>of NGOs, business, etc.</td>
<td>international non-state alliances</td>
<td>- Easier and greater movement of goods and services</td>
</tr>
<tr>
<td>- Easier trade agreements to boost business</td>
<td>- Borderless networks</td>
<td>(to counter food insecurity)</td>
</tr>
<tr>
<td>- Boost to international principles like</td>
<td>- Increase in fiscal and trade regulation</td>
<td>- Sharing of technical know-how</td>
</tr>
<tr>
<td>Responsibility 2 Protect</td>
<td></td>
<td>- Increase in illegal trade and trafficking</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Changes in communication have occurred with the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>rise in technology</td>
</tr>
</tbody>
</table>
Key messages

- Greater government-civil society dialogue on the issue of online freedom vs. national security could help educate both parties on the rights and responsibilities of actors online. This could help avoid the securitisation of technology and the militarisation of cyberspace in the long run.

- At any stage of a conflict or crisis, two-way communication between citizens and national or international authorities, is key. ASEM governments should make an active approach towards civil society groups already working in conflict zones in order to include them in the development of any early warning system, emergency response strategy or post-conflict reconstruction plan.

- To transform migration challenges into opportunities, ASEM countries should continue to develop joint mechanisms to address the concerns of the global labour market so that the interlinked economic regions profit from the flow of knowledge and skills. A solidarity-based approach to labour markets is required so as to maintain equilibrium between those at opposite ends of the earning scale.

- Integration of immigrants and their families in the host country is important to maintain social cohesion. In addition to promoting policies of social inclusion, governments also need to enforce equal opportunity and anti-discrimination laws. Certain best practices such as Rotterdam’s “Meetings between old and new residents” could be emulated across regions.

- Successful international efforts in improving conflict prevention will require collaboration and co-operation with other multilateral, international and regional institutions since regional institutions are better placed for the co-ordination and implementation of conflict prevention at the regional level.

- Specific measures could be undertaken at ASEM’s level to improve the effectiveness of joint Asia-Europe co-ordination in the conflict sphere such as enhancing interoperability of national peace-keeping forces, including training and building programmes to improve conflict transformation capabilities.

- ASEM actors should begin to discuss the implications of Responsibility to Protect (R2P) at the inter- and intra-regional levels. Since R2P has an impact on the disaggregation of actions, the roles and responsibilities of different actors need to be identified (including those of non-state actors). Consensus at the bi-regional level would present a united voice at the international table.
With weakened political structures and increasing crisis conditions, people turn to self-organisation with civil society and business organisations providing the bulk of public services. Firms and corporations become the strongest players. While this is an innovation-rich scenario, there are inequalities and security problems.

1. MosaInc.: Accelerating technological change

In the self-organised world of MosaInc. with little or no state regulation of the internet, the online exchange of information, money and ideas are governed by the interests of the individual, special interest groups and businesses.

As mobile technologies become even more prevalent, this lack of regulation will pose certain security challenges alongside the positive effects of having a free and open marketplace of ideas, services and goods. Mobile technology providers focus on usability at the expense of security, leaving mobile devices vulnerable to a host of worms, viruses and other malicious applications that would not normally affect a personal computer. Mobile phones become vectors for the spread of malware to more secure devices.20

As cloud computing becomes the norm, it becomes a hotbed for criminal activities due to the difficulty of assigning blame in a largely anonymous cloud environment and particularly due to the weak government regulatory structures present in MosaInc. Kim-Kwang Raymond Choo explains, “Such services could potentially be abused by organised crime groups to store and distribute criminal data (e.g., child abuse materials for commercial purposes) to avoid the scrutiny of law enforcement agencies” (Choo 2010).

The vacuum left by strong government structures is quickly filled by the private sector, which plays a strategic and regulatory role as both the agenda-setter and the gate-keeper of knowledge. Advances and the prevalence of mobile and computing technology further minimises the role and presence of the state due to the privatisation and concurrent or subsequent automation of most government services. In real terms, interaction with state bodies is reduced to little more than accessing a web portal or mobile phone application.

The market in MosaInc. is able to set the price for what was once considered public goods and services. With most transactions taking place online, the “freemium” multi-sided business model becomes increasingly common. In this model, products and services are offered for free but a premium is charged for advanced services, functions, features or good (de la Iglesia and Gayo 2008). As more and more “public” services are transferred to the private sector, citizens engage

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education, healthcare and transportation service providers who offer free basic services — only to be saddled with massive bills as their needs change, increase or become more specific. This results in widespread human insecurity with regard to basic needs.

Corporate entities take on the role of surveillance and regulation in this situation. However, rather than being motivated by public need or the responsibility to protect, they are motivated by the prospect of profit. Private security services (both real and virtual) flourish, resulting in some highly secured communities business sectors as well as highly vulnerable communities — depending on the money that one can invest in data security, private “police” forces and paramilitary forces.

As MosalInc’s corporate structures become more entrenched, global governance structures (like the UN) are replaced by gargantuan multinational corporations (MNCs). The United Companies of MosalInc. export not only products advertisement services but also values on a global scale.

The need to stay ahead of the competition in a fragmented and technocratic MosalInc. world results in a technology arms race between competing corporate structures. As Lee Kovarsky explains, “The more abstract meaning of ‘arms race’ denotes the presence of [at least] two antagonistic parties acquiring similar resources or devices, where each party’s ‘armaments’ are designed to undermine the objectives of its opponent” (Kovarsky 2006). This spurs innovation on an unprecedented scale with a large proportion of earnings going towards research and development.

Due to the importance of demographic information, personal data and other protected information to companies seeking to increase their profits through targeted advertising and direct marketing, government databases and registers become targets of corporate espionage. Companies engage in spying reminiscent of the Cold War era, in order to obtain blueprints and prototypes of unreleased technological goods and services.

Kovarsky further explains the arms race analogy, citing wastefulness and poor wealth-distribution as the securitising factors analogous to military aggression in a traditional arms race: “the most important distinction between military and technological arms-race models is that the military variety are concerned with how well variables predict not only racing behaviour, but also armed conflict. Because warfare possesses no analogue in the technological arms race, I evaluate these variables only in terms of how they predict the persistence of wasteful wealth-redistributive manoeuvres”(Kovarsky 2006, 939).

Lack of regulation with regard to copyrights, patents, manufacturing practices, drug testing and the genetic modification of food — coupled with intense competition between corporate entities on these fronts — result in gross invasions of privacy, the commoditisation of personal information, health problems and the unsustainable use of natural resources. Civil society groups step in to protest against these unethical and unsound practices and to demand accountability from corporate entities whose behaviour has gone unchecked by weak state authorities.

Kovarsky adds, “given the significant negative externality associated with diminished creative incentives, the arms races may have social costs that extend well beyond wasteful wealth redistribution,” elaborated in the analysis in this section.
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Once the consolidation of corporate power in a few conglomerates reaches this stage in MosaInc., there is systemic erosion of classic civil liberties. Citizens’ access to information is vastly reduced with powerful companies controlling what people can watch on the news and learn in schools. The right to freedom of expression, in old and new media, is greatly curbed by the fear of being sued by powerful companies should one express views that could potentially tarnish the image of their brand or call into question their business model. Citizens also lose control over their most private information, which often becomes part of a well-researched corporate strategy.

Indeed, this invasion of privacy and reduced access to information may be so pernicious that citizens may be largely unaware that it is happening at all. Online search personalisation is one way in which this is done. The Georgia Tech Emerging Cyber Threats 2012 report states “Security researchers are currently debating whether personalisation online could become a form of censorship. Websites, news media sites, social networking sites and advertisers are all sharing personal data about individuals with the goal of more effectively targeting information for those individuals. For example, a news media website might highlight several articles under the heading “Recommended for You” based on age, ethnicity, location, profession and items searched previously. If a user only received news under this heading, it could be limiting. The same principle holds for search engines that filter results according to algorithms that factor a user’s personal information” (Georgia Tech 2012, 8).

2. MosaInc.: Increasing global divergence of population trends — migration

In politically fragile states, environmental stress can act as further threat multipliers. A 2007 report by International Alert (Smith and Vivekananda 2007, 3) identified:

…Forty-six countries — home to 2.7 billion people — in which the effects of climate change interacting with economic, social and political problems will create a high risk of violent conflict. [furthermore] There is a second group of fifty-six countries where the institutions of government will have great difficulty taking the strain of climate change…. In these countries, though the risk of armed conflict may not be so immediate, the interaction of climate change and other factors create a high risk of political instability, with potential violent conflict a distinct risk in the longer term. These fifty-six countries are home to 1.2 billion people.

Climate-change induced migration is an identified security risk, with the potential to generate further instability, conflict and disruption to traditional coping mechanisms of the host population, thereby increasing the chances of state failure (HREC 2008). This is an especially acute problem in a MosaInc. of weak states and ineffective international governance.
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In particular, environmental change drives rural-urban migration\textsuperscript{22} so that cities, especially those in environmentally vulnerable regions, face a “double jeopardy future”. Not only do they have to cope with the pressures of expanding populations but also climate threats (Government Office for Science 2011). As noted by Elliott (2012),

Internal and cross-border climate migration is assumed to be more likely to result in social unrest, conflict and instability when it occurs in countries or regions that face other forms of social instability (or have a recent history of such instability), that possess limited social and economic capacity to adapt.

While climate migration in itself cannot be wholly stopped or controlled, efforts to improve the long-term resilience of communities to adapt to climate change have to be prioritised (Govern Office for Science 2011). In a Mosaic Inc. world, the protection gaps caused by the inability of the state to adequately deal with displacement can be bridged by the involvement of relevant civil society organisations using a “bottom-up” approach to effectively address community concerns. Tensions caused by the arrival of new migrants in areas already affected by instabilities require organisations involved conflict resolution to address the underlying tensions from which these conflicts develop.

It should be recalled that the population’s most vulnerable to climate change pressures are often unable to access safe migration channels (for both socio-economic and physical reasons), which increases the likelihood of migrating in illegal and irregular ways. The Oxford Research Group has pointed out that in response, “demanding enhanced and more aggressive border security is likely to be the knee-jerk reaction from some politicians and sections of the general public… [and] the protection of national and maritime borders and the detention of illegal immigrants is likely to become an increasing priority for the police and coastguard” (Abbott 2008, 6).

In a Mosaic Inc., migration management for immigration control, traditionally seen as a responsibility and function of the state, is increasingly addressed by the private security sector. In a scenario where governments have diminished capacity to address the needs of their populations, the opportunities for the private sector to take over state responsibilities increase. In countries such as Australia and the United Kingdom, immigration functions were already, at the beginning of the 21st century, contracted out by the state to private companies. Given how private actors are not subject to international human rights law, their legal responsibility and accountability can be difficult to determine.\textsuperscript{23} In such situations, it is up to states and civil society organisations to provide a system of checks and balances to ensure that corporate actors are subject to monitoring mechanisms and strict, regulatory frameworks so as to protect the rights of migrants.

\textsuperscript{22} It is estimated that the populations living in urban flood plains in Asia may rise from thirty million in 2000 to between eighty-three to ninety-one million in 2030 (Government Office of Science 2011).

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The World Economic Forum (WEF) has estimated that because of a declining working age population, developed countries by 2030 will experience limited growth (to maintain its current average economic growth, forty-six million additional workers would be needed in Western Europe). In contrast, while many developing countries (with the exception of China) will see an increase in their working group populations, a lack of proper skills will mean limited employability for many in that group. As such, the solution lies not just in labour mobility but also in fostering workforce skills in the working age population (WEF 2010).

Given the scale of the stakeholders involved, especially in situations when governments lack the resources to take the lead, non-profit and business sectors are often in a better position to assess and fill skill gaps.

In a MosaInc. scenario, the skill gap is met by:24

- public-private partnerships for promoting education and training which are developed between academic institutions, businesses and governments so as to align key stakeholders on the knowledge and skills required by the market;

- collaboration between the private sector and the state in defining present and future skills needs that are critical for economic development;

- migration and integration policies are designed in co-operation with employment and social agencies; and

- both countries and corporations reinforce their efforts to build inclusive communities and work environments in order to improve integration of diverse migrants. Diverse organisations are better positioned to find the right skills by tapping into a broader talent pool, and to manage their multicultural workforce more effectively.

3. MosaInc.: International actors — civil society, businesses and the emergence of The State 2.0

Since conflict transformation incorporates both conflict prevention and peace-building activities, it takes into account the different actors involved. Moreover, when institutional actors have little influence or where political institutions are weak and fragile, the work of non-state actors takes on greater relevance. In a MosaInc. scenario, non-state actors play a crucial role in conflict transformation — not just in their capacity to address and influence conditions on the ground but also because they are positioned to work directly with the communities involved. In addition to providing early warning and monitoring conflict levels, they also meet the gaps in the delivery of public goods and services, raising funds for local development in those areas where the political

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24 This description of public-private collaboration in MosaInc. is based on the recommendations made by the World Economic Forum (WEF), 2010, in “Stimulating Economies through Fostering Talent Mobility”. 2010. http://www.weforum.org/industry-partners/groups/ps-professional-services-0.
infrastructure is weak or missing. Furthermore, when acting as a neutral broker, NGOs also play an important role in bringing conflicting parties to engage in dialogue using Track II or Track III (at the grassroots level) channels of mediation.

Furthermore, the emergence of non-traditional security concerns has resulted in a requirement for a multi-track approach to conflict transformation, which calls for a combination of activities and a multiplicity of actors, institutions and organisations.

With a better understanding of the need to engage in strategic public diplomacy, there is a “growing emphasis on image and state ‘branding’ as governments use corporate techniques to establish a distinctive voice and identity in the cacophony swirling around the international system. Large companies seek to develop their own task-defined diplomatic structures to serve their particular needs and develop local expertise as in the case of Shell and Nigeria that national diplomatic services would find hard to rival” (Hocking 2004, 149). Increasingly, the traditional, negative view of private sector involvement in conflict as “spoilers” or beneficiaries of war economies gives way to the recognition of business groups and multinational companies as being an important link in establishing and sustaining peace processes, especially in politically fragile states or post-conflict environments where a strong private sector is required for economic reconstruction.

Private actors play an important role in multi-track mediation processes given their close access to resources, expertise and different networks in a Mosaic. When supported by larger international mediation efforts, the “involvement of local business people with conflict parties seem to be of particular relevance since small, local business actors may have more leverage within Track II processes” (Iff et al. 2010)

While international organisations in a Mosaic are willing to include private actors in conflict prevention partnerships, this is still controversial among NGO activists as it was in the first decade of the 21st century (Haufler 2004). Although private sector actors are held accountable to international human rights norms under corporate social responsibility guidelines, their responsibilities and obligations under international law are still unclear. In many countries the distinction between the political and business classes is narrow; this has an impact on the use of business actors in mediation processes since “ties between business and politics can both create divisions as well as help to build bridges and promote dialogue between different groups” (Iff et al. 2010, 32)

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25 Multi-track approaches refer to the different levels of interaction between the different parties to a conflict. At its highest level, formal discussions between senior officials (political and military leaders) are referred to as Track I, while Track II efforts relate to dialogues and activities between civil society leaders and officials participating in their private capacity, who work to build relationships and still have some influence over policy. Track III processes take place at the grassroots level. The involvement of non-state actors in peace-making is a positive development as “private citizens are less constrained by political concerns than government officials. The unofficial setting of Track II diplomacy often allows for more freedom, creativity, and risk taking” (Rasmussen 1997, 23–50).
Legislations passed by a number of governments (e.g., the United States or the United Kingdom) in the wake of the 9/11 terrorist attacks in New York made it illegal for organisations and individuals to meet and support those armed groups who are listed as terrorist organisations — even if this was for the purpose of engaging in peace dialogue with armed groups to end conflict. Similar UN-level policies also impaired Track II efforts. In a MosaInc. non-state actors engage in such dialogue, regardless of the prevailing laws, with mixed results: When engaged at an early opportunity with a clear understanding of their roles and duties and with strong coordination with other civil society and government actors, their efforts are met with positive results. Where private and public efforts are not co-ordinated, mediation outcomes are often poor and sometimes disastrous.

### Table 2. Matrix — MosaInc.

<table>
<thead>
<tr>
<th></th>
<th>Co-operation</th>
<th>The State</th>
<th>Soft-security Concerns (food, environment, terrorism)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technology</strong></td>
<td>• Increase in innovation depending on who takes initiative (state/private)</td>
<td>• Technology minimises the role and presence of the state (e-government)</td>
<td>• Highly secured communities/business sectors vs. highly vulnerable communities (depending on the money that one can invest) — e-security, surveillance</td>
</tr>
<tr>
<td></td>
<td>• Increase in competition for developing new technologies (technology race instead of arms race)</td>
<td>• Given that the state is sidelined, technology is supportive and most utilised by non-state actors who are the driving force</td>
<td>• Private security service flourishes</td>
</tr>
<tr>
<td></td>
<td>• Lack of state authority means greater freedom for online opinion (also means an increase in lawsuits if one is abusing a corporation)</td>
<td>• Personalisation and risk</td>
<td>• Businesses control citizen information and privacy</td>
</tr>
<tr>
<td></td>
<td>• Cloud computing</td>
<td></td>
<td>• No privacy laws (since the state does not have a regulatory role)</td>
</tr>
<tr>
<td></td>
<td>• “Freemium” multi-sided business model empowers advertisers and civil society</td>
<td></td>
<td>• Wireless and no borders</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Cloud becomes hotbed for criminal/threatening activities</td>
</tr>
</tbody>
</table>

26 The UN Special Co-ordinator for the Middle East peace process, Alvaro de Soto quit in 2007 citing his inability to meet with Hamas (which is listed as a terrorist organisation) meant that it was no longer possible for the Secretary General’s office to play its neutral mediation role in the Middle East.
III. Four Facets of a Shared Future

<table>
<thead>
<tr>
<th></th>
<th>Co-operation</th>
<th>The State</th>
<th>Soft-security Concerns (food, environment, terrorism)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Migration</strong></td>
<td>• No regulation, no protection</td>
<td>• Civil society steps up in protecting the rights and interests of both hosts and newcomers; also provides services</td>
<td>• Poor integration, ghettoisation and rise in xenophobia</td>
</tr>
<tr>
<td></td>
<td>• Open borders in spirit of exploitation, not co-operation</td>
<td>• New service sectors come up to cater to the needs of migrants (social insurance, remittances)</td>
<td></td>
</tr>
<tr>
<td><strong>International Actors</strong></td>
<td>• Free Trade Agreements (FTAs) signed between companies, not governments</td>
<td>• Corporate Social Responsibility (CSR) becomes the order of the day (people at mercy of their employers for the provision of services)</td>
<td>• Privatisation of security and social services</td>
</tr>
<tr>
<td></td>
<td>• No control over monopoly trends</td>
<td>• Increase in consumer awareness groups and watchdog associations</td>
<td>• No protection of human rights</td>
</tr>
<tr>
<td></td>
<td>• Split in state responsibilities — economic responsibilities go to business while Civil Society Organisations (CSOs) take up social protection</td>
<td>• Increase in CSOs</td>
<td>• Increase in food insecurity</td>
</tr>
<tr>
<td></td>
<td>• (marked by unevenness and dependent on the strength of CSOs and businesses)</td>
<td></td>
<td>• Increase in environmental insecurity as there are no checks and balances against profit driven businesses</td>
</tr>
<tr>
<td></td>
<td>• Privatisation of security and social services</td>
<td></td>
<td>• Industrial espionage</td>
</tr>
<tr>
<td></td>
<td>• No protection of human rights</td>
<td></td>
<td>• Breach of economic contracts becomes an act of aggression</td>
</tr>
<tr>
<td></td>
<td>• Industrial espionage</td>
<td></td>
<td>• Class conflict, not ethnic conflict — widening of social inequalities (no safety nets)</td>
</tr>
</tbody>
</table>
III. Four Facets of a Shared Future

Key messages

- With the heavy involvement of the private sector in technological innovation, states and civil society organisations have to provide a system of checks and balances to ensure that corporate actors are subject to monitoring mechanisms and strict, regulatory frameworks so as to protect the rights of citizens.

- States need to actively protect citizens’ rights (to privacy, freedom of expression and freedom of speech) as enshrined in the Universal Declaration of Human Rights.

- ASEM governments will have to refine and harmonise regulatory mechanisms across international boundaries to reflect the borderless nature of the internet. As such, a fragmented, national approach would be counterproductive; ASEM governments could learn from the good practices and technologies employed by other states and civil society groups in this context.

- Migration induced by climate change is an identified security risk with the potential to generate further instability, conflict and disruption to traditional coping mechanisms of the host population, thereby increasing the chances of state failure. While climate migration in itself cannot be wholly stopped or controlled, efforts to improve the long-term resilience of communities to adapt to climate change have to be prioritised.

- The protection gaps caused by displacement can be mitigated by the involvement of both state and civil society organisations, which can use a “bottom-up” approach to effectively address community concerns.

- With the heavy involvement of the private sector in immigration management, it is up to states and civil society organisations to provide a system of checks and balances, to ensure that corporate actors are subject to monitoring mechanisms and strict regulatory frameworks so as to protect the rights of migrants.

- While many developing countries will see an increase in their working group populations, a lack of proper skills will mean limited employability for many in that group. As such, the solution lies not just in labour mobility but also in fostering workforce skills for the working age population.

- Non-state actors have a very crucial role to play in conflict transformation — not just in their capacity to address and influence conditions on the ground but also in bringing conflicting parties to engage in dialogue using Track II or Track III (channels of mediation).

- The emergence of non-traditional security concerns has resulted in a requirement for a multi-track approach to conflict transformation, which calls for a combination of activities and a multiplicity of actors, institutions and organisations.

- Private actors can play an important role in multi-track mediation processes given their close access to resources, expertise and different networks. However, they need to be engaged at an early opportunity with a clear understanding of their roles and duties, with strong co-ordination with civil society and government actors.
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GloCal Blocs

Regional blocs emerge to compete with each other, especially over natural resources. There is cooperation within blocs but intense competition and limited cooperation exist between them. Conflicts are imminent and food and information become central elements in the new power struggle.

1. GloCal Blocs: Accelerating technological change

In a world of GloCal Blocs, intra-bloc and regional investments in research and development lead to great technological advances and the closing of the digital divide within blocs.

State governments and regional institutions are able to quickly and efficiently harness available resources to address crises and conflicts. Early warning systems, disaster response strategies and post-crises reconstruction efforts are centrally developed and co-ordinated using the human, technological and natural resources available throughout the region. This is a scenario in which technological innovation thrives and redistributed resources and heightened awareness within blocs elevate the poorest communities to a more decent standard of living.

Technology is harnessed by the state to drive regional development initiatives. The approach of the Information and Communications Technologies for Development (ICT4D) towards technological innovation and sustainable development becomes the norm in most blocs (Heeks 2008). The digital divide becomes almost non-existent within blocs, with all member countries sharing similar levels of internet penetration, access to services and information and communication infrastructure.

In Asia, an initiative to bridge the digital gap within the ASEAN region is successful in levelling the playing field for its member states with regard to co-operation and policy development in the access and usage of ICTs; the availability of ICT resources and the affordability of computer and mobile technology; the provision of e-government services at the national level; and the co-ordination of e-government services amongst ASEAN members. This results in the freer flow of information, goods and people within ASEAN. Other Asian blocs develop their own regional approaches to addressing the digital divide.

In Europe, the e-Inclusion scheme similarly achieves its target of universal access to ICTs within the bloc as well as its second goal of harnessing ICTs to achieve wider inclusion objectives. Due to the historically higher level of development in Europe in the early 21st century, the European bloc is able to ensure wider political participation of the populace at the national and regional levels due to ICTs as well as improved economic performance, employment opportunities, quality of life, social participation and cohesion.27

However, the gap between blocs widens as competition between blocs intensifies. The uneven distribution of technology could make a region of several blocs more secure or vulnerable depending on the level of development of each bloc and the intensity of competition between them. The different levels of technological development amongst blocs result in the widening of the digital divide at the global level, with some regions lagging far behind while others grow technologically at an unprecedented rate. This results in “hegemonic” blocs, which are able to exert their will over other blocs as well as forgotten blocs that have little or no say in global political decision-making.

In the climate of insecurity that slowly develops due to the lack of communication and cooperation between blocs, obtaining authentic and accurate information on global crises is a challenge. There is a tendency to over or under-report to serve the particular interests of the bloc in question. Government-sponsored industrial espionage is rampant due to the unending struggle of each bloc to get ahead of the others. Misinformation is considered a hostile act and the issue of cyber-espionage and other cyber-threats are militarised with blocs threatening real retaliation in response to virtual threats (Dunn Cavelty 2012).

This results in poor co-ordination at the global level on global crises; the potential escalation of regional crises despite excellent regional response architecture due to the lack of acknowledgement of the severity of the crisis so as to maintain the appearance of stability in front of a global audience of competing blocs; an increase in mistrust between governments and businesses in competing blocs due to the threat of espionage; and the constant fear of real violence in response to perceived cyber-threats.

Not all inter-bloc relationships are hostile in a GloCal Blocs world. Blocs recognise the potential of doing trade with other blocs whose product and service portfolios are vastly different. New technologies become commoditised as countries negotiate with each other based on technologies that they can buy and sell.

In this context, the food sector is particularly badly affected as there are huge differences in the availability of arable land, rainfall and other resources from bloc to bloc — as each bloc tends to be constituted by nations that occupy the same geographical area and are thus subject to similar limitations. There is greater dependence of genetically modified food as blocs seek biotechnological solutions to low crop yields. Once again, misinformation is rife, in this instance, concerning the nature and effects of the genetically modified food.

As the income gap between blocs widens, new technologies flourish in extreme socio-economic conditions. New business models (e.g., crowdsourcing), products (e.g., low-cost biofuels) and new services emerge. According to a 2010 McKinsey report, “Hundreds of companies are now appearing on the global scene from emerging markets, with offerings ranging from a low-cost bespoke tutoring service to the remote monitoring of sophisticated air-conditioning systems.
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around the world. For most global incumbents, these represent a new type of competitor: they are not only challenging the dominant players’ growth plans in developing markets but also exporting their extreme models to developed ones” (Bughin et al. 2010).

2. GloCal Blocs: Increasing global divergence of population trends — migration

While the ASEAN region follows in the EU’s footsteps to create a free labour market within the region, within Europe, immigration is increasingly seen as the cause of social tensions, coupled with the economic instability the region has seen since the first decade of the 21st century. In addition to tightening border controls (resulting in “Fortress Europe”), the EU’s foreign policy directives in the GloCal Blocs scenario also attempt to stop migratory movements at their point of origin or in transit countries.

While contested control over resources is a familiar cause of conflict, environmental factors and increasing competition over ever-scarcer natural resources in a GloCal Blocs scenario, sees the emergence of “resource conflicts” between blocs — not just over control and access but also over distribution.

Not only international migration but also internal migration movements within blocs can cause social tensions. The increased competition for already scarce resources and access to services has led to increased worries about social unrest. Columbia University’s Earth Institute and the International Crisis Group, combining databases on civil wars and water availability, found that “when rainfall is significantly below normal, the risk of a low-level conflict escalating to a full-scale civil war approximately doubles the following year” (cited in Parenti 2011). New arrivals are seen as competitors to the already settled groups, in their access to resources — natural, economic and social. Unless the state takes remedial action soon, water woes could fuel further discontent if the minorities view the distribution as unfair and the government measures as inadequate (Cannon 2006).

When legal channels are difficult to avail, many migrants are forced to turn to illegal and irregular migration routes. The “Trafficking in Persons Report 2010” released by the United States Department of State indicates that 12.3 million people are currently victims of human trafficking — in forced, low and unskilled labour (US Department of State 2010). In Southeast Asia, ASEAN has been working with its partners to secure co-operation on immigration matters — in particular seeking region-wide initiatives to stop human trafficking. As part of the recommendations developed at the 8th AER, it was noted that:

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28 ASEAN plans to establish a free labour market in 2015 that will allow free movement of labour within the ASEAN states. This will be limited to certain professions in the beginning. ASEAN Economic Community Blueprint 2008, http://www.aseansec.org/5187-10.pdf.

29 Similar efforts to block entry can already be seen in some Asian countries. India’s efforts to build a barricade along its Bangladesh border have already been dubbed as “Fortress India”, in reflection of the EU’s “Fortress Europe” attempts to keep unwanted migrants at bay (Carney et al. 2011).
As a stable and peaceful security environment is crucial for the development of both regions, policy makers across ASEM countries are encouraged to establish joint policing strategies and operations against trafficking and facilitate legal migration by 2030.\textsuperscript{10}

In a scenario where regional blocs are in competition with each other, restrictions may be imposed on inter-regional mobility from fears of the associated loss of skills and “brain drain”. Such fears while valid are also to a certain extent out-dated with circular migration trends allowing migrants who have contributed to the host country’s GDP, to send remittances to their home country and upon their return to bring back new knowledge and skills. The WEF, using the example of “brain circulation” in the IT sector, between India and the United States, points out how short-term brain drain can result in long-term brain circulation when talent mobility exchanges are made between countries (WEF 2010).

3. GloCal Blocs: International actors — civil society, businesses and the emergence of The State 2.0

Given the significant changes and crisis that have occurred in recent years, there has been a re-distribution of power with the diminished role of Western states and the emergence of new global political giants leading GloCal Blocs. In 2001, Goldman Sachs estimated that the rising economies of Brazil, Russia, India and China (BRIC) would collectively eclipse the combined economies of the current richest countries by 2050. With the addition of South Africa to this grouping, BRICS countries have accounted for over 50% of the global economic growth in the last decade, coming to dominate the international system with “the ability to exercise influence, through economic rather than military power” (Sanwal 2012).

The emergence of new actors that push for a realignment of power relations leads to a new multilateral system where global leadership is increasingly shared by powerful blocs of countries. However, as noted by the Strategic Trends 2012 paper by the Center for Strategic Studies, “...the global power shifts that accelerated as a result of the financial crisis have given rise to an international order marked by growing fragmentation, lack of leadership, and more instability” (Möckli 2012, 7).

This poses challenges to established institutions like ASEAN and the EU, which need an international multilateral system in which to thrive. In fact, “a revisited balance-of-power system would be the worst scenario for the EU, which needs an effective multilateral system to breathe and grow. A system based on antagonism and confrontation between the big powers would not only undermine the capacity of the Union to act but would exacerbate divisions among Member States”(De Vasconcelos 2010). Beset already by internal problems, the EU’s focus on its external relations has been diluted. With the economic cutbacks in member states in the GloCal Blocs scenario, the EU’s foreign policy suffers from budget deficits for years.

\textsuperscript{10} Extracted from The Future of an Asia-Europe Strategic Partnership in Conflict Transformation (ASEF, FES & SIIA 2011).
III. Four Facets of a Shared Future

ASEAN also faces its own challenges in a world of GloCal Blocs. At the launch of the ASEAN Competitiveness Report 2010, ASEAN’s Secretary-General suggested that the vision of an ASEAN Community may not be achieved by 2015. The region has experienced both inter- and intra-state conflict, raising the question of the organisation’s ability to resolve conflict among member states. Most of ASEAN’s activities on conflict issues have until now been initiated by individual ASEAN member states and the only occasion when ASEAN intervened as a regional organisation, it did so alongside the EU through the Aceh Monitoring Mission (AMM) in Indonesia. The AMM was a successful example of the benefits that ASEAN could gain from international and bi-regional co-operation.

However, when faced with a scenario where regional instability is accompanied with an absence of formal co-operation between regions, ASEAN will have to undertake conflict management activities on its own. Although its blueprint for an ASEAN Political Security Community (APSC) provides a framework of regional security governance, at present there are no clear mechanisms to provide early warning and initiate conflict prevention. It has been recommended in an Initiative for Peacekeeping paper by Agus Wandi (2010) that:

- ASEAN should build regional institutions that work directly on conflict prevention and resolution. The APSC blueprint has recommended the establishment of an ASEAN Centre for Peace and Reconciliation.
- A conflict mediation programme should be established to fund conflict mediation activities ranging from research to training to monitoring conflict mediation activities across Southeast Asia.
- ASEAN should build upon its existing consensus model for decision-making to develop a new framework on constructive engagement, especially with regard to its policy of non-interference in the domestic affairs of other states.

Furthermore, in a fractured international order where regional blocs are competing for power, informal regional groupings become relevant. Processes like ASEM need to be able to demonstrate their strengths to move forward from informal declarations to concrete action plans. For ASEM, there is consensus that there needs to be a strategic agreement in place to deal with conflict in a co-ordinated manner. The following are some of the recommendations made (ASEF, FES and SIIA 2011):

- Joint security and foreign policy for the ASEM region
- Common ASEM committees and working groups to deal with emerging crises and issues
- An ASEM pool of peace-keepers which are jointly trained; and
- A unified ASEM voice on the UN Security Council

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31 The ASEAN Community was originally set for 2020. It was moved forward to 2015 to speed up the integration process in light of growing inter-regional co-operation.
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To prevent regional instability, regional institutions will need to not only strengthen their own dialogue processes with member states, but also to improve their international and bi-regional co-operative measures to foster consultation on regional and international political and security issues. The EU’s Asia Strategy for 2007–2013 is based on strengthening EU-Asia engagement with institutions and processes such as ASEM, ASEAN and South Asian Association for Regional Cooperation (SAARC) on three strategic priorities of regional integration, policy and technical cooperation and support to people displaced by crises. Similarly, ASEAN’s abilities to involve not just other regional organisations but also new global actors like China and India as co-operative dialogue partners and “its willingness and capacity to respond to regional crises and conflicts will weigh heavily in continued reflection on ASEAN’s impact on regional instability and its engagement in crisis- and conflict-affected states” (Sherman et al. 2011).

Since the conflict transformation discourse “aim[s] at overcoming revealed forms of direct, cultural and structural violence, transforming unjust social relationships and promoting conditions that can help to create cooperative relationships” there is also a growing recognition that peace-building activities need to address the long-term structural stability (Bigdon and Korf 2004, 3). In seeking ways to maintain regional stability, regional institutions need to link security to development since both are complementary and supportive of region building.

In a GloCal Blocs scenario, successful regional institutions have a dedicated focus on human development and sustainable growth alongside political and economic affairs. Like other successful bi-regional efforts, an ASEM Development Fund\textsuperscript{32} would ensure:

- Funding for human development and sustainable development
- Funds for crisis relief/response
- Funding for humanitarian aid; and
- Sharing and joint research on climate change technologies between the two regions\textsuperscript{33}

\textsuperscript{32} In a previous attempt made by ASEM to contribute to social development and redress poverty alleviation, an ASEM Trust Fund was set up in 1998 and was administered by the World Bank. Suffering from larger structural problems, the ASEM Trust Fund was criticised for its failure to address social development issues. For more information, see page “The Future of an Asia-Europe Strategic Partnership in Conflict Transformation”, Stefanie Elies, Sol Iglesias, Yeo Lay Hwee (eds). 2011: 24. http://www.asef.org/index.php/pubs/asef-publications/2420-conflict-transformation-asia-europe-strategic-partnership-future.

\textsuperscript{33} Extracted from The Future of an Asia-Europe Strategic Partnership in Conflict Transformation (ASEF, FES & SIIA 2011).
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Table 3. Matrix — GloCal Blocs

<table>
<thead>
<tr>
<th>Co-operation</th>
<th>The State</th>
<th>Soft-security Concerns (food, environment, terrorism)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technology</strong></td>
<td>• Increase in technology co-operation within region but competition between regions&lt;br&gt;• Information and Communication Technologies for Development (ICT4D)&lt;br&gt;• Regional digital divide on regulatory mechanisms, laws (advanced vs. non-advanced)&lt;br&gt;• New technology as a commodity of trade&lt;br&gt;• New technologies evolve in extreme business/social conditions</td>
<td>• Technology is harnessed by the state to drive regional development, depending on what regional interests are&lt;br&gt;• States make greater regional investment in R&amp;D to self-fulfil its needs</td>
</tr>
<tr>
<td><strong>Migration</strong></td>
<td>• Free movement with regions but extremely protectionist externally (&quot;Fortress Europe&quot; and &quot;Fortress Asia&quot;)&lt;br&gt;• Prevention of brain drain from the region&lt;br&gt;• Knowledge as a trading commodity&lt;br&gt;• Youth as a commodity for a region with ageing population</td>
<td>• Highly regulated by regional organisations&lt;br&gt;• Uniform protection of migration rights with region</td>
</tr>
<tr>
<td><strong>International Actors</strong></td>
<td>• Specialised business sectors specific to region (medical tourism)&lt;br&gt;• Increase in regional networks of Civil Society Organisations (CSOs) to enhance regional protection of rights&lt;br&gt;• Increase in trafficking&lt;br&gt;• Rise in &quot;ASEAN Inc&quot; type corporatisation regional organisations&lt;br&gt;• Increase co-operation between CSOs and state to counter regional organisation&lt;br&gt;• International organisations as the neutral ground (UN) to broker partnerships</td>
<td>• The &quot;state&quot; re-emerges as a new actor in regional politics as a dissident, not dominant voice&lt;br&gt;• Standardisation of human rights and security architectures&lt;br&gt;• CSOs and the state to check regional powers</td>
</tr>
</tbody>
</table>
III. Four Facets of a Shared Future

Key messages

- Technology transfer between states and between regions can facilitate long-term early warning, rapid response and reconstruction efforts in the event of a conflict or crises. ASEM governments could encourage this through the initiation of bi-regional dialogues, research and development initiatives.

- An ICT for Development (ICT4D) approach could spur technological innovation in both developed countries and from the bottom of the pyramid while simultaneously benefitting at-risk communities.

- As a stable and peaceful security environment is crucial for the development of both regions, policy makers across ASEM countries are encouraged to establish joint policing strategies and operations against trafficking and facilitate legal migration by 2030.

- Short-term brain drain can result in long-term brain circulation when talent mobility exchanges are made between countries.

- Emergence of new actors that are pushing for a re-alignment in the current power relations have led to the need for a new multilateral system where global leadership will have to be increasingly shared between established institutions and new heavyweights.

- In a fractured international order when regional blocs are competing for power, informal regional groupings become relevant. Regional institutions will need to not only strengthen their own dialogue processes with member states, but also to improve its international and bi-regional co-operative measures to foster consultation on regional and international political and security issues.

- Processes like ASEM need to be able to demonstrate their strengths to move forward from informal declarations to concrete action plans. For ASEM, there is consensus that there needs to be a strategic agreement in place to deal with conflict in a co-ordinated manner.

- Regional institutions should have a dedicated focus on human development and sustainable growth, over their current focus on political and economic affairs. For ASEM and the Asia-Europe partnership, more attention could be paid to development issues. The ASEM Dialogue Facility, which is aimed at enhancing policy and know-how transfer to less developed countries in Asia, should focus more on human security issues.
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Conclusions and recommendations

Technology

In any scenario, the best outcome is achieved when states, the private sector and civil society groups work to compensate for the others’ limitations.

- ASEM governments must make use of ICTs to develop two-way communication channels for crises situations in order to ensure timely and accurate information dissemination as well as informed responses based on real-time information from the ground.

- The state’s role in ensuring that the digital divide is bridged cannot be overstated. Nevertheless, the state should not work in isolation but with the private sector and relevant civil society groups in order to overcome technological deficits by encouraging ICT4D and social innovations by the private sector.

- Technological advancement has to be made following human rights norms — ensuring the privacy of users along with the freedom of expression and speech. The two issues must be conflated in order to ensure that technological progress is not made at the expense of civil liberties. Civil society groups can play a part in ensuring that such an approach is adopted by state authorities.

Migration

Ultimately, given the dynamic political, social and economic conditions in which migration patterns react, scenarios on migration policy developments are difficult to predict. However, in all of the outlined scenarios, there are a few key considerations:

- All policies on migration — long-term/short-term, skilled/unskilled, regular/irregular, etc. — need to be people-centric, not just people-focused.

- From a security perspective, migration should not be seen as a multiplier of instability. Instead, the benefits of migration to both sending and receiving countries should be highlighted and integrated into the development strategies of both host and home countries (WEF 2010).

- Given the current economic trends, it is unlikely that individual solutions to mitigate the effects of the crisis on migration will be found. Joint action through EU and Asian diplomacy and extensions of such diplomacy will be needed to defuse tensions as they arise (e.g., 8th AER).
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- The impact of climate change on developing countries is receiving greater interest, particularly so in the Asia-Pacific region, which is identified as a hot-spot for climate change induced migration. As pointed out by the Government Office for Science report, in the context of climate change, migration can represent a “transformational adaptation’ and an effective means to build long-term resilience” (2011, 21).

- Policies in response to climate migration will not have effective outcomes if they rely on “top-down decision-making and technical responses that overlook the concerns of those who are most vulnerable”. Governments need to work not just with one another but also with national, regional local partners, including NGOs, who together can develop and manage protection frameworks (Elliott 2012, 4).

- To deal with the human security implications of climate change, both regions could work towards an international framework for climate change and disaster management. One of its key features could be the right to climate asylum for affected citizens (8th AER).

**International actors**

As global security dynamics shift and change, the interconnected nature of the international security environment is highlighted. No individual state or institution can shape international policy on its own — multiple challenges require multiple actors, all of whom must work in a co-ordinated approach to reaching consensus on global security concerns. In addition, ASEM actors should consider:

- Security and development need to be linked since both are complementary and supportive of region building. Peace-building activities need to address the long-term structural stability.

- Successful international efforts in conflict management and mediation (such as the UN) require collaboration and co-operation with other multilateral and regional institutions since regional institutions are better placed for the co-ordination and implementation of conflict prevention at the regional level.

- Non-state actors can play an important role in multi-track mediation processes given their close access to resources, expertise and different networks. However, their ability to engage in conflict mediation efforts is also largely dependent on the goodwill and trust of state actors. They need to be engaged at an early opportunity with a clear understanding of their roles and duties, with strong coordination with civil society and government actors.

- With the rise of new regional powers, regional institutions will need to strengthen their own dialogue processes with member states and also improve measures to foster consultation on regional and international political and security issues.
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- Processes like ASEM need to be able to demonstrate their strengths to move forward from informal declarations to concrete action plans. For ASEM and the Asia-Europe partnership, more attention could be paid to development issues. There needs to be a strategic agreement in place to deal with conflict in a co-ordinated manner.

The table below provides some additional recommendations. In order to determine their priority, “X” represents high relevance of each recommendation depending on different future settings.

Table 4. Recommendations for various scenarios

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Grey Paradise</th>
<th>Mosalnc.</th>
<th>GoCal Blocs</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASEM governments must make use of ICTs to develop two-way communication channels, in order to ensure timely and accurate information dissemination and informed responses for crises situations.</td>
<td>XXX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>The state has to ensure the digital divide is bridged while partnering the private sector and relevant civil society groups (by encouraging ICT4D and social innovations by the private sector).</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>Technological advancement has to be made following human rights norms. Civil society groups can play a part in ensuring that such an approach is adopted by state authorities.</td>
<td>XX</td>
<td>XXX</td>
<td>XX</td>
</tr>
<tr>
<td>All policies on migration need to be people-centric, not just people-focused.</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>Migration should not be seen a multiplier of instability. Benefits of migration to both sending and receiving countries should be highlighted and integrated into the development strategies of both host and home countries.</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>Joint action through the EU and Asian diplomacy and extensions of such diplomacy will be needed to defuse tensions as they arise.</td>
<td>XXX</td>
<td>XXX</td>
<td>XX</td>
</tr>
<tr>
<td>Governments need to work not just with each other but also with national, regional local partners, including NGOs, who together can develop and manage protection frameworks.</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>To deal with the human security implications of climate change, both regions could work towards an international framework for climate change and disaster management. One of its key features could be the right to climate asylum for affected citizens.</td>
<td>XXX</td>
<td>XX</td>
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</table>
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<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Scenarios</th>
<th>Grey Paradise</th>
<th>Mosalnc.</th>
<th>GoCal Blocs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific measures could be undertaken at the ASEM level to improve the effectiveness of joint Asia-Europe co-ordination in the conflict sphere:</td>
<td></td>
<td>XXX</td>
<td>X</td>
<td>XX</td>
</tr>
<tr>
<td>• Enhance inter-operability of national peace-keeping forces, including trainings;</td>
<td></td>
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<tr>
<td>• Enhance programmes in building conflict-transformation capabilities; and</td>
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<td></td>
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<tr>
<td>Regional institutions should have a dedicated focus on human development and sustainable growth, over their current focus on political and economic affairs. For ASEM and the Asia-Europe partnership, more attention could be paid to development issues.</td>
<td></td>
<td>XXX</td>
<td>XX</td>
<td>XXX</td>
</tr>
<tr>
<td>Processes like ASEM need to be able to move forward from informal declarations to concrete action plans. For ASEM, there needs to be a strategic agreement in place to deal with conflict in a co-ordinated manner:</td>
<td></td>
<td>XXX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>• Common ASEM committees and working groups to deal with emerging crisis/issues</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>• An ASEM pool of peace-keepers that are jointly trained; and</td>
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<td>• A unified ASEM voice on the UN Security Council</td>
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References


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2. Economic and Financial Integration — Deepened Integration, Shared Stability

Introduction

The current economic crisis has had a profound impact on global economic and financial governance. The depth and wide-reaching impact of the crisis has raised concerns over how to cope with this prolonged crisis and future crises. This period has seen a seismic shift in thinking with regard to global economics, especially in relation to the intense vulnerability of nation states to external shocks. In response, deepened integration, both at regional and global levels, has been supported by major economies, especially in Europe, in a bid to protect against future crises.

With a crisis of this magnitude much attention has been paid towards examining the role and effectiveness of established global institutions such as the International Monetary Fund (IMF) and the Bank of International Settlements (BIS), and regional level bodies such as the European Central Bank (ECB). National governments and central banks have come under severe scrutiny for their inability to put measures in place to regulate against crises of this magnitude. In the midst of this blame game, the G20 has emerged as the major forum for dialogue in tackling the on-going crisis. Confidence in the G20 has risen as it has been seen by many as playing the pivotal role in alleviating the current crisis and improving mechanisms for stability and growth. The global economic architecture is shifting in terms of design with new players entering the foil, reflecting a more multi-polar reality. Yet, actions are still needed to reform this architecture to ensure a stable and inclusive response to existing and potential vulnerabilities in the global economy.

Any attempt to strengthen these mechanisms to alleviate risks of future crises will undoubtedly need to overcome social and economic advancements and the shifts that take place in the international system. In terms of potential societal change in the future and how this relates to the rapid advancements of the present day, it is evident that the acceleration of technological advancement and its potential to rapidly change our society will play a vital role in the global economy in the future.

Another major factor will be the acceleration and diversification of global migratory flows because demographic concerns play a central role in ensuring economic stability. Issues of ageing populations, rapid population growth and the reliance on remittances have the potential to cause major instability, forcing labour across borders to deal with the strain on core working populations.

Finally, the role of non-state actors at the national, regional or global levels will be hugely significant in the future. Those actors, be they private sector multinational companies (MNCs) or grassroots non-government organisations (NGOs), will need to evolve with changing economic landscapes and, in many cases, find new avenues and opportunities to influence policy at national and regional levels.
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With power, capital and people moving across regions, sections of civil society, private sector MNCs and NGOs will have to adjust as this multi-polar global system continues to shift and evolve creating its own winners and losers.

With the changing face of global economics, states and their actors are now more aware of the dangers of under-regulation and weak governance structures on global economic stability. The common consensus is for stronger and more representative global governance structures to implement and enforce measures to protect against future shocks.

The actors involved in global economic governance structures themselves have also changed. The emergence of the economic groupings such as BRIC (Brazil, Russia, India and China) and the growing role of the G20, as mentioned above, represent a shift towards a rebalancing of global economic power. This rebalancing and the emergence of more players have changed the common understanding as to who the main actors on a global stage are, and have resulted in strong calls for a reform of the Bretton Woods institutions (see historical overview below). Coupled with the continued impact and uncertainty over the economic crisis, a new set of priorities need to be met by new concepts for more stable and representative global economic governance to prepare for future crises.

Given the contrasting challenges in both Asia and Europe, the interaction between the megatrends and the possible futures outlined in each scenario provides a basis for analysis on the future role of economic and financial integration mechanisms and their impact in alleviating future crises.

Overview of the sector

**Historical overview**

When examining the current push towards deepened economic integration within and between the regions of Asia and Europe, it is important to understand the journey leading up to this era of intense globalisation. This current era of rapid globalisation and interdependence is built on previous waves of global integration throughout history. Looking through the prism of Asia-Europe connectivity, inter-regional economic exchanges began as far back as the 2nd century BC with the Silk Road opening trade between the Han Dynasty in Western China all the way through Central Asia to the Mediterranean and Rome. Further expansions in economic relations occurred with the advancements in maritime travel.

This ability to move goods faster by sea helped to establish important trade relations between Asia and Europe with the Portuguese, British, Dutch, French and others establishing trading posts throughout Asia. Such integration carried on apace up to the modern era where rapid industrialisation and technological innovation in travel and communication continued to bridge time and space, resulting in the most interconnected and, in many ways, interdependent era in human history.
Globalisation, as defined by renowned sociologist Anthony Giddens, is the “intensification of worldwide social relations”. This intensification is undoubtedly enhanced through technological development and its ability to break down barriers between people, be it physical breakthroughs in rapid transport or communicative breakthroughs in bridging vast distances instantaneously. That said, it is not only technological development and the rapid movement of people that drive economic integration. There is also economic necessity and the need for stability to rebuild and develop.

This need for stability and a rules-based system of global economic governance led to the creation of the Bretton Woods system. Named after the town in New Hampshire, United States, where delegates of the forty-four allied countries met in July 1944 and established the institutions, rules and procedures to regulate the international monetary system. The agreement, ratified in 1945, set up the International Monetary Fund and the International Bank for Reconstruction and Development, now a part of the World Bank group. The system was the first international agreement governing monetary relations among sovereign states. The motivating factors for the agreement were numerous but largely centred on the necessity for economic security in the push towards greater global integration. This theory was promoted by economists such as John Maynard Keynes and Harry White, who advocated that a liberal international economic system would promote greater stability by addressing the inter-war period concerns over protectionist trade and exchange controls and the “beggar thy neighbour” policies that emerged following the Great Depression. The system was dissolved in 1971 with the announcement that the US dollar would no longer follow the gold standard and would become a fiat currency.

While the Bretton Woods system examined the issue of monetary co-operation, a further development in global economic governance occurred in this post-WWII era with the setting up of the General Agreement on Tariffs and Trade (GATT) in 1947 to regulate international trade by reducing tariffs and trade barriers. The GATT was replaced by, or rather subsumed into, the World Trade Organization (WTO) in 1995 under the Marrakech Agreement. The WTO, as an institution rather than a framework agreement, is responsible for supervising and liberalising international trade in goods, services and intellectual property rights of participating countries.

This global push for liberalisation and deepened integration was borne out of the need to stabilise the global economic system. Similarly, moves were occurring at a regional integration level to promote stability and growth. Looking at Europe, the establishment of the European Coal and Steel Community points firmly at the need to stabilise relations between many of Europe's central powers through economic interdependence. The Treaty of Paris, signed in 1951 between the six founding countries (France, Germany, Italy and the three Benelux countries, Belgium, the Netherlands and Luxembourg) provided the grand design to, as the French foreign minister

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35 The term “fiat currency” refers to a currency that derives its value from government regulation or law. It is not fixed in value against any objective standard (e.g., the gold standard that was prevalent before the “Nixon shock”).
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Robert Schuman pointed out, “make war not merely unthinkable but materially impossible”. It was from these small economic-led seeds that the European Economic Community (EEC) was born, which grew further into the modern-day European Union (EU), the world’s most deeply integrated region.

Asia as a region has experienced its own period of economic integration, beginning within its sub-regions with a slow push for a deeper integration involving more actors. Starting with the integration within Southeast Asia, the Association for Southeast Asian Nations (ASEAN) is obviously the driving force but it is also a lynchpin for a wider Asian integration. Formally established in 1967 through the Bangkok Declaration signed by Indonesia, Malaysia, the Philippines, Singapore and Thailand, the motivations for the co-operative framework varied but a central aim was to boost economic development in the region. After forty-five years in existence, ASEAN has expanded to ten member states and is involved in a number of initiatives and mechanisms to deepen economic integration and co-operation across the region. Chief among these is the East Asia Summit (EAS), a leader-level dialogue bringing together the ASEAN+3 (China, Japan and the Republic of Korea), Australia, India, New Zealand and most recently the United States and Russia. The EAS aims, among other things, to promote economic prosperity in East Asia.

Shocks and signatures: events and agreements shaping global and regional economic integration

The following tables provide an account of the major events and agreements linked to the development of economic integration mechanisms at a regional and global level. The list is not an exhaustive list and certain agreements or events are prioritised over others.

Table 1. Major global events and agreements

<table>
<thead>
<tr>
<th>Year</th>
<th>Framework/Agreement/Event</th>
<th>Background/Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1882</td>
<td>US General Immigration Statute</td>
<td>Foundation for modern immigration legal and administrative frameworks</td>
</tr>
<tr>
<td>1930</td>
<td>Bank for International Settlements (BIS)</td>
<td>Established in 1930, the BIS is the world’s oldest international financial institution and remains the principal centre for international central bank co-operation and other agencies in pursuit of monetary and financial stability.</td>
</tr>
<tr>
<td>1945</td>
<td>Bretton Woods System</td>
<td>Established IMF and the World Bank Group in the wake of WWII to govern international monetary co-operation and financial development, among other things.</td>
</tr>
<tr>
<td>1947</td>
<td>General Agreement on Tariffs and Trade (GATT)</td>
<td>Established to promote global trade by reducing trade barriers and tariffs</td>
</tr>
</tbody>
</table>

### III. Four Facets of a Shared Future

<table>
<thead>
<tr>
<th>Year</th>
<th>Framework/Agreement/Event</th>
<th>Background/Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1949</td>
<td>ILO Migration for Employment Convention (C97)</td>
<td>One of the first global and legally binding instruments on migration for employment from entry to return. The convention adopts the principle of equal treatment for migrant and national workers regarding working conditions, trade union membership and enjoyment of the benefits of collective bargaining, accommodation, social security, employment taxes and legal proceedings relating to matters outlined in the convention.</td>
</tr>
<tr>
<td>1951</td>
<td>Provisional Intergovernmental Committee for the Movement of Migrants from Europe (PICMME)</td>
<td>The PICMME was the predecessor organisation to the International Organization for Migration (IOM), which was established in 1989.</td>
</tr>
<tr>
<td>1961</td>
<td>Organisation of Economic Co-operation and Development (OECD)</td>
<td>Originating from the Organisation for European Economic Co-operation (OEEC), a body that was set up to run the US-financed Marshall Plan, the OECD’s mission is to promote policies that will improve the economic and social well-being of people around the world. Membership consists of thirty-four countries, only two of which are Asian (Japan and Republic of Korea); engagement between the OECD and other Asian actors is ongoing.</td>
</tr>
<tr>
<td>1971</td>
<td>The Nixon Shock</td>
<td>Bretton Woods system dissolved following the conversion of the US dollar from the “gold standard” to a “fiat currency”. This was a major contributing factor for the 1973–1974 stock market crash.</td>
</tr>
<tr>
<td>1973</td>
<td>Oil Crisis</td>
<td>Members of the Organization of the Oil Exporting Countries (OPEC) and other Arab states implemented a trade embargo on oil in response to US support of Israel in the Yom Kippur war with Egypt and Syria. The embargo, and other measures such as reduced production caused major oil shortages in the US and Europe and compounded the 1973–1974 market crash.</td>
</tr>
<tr>
<td>1975</td>
<td>Group of Six (G6)</td>
<td>Established in 1975 in the wake of the oil crisis of 1973, the G6 provided a forum for leaders of the world’s major industrialised democracies. The group expanded to include Canada in 1976 and Russia in 1997, becoming the G8.</td>
</tr>
<tr>
<td>1975</td>
<td>ILO Migrant Workers (Supplementary Provisions) Convention (C143)</td>
<td>The convention was adopted at a time when particular migration abuses, such as the smuggling and trafficking of migrant workers, were attracting the attention of the international community (which remains the case today). This instrument devotes a whole section to irregular migration and to interstate collaborative measures considered necessary to prevent it. It also imposes an obligation on states “to respect the basic human rights of all migrant workers”, confirming its applicability to irregular migrant workers.</td>
</tr>
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## III. Four Facets of a Shared Future

<table>
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<tr>
<th>Year</th>
<th>Framework/Agreement/Event</th>
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</thead>
<tbody>
<tr>
<td>1987</td>
<td>Black Monday</td>
<td>The single largest drop in global stock prices in history began in Hong Kong on October 19, 1987 and soon swept across the world, knocking down valuation of shares worldwide. The cause was generally attributed to high levels of speculation and programme trading (the rapid computerised execution of stocks).</td>
</tr>
<tr>
<td>1990</td>
<td>UN Convention on the Protection of the Rights of all Migrant Workers and Members of Their Families</td>
<td>The convention aims to protect migrant workers and their families and sets a global moral standard. The convention entered into force in 2003 after twenty countries had ratified it. Until today, very few countries that receive migrant workers have ratified this UN convention.</td>
</tr>
<tr>
<td>1995</td>
<td>Marrakech Agreement/World Trade Organization (WTO)</td>
<td>WTO came into force in 1997 after the Marrakech Agreement in 1995 and subsumed GATT into its institutional structure. The WTO is responsible for supervising and liberalising international trade in goods, services and intellectual property rights of participating countries.</td>
</tr>
<tr>
<td>1999</td>
<td>Group of 20 (G20)</td>
<td>In 1999, Canadian Prime Minister Paul Martin proposed the G20 as a forum for co-operation and consultation on matters pertaining to the international financial system. The G20 is a forum for the top twenty industrialised countries in the world. In 2009, the G20 leaders announced that it would take over from the G8 as the premier economic forum for top industrialised nations.</td>
</tr>
<tr>
<td>2001 – 2002</td>
<td>Bursting of the dotcom bubble</td>
<td>With the first wave of internet euphoria taking hold, investors threw money at unproven start-ups. These rapidly went bust or shrank to only a fraction of their peak value. Upwards of US$5 trillion was wiped off the value of shares traded in major centres between 2000 and 2002. The dotcom bubble was partly responsible for the collapse in technology stocks.</td>
</tr>
<tr>
<td>2008</td>
<td>Global Financial Crisis (GFC)</td>
<td>Considered to be the worst financial crisis since the Great Depression, the GFC took shape in 2007 with the sub-prime mortgage crisis in the US damaging financial institutions worldwide. The GFC resulted in a lack of liquidity in banks leading to government bailouts of major financial institutions in the US and Europe. The period following the crisis resulted in a deep recession with governments reacting with a combination of fiscal stimulus and austerity packages to improve economic stability and bring about a return to growth. The GFC has made a major contribution to the sovereign debt crisis in the EU.</td>
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<tr>
<td>2011</td>
<td>ILO Convention on Domestic Workers (C189)</td>
<td>Domestic workers often have to face slavery-like conditions in a secluded and isolated environment. The most vulnerable group of the migrant workers established their own convention in 2011. While adoption of the convention is seen as a major breakthrough, only Uruguay and the Philippines have ratified the convention.</td>
</tr>
</tbody>
</table>

Table 2. Major events and agreements specific to Europe

<table>
<thead>
<tr>
<th>Year</th>
<th>Framework/Agreement/Event</th>
<th>Background</th>
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</thead>
<tbody>
<tr>
<td>1951</td>
<td>Treaty of Paris</td>
<td>Established the European Coal and Steel Community (ECSC) that was signed by six countries, the ECSC ensured economic interdependency and improved stability in Western Europe.</td>
</tr>
<tr>
<td>1957</td>
<td>Treaty of Rome</td>
<td>Established the European Economic Community (EEC)</td>
</tr>
<tr>
<td>1985</td>
<td>Schengen Agreement</td>
<td>Allowed the free movement of persons within the European Economic Community</td>
</tr>
<tr>
<td>1990</td>
<td>Schengen Convention</td>
<td>Abolition of border controls between countries of the Schengen Convention</td>
</tr>
<tr>
<td>1993</td>
<td>Maastricht Treaty</td>
<td>Created the European Union (EU) and sowed the seeds for deeper economic integration in Europe. Article 121 (1), or the Maastricht criteria, established rules on inflation rates, annual deficits and debt levels for member states and long-term exchange rates.</td>
</tr>
<tr>
<td>1997</td>
<td>Stability and Growth Pact</td>
<td>The pact was set up to enforce budgetary discipline among the countries using the euro. This ensured that the control of interest rates passed to the European Central Bank (ECB), whose job was to control inflation. Fiscal policy — taxes and spending — remained with national governments.</td>
</tr>
<tr>
<td>1999</td>
<td>Euro currency launched in twelve EU member states</td>
<td>The single currency Eurozone has since expanded to include nineteen of the twenty-seven EU member states.</td>
</tr>
<tr>
<td>2008</td>
<td>European Migration Network (EMN)</td>
<td>The EMN was established in 2008 as a network to provide information and data to EU institutions and its member states. The EMN is co-ordinated by the European Commission in cooperation with National Contact Points (NCP) of each member state. The network is assessed as a valuable information source and influential on national policy makers.</td>
</tr>
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### III. Four Facets of a Shared Future

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<tbody>
<tr>
<td>2009</td>
<td>Lisbon Treaty</td>
<td>Amending the Maastricht and Rome treaties, the Lisbon Treaty introduced changes that consolidated many of the functions of the EU and its institutions, including the voting systems and the legal status of the Charter of Fundamental rights. The Treaty also established the Presidency of the Council of Ministers and the High Representative for Common Foreign and Security Policy (CFSP). In terms of economic integration, the Lisbon Treaty improves the exclusive EU competences with regard to the euro, competition policy, monetary policy and the common commercial policy. It also ensures the protection of foreign investment from third countries.</td>
</tr>
<tr>
<td>2009</td>
<td>European Financial Stability Facility (EFSF)</td>
<td>Created by the Eurozone member states in May 2010 within the framework of the Ecofin Council, the EFSF’s mandate is to safeguard financial stability in Europe by providing financial assistance to Eurozone member states. Using a variety of financial instruments, the EFSF is backed by guarantee commitments from the Eurozone member states for a total of €780 billion and has a lending capacity of €440 billion. The EFSF is to be succeeded by the European Stability Mechanism (ESM) in 2012.</td>
</tr>
<tr>
<td>2009</td>
<td>Council Directive on the entry and residence of highly qualified workers (EU Blue Card)</td>
<td>The decreasing number of highly skilled professionals in Europe due to low fertility rates and a high demand of the industries led to this directive. It concerns conditions of entry for highly qualified non-EU nationals. The work permit is called the Blue Card following the example of the US Green Card.</td>
</tr>
<tr>
<td>2012</td>
<td>Treaty on Stability, Coordination and Governance in the Economic and Monetary Union</td>
<td>Popularly known as the European Fiscal Compact, the treaty aims to instil a better fiscal discipline for EU member states. So far the treaty has not been signed by the Czech Republic and the United Kingdom, whereas it is awaiting ratification before entering into force.</td>
</tr>
<tr>
<td>2012</td>
<td>German constitutional court votes “Yes” to the ESM</td>
<td>A crucial vote in a German constitutional court returns a favourable ruling to give the green light to the new permanent Eurozone rescue fund, the European Stability Mechanism (ESM). The ESM is a permanent bailout mechanism with a fund of €500 billion to handle future bailouts.</td>
</tr>
</tbody>
</table>
### Table 3. Major events and agreements specific to Asia

<table>
<thead>
<tr>
<th>Year</th>
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<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966</td>
<td>Asian Development Bank (ADB)</td>
<td>The ADB was set up in 1966 to reduce poverty and improve infrastructure across Asia. The main devices for assistance are loans, grants, policy dialogue, technical assistance and equity investments.</td>
</tr>
<tr>
<td>1967</td>
<td>Bangkok Declaration</td>
<td>The Association of Southeast Asian Nations (ASEAN) was established “to accelerate the economic growth, social progress and cultural development in the region through joint endeavours”.</td>
</tr>
<tr>
<td>1997</td>
<td>ASEAN+3</td>
<td>Set up to improve co-operation between ASEAN member states and China, Japan and Republic of Korea, ASEAN+3 has since set up some important mechanisms for deeper co-operation including the Chiang Mai Initiative, a currency swap arrangement between the ASEAN+3 countries totalling US$240 billion in 2012.</td>
</tr>
<tr>
<td>1997</td>
<td>Asian Financial Crisis</td>
<td>The Asian financial crisis gripped much of Asia in July 1997, and raised fears of a worldwide economic meltdown due to financial contagion. Starting in Thailand with the collapse of the Thai baht, due in part to real estate driven over-extension, the crisis spread through most of Southeast Asia causing currencies slumps, devalued stock markets and other asset prices, and a rise in private debt. A major factor was the high levels of credit that created a highly leveraged economic climate. The subsequent flight of capital had a major impact on those vulnerable economies. Indonesia, the Republic of Korea and Thailand were the countries most affected by the crisis. Hong Kong, Malaysia, Laos and the Philippines were also hurt by the slump. China, Brunei Darussalam, Singapore, Taiwan and Vietnam were less affected, although they experienced a drop in regional demand and confidence.</td>
</tr>
<tr>
<td>2005</td>
<td>1st East Asia Summit (EAS)</td>
<td>EAS meets for first time in Kuala Lumpur, Malaysia, bringing together ASEAN member states, Australia, China, India, Japan, New Zealand and the Republic of Korea. It has since expanded to include Russia and the United States in 2011.</td>
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<tr>
<td>2007</td>
<td>ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers</td>
<td>The declaration by heads of states of ASEAN member states formulated general principles and obligations for sending and receiving countries to protect and promote the rights of workers. The declaration specifically outlined the protection of migrant workers against exploitation, discrimination and violence, focusing on labour migration governance and the fight against trafficking of persons. They also promise to establish an instrument in ASEAN to operationalise, monitor and follow up on the declaration. In 2008, the ASEAN Committee on the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers (ACMW) was founded to negotiate the mechanism of an ASEAN migration scheme according to the declaration.</td>
</tr>
<tr>
<td>2010</td>
<td>Chiang Mai Initiative Multilateralisation (CMIM)</td>
<td>The Chiang Mai Initiative Multilateralisation (CMIM) is a multilateral currency swap arrangement between the ten ASEAN members, China (including Hong Kong), Japan and the Republic of Korea. Launched in March 2010, the CMIM drew from a foreign exchange reserves pool worth US$120 billion. In 2012, the CMIM pool was expanded to US$240 billion.</td>
</tr>
<tr>
<td>2015</td>
<td>ASEAN Economic Community (AEC) (including the free labour market for professionals)</td>
<td>The ASEAN Economic Community (AEC) envisions a single market for ASEAN by 2015 and will be the first step in forming the ASEAN Community. A single market and production base will be established including free flow of goods, services, investment and skilled labour as well as a freer flow of capital. The AEC will be based on the following pillars: a single market and production base a highly competitive economic region a region of equitable economic development a region fully integrated into the global economy</td>
</tr>
</tbody>
</table>

A world in crisis: development since the Global Financial Crisis

The financial (and economic) world has changed significantly over the past five years. The 2007 sub-prime mortgage crisis in the US was the first crack to appear in what was to be a global financial and economic meltdown. Perhaps the most iconic moment in the early days of the crisis was the closure of Lehman Brothers, then the fourth largest investment bank in the US, following their filing for bankruptcy on September 15, 2008. This sent shockwaves through the financial world and stocks plummeted. This period was followed by a spate of government bailouts for the banking sector in the US and in Europe with top financial institutions requiring government funds to stay afloat.
In Europe, cracks began to appear in the make-up of the EU with negative growth rates highlighting the vulnerabilities of highly indebted countries, years of low interest rates and under regulated finance sectors. Those most vulnerable countries became at risk of defaulting with un-thinkable consequences for the Eurozone in particular. First, Greece required a bailout, then Ireland, followed shortly by Portugal, all highly indebted states. The remaining fear over the prospect of Spain and Italy falling deeper into recession and requiring substantial bailouts has pushed the EU to draw up mechanisms for deeper integration, namely the fiscal compact that will come into force in 2013. These calls for deeper integration are to offset the potential unravelling of the Eurozone, a disastrous proposition given the depth of integration and interdependencies in the Eurozone. Yet, questions remain over what sort of impact these crisis-alleviating measures will have in the future. Will they provide a basis for stronger governance and responses? Will these measures be enough to boost market confidence in ailing Eurozone economies?

This prolonged global economic crisis has undoubtedly caused a profound change in the world. Capital has flowed from the West to the East with the process of multi-polarity coming to the fore. The emerging BRIC bloc continues to post positive growth rates and have in recent years developed at a rapid rate. Central to this shift are emerging Asian powers such as China, India and Indonesia, to name only a few, who are posting positive growth rates and experiencing a steady growth in domestic demand for goods and services. However, Asia has not escaped the crisis unscathed: slowing demand in the EU, a major trade partner for many Asian countries, has caused a dip in export-led growth. As further evidence of the slowdown, China is experiencing its slowest growth in three years (7.6%) in the second quarter of 2012. Interestingly, the Purchasing Managers Index (PMI), an indicator of manufacturing activity, for August 2012 was 49.2, illustrating a greater than expected rate of slowdown.37

Dangers still linger for Asian economies as the EU continues through this period of uncertainty and US recovery remains slow. China, the regions’ largest economy, is experiencing a slowdown in growth (though many projections for 2012’s end-of-year growth are hovering around 8%).38 Japan, Asia’s second largest economy, has experienced a period of ups and downs with its economy contracting in 2011 as a result of the impact of the tsunami disaster. The economy bounced back in early 2012 with an annual growth rate of 4.1% in the first quarter, although this has shrunk in the second quarter. Another of the region’s economic powers, India, is facing the prospect of slowing growth especially in agriculture — the nation’s largest employer. A further sign of the slowdown in Asia is the slowing growth rate of Singapore, the financial services centre for Southeast Asia.

The continuing economic slowdown at a global level represents an unprecedented challenge for both Asia and Europe. In many ways, the response in both regions has been to move towards stronger integration to create strong regional coping mechanisms (the European Fiscal Compact being the obvious shift for the EU). In Asia, the Chiang Mai Multilateralisation Initiative has been


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strengthened with growth drivers pivoting from export-led growth to a rebalancing of domestic consumer and credit driven growth. With this push towards more deepened integration, more mechanisms are possible to alleviate vulnerabilities towards a slowdown in growth that is the experience of Asia at the moment and the need to kick-start growth in Europe.

The prevailing global economic uncertainty poses challenges in making accurate linear projections based on traditional economic measures. The intense vulnerabilities in the finance sector and the ensuing levels of sovereign debt have illustrated the speed and depth of the crisis. With this in mind, the scenarios derived for and analysed in this publication provide a unique basis to measure the possible futures in this era of growing economic turbulence.

**Definition of parameters: three key issues**

Regional economic integration provides the potential for economic stability, growth and prosperity for a region. The three outstanding characteristics of economic integration are the ability to expand the market by increasing output and welfare, risk sharing, and convergence between weaker peripheral economies and structurally sound economies within the region. With this potential comes the possibility of further risks and vulnerabilities. The potential for contagion — as seen by the over-reliance on the financial sector in the Eurozone — may increase internal (domestic) inequality and trade diversion from a more efficient multilateral market to a regional market. This section will analyse these potential benefits and risks to paint a picture of the world presented in each scenario and the impact of economic integration.

In this era of greater interdependencies and interconnectivity, every aspect of the economy has the potential of becoming a global concern. Integrating economies across borders and regions ensures that everything from transport and technology infrastructure to cross-border transactions and the flow of capital and people, can be managed efficiently and regulated on each end of the transaction. With this in mind, this chapter will cover the wide spectrum of issues that fall under economic integration to try and paint a clear picture of the evolution of three possible scenarios. The objective will be to develop clear and robust policy recommendations outlining the key issues and coping mechanisms for each scenario.

*How do “co-operation models” impact economic integration in possible futures?*

Greater co-operation between regions and on a global level is the core element enabling economic integration. The deepening or dismantling of the integration mechanisms relies solely on the co-operation of national, regional and global bodies. Aspects of global financial regulation require a certain level of “buy in” from the private sector, not to mention the role of public sentiment towards global regulations, so this additional layer of co-operation is important to any future stability.

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39 See Introduction chapter to this volume on the methodology in this scenario-building exercise.
How does the role of the state impact economic integration in possible futures?

The state plays a significant role in any future developments with regard to integration at a regional level and to a large extent a global level. In the European context, states have to agree to the measures being introduced, and in many cases national constitutions ensure that new treaties are put through referenda before they can be implemented. At a global level, voting rights in global institutions exist so there is a collective decision-making capacity, but the role of the average state is overshadowed by larger state powers.\textsuperscript{40}

How does access to resources, financial innovation and intellectual property rights impact economic integration in possible futures?

Access to resources is a key issue for any future development in economic integration at global, intra-regional and regional levels. The need for traditional energy and production related resources such as oil, gas, coal, steel, etc., will continue to be important in international trade and how countries and regions integrate. Additional resources such as water and soft commodities (such as food, cotton and palm oil) will become increasingly more important commodities for future economic growth and stability, not to mention the geographical impact of cross-border issues over access to water sources for drinking water, agriculture and industry. Looking at the finance sector, the trade in commodities is a key driver in global finance and requires integrated systems, cross-border flows of capital and regulatory frameworks.

Financial innovation is an issue that led, in part, to the global financial crisis in 2007/2008. Innovation at all levels should be encouraged. New financial products can potentially mitigate risk, lower the cost and increase the availability of capital, thus fuelling growth. Some innovations have made financial markets safer and more resilient. That said, the use of financial instruments such as over-the-counter (OTC) derivatives and credit default swaps (CDS) were inadequately regulated and caused massive long-term damage to financial markets. The role of regulation allows innovation to flourish but also keeps harmful, risky innovations from causing future shocks. Some regulations have been put in place to address these issues but the speed of technological advancements in the finance sector will see the issue of financial innovation — and the ability of regulators to keep pace — undoubtedly playing a major role in the stability of the global financial system.

Intellectual property (IP) has been an issue of contention across a number of economic integration initiatives. Regulations protecting IP are central to negotiations in any foreign trade agreements. The breaking down of economic barriers between countries and regions will undoubtedly leave IP vulnerable to violations. The existing regulations therefore need to be strong enough to protect R&D investments, while also encouraging open sourcing and innovation. Looking at the current developments in Asia and Europe, the EU has stalled again on implementing a “truly historic agreement”\textsuperscript{41} of a Europe-wide single patent that will make it

\textsuperscript{40} For example, see IMF voting rights per country, http://www.imf.org/external/np/sec/memdir/members.aspx.

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cheaper and easier to file patents in Europe. On the Asian side, while Japan and China are ranked second and third respectively behind the US in terms of global patents filed, the large production networks in Asia still rely heavily on cross-border knowledge sharing. Asian exports and regional consumption rely heavily on these production networks, as seen by the turmoil caused by the 2011 flooding in Thailand and tsunami in Japan.

Three megatrends

The following section addresses three megatrends, amongst many others, that are considered to have the most imminent or prevailing effect in financial integration and the potential occurrence of a financial crisis.

Accelerating technological change

The acceleration of technological change is poised to present the deepest societal change in any future scenario. In the past two decades, the internet has arguably brought about the most rapid societal change in human history. Human connectivity, personal interactions and access to information have seen an unprecedented shift. It is commonly accepted that this trend will further accelerate, bringing about more societal change in the near future.

Looking specifically at how technological shifts will impact economic integration, there are a number of key areas on which to focus. To try and give a balanced overview of the topic and its inter-linkages with economic integration, it is important to examine technology from three distinct areas of technological change: communication, transport and key industrial technologies.

The massive potential of new communication technologies and social media expansion have given rise to new forms of consumerism, radicalising pricing transparency and creating new networks of engaged consumers, not to mention new networks of production. The speed at which these information channels move give consumers real-time price comparisons and reviews of products resulting in “disruptive changes in consumer behaviour”. This change in consumerism towards a globally integrated and rapidly moving system will require deeply integrated financial, production and transport systems.

Advancement in transport systems will play a major role in driving regional economic integration in both Asia and Europe. Continuing infrastructure developments in the newer EU member states will help provide quality transportation links across Europe to speed up the movement of both people and goods. The EU’s structural funds focus, in part, on maximising transport infrastructure potential by building technologically advanced “sustainable transport”; this will become increasingly important for cross-border trade with high commodity rates. In Asia, transport infrastructure has been critical for export led growth. In terms of shipping, Asia boasts the busiest shipping lanes in the world and nine of the ten largest ports in the world are in Asia.

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(with as many as seven in China). New technologies are also enabling higher rates of tonnage and more complex systems. Linking this to the rising intra-regional trade after the global financial crisis and the large production networks across Asia, it is easy to see that the ability to transport goods (finished and semi-finished) will play a major role in dictating regional economic stability.

When discussing transport routes and the movement of goods between Asia and Europe, it is important to acknowledge the latest developments with the Northern Sea Route. The passage, through the Russian Arctic waters, can possibly cut shipping time between Europe and Asia to half of the current forty days (via the Suez Canal and the Strait of Malacca). According to research by the Arctic Council, the trip would take twenty days in winter and eleven days in summer. Ships sailing along this route would consume up to one-third less fuel and produce fewer emissions. These studies have supported the technical and economic feasibility and the potential benefits associated with the route. With Russia joining the ASEM process in 2010, the opportunity for dialogue on this issue presented itself. As stated in the chairman's statement at ASEM 8 summit, referencing the 1st ASEM Ministerial Meeting on Transportation held in Vilnius, Lithuania in October 2009, "the accession of the Russian Federation offers in this regard new and important perspectives". As transport technology advances, this prospect becomes more and more feasible.

Lastly, in the possible futures, key industrial technologies have been earmarked for rapid development. The scenarios presented illustrate a world where resources are scarce with food and water becoming key tradeable commodities and suffering severe price hikes. Technological advancement in industry will help to shape our future in a number of important ways. With the demand for resources seeing a need for higher yields, new technologies play a significant role. Technologies in terms of resource extraction, agricultural products, desalination and food production will see significant change in our society in the short to medium term.

**Labour migration**

Historically, people often move from a place when they are unable make a sufficient living. A new factor of migration appeared with the Industrial Revolution and the mechanisation of means of production in the 19th century — that of labour migration.

Labour migration today is still defined as “the movement of people from one country to another for the purpose of employment.” This does not reflect the need for people to leave their homes and work abroad to upgrade their standard of living and find better working conditions. Today,

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43 World Shipping Council, "Top 50 World Container Ports", http://www.worldshipping.org/about-the-industry/global-trade/top-50-world-container-ports,


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more people than ever — an estimated 105 million people — are economically active migrant workers. In the Philippines, more than 3,000 workers leave the country daily to find better paying jobs abroad to support their families.

In some developing countries, the remittances sent back home by migrant workers are a crucial contribution to the countries' GDP. In Nepal, remittances contributed to nearly a quarter of its GDP in 2009 whereas the ASEM member with the highest proportion of its GDP being comprised of remittances is the Philippines, where remittances accounted for 9.4% of GDP in 2010. This often results in a "remittance trap" where there is over-reliance on remittances for the functioning of the economy at a national level and an individual (household) level. Additionally, the large social costs of migration such as the break-up of the family unit cannot be weighed in dollars. Therefore, new models of labour migration need to be created and put into practice such as allowing foreign domestic workers to bring their children when they come to work in a country.

Labour migration does not only contribute to economic development but is fast becoming a major industry for private sector actors through the recruitment and promotion of working abroad. Employment agencies in the source and recipient countries gather large returns by sending workers abroad. The conditions of labour migration might differ though. Migrant workers belong to the most vulnerable groups regarding employment as their permission to stay in the foreign country relies on their job and the economic development of the particular country. The financial and economic crisis has shown the vulnerability of migrant workers as they have been the first who have lost their jobs. These issues require bilateral, regional and global regulations and guidelines between countries to ensure stable and equitable flows of labour migrants.

Labour migration was chosen as a megatrend as the demographic changes in industrialised countries as well as in emerging economies like China have a direct impact on their labour markets and therefore on their regional economies. Labour shortages are and will be the result of low birth rates. Today, Germany and Sweden for example are facing labour shortages for high skilled workers in specific sectors such as engineering. The global competition for professionals in some industrial sectors has just begun. Asia and Europe will compete for the best students in order to achieve high innovation rates in future. Migration of highly skilled workers will be more welcome than today. The EU just opened with its Blue Card a new chapter in its region-wide migration policy. Offering not only the opportunity to work but also the living conditions including social integration, possibility of moving with the family, social security schemes, good education systems, and access to high culture and entertainment, will play a bigger role in the fishing for human capital.

Industrialised countries — especially those without natural resources — have to invest in their human capital, education and innovative future research and development. They will compete on the global labour market for the best talent (researchers, engineers, technicians and scientists). If those countries do not have open migration schemes and cannot offer a good environment for migrants and their families they will lose out on the global market, putting further strain on the knowledge economy model.

Besides labour shortages for specific high skills jobs, the ageing population of the OECD countries will demand domestic and health workers for the care of their older population. Additionally, as the population in most OECD countries and especially Japan, Italy and Germany and Greece is ageing, social security costs will increase as the social security system in most of those countries is based on the age pyramid in their population which means an even higher burden for the new and young working force. Migration can balance the problems of the social security costs and of the lack of professional employees.

The current situation for most stakeholders involved in labour migration is a “lose-lose” game. First, countries from which labour migrates lose human capital and often have difficulties integrating the migrants if they ever return. Second, receiving countries fear that the migrant worker will stay in their countries and do not see the opportunities and support given by migrant workers. Administrative hurdles are often high and the whole business of handling migrant workers is outsourced to private companies without clear supervision or rules and regulations. Third, migrant workers, particularly those with low skills, are often mistreated and do not have the same rights as citizens or even human rights. They often receive much lower salaries than citizens and are not covered by social security schemes. Often they are not trained and neither do they know the language of the receiving country. They are in a dangerous dependency on the employment agent. Fourth, employers are often not satisfied with the migrant workers as they are often not trained and therefore have less knowledge of their tasks than expected. It is often a “win-win” situation for the specialised employment agencies that send the workers abroad as they are claiming fees from both sides and in many countries they can interact in a non-regulated and non-supervised business area. More consultation and co-operation at regional and global levels, including all stakeholders (such as source and recipient countries, employer and employee representatives) in the field of labour migration is necessary as migration is never a national issue and it cannot be left with the employment agencies alone. Global, regional and bilateral binding agreements are necessary to allow “win-win” situations and ensure inclusive growth.

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III. Four Facets of a Shared Future

Developing Asia as a source of manpower to supply jobs to advanced economies in Europe and Asia itself is an outgoing model. In the possible futures, labour migration will have a bigger impact on the national economies of and domestic growth rates of both regions. With new communication devices, more affordable transport connections and a globalised consumer market, labour migration might get easier at least for the highly skilled workers.

Non-state actors

The final megatrend chosen is the changing role of non-state actors. In any future scenario, the interaction between governance actors and those outside of this system is of major consequence. Private sector actors continue to exert a large degree of influence over our societies. In recent history, private banks have needed to be nationalised — and at a huge expense to the taxpayer, large multinational technology firms have engaged in legal battles across the world, and large Asian engineering firms are competing with their European counterparts on infrastructure projects across the world, winning notable contracts in Africa and the Middle East. These are just a few examples of the private sector’s influence in shaping the world we live in and shaping how countries and regions interact with one another.

In parallel, civil society organisations (CSOs) now have the ability to reach out to a much wider audience with the rise of online activism. The importance of CSOs cannot be underestimated as they have an impact on the social, economic and political activities of local communities, states and increasingly at a regional level. Be it a threat to the state or a new era of accountability, campaigns such as WikiLeaks, anonymous and the “occupy” movements have rapidly transformed national issues into global movements. Looking at the more mainstream CSOs that are focused on human development, this trend of increasing their impact from local to global has also occurred due to communication advancements. Campaigns bringing attention to rights issues and state opacity have helped non-government organisations (NGOs) heighten their profiles and bring attention to their causes. This is especially true for groups that respond to the economic crisis and its consequence.

Non-state entities continue to act across borders and regions. With this era of economic uncertainty, many non-state actors are working in areas directly linked to the consequences of the economic downturn. The often-delicate relationship between labour unions and governments will play an important role in the future as labour groups and others strive to ensure stable and equitable growth. In addition, the role between the private sector and governance (at national, regional and global levels) will be very significant as the global financial crisis dissipates or deepens. The ability of certain sectors of the economy — and to a certain extent of CSOs — to advocate positions with respect to economic policy may shift in the future with states seeking to boost growth and stability through policies that ensure an increase in productivity and capital flows into the economy. A good present example of this is the pressure put on the EU from the airline industry and foreign governments for its Emissions Trading Scheme (ETS), which taxes all airlines for carbon usage when flying into or out of EU airspace. The policy has thus far survived but not without various calls from the airline industry and its authorities to boycott the policy.
III. Four Facets of a Shared Future

**How megatrends will shape the future**

In analysing the future of economic and financial governance, this section presents three possible scenarios, in which the challenges to society, economy and environment are approached differently. The characteristics of the differing scenarios will largely depend on the extent to which the three issues (i.e., co-operation; role of the state; and economic integration) receive priority and attention by policy makers and the public. Also fleshed out in these scenarios are the megatrends identified earlier (i.e., accelerating technological change; labour migration; and role of non-state actors).

The following analysis and recommendations are mostly based on the Asia-Europe Foundation’s (ASEF) work in the area of scenario building and developing foresight strategies, as well as different dialogues conducted by ASEF over the last fifteen years. The issues related with economic and financial governance were broadly discussed during an expert workshop entitled, “The Impact of the Crisis on Regional Economic and Financial Integration in Asia and Europe” that aimed to build scenarios and generate policy recommendations on crisis alleviating mechanisms. The recommendations generated have been presented to delegates of the ASEM Finance Ministers Meeting held in October 2012 in Bangkok, Thailand.

*Grey Paradise*

In the Grey Paradise scenario, Asia and Europe are dominated by global political structures where authorities dominate the economy in redistributing resources. Continuing crises lead governments to put their faith in and cede power to international regimes, with the G20 playing a major role in the global economic system. These step-by-step technocratic resolutions improve financial, environmental and political challenges thus enabling significant progress and more stability. Asian countries, fuelled by continued economic stability and greater regional demand, gain more power and Asian actors play a central role in global decision-making. Deepened regional integration in Asia sees a continuing rise in regional investment, capital flows and labour mobility. Following the move from a period of economic crises to stability, technocratic governance becomes the global norm. Effective global governance enables progress in many areas, especially financial stability. However, it also evokes increased dissatisfaction among large sectors of the population as shifting economic factors put pressure on autocratic structures. Economic issues such as labour migration, outsourcing and over-regulation of the finance sector pile pressure on global economic governance structures. The economic burden of ageing populations causes further strain on stability with technological advancements and migration being targeted as potential responses. This reality of stronger global governance leads initially to apathy, which is replaced by anger and protests as rising inequality is experienced in both Asia and Europe, with specific pervasiveness in peripheral states.
III. Four Facets of a Shared Future

The Grey Paradise scenario represents a likely post-crisis reaction reflecting the two major developments in the current landscape, the growing multipolarity of global power and the need for strengthened global economic governance to deal with future shocks. In terms of the megatrends and how they interact with the key issues, it is evident that the matrices offer an equal share of positive and negative correlations.

Grey Paradise: Accelerating technological change

Looking specifically at the technological advancement megatrend we see that the potential for co-operation is high. Advancements in technology enable greater access between peoples and organisations, breaking down barriers in terms of time and space. In this scenario, the strengthening of global regimes helps to promote ubiquitous access to basic technology and the internet. At the same time, the regimes ensure strong regulation over technological advancements. This global regulation can have an impact on innovation in various sectors including communication, finance, natural resources and minerals, and transport. Global regulatory frameworks will supersede national regulations and reduce the role of the state to that of enforcement. The Grey Paradise scenario is dominated by a technocratic-led system espousing technological regulation and this can result in a number of risks and opportunities in terms of economic stability.

A functional system of global governance could mitigate damaging effects of piracy and IP infringements that impact speed and equity in technological innovation. This system could also enable greater controls over financial innovation. Although financial innovation has been beneficial to driving financial integration, leading to increased competition across sectors and borders, its under-regulation allowed shadow-banking practices to bring about the global financial crisis and such recent controversies as the Libor rate scandal in July 2012. A transparent system to ensure more accountable and stable financial innovation would be a positive development to stave off future crises.53

With resources playing such an essential role in this future scenario, technological advancements will undoubtedly have a huge impact. The ability to process and transport raw materials and agricultural products more efficiently will be driven by technological change. This will have a profound economic impact in terms of the supply and demand of essential resources such as fuels, rare earth metals, food and water.

Finally, the acceleration of technological change in the Grey Paradise scenario will bring about a rapid economic and consumer change through social technologies.54 The change will not only shift mainstream consumerism, but also public activism and cross-border crime. Social unrest can move at such dizzying speeds due to technology, and social media favourites and their successors


will undoubtedly have a role in organising, and perhaps policing, unrest in the future. The rising threat of cyber-attacks in the finance sector exists today with the largest cyber-robbery in history taking place in June 2012, with the siphoning US$78 million dollars from banks across the world (a potential US$2 billion could have been taken had it been discovered later). A stable future will require regulations and policing measures to react to these rapid global threats to the global financial system.

*Grey Paradise: Labour migration*

Migration in the Grey Paradise scenario is regulated internationally through global or at least multi- or bilateral agreements that are equally binding for all stakeholders involved. Those agreements are based on existing UN and ILO conventions and frameworks. Receiving and sending countries of migrants have both acknowledged the advantages and challenges of labour migration and co-operate, seeing eye to eye on a global migration policy that satisfies the employers with their demand of workforce and ensures decent work and social protection for employees.

Clear and strong regulations for employment agencies are in place and the market has been opened for competition. Public rating agencies monitor employment agencies in sending and receiving migrants and co-operate via an international database with each other. All fees regarding migration practices have to be paid by the employer. Migration becomes more just but also more expensive, which leads to human trafficking and illegal migration practices. The demand of low skilled workers in the industrialised and ageing countries contributes to the criminalisation of migration.

The economies and labour markets in sending and receiving countries will be very much influenced by labour migration in the global context. The labour markets in the industrialised and ageing countries will cope with their demand for high skilled and low skilled young workers. On the other hand, those countries have to adjust their social protection schemes to allow migrant workers to participate fully but also to let them contribute to the social protection funds.

For sending countries, on the other hand, they have to make sure that labour migration is not crashing their own labour markets. Labour market policies have to be implemented to avoid a brain drain that is already affecting some of the sending countries today. Countries like the Philippines have to ensure that a sufficient number of professionals like medical doctors and nurses stay in the country to offer essential services. This challenge also lies in the balancing of their national GDPs, many of which rely heavily on the remittances sent back by the migrant workers.

With the further increase of labour migration, multiculturalism will be more widespread especially in urban areas. Migrant workers will bring along their arts, crafts and food, which might find its niche in the receiving country to enrich the domestic culture. However there is also a high potential for social unrest owing to issues of domestic integration for migrant workers.
Grey Paradise: Non-state actors

Finally, the role of non-state actors will be significant in the Grey Paradise scenario. The influence of the private sector continues to grow, becoming closely tied with governance structures to ensure stability and sustained growth. They play a larger role in international co-operation, advocating business priorities to policy makers for free trade agreement (FTA) negotiations and other areas of co-operation. After the economic crisis, the private sector is heavily linked with national government growth as well and priorities focus centrally on stability and growth, and hence private sector influence grows. This is consolidated by the rise of technocratic systems of governance allowing for less accountability and transparency in government spending.

On the other side of the spectrum, civil society organisations refocus to act globally given the power placed with global governance structures. Their national relevance is played down, as the major influence that they can make is on a global footing. In addition, technological change allows greater connectivity and brings local issue-based organisations into a global network of civil society actors. This has a number of knock-on effects in the Grey Paradise world, with the influence of national-level NGOs waning as international pressure groups come into prominence.

The state of the economy relies heavily on the influence of MNCs to ensure growth and stability. This integrated relationship between states, global governance and the private sector in the management of the economy creates a backlash in terms of those civil society actors outside of the system. As Grey Paradise evolves, so too does civil unrest in reaction to this system of deepened global integration and the prevalence of global governance structures. A re-emergence and strengthening of the alter-globalisation movement occurs with these groups seeking to reverse global integration.
### Table 4. Matrix — Grey Paradise

<table>
<thead>
<tr>
<th>Co-operation</th>
<th>Role of the state</th>
<th>Economic integration (e.g., access to resources, financial innovation and intellectual property)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accelerating technological change</strong></td>
<td>• Greater access to technology (internet communication, transport, etc.)&lt;br&gt;• Strong global regulation on technology, e.g., internet content, financial innovation, resource extraction and transport&lt;br&gt;• Greater controls impact innovation (positively/negatively)</td>
<td>• Regulation is set down by international regimes&lt;br&gt;• Global/national incentives are set up to promote technological innovation and access</td>
</tr>
<tr>
<td><strong>Labour migration</strong></td>
<td>• International standards are in place and international governance on migration is improved (at least bi- or multilateral agreements are required)&lt;br&gt;• Either private employment agencies have open borders and competition, or establishment of public agencies (Ministry of Labour)&lt;br&gt;• Multiculturalism provokes social tension due to top-down decision process</td>
<td>• Developing countries have to fight the brain drain and social costs of migration&lt;br&gt;• Proper labour market policies for high and low skilled employees have to be developed&lt;br&gt;• Social protection for migrant workers in receiving countries and public agencies who take care of migrants’ rights&lt;br&gt;• Increased trafficking and criminality as demand for workers is high</td>
</tr>
</tbody>
</table>
### III. Four Facets of a Shared Future

<table>
<thead>
<tr>
<th>Co-operation</th>
<th>Role of the state</th>
<th>Economic integration (e.g., access to resources, financial innovation and intellectual property)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-state actors</strong></td>
<td><strong>Role of the state</strong></td>
<td><strong>Economic integration</strong></td>
</tr>
<tr>
<td>• Private sector growth boosted by intra/inter regional FTAs</td>
<td>• Closer connection between state and private sector</td>
<td>• Private sector have influence over policy to ensure growth and stability</td>
</tr>
<tr>
<td>• Stronger corporate and government links to promote economic stability</td>
<td>• Irrelevance of national NGOs</td>
<td>• Rise of alter-globalisation movement to reverse global integration</td>
</tr>
<tr>
<td>• National-level civil society groups replaced by internationally focused groups</td>
<td>• Growing influence and volume of International pressure groups</td>
<td>• Porous borders see a rise of cross-border crime</td>
</tr>
</tbody>
</table>

### Key messages

- The Grey Paradise scenario sees the establishment of a transparent and functional system of global governance ensuring stability and a path out of the current economic woes.

- The speed of technological change will bring about a rapid economic and consumer shift through the use of social technologies.

- To ensure a stable future for global financial systems, integrated policing measures and regulations are needed to protect vital global technology infrastructures.

- Migration in the Grey Paradise scenario will be regulated at the global level through binding global, multilateral and bilateral agreements, including policies to ensure social protection for migrant workers.

- With labour flowing freely across borders and the high potential for social unrest, preventive integration policies of migrant communities are a top priority to avoid this.

- The role of the private sector is central to ensuring growth, employment and a move towards stability. The relationship between the government and the private sector is strengthened.

- CSOs begin to act globally in this era of intense global integration.
III. Four Facets of a Shared Future

The Mosalnc. scenario describes a future where Asia and Europe’s political structures weaken, key resources become highly sought after commodities, and economic self-interest rises. In a series of economic, natural and human disasters and crises, political structures fail again and again to provide effective responses. A continued global economic crisis further erodes national and regional governance structures. Budgetary shortcomings are common, affecting core services such as education, health and social welfare. Economic migration rises as labour flocks to meet the needs of developed economies. The rush for commodities becomes the key economic driver, while food and water emerge as essential commodities for trading. Civil society organisations and the private sector provide public services that are no longer provided by state institutions. The dispersion of power leads to a mosaic of actors and structures, in which firms and corporations become the strongest players. Economic integration is driven by private sector entities and capital flows go unregulated. Open and globalised markets are features of this innovation-rich future that is challenged by economic migration and growing tensions caused by food and water scarcity, privatisation, and under-regulation in the finance sector, causing an era of great uncertainty.

When examining the Mosalnc. scenario, it is easy to draw parallels to the current status quo — perhaps the pace is a little slower at present but it seems that there is no end in sight for the global economic slowdown. In the Eurozone, crisis talks beset crisis talks, fresh finance sector scandals lead the front pages of global media outlets and leaders of global institutions constantly remind us that the global economy is yet to be out of the “dangerzone”. Asian economies, though posting healthy rates of growth are vulnerable to the drop in demand caused by the Eurozone crisis.

Mosalnc.: Accelerating technological advancement

Looking specifically at the impact of technological advancements in the Mosalnc. scenario, we see the emerging trend whereby new technologies and innovations remain profit-driven and led by private sector. With the prospect of a deep prolonged crisis, the Mosalnc. scenario will see countries and regional bodies cut support and funding for R&D initiatives, as austerity remains a priority. Weak and ineffectual governance structures (at national, regional and global levels) are not only unable to drive technological innovation but are also poorly equipped to regulate technological advancements. This results in a rise in cyber-crime as governance structures are unable to put measures in place to police the internet, and safe financial transactions and privacy come under threat. In addition to these risks online, other technological innovations in the medical field (pharmaceuticals, clinical testing and the use of stem cells) present moral risks for which weak governments are increasingly incapable of legislate. The rapid acceleration of technology sees a push towards the socialisation of technology, bringing about more cost-effective and efficient forms of public services. This leads to an era of e-governance (local

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III. Four Facets of a Shared Future

authority services, community outreach, voting, etc.)\textsuperscript{56}, which, despite efforts at improving efficiency and transparency, will further disassociate certain sections of the public from political life.

The future espoused in the MosaInc. scenario has some serious consequences in terms of economic co-operation and stability. Ineffectual regulations at national, regional and global levels give rise to infringements on IP rights protection and a lack of information sharing across regions and between countries while technological advancements narrow on key sectors in the economy.

\textit{MosaInc.: Labour migration}

Migration in the MosaInc. scenario will leave labour migration in a dark corner. Due to porous borders and the lack of international agreements, labour supply for specialised, high skills as well as low skills workers in industrialised countries lead to more illegal migration. This will, in turn, act to criminalise migrant workers. Even when they are legally working in the country, they are stigmatised by society. The rise of illegal migration also contributes to the rise of illegal employment agencies that exploit the migrant workers and make promises they cannot fulfil.

Additionally, the informal labour sector in all countries will rise and will have a deep impact on legal employment — decreasing salaries and social security cuts — and for private businesses that have to find a response to cheaper products and services of the informal sector. The precarious situation and dependency of the migrant workers will worsen. Additionally, they will not have access to any social protection schemes and, apart from some NGOs, any advocate or intercessor in the society.

Countries that send migrant workers rely on the remittances of the overseas workers due to the crisis and the impact on domestic economies. The financial situations of these countries do not allow investments in the education and training of its people. More people than ever, especially professionals, leave, and the brain drain in those countries will have a massive impact on the economy and on public goods and services, especially in the health sector.

\textit{MosaInc.: Non-state actors}

As governments fail to co-operate on labour migration on the global and regional levels. MNCs in need of highly skilled migrant labour to run their businesses take over the role of the government and negotiate migration schemes with the sending countries individually. The pressure on developing countries to privatise their key industries will continue often resulting in higher costs for the individual.

Industrial relations in all countries have been weakened. Trade unions experience financial pressures due to pending membership fees and quitting of membership. Strikes are not affordable anymore and the trade union structures have been cut back to the bare necessities to run the union. Governments have lost their bargaining power as they are facing tax cuts, higher social security costs and less room for negotiations. The private sector dictates the regulations and rules of employment.

The MosaInc. scenario sees the rise of private sector influence. With ineffectual national governments continuing to suffer from a prolonged crisis, privatisation occurs with key state assets shifting into the private sector. This results in two directly linked outcomes. First, cross-border co-operation of state and semi-state owned enterprises will decline, resulting in the breakdown or dilution of existing regulatory frameworks. Second, despite this decline, cross-border co-operation between private-sector MNCs will have the opportunity to improve.

The consolidation of key services and sectors (health, insurance and finance) may help to improve these waning industries and services, but at a cost to the consumer. The downside to this consolidation is linked to the weakening role of the state, as MNCs hold large monopolies over key public services. This strengthened position affords the private sector the ability to push for more advantageous taxation policies and weakened cross-border regulations. With the state in a weakened position, civil society groups focused on corporate social responsibility (CSR) rise in prominence to fill the regulatory vacuum, acting as watchdogs of MNCs. They provide a global voice in ensuring equitable and representative economic integration. In addition to this, new methods of protest emerge with consumer activism playing a lead role in boycotting global brands and products.

Despite the focus of civil society pressure groups on ensuring MNCs are socially responsible and operate sustainably, the real power lies in the relationship between the private sector and policy makers, who are under pressure to deliver growth due to their weakened capacity. MNCs push for greater trade liberalisation to help provide business-friendly and profit-driven economic policies to deepen integration at a regional and global level.
III. Four Facets of a Shared Future

Table 5. Matrix — MosaInc.

<table>
<thead>
<tr>
<th>Co-operation</th>
<th>Role of the state</th>
<th>Economic integration (e.g., access to resources, financial innovation, intellectual property)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accelerating technological change</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Innovation is profit based</td>
<td>• Regulation on innovation is lax leading to moral risks (e.g., in pharmaceuticals, the use of stem cells, artificial intelligence)</td>
<td>• IP is not protected due to weak regulations and enforcement</td>
</tr>
<tr>
<td>• Split among technological haves and have-nots</td>
<td>• Subsidies for R&amp;D is decreased (e.g., state bodies sold to private sector)</td>
<td>• Technological advances remain narrowed on key economic drivers</td>
</tr>
<tr>
<td>• Lack of state/regional/global regulation sees</td>
<td>• Rapid socialisation of technology brings about an era of e-government, causing further disassociating political leadership</td>
<td>• State research bodies and universities fall into private sector hands</td>
</tr>
<tr>
<td>less online regulation; rise of criminality</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Labour migration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Porous borders due to weak structures</td>
<td>• No access to public services for migrant workers, no protection by the state</td>
<td>• Essential services in private sector hands</td>
</tr>
<tr>
<td>• International standards are non-binding and</td>
<td>• Weakening of industrial relations</td>
<td>• Rising informal labour sector weakens economy</td>
</tr>
<tr>
<td>hardly ever monitored</td>
<td>• Social issues related to integration of migrants (education, health, housing, etc.)</td>
<td>• MNCs have more bargaining power</td>
</tr>
<tr>
<td>• Regional tensions over deportations and illegal</td>
<td></td>
<td>• Private employment agencies with non-transparent and unsocial practices keep rising</td>
</tr>
<tr>
<td>migration</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-state actors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Rise of private sector influence</td>
<td>• Private sector have large monopolies over public services</td>
<td>• Privatisation of core services</td>
</tr>
<tr>
<td>• Important government agencies sold to private</td>
<td>• Global private sector companies push trade liberalisation</td>
<td>• Private sector becomes a stronger international actor</td>
</tr>
<tr>
<td>sector, decline in cross border co-operation/</td>
<td>• Civil society CSR advocates rise to prominence to fill regulation gap</td>
<td>• Weakening of traditional civil society voice, new voices emerge, e.g., consumer activism</td>
</tr>
<tr>
<td>regulation</td>
<td>• Rise of federalism to section/protect resource rich regions</td>
<td></td>
</tr>
<tr>
<td>• Improved international services through major</td>
<td></td>
<td></td>
</tr>
<tr>
<td>private sector service providers (e.g., health,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>insurance, consumer goods) but at a price</td>
<td>• Privatisation of core services</td>
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</tbody>
</table>
Key messages

- The MosaInc. scenario involves a world of prolonged crises and intense vulnerabilities as states struggle to regain economic and social growth and tackle unemployment.
- Despite improving technological efficiency in public services, government investment in science and technological innovation decreases.
- Ineffectual global and regional regulations protecting intellectual property and innovation lead to a lack of information sharing between countries and MNCs.
- Weak regulations result in a rise of the informal labour sector. Migrant workers will continue to cross borders illegally, resulting in a further criminalisation of migrant workers.
- Countries with a net outflow of skilled labour migrants will suffer from a brain drain, becoming more reliant on remittance flows from migrant workers.
- The weak role of the state will see private sector entities lead the process of integration between economies without a public mandate, allowing for capital to flow across regions unregulated.

GloCal Blocs

The GloCal Blocs scenario shows Asia and Europe emerging from the economic slowdown with rapid development driven by increased levels of consumption and production within and between regions. This economic development sees more synergies and shared resources within regions, leading to increased innovation and rapid technological advancement. The GloCal Blocs scenario is defined by local solutions to global problems that result in improved prosperity. In this era of regional blocs, the access to resources plays a significant role in economic development within regions. Synergies do exist between blocs but competition over natural resources is a central trait of the GloCal Blocs scenario. Regional and intra-regional alliances become the major power centres, making global economic governance structures obsolete. Competition for resources, to ensure growth, results in tensions between regions, while food as an essential commodity becomes the central element in a new power struggle. The “beggar thy neighbour” economic principle becomes common and global integration unravels as blocs compete with one another. Regional economic integration is stepped up to drive regional demand and protectionism reigns. This potential future sees major social impacts as well as a major movement in labour. With this focus on resources and the rise in commodity prices, inequality becomes rife. Labour migration sees low-cost labour flooding into resource-rich countries. This movement of people within and between regional blocs increases tensions.

The GloCal Blocs scenario serves up a future of contrasting fortunes. The initial rapid global recovery morphs into a competition between regions and actors seeking resources and influence at a regional level. This narrowing of economic drivers towards the push for natural resources has a profound impact on each of the megatrends.
III. Four Facets of a Shared Future

GloCal Blocs: Accelerating technological change

Technological advancements narrow, supporting only the development of key sectors. Cross-border co-operation in technological development also narrows its focus and contracts to collaboration at an intra-regional level. These synergies are the key drivers allowing for innovation to occur, although the lack of global co-operation and the narrowed focus leads to a new “space race” focused on resource extraction and higher yields of new key commodities, food and water.

The divide between technologically advanced and non-advanced economies grows exponentially with the divide reflecting resource rich economies and resource weak (or underdeveloped) economies.

In the GloCal Bloc scenario, states are initially very proactive in ensuring economic recovery, and improvements in technology are key to this recovery. States invest in regional (bloc) development and regional synergies are created to improve infrastructure, interconnectivity and productivity at a regional level — thus driving growth. This initial period of regional-level development sees states pull back their involvement from global institutions, which leads to a reduction of global level dialogue on technology and innovation. This results in an increase in competition between regional blocs in terms of advancing technologies in key sectors. Within these regional blocs, the role of individual states become two-pronged, those countries in the ascendency (capital and resource-rich regional hegemons) driving technological advancement and those in a supportive weakened role (smaller peripheral countries) falling behind in terms of technological infrastructure.

As stated in previous narratives, accelerating technological change will play a crucial role in deepening economic integration on both regional and global scales; this is no different for GloCal Blocs. As innovation takes place at a regional level, wider advancements in technology slow as the focus centres on the extraction of natural resources and improving yields in food commodities. Despite the moral issues surrounding the use of food and water as tradeable commodities, the advances in technology allow food production and water treatment to improve, resulting in wider access to these key elements for human survival, though uncertainties exist in relation to price and accessibility of these resources.

GloCal Blocs: Labour migration

In the GloCal Blocs scenario, a tremendous intra-regional migration will take place. People tend to leave the rural areas especially in the less industrialised areas or areas near metropolitan regions, as seen by the rapid rise in megacities across Asia. People are getting more and more flexible in settling down and tend to flow towards places with better opportunities for employment. Asia and Europe will compete for access to both high skills as well as low skills workers. While some of the high skills workers have the ability to migrate anywhere, the low skills workers are facing restrictions in migration and their migration process is more closely monitored. This process can
lead to illegal migration, criminalising those without formal education and other resources. This will see the development of a two-tier system of migration, one for highly sought-after skilled labour and another for under-regulated low skills labour.

Intra-regional migration will be the key for success. As Asia’s population is still on the rise, Asia will have an increasing supply of low skills workers for the ageing societies of China and Japan but also in the emerging economies of India, Indonesia, the Philippines and Thailand. The source of Europe’s low skills workers from Eastern Europe will run dry. Europe has to make a better offer than the Asian countries to attract Asian low skills workers, to ensure the supply of such workers for their labour markets. Through the competition on manpower, social security for migrant workers is easier granted, but in general, a “beggar thy neighbour” policy arises on a regional blocs basis. Global or inter-regional co-operation depends on the supply and demand of manpower.

Regional employment agencies will regulate the migration flows but do not have the flexibility to react on short-termed labour trends and the economic development. Decisions by the regional bodies will react delayed on those developments. Companies will get frustrated especially in innovative industries. Therefore, temporary work agencies are getting more and more international and contribute to the regional and global migration flows. They can act faster and are more flexible in meeting the demands of the industries of the future. The employees of the temporary work agencies — especially in the low skills jobs — are more likely to work for them for their entire work lives. Permanent employment is not a usual practice anymore, where only some experts can still hope for a regular kind of employment as in the 20th century.

Inter-regional agreements on migration will overrule international agreements and are more binding, but there will also be stronger regional level legislation behind them. That does not necessarily mean a better social protection for migrant workers in practice, but they are granted more rights and have better access to decent work opportunities.

GloCal Blocs: Non-state actors

In the GloCal Blocs scenario, we see non-state actors coming into growing conflict with one another. In this possible future, co-operation models between MNCs working directly or indirectly in the agriculture, commodities, oil and gas, renewable energies and water management, will prove key to ensuring a deepening of economic integration at an intra-regional level. With the retraction of regions and national governments from global level dialogue, MNCs will also reflect this shift helping to drive the competition between regions and providing access to resources to drive growth intra-regionally. MNCs (or regional corporations in this case) gain influence through cross-sector co-operatives and begin to push for self-regulation.
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In contrast to this, grassroots CSOs work towards protecting resources and ensuring equitable profit sharing. Many CSOs are set up to help protect the rights of marginalised low skills migrant labourers. Despite the localisation of the issues-based groups, a regional level dialogue is established for co-operation between similar groups.

The role of the state in the GloCal Blocs scenario is somewhat marginalised as individual states struggle to regulate MNCs working in the resource sector. Any regulations that are passed come from regional resource-rich hegemons as smaller peripheral states fail to exude sovereignty over key issues related to resources. In certain cases, resource-weak states rely on regional level subsidies for agricultural products and commodities.

Lastly, in terms of the role of non-state actors in influencing economic integration, the future looks less positive. Despite early indications of economic recovery, the drive for more regional economic integration becomes very difficult as gaps in development widen. In this scenario, weaker peripheral states are pressured into selling key services (health, water management, transport, etc.) to private sector companies. This acts to improve regional level monopolies over privatised services and infrastructure. Within this scenario, tensions rise between grassroots organisations and the private sector over access to resources and commodities, including water. These tensions spill across borders and result in a lack of confidence in the regional integration process. Finally, in terms of monetary integration and confidence in regional level currencies, the GloCal Bloc scenario will see regional currencies facing difficulties as intra-regional inequities rise. Instability in bond markets will occur as private investor confidence wanes.

Table 6. Matrix — GloCal Blocs

<table>
<thead>
<tr>
<th>Accelerating technological change</th>
<th>Co-operation</th>
<th>Role of the state</th>
<th>Economic Integration (e.g., access to resources, financial innovation, intellectual property)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Narrowing of technology</td>
<td>• States</td>
<td>• Growing inter-regional competition slows global technological advancement</td>
<td></td>
</tr>
<tr>
<td>development to key sectors</td>
<td>greater</td>
<td>• Technological advancement narrowed to key sectors only (e.g., resources and commodities)</td>
<td></td>
</tr>
<tr>
<td>• Divide between technologically</td>
<td>investment</td>
<td>• Smaller states follow lead of resource or capital-rich regional powers</td>
<td></td>
</tr>
<tr>
<td>advanced &amp; non-advanced economies,</td>
<td>into regional</td>
<td></td>
<td></td>
</tr>
<tr>
<td>resource-rich vs. resource-weak</td>
<td>(bloc) developments — regional synergies arise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Synergies inter-regionally leads</td>
<td>• Technological</td>
<td></td>
<td></td>
</tr>
<tr>
<td>innovation — new “space race”</td>
<td>advancement narrowed</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>to key sectors only (e.g., resources and commodities)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Food and water management advanced through technology</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### III. Four Facets of a Shared Future

<table>
<thead>
<tr>
<th>Co-operation</th>
<th>Role of the state</th>
<th>Economic Integration (e.g., access to resources, financial innovation, intellectual property)</th>
</tr>
</thead>
</table>
| **Labour migration** | • Large migration shifts intra-regionally  
• People uprooted/mobilised to access materials  
• Necessity of young skilled labour  
• Two-tier migration | • Regulation comes from regional powers  
• Pressure to privatise key sectors (water management)  
• Planned migration to allay risk of domestic job losses  
• Employment agencies operate on the regional level | • Brain drain within regions  
• Younger populations mobilised  
• Erratic flow of capital within regions – focus on rich and short term gain  
• Inter-regional competition for the best and for low skills workers |
| **Non-state actors** | • Co-operation of regionally based MNCs (agriculture, commodities, oil/gas, renewable energies, water) linked closely with regional government co-operatives  
• Grassroots NGOs protect resources and strive to ensure equitable profit sharing  
• MNCs gain influence through co-operatives and are allowed to self-regulate | • State struggles to regulate resource industry  
• Smaller states weakened by power of resource-rich regional bloc leaders  
• Poorer states rely on regional subsidies for agricultural products and commodities | • States pressured to sell key services  
• Tensions rise between grassroots and private sector (agriculture and commodities, including water)  
• Regional currencies become difficult to maintain as intra-regional inequities rise |
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Key messages

- The GloCal Blocs Scenario sees initial successes in economic integration at a regional level, which leads to greater stability and a path out of the crisis, though vulnerabilities exist due to greater inter-regional competition of resources.

- Cross-border co-operation in technological development is narrowed to key sectors, e.g., for natural resources, soft commodities and, increasingly, for water.

- Flows of labour migrants go under-regulated leading to short-term labour trends driven by regional migration agencies.

- The competition for skilled and unskilled labour between regions heats up due to ageing populations and low fertility rates. Countries with net outflows of migrants will face economic difficulties.

- CSOs focus their attention on protecting against resource exhaustion at a local level and ensuring a balanced system of profit sharing.

Conclusions and recommendations

The issue of economic integration is a vast and significant issue in this era of intense interdependence. The immense vulnerability revealed by the global financial crisis illustrates the sheer intensity of this interdependence. This revelation has brought about a change in understanding that requires a shift in thinking amongst policy makers. The recent pivots surrounding the world’s best performing region, Asia, are continuing apace and will bring about very interesting developments in the future.

The scenarios described in this publication provide an insight into the diverse futures we may face. Grey Paradise paints a somewhat “Blue Sky” picture of the immediate future, whereby intensified global integration provides the path through the crisis but intense controls only act to bring about unrest and instability. MosaInc. represents a possible future where the current economic challenges are prolonged with intense disparity between regions and actors caused by a lack of cohesive policy adjustments. Finally, the GloCal Blocs scenario predicts a speedy return to prosperity but at a cost as competition drives instability. Keeping these scenarios in mind, it is important to look through the common trends in order to establish the measures that need to put in place to stave off crises of the depth of the global financial crisis.

The recommendations put forward must be relevant and be grounded in the systems and realities prevalent today. Existing institutions at a global and regional level, be they legally binding or platforms for dialogue, need to evolve and put in place measures equipping them to ensure fiscal discipline, adequate regulations and react to shocks without putting too much of a burden on the shoulders of the vulnerable groups of society. This needs to be carried out in a consultative process to ensure accountability, transparency and inclusive growth.
Below are the recommendations related to each scenario. In the future of economic and financial governance, key elements include: 1) Improving the role of the G20 process; 2) Revitalising the Bretton Woods institutions; 3) Establishing regional level crisis management mechanisms and monitoring; and 4) Establishing a binding global migration mechanism for bi-lateral and multilateral agreements on migration.

These elements are elaborated in the following recommendations. In order to determine their priority, ‘X’ represents high relevance of each recommendation depending on different future settings.

**Table 7. Recommendations for various scenarios**

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Scenarios</th>
<th>Grey Paradise</th>
<th>MosaInc.</th>
<th>GloCal Blocs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve the role of the G20 in economic governance and crisis management</td>
<td></td>
<td>XXX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>• More from the “crisis committee”</td>
<td></td>
<td></td>
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<tr>
<td>• More accountability and transparency</td>
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<tr>
<td>Create a mechanism for wider civil society and non-member feedback</td>
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<tr>
<td>Revitalise the Bretton Woods institutions for a post-crisis world</td>
<td></td>
<td>XX</td>
<td>XX</td>
<td>X</td>
</tr>
<tr>
<td>• Improve the role and capacity of IMF/WB/WTO in promoting global integration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Install measures for more transparency</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Build representative regulations to protect against future shocks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establish regional level crisis management mechanisms and monitoring</td>
<td></td>
<td>XX</td>
<td>XX</td>
<td>XXX</td>
</tr>
<tr>
<td>• Improve fiscal policy discipline through robust monitoring</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Strong regional level crisis management mechanisms can help to tackle crises at root source and avoid contagion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establish a binding global migration mechanism for bilateral and multilateral agreements on migration:</td>
<td></td>
<td>XXX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>• Provide equal access to rights and social protection for migrant workers in recipient countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Implement and monitor strict regulations on cross-border employment agencies;</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>• Strengthen cooperation between sending and receiving countries of migrant workers;</td>
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</tr>
<tr>
<td>• Simplify procedures to improve work-life-balance of migrants and their families (e.g. family reunification esp. with regards to children, basic health and education services, etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
III. Four Facets of a Shared Future

References


OECD factbook 2011/2012. Economic, Environmental and Social Statistics. http://www.oecd-ilibrary.org/sites/factbook-2011-en/02/01/04/index.html?contentType=&itemId=/content/chapter/factbook-2011-12-en&containerItemId=/content/serial/18147364&accessItemIds=&mimeType=text/h.
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3. Environmental Governance

Introduction

The world’s human population recently reached seven billion (UN 2011). This population increase and accompanying economic growth have caused consumption to rise many-fold over the last decades. Correspondingly, quality of life, when measured by per capita GDP, has gone up substantially in many countries. However, there are still countries that require more economic growth and development to eradicate poverty and increase human well-being. With the on-going decline in the world’s natural resources, it has become a challenge for these countries to increase their levels of development and resource consumption without causing further degradation of the earth’s ecosystems.

On the global level, we have already surpassed the carrying capacity of the planet in the mid-1980s and now live on an “overshoot”, consuming natural resources and depleting the environment at a rate faster than they can be replenished by the earth’s system. The human relationship to this complex system can be explained through the nine so-called “planetary boundaries”: the ozone layer; biodiversity; chemical dispersion; climate change; ocean acidification; freshwater consumption and the global hydrological cycle; land system change; nitrogen and phosphorus input to the biosphere and oceans; and atmospheric aerosol loading. These boundaries should not be crossed if human and planet well-being are to be preserved. The boundaries have been coined by the group of scientists in the article “A safe operating space for humanity” (Rockström et al. 2009).

Three of these nine boundaries have already been surpassed (nitrogen cycle, climate change and biodiversity loss), and an additional three are reaching their boundaries (phosphorous input, oceanic acidification and land-use). Moreover, putting excessive stress on these critical processes could lead to tipping points of abrupt environmental change, exemplified for instance through runaway global warming, mass extinction of species or another extreme change that can happen once a system gets thrown out of its relative equilibrium. Exceeding these limits has consequences for long-term sustainability and the well-being of people and planet, wherefore the choices regarding future development pathways will have strong impact at economic, social and environmental aspects of human life in the present and in the future.

However, the on-going growth and human development cannot simply grind to a halt, as more development is needed in many parts of the world. The challenge, however, will be to design and implement development strategies in a way such that they enhance poverty alleviation, equality and human security, both within and beyond national boundaries of states, whilst at the same time keep the impact of human livelihoods within the finite limits of the planetary boundaries.

The approach of combining an environmentally safe space with basic human needs where any action to reverse the trends of environmental degradation must be compatible with measures to eradicate poverty and inequity can ensure sustainable development. Research from Oxfam has
shown a possible methodology that can be useful for guiding human development, ensuring continued well-being within the constraints posed by the limitations of our environment. This can be exemplified by the concept of the Oxfam doughnut, which depicts both environmental boundaries (periphery) and social foundations (core) (Raworth 2012). Together, these parameters provide a space within which humanity should remain, if we are to continue to develop sustainably.

**Figure 1. The safe and just space for humanity**

The eleven dimensions of social foundation in the Figure 1 are illustrative and based on governments’ priorities for the United Nations Conference on Sustainable Development Rio+20. The nine dimensions of the environmental ceiling are based on the planetary boundaries set out by Rockström et al. (2009). The safe and just operating space for humanity is the area between the
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environmental ceiling and the social foundation — where sustainable development takes place. Moving to this area will not happen overnight, and to be sure, changing development patterns across the globe will require substantive investments into infrastructure, generation of green jobs, education and other essential resources to stay in the “green area” of the doughnut. Currently, many governments run enormous deficits, and due to political constraints it seems difficult for most of them to generate sufficient political will for investments into projects and programmes that can promote sustainable development in all its facets. Nevertheless, there are resources that could be used in a more tailored way — for example, official development assistance could be delivered according to rigorous sustainability criteria, or countries could cut parts of their military budgets and instead use the liberated funds for peaceful development purposes. Looking at it this way, it appears that investing in sustainable development may in fact be less a problem of funding than it is a matter of prioritisation (Dowbor 2009, 228).

Demography poses an amplifying challenge to sustainability. The United Nations medium-term prediction foresees human population to increase to nine billion by mid-century (UN 2009). To fulfil everyone’s wishes and aspirations for a good life, many countries will need more economic growth to facilitate their human development over the coming decades. This will cause a heavier global anthropogenic footprint. However, the planetary boundaries suggest clear limits to the extent to which this global anthropogenic footprint can develop if planetary well-being is to be protected.

Theoretically, the outcome therefore seems to be one of two. The first outcome is one where innovation and efficiency improvements can provide enough manoeuvring space for sustained economic growth in the coming years. The second, more cautious outcome predicts that the need for poverty alleviation and development in some countries of the world will require a reciprocal decrease of the ecological footprint in other countries.

The future will most likely become a mix of both, but especially the latter option, which is based on redistribution and equality, may gain traction. This, however, presupposes the existence of a functional international sustainable development governance apparatus working towards global co-operation. Given the growing number of people and limited amount of resources on the planet, there is an urgency to revise existing governance concepts; and sustainable development governance should become a priority for governments both at national and international levels to ensure human and planetary well-being in the long term.

**Purpose of this analytical exercise in the context of the sector**

It is unclear how far the global ecological footprint will deepen, or how fast we will cross the remaining planetary boundaries. Nevertheless, the cost of inaction has already been indicated in a report by the OECD (2008). Counteracting measures have also been highlighted such as the need to include environmental costs of production in the price of the products and services, such as pollution, water usage, climate change, etc. The prevalent consumption and production patterns
of the developed world, prioritising short-term profit over long-term sustainability concerns and
the pressuring need for poverty alleviation in developing countries are the growing challenges
that have yet to be sufficiently addressed in a balanced manner.

Apart from the physical resources, financial resources would need to be disbursed. Channelling
various kinds of resources, information and technology from developed to developing countries
is important from a distributional equity point of view. Sharing resources and know-how is also
important to avoid developing countries compromising environmental sustainability on account
of economic growth and poverty reduction by following the “grow first, clean up later” approach
that all countries experiencing development adopted during their industrialisation in the past.

At present, sustainable development has, somewhat successfully, been translated into sustainable
development strategies (SDS) on national, regional and global levels. However, implementation
has been lacking due to diverging development priorities across the board — environmental
sustainability has not been regarded as top policy priority.

Establishing the strategic direction for development is becoming a burning issue and a major
concern for governments. The UN Millennium Summit in September 2000 adopted the UN
Millennium Declaration, where world leaders committed their nations to a global partnership to
alleviate extreme poverty and set out a series of time-bound targets, known as the Millennium
Development Goals (MDGs), with a deadline of 2015 (UN 2000).57

More recently, the one key outcome of the Rio+20 conference, hosted by Brazil in June 2012, was
the agreement to develop a new set of goals to succeed the MDGs in 2015. These goals are meant
to be truly universal, integrating development and the environment, to confront the root causes
of our current crises. They are to be called Sustainable Development Goals (SDGs) and will be built
on past international commitments.

The leaders recognised “that the development of goals could… be useful for pursuing focused
and coherent action on sustainable development. [They] further recognise the importance and
utility of a set of sustainable development goals (SDGs), which are based on Agenda 21 and
Johannesburg Plan of Implementation, fully respect all Rio Principles, taking into account different
national circumstances, capacities and priorities, are consistent with international law, build
upon commitments already made, and contribute to the full implementation of the outcomes
of all major Summits in the economic, social and environmental fields, including this outcome
document” (UN 2012, 43).

The need to balance planetary and human needs could be addressed by approaching
development by ensuring that income disparities are decreasing in the long term and supported
by a rights-based access to education, food, water and energy across all countries (Wilkinson and
Picket 2011). While such development would require large-scale co-operation between countries,
it seems to be one of the workable strategies for sustainable development that includes poverty
alleviation (Dowbor 2009).

57 For the latest developments on the MDGs, see website http://www.un.org/millenniumgoals/.
As a part of this approach, the security nexus (food, energy and water) has the potential to become a crucial policy focus that can determine the extent of successful and resilient country development. A decisive factor here will be whether science can increase its role in providing evidence based policy advice on the efficient use and a just allocation of resources, as both the definition and pursuit of such sustainable development goals require a solid scientific base.

The extent to which countries co-operate with one another will depend on whether they are able to create strong international institutions that are credible, accountable and transparent enough to stand as mediating platforms between countries’ (often diverging) resource needs and requirements.

As it is yet unclear how countries in the world will approach the daunting task of balancing human development with the inherent environmental limits of the earth’s system, a number of scenarios could be possible for the future, and the following section will present those along with more information on how international co-operation might develop.

**Overview of environmental governance**

**Historical overview**

The global dialogue on sustainable development first began in Stockholm, Sweden, in 1972, with the United Nations Conference on the Human Environment (UNCHE). Bringing together representatives from 113 governments and international organisations, it was the first international gathering to discuss the state of the environment around the world and also marked the emergence of international environmental law. The conference laid out principles and agreements for various international environmental issues and also saw the creation of the United Nations Environment Programme (UNEP).

The setting up of the World Commission on Environment and Development (WCED) in 1983 further acknowledged environmental deterioration on a global scale and the urgent need to find meaningful solutions. The 1987 Brundtland Report that followed coined what was to become the often-cited definition of sustainable development, as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”, paving the way for the first Earth Summit, the United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro, Brazil, in 1992. Approximately 172 governments and 2,400 civil society organisations participated in this landmark event with important international agreements opened for signature, including the United Nations Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity. Most importantly, the Earth Summit produced Agenda 21, a comprehensive blueprint of action for stakeholders of sustainable development at the global, national and local levels.

It was decided during the second Earth Summit, the World Summit on Sustainable Development (WSSD), in Johannesburg, South Africa, in 2002, that instead of establishing new multilateral agreements, governments would form partnerships with civil society as the way to manage the
implementation of existing agreements that had not been fulfilled, including the 2000 Millennium Development Goals (MDGs). During the meeting, approximately 300 new partnerships between governments and civil society organisations were forged and many more have since emerged.

Nevertheless, forty years since Stockholm, implementing sustainable development principles continues to be a challenge for countries around the world. Global threats such as the financial crisis, food security and climate change are, on the one hand, undermining all three pillars of sustainable development — economic development, social development and environmental protection — while at the same time demonstrating the interconnectedness of the three. Table 1 provides a brief recap of the history of sustainable development.

Table 1. Sustainable development timeline

<table>
<thead>
<tr>
<th>Year</th>
<th>Environmental milestone</th>
<th>Decisions adopted</th>
<th>Outcome or impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>UN Conference on the Human Environment, Stockholm</td>
<td>The Stockholm Declaration; United Nations Environment Programme (UNEP) established</td>
<td>Human development linked to the natural environment; recognition that a differentiated approach is required to address development in different countries</td>
</tr>
<tr>
<td>1983</td>
<td>World Commission on Environment and Development (Brundtland Commission) Convened</td>
<td>Brundtland Report (&quot;Our Common Future&quot;)</td>
<td>Sustainable development defined; includes social, economic, and environmental aspects.</td>
</tr>
<tr>
<td>1992</td>
<td>UN Conference on Environment and Development (Rio Earth Summit)</td>
<td>The Rio Declaration; Agenda 21; Forest Principles; UN Framework Convention on Climate Change (UNFCCC); the Convention on Biodiversity</td>
<td>Strong enthusiasm for sustainable development principles; criticism regarding success of implementation</td>
</tr>
<tr>
<td>1997</td>
<td>“Rio+5”</td>
<td>Review of the implementation of Agenda 21</td>
<td>Implementation issues identified, especially regarding the International Framework for Sustainable Development (IFSD)</td>
</tr>
<tr>
<td>1997</td>
<td>Kyoto Protocol</td>
<td>Targeted reduction of emissions by 2012, following the UNFCCC.</td>
<td>Protracted ratification process, but eventual implementation; targets set to reduce carbon emission levels to 1990 benchmark</td>
</tr>
<tr>
<td>2000</td>
<td>Millennium Summit</td>
<td>Millennium Declaration</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>2002</td>
<td>“Rio+10” — World Summit on Sustainable Development (WSSD)</td>
<td>Johannesburg Plan of Implementation</td>
<td>A shift away from multilateral approach</td>
</tr>
</tbody>
</table>
### III. Four Facets of a Shared Future

<table>
<thead>
<tr>
<th>Year</th>
<th>Environmental milestone</th>
<th>Decisions adopted</th>
<th>Outcome or impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Nairobi-Helsinki Process</td>
<td>The Nairobi-Helsinki Outcome</td>
<td>Produced a set of options for improving International Environmental Governance (IEG)</td>
</tr>
<tr>
<td>2012</td>
<td>“Rio+20” — UN Conference on Sustainable Development</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

The latest United Nations Conference on Sustainable Development (UNCSD) that was held in Rio de Janeiro, Brazil in June 2012 aimed to reinvigorate the international dialogue on environment and sustainable development. Organised by the UN Department of Economic and Social Affairs (UNDESA) and dubbed Rio+20, the event aimed to produce a focused political document to facilitate a global transition to a green economy and reform the International Environmental Governance (IEG) structure by improving the Institutional Framework for Sustainable Development (IFSD). Representatives of 192 governments, non-profit organisations and business sector as well as other major groups attended the event. It would have been a timely opportunity to renew and strengthen global political commitment for sustainable development and poverty eradication; assess progress and gaps in already agreed upon commitments; and address new emerging challenges.

The primary result of the conference was the non-binding document, “The Future We Want”. It serves as a proof of renewed political commitment to sustainable development. The document also confirms previous action plans and commitments related with sustainable development; it supports the creation of Sustainable Development Goals (SDGs), a set of measurable targets aimed at promoting sustainable development globally. They would complement the existing Millennium Development Goals and be constructed on the lessons learnt from past criticism of MDGs. Moreover, it indicates that the leaders recognised the need for broader measures of progress to complement GDP in order to better inform policy decisions. Additionally, it focuses on the need for changes regarding societal consumption and production patterns.

**Definition of parameters: three key issues**

Planning and implementing policies and decisions towards sustainable development in the next twenty years require a closer look at a number of parameters that will be decisive in how progress may be shaped. In this regard, it will be important to examine both existing and emerging models of co-operation, as well as identify the different actors that are currently will be increasingly involved in shaping the future. Last but not least, it will be important to also examine the trends for water, energy and food security. It is clear that there is now competition for scarce natural resources, and without adequate co-operation and communication models it may become increasingly difficult to share and distribute the resources that are essential for peoples’ quality of life. The following section gives a detailed overview of this triad and the need to take them into account.
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Co-operation and communication

Co-operation on sustainable development exists on the international level and is governed by the UN and other international bodies. There are several regional mechanisms and national bodies that have been established since the first UN Earth Summit in 1992.\(^{58}\)

Due to the complexity and cross-cutting nature of the dimensions that constitute sustainable development (social, economic and environmental), institutional frameworks suffer from a lack of co-ordination and integration that is necessary to allow the most synergetic approaches to emerge.

The situation is similar with regard to regional and national governance. Their architecture is fragmented and effectiveness differs depending on country and region. Improving this system would require better co-ordination mechanisms and a common strategy in order to function in an efficient way without having overlapping functions, horizontally and vertically.

The role of the state and emerging role of non-state actors

The state still plays a pivotal role in governing sustainable development policies on national level. Nevertheless, the cross-cutting issues related to overall co-ordination of sustainable development are beyond the sole capacity of the state, and increasingly other stakeholders may have to get involved. This, of course, requires co-ordinated effort on regional and international level to ensure implementation.

International agencies could be one of the actors to take a leading role for the co-ordination between states in the provision of technical support as well as providing information on progress. Nevertheless, there are different possibilities depending on the scenario and levels of involvement of non-state actors.

Considering that states still maintain the central role in implementation of regulations and policies at national levels, there are still many options available for non-state actors as well as regional and international groupings. Additionally, more involvement of private sector and civil society organisation is required for legitimate decision-making as well as in the implementation of measures, including monitoring and reporting.

Security nexus

Water, energy and food constitute the security nexus. The three issues (water security, energy security and food security) are inextricably linked, and actions in one area have likely impact on one or both of the areas. They constitute the so-called security nexus. These linkages have always been present, but as the world population continues to increase, so will the demands for

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basic services and growing desires for higher living standards. There is a growing need for more conscious stewardship of the vital resources required to achieve the availability of these resources (Martin-Nagle et al. 2012, 7–8).

At present, with the world welcoming its seven billionth human being, approximately one-seventh of humans (the “bottom billion”) lack access to safe water; two and a half billion lack access to sanitation; one billion suffer from hunger; and two and a half billion lack access to modern forms of energy. There is considerable overlap among these figures, so that those who are lacking in one element are almost certainly deprived of one or more of the others.

Given the anticipated increase in population to eight billion by 2030 and nine billion by 2050 (UN 2011), the projections are that unless current patterns change, 50% more energy will have to be available by 2035, and the agriculture sector will have to produce 70% more food — with the consequence that agriculture will require at least 20% more water and 10% more land by 2050. All in all, these combined pressures threaten to drive ecological and social systems beyond critical thresholds and undermine the resilience of these systems in the face of societal and environmental crises (Martin-Nagle 2012).

Three megatrends

For the purpose of this analysis, the following megatrends were identified as critical in shaping the future of the sustainable development: increasing global divergence in population trends; accelerating technological change; and changing values. The issues were based on the discussion at Rio+20 and the need for an alternative to the predominant focus on economic growth.

*Increasing global divergence in population trends*

In terms of population trends, middle- and high-income states will experience less population growth combined with an ageing population. Developing and emerging economies on the other hand will take advantage of the momentum in their population growth, if they are able to find meaningful employment for the growing number of people. In many developed areas of the world with an ageing population, including Japan and the Republic of Korea, the loss of workforce and the need for pension payments for the aged will affect the economy, forcing them to incentivise migration to support their dwindling workforce. To make up for the lack of workforce, some developed countries will incentivise migration to supply labour for their own economies from countries with a population surplus. Other types of migration will also play a role and may include those driven by environmental reasons to migrate. The possibility of extreme weather events will also cause some areas of the world to struggle with food and water production; this can cause migration but also negatively impact population growth.

Emerging markets will derive their workforce from qualified migrants, especially in countries that may otherwise have a dwindling population. Without this job migration, economies that lack population growth may stagnate. Environmental issues such as disasters and drought cause increased migration. Some countries react by closing their borders to avoid political problems.
due to increased migration. Overall, an increase in population causes larger demand for food. The agricultural sector will already be strained by climatic changes and extreme weather events such as floods and droughts, and meeting the increasing demand for food will therefore pose an immense challenge. This will be the case particularly if the efficiency of agricultural irrigation and general water use are not improved and if biofuels continue to compete for water with overall food crop production.

*Accelerating technological change: racing into the unknown*

Technology is one of the main drivers for human development and growth. Its relevance, affordability, availability and time needed for diffusion of innovations as well as the corresponding environmental costs for harnessing such technology are still difficult to define.

Technological change will determine the look of the world in the next twenty years. The challenges faced today — due to resource scarcity, uneven development levels, financial crisis and climate change — will either be addressed or remain as critical issues still to be solved. What is certain is that these challenges will change the way the societies function in all scenarios.

Information and Communications Technology (ITC) allows supporting the sustainable development in four main areas (Tongia et al. 2005):

- **Computing**: ICT can contribute in various areas, for instance, in hardware and software applications used for sensors and control systems. The affordability and user-friendliness of such technology will be important factors to their adoption.

- **Connectivity**: Many rural areas in developing countries have no access to ICT. Universal access to ICT requires new solutions and different business models that offer integrated access for the end-user.

- **Content**: ICT will be relevant to sustainable development when it provides relevant content to users. There is a need for timely access to relevant information regardless of language barriers and skills level.

- **(Human) Capacity**: In general, people lack of awareness of ICT possibilities, and some of the barriers to such awareness relate to social, cultural and economic backgrounds. Countries with low literacy will require complementary development of education programmes that are made available to all, especially women.

Education, digital inclusion, access to information and the development of social media services will influence new social classes that are connected globally.

Concerning technological innovation, depending on the motives of policy makers and citizens, there are several options that can be explored, varying from increased industrialised farming and genetically modified food production to the return to a more efficient use of traditional
agriculture techniques (e.g., consuming less water with a drastic reduce of meat consumption) and better management of existing food resources, from production and transport to storing techniques (Vidal 2012). Similarly, growing investment in R&D can result in greater global access to information and digital inclusion or deepen the existing disparities and inequalities.

Furthermore, a targeted focus of supporting R&D by the state and businesses can enhance the progress in sustainable development and ensure better co-ordination of different actors impacts. This can ensure that the sum of governments’ and private sectors’ operations complement rather than offset progress made towards sustainable development.

**Changing values: human well-being**

There is a need for an alternative to GDP as a way to measure development. The one option that will be further elaborated is a Happy Planet Index that measures progress based on “how well nations are doing in terms of supporting their inhabitants to live good lives now, while ensuring the others can do it in the future” (Abdullah et al. 2012, 2).

According to the Easterlin Paradox, happiness correlates directly with income over the short term (Easterlin et al. 2010). However, once basic needs have been covered, the correlation of income with happiness becomes hazy at best. The focus on better quality of life rather than on income in order to measure human well-being should be taken into consideration while planning new policies. As it is, the planet is under pressure, now already exceeding several planetary boundaries for the sake of GDP increase that is used as a measure of human well-being.

Moreover, the research on income inequality points out that favouring economic growth rather than equality in societies has negative consequences (Wilkinson and Pickett 2010). It causes shorter, less satisfactory and unhappy lives — represented, for example, by the increased rate of teenage pregnancy, violence, obesity, substance addiction and crime levels, and social stratification and tensions. It also causes the consumption patterns that put pressure on the planet resources to intensify.

Therefore, human well-being as well as that of the planet should be treated with equal importance by policy makers as an alternative measure to GDP.

**How megatrends will shape the future**

In analysing the future of sustainable development, this section presents three possible scenarios, in which the challenges to society, economy and environment are approached differently. The characteristics of the differing scenarios will largely depend on the extent to which the three issues (i.e., co-operation and communication; the role of state and emerging role of non-state actors; and security nexus) receive priority and attention by policy makers and the public. Also fleshed out in these scenarios are the megatrends identified earlier (i.e., increasing global divergence in population trends; accelerating technological change — racing into the unknown and; changing values: human well-being).
The following analysis and recommendations are partly based on the Asia-Europe Foundation’s (ASEF) Environment Forum experience as well as different dialogues conducted by ASEF over the last ten years. The issues related with sustainable development were broadly discussed during a series of informal consultation workshops under the Asia-Europe Strategies for the Earth Summit 2012 project that aimed to analyse the IFSD in the lead-up towards Rio+20 (Iglesias et al. 2012).

Grey Paradise

In the Grey Paradise scenario, the development agenda in Asia and Europe is dominated by global political structures, redistributed resources and economic control by the authorities. Continuing crisis leads governments to put their faith in international regimes and co-operation. The focus on a co-ordinated approach to address security nexus challenges enables significant progress in preserving natural resources.

However, Asian countries, fuelled by continued economic expansion, gain more power and increasingly dominate the international economic arena. The sometimes authoritarian guise of global governance enables much progress in many areas but also evokes increasing dissatisfaction among large sectors of the population in Asia due to limited society rights.

Rethinking the global governance structure to alleviate poverty and accelerate the development of a green economy has been accomplished. A global regulatory framework for environmental goods has emerged and regional and national mechanisms for implementation are enabled, including ones that promote accountability and governmental transparency, such as: changes in economic processes; valuation of natural capital; improved stability of financial markets; elimination of distorting and harmful subsidies; technology transfers, and others. It has been instrumental in forging international consensus, offering international exchange of good practices, mobilising regional co-operation and monitoring of international environmental agreements.

UN’s newly established sustainable development co-ordination body allows effective monitoring and co-ordination of countries’ progress towards sustainable development under the frame of SDGs. The integration of the social, economic and environment pillars in policy making is also making much progress through the new and stronger institutional framework for sustainable development. In addition, this global structure has been replicated vertically through the creation and strengthening of sustainable development bodies at the regional, national and local levels, operating on the principle of subsidiarity.

To strengthen the environmental pillar (as a one of three pillars of sustainable development) from within, an enhanced UNEP has taken the form of a UN Environment Organisation (UNEO) post Rio+20. Universal membership has been extended to all member states and other stakeholders, including Bretton Woods institutions, the private sector and civil society organisations, creating a single platform for dialogue, co-ordination and implementation worldwide. Over a period of fifteen years, the UNEO has successfully pushed for many new international agreements.
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and conventions including a global convention to support public access to environmental information, as well as universal ratification of many environmental agreements including the UN Convention on Biological Diversity (CBD) and the Nagoya Protocol on Access and Benefit Sharing (ABS) of Genetic Resources. These efforts have been supported by the creation of an International Court for Environmental Justice.

In general, the UNEO is co-ordinating environmental issues at the global and regional level, co-operating on greening the economy with other organisations and specialised agencies. In general, this benefits the environment and partially offsets the increasing strain caused by the need for increased food production.

Regional organisations such as ASEAN and the EU play key roles in co-ordinating and implementing global sustainable development objectives in their respective regions and beyond. At the national levels, legislation and programmes to raising awareness create incentive measures for compliance and enforcement, and multi-sectoral mechanisms allow greater horizontal integration and co-ordination among line ministries and agencies.

The participation of civil society has been formalised and regulated through multi-stakeholder processes in joint-agenda setting. This greatly enhances civil society's input in the policy process, building capacity at the grassroots level while at the same time compelling civil society organisations to be more transparent to their constituencies. A new participatory framework has been created to ensure a broader representation of civil society organisations in decision-making regarding environment and sustainable development.

In the Grey Paradise scenario, the world’s population will continue its growth, especially in Asia and Africa. In highly developed countries, including Japan and most of the EU, populations will dwindle, but on a global level, the population will continue its growth but at a slower rate than in the past (European Environment Agency 2011). Due to better access to healthcare systems and access to water, sanitation and hygiene (WASH) overall, people will live longer and enjoy higher quality of life. Investments in education will generally benefit people in affluent parts of the world and these areas will also attract migrants from less developed countries.

In some parts of Asia and Europe where population is on the downward trend, increased migration will become a necessity for sustained economic activity and to avoid stagnation. Economic and financial crises that may continuously plague the old powers, including the EU and its member states, will further affect population development and result in disinclination towards having children.

The high level of global co-operation enables countries to co-ordinate migration rather successfully, through establishing programmes that promote migration of well-educated workforce from the “south” to the “north”. The resulting brain-drain from developing countries however may challenge the stability of their economic growth although remittances sent from migrants working overseas to their families can somewhat stabilise the situation.
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Overall, the creation of global institutions dealing with sustainable development and the pursuit of sustainable development goals in the period 2015–2030 will help the world keep within planetary boundaries. While co-operating towards achieving global goals, countries determine their own strategies for doing so; for instance, some parts of Asia follow the concept of Green Growth to alleviate poverty whilst keeping within ecological limits.

Despite these improvements, the growing population is adding its strain to the ecosystems, mainly as increased food production causes biodiversity loss, which hits rural communities in developing countries hardest. The changing climate opens new opportunities to expand food production in parts of Russia and Central Asia, taking off some of the strain from EU’s agricultural sector. Additionally, the changing climate also leads to migration away from coastal and low-lying parts of the world, which can result in security issues for developed countries, to the point of forced border closures in Southern Europe and limited movement within the Schengen Area in the EU.

Since global institutions function rather well in this scenario, the world realises the necessity to co-operate on family planning to keep world population below nine billion by 2050. The main way to do this will be through increasing quality of life in poorer areas, as poverty eradication is the best way to cancel the need for large families. Northern and southern countries thus co-operate on creating the necessary institutional infrastructure to provide the social foundation for better quality of life in developing countries. States co-operate with the private sector and civil society to this end.

Grey Paradise: co-operation and communication

With family planning policies and increased accessibility to education, higher standards of living and better healthcare are reaching more parts of the world. The rates of fertility and population growth have started to slow down, though the population will continue to grow for the foreseeable future as people enjoy a higher life expectancy.

Due to the overall belief in the multilateral system, international co-operation flourishes, reflecting a strong political commitment to sustainable development. Also, at national and municipal levels, co-operation networks remain strong, focusing on green cities as well as poverty eradication. Information pertaining to population development is exchanged and generally inter-regional migration is encouraged where appropriate.

Co-operation between governments resulted in solving challenges caused by the digital divide. As a result, the public access to Sustainable Development Index (SDI) information has been implemented in Asian countries. Consequently, Southeast Asian countries are obliged to adopt legislation to support public access to environmental information as well. A peer review mechanism to assess the implementation of such a convention on access to participation, information, and justice in environmental matters has also been put into place to put pressure on
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non-compliant countries. This convention could be based on Aarhus Convention\textsuperscript{59}. For individuals, mechanisms have also been put into place for those seeking remedies on the infringement of their right to access to environmental information both at the national and regional levels. As a result, there is increased policy co-ordination at the regional and global levels for environmental protection and the promotion of sustainable development goals. There is an enhanced rectitude of consumers and business behaviours in protecting the environment and supporting sustainability principles. In particular, businesses are developing practices to conduct proper impact assessment of their work.

People living in cities now constitute even greater parts of the population. This makes it easier for them to organise themselves in informal governance groups that can exert political pressure on governments towards providing better health and social services.

The countries such as Bhutan\textsuperscript{60} and Thailand are becoming famous for their philosophy of happiness-oriented lifestyles that support the concept of living in a harmony with nature. Increased child survival and low ecological footprint have proven to be preconditions to reach human well-being. Due to the changes in law that allows euthanasia there is a strong social movement emerging return to the “simple life” approach.

This scenario also sees the world co-operate through the rather strong institutional framework to attain sustainability and keep humanity within the “safe operating space” provided by the planetary boundaries, whilst implementing multilateral and national policies for development that address the social foundation as illustrated by the Oxfam Doughnut.

\textit{Grey Paradise: the role of the state and emerging role of non-state actors}

While the role of the state is comparably strong, the Grey Paradise scenario allows for devolution of authority to appropriate levels, thereby providing greater administrative authority to regional and sub-national governments. This relative openness also benefits non-state actors, who gradually become increasingly essential agents in sustainable development governance, supported by international organisations and tasked with monitoring and reporting of the implementation of sustainable development policy measures. Asian countries continue their quest for “green growth” with some success, and policy practices are exchanged among likeminded countries using existing and new information exchange platforms. On the flipside, however, slum communities remain a problem in the growing urban areas of the Asia-Pacific. Gradually, these are being remedied by establishing adequate social protection programmes and opportunities for employment in the green job sector.


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New technologies are available on the international, regional and national levels, enabled by governments. They are also assessed concerning their impact on biodiversity. Civil society is gradually becoming strongly involved in various forms of environmental impact assessments and monitoring the implementation as well as outcomes of the technology that have not been anticipated before.

The model of GDP-driven development has failed regarding its impact on increase of human well-being. Higher personal incomes gained at the cost of community and social trust do not contribute to increasing happiness in the society. The “less is more” concept has started to be widely advertised by non-state actors and supported by international organisations promoting sustainable consumption patterns among the emerging middle class.

The role of the IEG system is increasing, and countries make use of the existing institutional framework basing on the UNEO, a specialised agency that takes the lead in capacity building among developing countries to increase the ability to cope with environmental issues and commitments to various multilateral agreements on environment and sustainable development.

*Grey Paradise: security nexus*

The distribution of food and other essential resources is globally co-ordinated by international organisations and much effort is spent in providing equitable access to basic goods and services for everyone. Population growth adds to the trend of increased urbanisation, which poses some health and pandemic related challenges. Some governments are increasingly challenged with providing energy and water to the urban populations while campaigns to lessen consumption needs have some success in decreasing energy needs.

There is wide implementation of a co-ordinated policy approach that allows the better management of water, energy and food. Possible shortage of one influences the others (for instance, water is used for production of food and energy, while energy is needed to extract water, etc.), and this is taken into account while preparing national and regional sustainable development strategies. There is an access to WASH that reaps benefits in healthcare, productivity and human development.

The technology of neutralising nuclear waste is invented and made broadly available due to global co-operation and sharing of knowledge. It results in safer environments and lowers the risk of nuclear contamination. Moreover, this newly available energy boosts the advancement of developing countries.

Due to overproduction of genetically modified foods, high obesity rates have reached poor countries. It has become a new lifestyle disease accompanying economic development.
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### Table 2. Matrix — Grey Paradise

<table>
<thead>
<tr>
<th>Increasing global divergence in population trends</th>
<th>Co-operation and communication</th>
<th>The role of the state and emerging role of non-state actors</th>
<th>Security nexus</th>
</tr>
</thead>
<tbody>
<tr>
<td>• International co-operation and communication are highly organised, reflecting a strong political commitment for sustainable development</td>
<td>• State’s role is strong, but allows for global policies being implemented at the international, regional and national levels</td>
<td>• Global co-ordination of strategic resources distribution to ensure the equitable access</td>
<td>• Food production and distribution is administered by UN Food and Agriculture Organization</td>
</tr>
<tr>
<td>• Developed countries are united to eradicate poverty</td>
<td>• International organisations provide strong leadership to support policy integrated formulation and implementation of sustainable development</td>
<td>• Greater risk of diseases and pandemics due to high concentration of population</td>
<td>• Asian countries are facing strong challenges regarding water supply in the cities</td>
</tr>
<tr>
<td>• The open access to WASH is implemented</td>
<td>• Low-carbon green growth is implemented by Asian countries, but growing gaps between eco-housing areas and slums remain a challenge</td>
<td>• Nuclear power is a main source of energy</td>
<td>• Nuclear power is a main source of energy</td>
</tr>
<tr>
<td>• The movement of liveable/green cities is globally co-ordinated and supported by governments</td>
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<table>
<thead>
<tr>
<th>Accelerating technological change: racing into the unknown</th>
<th>Co-operation and communication</th>
<th>The role of the state and emerging role of non-state actors</th>
<th>Security nexus</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Technology supports communication and sharing of information</td>
<td>• New technologies are available on the international, regional and national levels</td>
<td>• New technologies are supportive of recycling and production of clean water and energy</td>
<td>• The technology of safe storage of nuclear waste is invented</td>
</tr>
<tr>
<td>• There is a global control of peoples’ movement and activities</td>
<td>• Businesses are taking the advantage of the global monitoring for developing new marketing strategies</td>
<td>• All the countries have introduced legislations and programmes to promote awareness and provide incentives to reduce energy use, enhance energy efficiency and switch to non-fossil fuel energy sources</td>
<td></td>
</tr>
<tr>
<td>• Social media has a limited role to influence global decisions</td>
<td>• There is an excellent monitoring and evaluation system for sustainable development in place</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Public access to environmental information to support SDGs monitoring is in place</td>
<td>• New technologies are assessed concerning their impact on biodiversity</td>
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III. Four Facets of a Shared Future

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<thead>
<tr>
<th>Co-operation and communication</th>
<th>The role of the state and emerging role of non-state actors</th>
<th>Security nexus</th>
</tr>
</thead>
</table>
| **Changing values: human well-being** | • Respecting planetary boundaries enhances human happiness  
• Human and planet well-being are integrated in the global agenda and regularly measured as a part of SDGs  
• Corporate sustainability reporting is obligatory and determines consumption choices  
• Western societies are securing a happier lifestyle by reducing consumption and shifting to other philosophies learnt from “happy countries” such as Bhutan | • Failure of GDP-driven development — there is a global shift towards minimising the Gini Index to increase overall human well-being  
• Strong political commitment of developed countries to shift to sustainable production and consumption (SPC)  
• State policies follow UN agenda on sustainable development  
• International, regional and national sustainable development strategies are set, implemented, monitored and evaluated | • Planetary and social boundaries are respected for the benefit of human well-being  
• Right to security nexus is introduced and implemented  
• Due to overproduction of GM foods, high obesity rates have reached poor countries; it has become a new pandemic accompanying economic development |

**Conclusion**

Generally, this scenario foresees a comparably balanced and equitable distribution of goods and services throughout the world. There may perhaps be fewer extremely rich people, but at the same time, extreme poverty and deprivation will lessen, and the global institutional framework will be able to function as the agenda-setter for countries to co-operate on global development issues, including steering development away from exceeding the planetary boundaries. Governments would also start to consider how co-operation among likeminded states can increase the “win-win” situations in terms of food and water access, along with reciprocal provision of other services including labour force from those countries with young populations to those with ageing ones.

The multiple economic, social and environmental crises indicate that there is a need to turn away from the “business as usual” scenario. Countries will learn from current and recent interlinked crises that co-operation is the only way to produce more sustainable and resilient societies across the board. The need for a revised measurement of development and global goals that protect the human and planet well-being are the most crucial agenda for governments when formulating long-term development strategies.
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Demographic, technological and social changes, and searching for overall well-being and stability require governments to address the needs of their people, including basic needs and items contributing to human security such as access to water, food, education as well as social services.

Key messages:

- Sustainable development co-ordination should be coherent with an overarching framework that is available and co-ordinated on all local, national and international levels.

- There is a need for stronger co-operation in order to ensure the integration of three dimensions of sustainable development on different governance levels. This issue should remain an important and overarching concern in the agenda of governments while preparing national strategies, implementing them, and during their review and reformulation. The aspect of global commons protection (i.e., the protection of natural assets outside national jurisdiction such as the oceans, outer space and the Antarctic) should became a priority on the national level and influence policy making.

- A new global index replacing GDP should be created (e.g., on the basis of the Happy Planet Index and planetary boundaries), to not only spur economic growth but broaden the concept of progress to include more qualitative aspects of human and planetary well-being. It needs to be adjusted to national statistic systems and be made available online to ensure access to the information that allows monitoring of the implementation of SDGs and measure the efficiency of countries’ development strategies.

MosaInc.

In MosaInc., developments in Asia and Europe are characterised by weak political structures, resources that are used as commodities and economic self-interest. In a series of economic, natural and human crises, political structures fail to provide an effective response. Room for budgetary manoeuvre gradually shrinks. People turn to self-organisation and civil society organisations and businesses take over services that are no longer provided by public institutions. The dispersion of power leads to a mosaic of actors and structures, in which corporations are the strongest players. Open and globalised markets and societal segregation are features of this invention-rich future, challenged by many inequalities and problems related to resource scarcity.

Implementing sustainable development principles is therefore failing on the international level. It also remains a challenge for regions and countries to implement these principles. Global threats such as the financial crises, food security and climate change are on the one hand, undermining all three pillars of sustainable development (i.e., economic development, social development and environmental protection), while at the same time demonstrating the interconnectedness of the three. The lack of political commitment for IEG results in a lack of co-ordination and an overly fragmented governance structure. Civil society takes a lead to ensure human well-being; however, it is not strong and resourceful enough to succeed in carrying out such a responsibility.
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In this scenario, Rio+20 does not yield a global consensus for an IFSD and as such, IEG reform has been hampered. UNEP retains its normative role for environment issues at the international level. Without a universal mandate and an overarching IFSD to integrate the three pillars of sustainable development, the UN as a whole also suffers from a lack of credibility, financial certainty and direction. It has been unable to push for any new environmental agreements, neither is it able to incentivise collective action. Its gradual decline is also being exacerbated by other multilateral organisations that are competing over the same resources with conflicting priorities.

Consequently, there is little incentive for national governments to prioritise sustainable development. Although there has been considerable progress in the implementation of some international laws and agreements, promoting economic growth, often at the expense the environment, remains the norm, especially for developing countries. An expanding world population entrenched in a fossil fuel economy leaves limited options for those whose incomes and livelihoods depend on the preservation of biodiversity and ecosystems and on the proper management of natural resources. There is a desperate scramble for finite food, water and energy resources and a prevalence of green dumping and protectionism among states becomes the norm. The cost of inaction has become enormous, with biodiversity loss, and nitrogen cycles and other planetary boundaries reaching their tipping points. Extreme outcomes will include failed states, conflicts and wars, climate refugees, famines and environmental disasters.

On the other hand, gaps in the IEG structure and the threat of global environmental meltdown have created ample space for civil society stakeholders to create alternative enabling mechanisms to advance the sustainable development agenda informally at the international, regional, national and sub-national levels. Civil society organisations are mobilised with the help of the internet, social networking sites and other technological advancements. Multinationals have also gained considerable influence in creating awareness and steering public opinion by providing technical expertise and resources. There is an abundance of ideas and innovations and the sharing of best practices. However, in an increasingly multipolar world, dominant countries or interest blocs determine which agendas are prioritised. In this context, greater political and financial power translates into greater access to resources and information for certain stakeholders, but the marginalisation of many others, without proper mechanisms for recourse.

Providing the public with adequate access to environmental information has not yet been addressed sufficiently by governments, particularly in Southeast Asia. As such, legislative initiatives at the national and regional levels are either weak or non-existent. The global economy remains dependent on fossil fuels, and the raising of awareness and incentive programmes, including public partnerships for energy efficiency and climate change mitigation, have not really made an impact.

As there are no legal provisions to adequately protect biodiversity and ecosystems, there are limited alternative options for those whose incomes and livelihoods depend on them. An expanding world population continues to exploit natural resources and destroy habitats, gravely threatening multiple ecosystems and increasing greenhouse gas emissions into the atmosphere.
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An expanding world population is also producing increasing amounts of waste. Yet, limited efforts have been put into understanding the economic value of waste and there are limited social programmes and technological developments to better manage landfill sites and treat waste in an environmentally sound manner. As a consequence, landfill sites are increasingly overflowing with plastic, toxic metals and other non-biodegradable materials, which causes an increase in methane emissions. Waste pickers and scavengers remain socially and economically marginalised.

The Asian region has been the engine of economic growth over the past two decades and is currently reaping the benefits. Increasingly, Asian countries are enjoying higher levels of income, urbanisation, education and technological advancements, compared to their counterparts in other regions; this masks the fact that they are also the countries most affected by natural resource depletion and the impact of climate change. EU countries, on the other hand, have benefited from sound environmental governance policies at the national and regional levels in the past. However, many of them are currently experiencing economic decline and the region as a whole has become more conservative and inward-looking.

Civil society and the private sector are also actively feeding into the policy process through direct involvement or their own parallel structures. However, the scope to translate dialogue and the sharing of best practices into concrete actions and reforms have remained limited in both regions.

The MosaInc. has much weaker forms of state control. People trust less in domestic and international governance arrangements, mainly due to the fact that governments have been unable to avert or effectively cope with a number of environmental disasters, which will hit humanity in the coming years. Due to the lack of trust, countries in this scenario will be unable to co-operate in facing challenging issues related to population growth, and the increased need for food production, protection of environment and natural resources causes competition for natural resources that have not yet been depleted.

Due to the rather weakened role of the state in this scenario, the role of the private sector as well as civil society will increase. The larger part of the population without access to education or healthcare, however, will not be able to afford a good quality of life. Potentially, this increase in disparity between wealthy and poor carries some risk with regard to social upheaval and prolonged conflict, which is likely to happen in those areas of the world, where state influence is at a minimum. In those regions with population increase, the potential for conflict is amplified by unequal access to basic services, such as the provision of food, water and energy.

On the sustainability front, the lack of global institutional structures in some sense will hamper the ability of the international community to deal with emerging environmental issues. However, there will be several smaller regional and sub-regional groupings of countries with the same interest. Along with other "coalitions of the willing", these groupings of countries, together with strong private sector and civil society actors, form their own institutional responses to the need for sustainable development governance. There is a genuine attempt by regional organisations such as the ASEAN, the EU and the South Asian Association for Regional Co-operation (SAARC) to
bridge the gap in the IEG structure by intensifying bi-regional co-operation. It also translates into regional sustainable develop goals and strategies to ensure synergy among different activities taken over by multiple UN agencies.

While population growth will be slow in the MosaInc. scenario, the relative pressure on the environmental integrity is high, simply because there are no overarching international laws and norms that are able to moderate the use of natural resources such as water and oceanic products. Countries and actors with less capacity to harness these resources will stand as losers in this scenario.

**MosaInc.: co-operation and communication**

The global structures prevalent in this scenario are segregated and cause a general lack of global initiatives towards the organisation and maintenance of effective co-operation and communication structures. In its absence, co-operation among communities, cities and urban areas through voluntary networks become the modus operandi. The lack of formal governmental agreements even at these levels cause increasing demand for civil society and other non-state actors to build co-operatives in order to compensate for the lack of co-operation at international and global levels. However, the lack of formal recognition of these networks somewhat hampers their effectiveness in the short term, although over time it is expected that new forms of credible democracy, independent from governmental approval, may emerge.

Due to the domination of business-driven information and innovation, there is no regional agreement or convention on public access to environmental information and strategic environmental impact assessment in Asia. Although civil society organisations are compelled to mobilise, collective action to tackle environmental challenges remain ineffective and misplaced in the absence of the right information. As such, it is difficult for grassroots movements to change the behaviour of businesses and consumers.

Due to lack of co-ordination over new technological innovations there are emerging new initiatives of community-based sustainable development. Because security nexus is endangered, communities resort to self-organisation. The approach to “create more with less” — by increasing resource productivity and establishing mechanisms to identify the optimal allocation of scarce resources — supports more sustainable use of land and water.

Human well-being is affected by growing income disparities that causes social problems and civil unrest. Existing gender inequalities deepen due to unemployment and an ever-growing population. Gender disparities are embedded in job markets and politics, additionally strengthened by poorly designed growth strategies.
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*MosaInc.: the role of the state and emerging role of non-state actors*

Largely congruent with communication and co-operation, the MosaInc. scenario will see the emergence of a few strong countries and sub-regions that dominate the international sphere of sustainable development governance. Most other countries do not recognise concepts such as the planetary boundaries nor the need for a strong social foundation as a significant policy priority compared to the quest for sustained economic growth. This will cause resource-related conflicts between and even within countries, as access and distribution of resources will not be adequately addressed. The potential for conflict is increasing as populations grow and new generations without the possibility for a safe and just existence emerge. At national levels, communities and urban governments continue their initiatives for greener and more liveable cities, benefiting those who are lucky enough to become a part of these networks.

Despite the potential for conflict, there is also a growing number of people who are “off limits” to the profit motive. They cultivate the spirit of co-operation, trust and equal community. They support the implementation of national and community sustainable development goals and take the responsibility for community development. They promote personal freedom, anti-corruption and social support mechanisms provided by the community and local non-profit organisations.

The IFSD, while still existing and supported by countries, is not as strong and well-utilised in this scenario. Regional and sub-regional co-operatives exist, where countries see a clear advantage of engagement; however, the guidance provided for environmental governance by these institutions is rather limited and more geared towards helping countries improve resilience to environmental disasters and resource constraints that encourage compliance and enforcement of environmental regulations. Global goals related to sustainable development remain completely voluntary and symbolic, without an effective enforcement framework at the international level.

*MosaInc.: security nexus*

Due to the lack of international co-operation on natural resource management, the MosaInc. scenario will have some countries with enough access to food, energy and water, while others will struggle. Civil unrest may ensue, and non-state actors may take a more prominent role in pushing their governments to provide access to these natural resources, or even take matters in their own hands and create communes and co-operatives, where people on their own co-operate to maintain access to basic needs. The private sector will also emerge as strong player in obtaining rights to these natural resources and providing them to those who can pay, which in turn will create new social classes, spurring political instability and competition for access to food, water and energy between the different social classes.

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The change of lifestyle and integration of social campaigns in the education system regarding increasing awareness on sustainable consumption will influence the production patterns and enforce the improvement of supply chains. This change of attitude will create demand for sustainable products and reduce the overall pressure on the environment in developed countries such as those in the EU, while the opposite will be true in Asia.

Table 3. Matrix — Mosaic.

<table>
<thead>
<tr>
<th>Increasing global divergence in population trends</th>
<th>Co-operation and communication</th>
<th>The actors/role of the state and emerging role of non-state actors</th>
<th>Security nexus</th>
</tr>
</thead>
<tbody>
<tr>
<td>- General lack of global initiatives towards co-operation and communication</td>
<td>- Economically stronger countries take the lead in the economic development</td>
<td>- There is no co-ordination of water, energy and good security, and limited access creates social unrests and conflicts between rich and poor</td>
<td></td>
</tr>
<tr>
<td>- Small communities as well as cities are playing stronger roles and network with like-minded structures across nations and regions</td>
<td>- Non-state actors are increasingly organised and gain influence</td>
<td>- Market-driven prices for water, energy and food creates different categories of citizens (new social classes)</td>
<td></td>
</tr>
<tr>
<td>- Non-state actors are building international, regional and national structures to compensate for the lack of intergovernmental cooperation</td>
<td>- Sustainable development is of low priority for national governments struggling with internal problems</td>
<td>- Food wasting is only addressed by local communities forming coalitions to help the poorest</td>
<td></td>
</tr>
<tr>
<td>- There is growing disparity between and within countries concerning quality of urban living</td>
<td>- Developed countries integrate sustainable development including that of liveable cities</td>
<td>- There is growing disparity between and within countries concerning quality of urban living</td>
<td></td>
</tr>
</tbody>
</table>
III. Four Facets of a Shared Future

<table>
<thead>
<tr>
<th>Co-operation and communication</th>
<th>The actors/role of the state and emerging role of non-state actors</th>
<th>Security nexus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accelerating technological change: racing into the unknown</strong></td>
<td>• Technology develops without any supervision, putting in question privacy issues</td>
<td>• Global attempt to co-ordinate water, food and energy sources fails</td>
</tr>
<tr>
<td></td>
<td>• Random control of peoples' mobility and activities</td>
<td>• There are many independent initiative, e.g., organic farming, renewable/clean energy, clean water</td>
</tr>
<tr>
<td></td>
<td>• Lack of access to environment-related information</td>
<td>• Citizens are organised in the communities to support each other in order to address shortages</td>
</tr>
<tr>
<td></td>
<td>• Multinational companies develop research that is used for their own gains; profit-driven innovations dominate the market</td>
<td>• There is an emerging new lifestyle: community-based sustainable development supporting self-sufficient groups and reducing consumption</td>
</tr>
<tr>
<td></td>
<td>• Social media gains power to create a strong lobbying</td>
<td>• New technologies are implemented without proper environmental impact assessment which causes severe biodiversity losses</td>
</tr>
<tr>
<td></td>
<td>• Price is still the main decision-making factor</td>
<td>• There is a voluntary monitoring and evaluation system for sustainable development in place, run by civil society watchdogs</td>
</tr>
<tr>
<td></td>
<td>• New technologies are being carefully examined by independent think tanks</td>
<td>• New technologies are being used for their own gains; profit-driven innovations dominate the market</td>
</tr>
<tr>
<td></td>
<td>• The compromising information with regard to environmental impact is being blocked by multinational companies</td>
<td>• Social media gains power to create a strong lobbying</td>
</tr>
<tr>
<td></td>
<td>• Global attempt to co-ordinate water, food and energy sources fails</td>
<td>• Violation of planetary boundaries dramatically lowers the quality of life and the planet's well-being</td>
</tr>
<tr>
<td></td>
<td>• There are many independent initiative, e.g., organic farming, renewable/clean energy, clean water</td>
<td>• Work-life balance is endangered; there is a high unemployment rate due to insufficient jobs in Asia</td>
</tr>
<tr>
<td></td>
<td>• Corporate sustainability reporting puts pressures on multinational companies to ensure sustainable business practices</td>
<td>• Ageing Europe accepts migrants due to the shortage in workforce</td>
</tr>
<tr>
<td></td>
<td>• Planetary and social boundaries are crossed, causing decrease of happiness among nations</td>
<td>• Corporate sustainability reporting puts pressures on multinational companies to ensure sustainable business practices</td>
</tr>
<tr>
<td></td>
<td>• The gap between rich and poor is getting bigger, creating the potential for global conflict over limited resources</td>
<td>• Local/religious communities are mobilised to protect the rights of ordinary people (consumers, expats, religious minorities etc.)</td>
</tr>
<tr>
<td></td>
<td>• Work-life balance is a privilege of highly talented and educated people</td>
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</tr>
<tr>
<td><strong>Changing values: human well-being</strong></td>
<td>• Corporate sustainability reporting puts pressures on multinational companies to ensure sustainable business practices</td>
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</tr>
</tbody>
</table>
Conclusion

Compared to the Grey Paradise, the MosaInc. scenario sees the role of the state shrink — both at global and international levels as well as concerning national and local decision making. The stakeholders here — including the forceful private sector and emerging governance structures in civil society — will allow better influence of non-state actors. To anticipate this change, all stakeholders should begin organising co-operatives depending on either business interest or civil society representation. Governments can also anticipate this dispersion of influence by wielding partnerships with these emerging actors. Since co-operation on natural resources and exchange of labour forces is fragmented, the MosaInc. scenario would see countries and actors choose the obvious related countries in their vicinity to create regional and sub-regional networks of likeminded actors for co-operation.

Key messages:

- In the situation where the state is getting weaker, there is an urgency to design workable mechanisms for accountable, representative and legitimate civil society participation. Sustainable development could be co-ordinated by non-state bodies granted legitimacy by international decision-making processes. There is space for a bottom-up approach to build the sustainable development goals as well as for their implementation.

- This scenario opens a space for different official development assistance agencies to join in supporting bottom-up creation of sustainable development strategies and supporting sustainable development at the country level. Many of the activities aimed at development aid will be undertaken by the private sector, making the design of accountability mechanisms necessary.

- Due to decreasing government resources for social support, there would be a need for businesses to make the significant shift towards more pro-employee approaches to ensure sustainability of their activities. The unequal access to natural resources, including food, energy and water may cause civil unrest; co-operation on their provision should be a high priority.

GloCal Blocs

In GloCal Blocs, Asia and Europe are ruled by smaller regional and national political structures that use resources for their own development and to promote regional economic interest. The global drive for development leads to stiff competition for scarce natural resources between the groups of states — the power blocks.

Implementing sustainable development in Asia and in Europe have been quite different. It has been a priority for developed countries to implement sustainability to their policies and governance systems across the continent. Asian countries, however, have chosen their own paths
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and are strongly focused on economic growth and poverty eradication. The growth has been strongly dependant on natural resources. This division has created a multipolar world with strong regional groupings and interests.

There are various priorities among regional political blocs, such as the EU, ASEAN, SAARC and Shanghai Cooperation Organisation. In the GloCal Blocs scenario, the lack of global co-operation on issues pertaining to environment, economy and society does not negate the need for broader co-operation. Instead, countries gather into regional and sub-regional constellations of countries to co-operate on developmental issues, exemplified by existing regional and sub-regional groupings such as the EU, ASEAN, SAARC and others.

UNEP has been upgraded to an agency but does not have strong leadership. The agency implements environment-focused projects on an \textit{ad hoc} basis. Over time, better co-ordination is in place and more communication is ensured with regional offices of the UNDP, to avoid overlapping projects and to increase efficiency of delivery. As there is no political will for global co-ordination, the UN plays the role of advisor and norm-setter. Civil society has gained more authority and is playing a more decisive role in policy processes.

National governments are still the primary locus of policy making and sustainable development planning — they play the role as enabler, facilitator as well as enforcer, in tandem with civil society and local governments. However, a transfer of sovereignty through different mechanisms and structures in compliance with the subsidiarity principle (regional, national and local) paves the way for decentralisation and greater consensus, collaboration, facilitation and knowledge technology transfer between different stakeholders. This strengthens civil society’s ability to implement changes and programmes. Transparency and accountability mechanisms have also facilitated this process.

While self-regulating, Asia and Europe primarily focus on trade and technology transfer, increased co-operation, consultation and sharing on environmental issues, where the full cost of externalities in commodity pricing are taken into account with a holistic adoption of natural resource accounting. This internalises externalities, and acts as a driver of the markets, gradually pushing them in the direction of social and environmental sustainability.

Nonetheless, poor co-ordination and a mistrust of the larger UN system, a gap between environmental, economic and trade priorities and an expanding global population mean that such gains are apparent in some policy areas but not others. An imbalanced “green growth” results in a “green divide” among developed, emerging and least developed countries. These challenges threaten to cancel out the incremental gains that have been made in sustainable development so far. For the moment, countries seem very reluctant to push for further reforms as it is unclear who should pay for a more effective governance system.
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With sustainable development gaining traction, there have been multiple efforts from both government and civil society to evaluate public access to environmental information and support the development of relevant legislation. However, due to the dominance of profit-driven businesses, the information is being blocked to support their marketing strategies.

Good practices to enhance energy efficiency and reduce greenhouse gas emissions at the household and business levels have emerged over the years. In addition, some countries are introducing the trading of certificates or credits on energy efficiency and greenhouse emission reduction, and creating systems and institutions to promote and facilitate them at the national and local levels.

Although the implementation of the Nagoya Protocol on Access and Benefit Sharing (ABS) of Genetic Resources and corresponding national legislations still face hurdles, efforts have been made to support biodiversity and ecosystem conservation in sporadic areas. Natural resource exploitation and encroachment remain in other areas with limited benefit sharing arising from the use of genetic resources.

Asia and Europe both benefit from greater global and regional environmental governance. Asian and European countries are placing a greater priority on the environment and sustainable development issues and are open to creating more scope for co-operation and exchange at global and bi-regional levels and cross-cutting different policy areas. Dialogues between government and civil society in the two regions have become more vibrant and many good practices and innovations have been widely disseminated. However, support for institutionalising regional and bi-regional governance structures remain weak.

As a result, the environmental challenges and problems relating to natural resource use, climate change and biodiversity loss will not be adequately addressed. With regard to demographic development and population growth, this scenario allows limited exchange of workforce between the blocs and introduces a selected lockdown between some of them. The EU also blocks migration from North Africa in order to not further burden their weak economies, but the Asian groupings take an opposite strategy by opening their borders to educated migrants as a critical ingredient to drive economic growth and development. The lack of good nutrition in the Asian blocs creates weaker population growth and disabled workforces, and the “each-to-his-own” philosophy of the GloCal Blocs scenario eventually results in conflicts between the blocs.

GloCal Blocs: co-operation and communication

In the GloCal Blocs scenario, co-operation and communication work to different degrees, with those sharing similar power relationships being able to co-operate better than those with diverging interests. The dichotomy is largely between countries or blocs that co-operate on green development versus those that focus primarily on economic growth. At the local level, movements to share and take care of the environment are emerging, and practices for land stewardship (such as food forestry) towards self-sufficiency are growing. This becomes a real necessity especially in countries with large populations, where the governments are unable to
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provide the goods and services needed (food, water and energy). Social and healthcare services are also not provided by the governments, leading to the formation of small communities where this task is shared among people.

There is a very strong co-operation and support within power blocs. Regional groupings are sharing technologies and resources. They communicate to ensure mutual benefits and synergy in addressing security issues. At the same time, the power blocs compete for new technologies and resources among one another. The weaker countries are left outside these groupings and struggle with problems relating to energy, water, food and other fundamental issues they are not capable to address on their own.

There is a growing role for social media that makes up for the lack of proper assessment, and in putting pressure on companies to improve their production techniques. They act as a global power that influences decisions and help create the demand for more sustainable products.

Due to insufficient resources by the state to address the income disparities and co-ordinate sustainable development policies, the happiness and well-being of citizens becomes a crucial issue. A growing social divide creates new classes and makes the gaps within society very broad.

*GloCal Blocs: role of the state and emerging role of non-state actors*

While some of the stronger countries or blocs implement measures to improve sustainable development (for instance, through green and liveable cities), weak states generally lag behind. International organisations continue to provide support, but the lack of a global institutional framework creates a fragmented system, in which inefficiency and overlap harms the effectiveness and credibility of the international organisations. Environmental governance institutions persist, but their efforts are most effective among those blocs that have adequate domestic governance mechanisms in place to ensure compliance with environmental regulations. Other countries with less national-level capacity do not fare as well, and the resulting inequity within those countries gradually risks causing social and political instability.

The technological change enables new actors to emerge. The influence of social media is increasing and has the capacity to influence power blocs. As a result, social media help to efficiently push for technological progress particularly on food production techniques, water purification and efficient energy usage. Newly invented technologies have an integrated security nexus aspect that enables the efficient management of existing goods and also measures their impact on environment. However, the downside is the lack of full control over the forces behind these messages and the social media strategies owners.

Developing countries focus on the rate of economic growth, which causes environmental problems that challenges the stability of those economies. The blocs use the technological dependency as a leverage to gain the resources they need for their own growth without too much consideration for global commons (i.e., natural assets outside national jurisdiction such as the oceans, outer space and the Antarctic). One of the protection mechanisms created is the UN Ombudsman for future generations who is operating on case-to-case basis to protect the rights of
individuals against businesses interests. Due to the growing unhappiness in the society, the role of Ombudsman becomes crucial as it enables dialogue and mediation between business, citizens and the state.

*GloCal Blocs: security nexus*

The limited availability of resources causes a race in which the stronger countries or blocs win access to resources, increasingly leaving behind less developed ones. There will be an emerging difference between those countries choosing a development path based on renewable energy, and those focusing on nuclear energy.

Food and water becomes the new oil. It creates tensions and is a source of conflicts between the regions. The state is not able to balance the energy demand and the need to feed its own citizens. It creates an unstable reality that causes social unrest, particularly in countries whose populations are fast-growing and where demand is on the rise.

Due to incentives for eco-innovations, there is a significant reduction of waste (at every stage of production) supported by broad usage of recycling technologies.

The happiness of citizens in developing countries is low due to the lack of food and unstable political situation. Sustainable development is a strongly promoted by the European Union; however, it does not have such a strong impact in newly emerged super powers such as China, India and Russia.

**Figure 4. Matrix — GloCal Blocs**

<table>
<thead>
<tr>
<th><strong>Increasing global divergence in population trends</strong></th>
<th><strong>Co-operation and communication</strong></th>
<th><strong>The role of the state and emerging role of non-state actors</strong></th>
<th><strong>Security nexus</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• There is a significant difference in power between different blocs</td>
<td>• Sustainable development is fragmented with some agencies and programmes taking a lead in several countries and supporting co-operation initiatives</td>
<td>• Global clustering of available resources in power blocs, which in turn allows for better development in those limited areas</td>
<td></td>
</tr>
<tr>
<td>• Local communities are taking initiatives to care for their living environment</td>
<td>• The concept of green cities is integrated in some countries in Asia and Europe, but mainly targets the rich</td>
<td>• There is a division among nuclear blocs and countries investing in renewable energy sources (e.g., increasing the solar power market)</td>
<td></td>
</tr>
<tr>
<td>• While developed countries are focused on green/ liveable cities, developing nations are focused on growth</td>
<td>• Developing countries are focused on the rate of economic growth instead of quality growth, resulting in problems with waste management</td>
<td>• Developing countries/ blocs are experiencing continuous water and energy shortages</td>
<td></td>
</tr>
</tbody>
</table>
## III. Four Facets of a Shared Future

<table>
<thead>
<tr>
<th>Co-operation and communication</th>
<th>The role of the state and emerging role of non-state actors</th>
<th>Security nexus</th>
</tr>
</thead>
</table>
| **Accelerating technological change: racing into the unknown** | ● The is a strong competition between blocs to gain new technology with high levels of co-operation within groupings  
● The powerful blocs do not share their achievements with weaker ones  
● There is a growing global digital divide between countries  
● Social media play a big role in making up for the lack of proper environmental technology assessment; it is also a useful tool in putting pressure on companies to improve their production techniques | ● Technology is a privilege of rich nations and corporations  
● Corporations continue to move their production to countries with weak ecological regulations  
● States introduce incentives for clean technologies and tax reduction for eco-innovative businesses  
● Environmentally friendly and economically efficient technologies are disseminated quickly | ● The blocs do not willingly share their resources  
● There are regional initiatives: organic farming vs. industrial farming; clean energy vs. nuclear energy; clean water/ reuse of waste water vs. drilling into groundwater resources  
● There is no global co-ordination to address nexus shortages |

| Changing values: human well-being | ● Happiness become a crucial issue to address  
● There is a growing unrest among the less privileged due to growing income disparities  
● Regional movements support sustainable consumption and production | ● There are regional commitments by state-owned companies to shift to sustainable production and consumption (developed countries)  
● Transfer of sovereignty to regional bodies, with principle of subsidiarity  
● The UN Ombudsman operates on a case-to-case basis to protect the rights of individuals vs. businesses’ interest | ● There are different approaches towards water, energy and food security  
● Food becomes the new oil. It creates tensions and is a source of conflict between the regions  
● “Less means more” gains more attention |

### Conclusion

Similar to the MosaInc., there is no functioning global governance system in GloCal Blocs, but states here create blocs and regional co-operatives among countries with shared interest. For this scenario, it will therefore become important for countries in Asia and Europe to establish and maintain regional and sub-regional groupings and unions of common interest.
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**Key messages:**

- In the powerful blocs, there is a strong need for businesses and international corporations to plug into sustainable development co-ordination mechanisms. The planetary and social boundaries are the starting point for assessing how economic activity could be planned. Unlimited growth is not an option; the business sector will need to reorient itself to head towards securing the safe and just space — inside the Oxfam Doughnut seen earlier — and to respect human well-being within its framework.

- GDP should no longer be used as a measurement of growth. There is a need to formulate a new indexing system based on sustainable development goals that are built upon the already established Millennium Development Goals (MDGs), that would need to be incorporated into the development plans for post-2015, the deadline for the implementation of the MDGs.

- Progress can no longer be solely assessed in financial terms. There is a need for sustainable development policies that are accountable to the impact of anthropogenic activities on planetary and social boundaries, defined both in natural metrics (e.g., amount of waste produced) and social metrics (e.g., human well-being).

- Non-state actors should take the lead at promoting the attitude of caring about the environment as “responsible citizenship”. New ecological ethics should be supported (“What do I get from the world?” could be replaced “How do I contribute to the world?”).

- The state should focus on policies that lead to minimising the Gini Index, in order to reduce social costs related to scarcity of resources and different shortages (of water, food and energy) that will be experienced due to the high pressure put on the planet.

**Conclusions and recommendations**

With the cusp of power and influence lying solely in the hands of nation states, the capacity to respond to critical issues at local, national, regional and global levels is limited. It is quite clear that the governance mechanism created over the last six decades are no longer matching the demands of current and emerging challenges. But will the world’s governments be able to get together and co-operate on meeting the challenges of the future, or will it be smaller groups competing against each other? That is a question only the future can answer.

The future needs involvement from multiple corners of society at all levels, and multiple stakeholder groups need to get more involved to deal with current and emerging issues. To this end, there is a need for implementation mechanisms that take into account the influence of civil society in reporting, monitoring, evaluation and other governance tasks that include accountability aspects of governance.

Depending on different scenarios, the involvement of civil society may differ. There is, however, the dominant trend showing that civil society is a rising power and its voice should be taken into account. As for enabling mechanisms for their involvement, the sooner this is implemented, the
sooner it will show its value. It will certainly take time to learn to co-operate in new governance models; therefore, time is precious. Keeping the balance between planetary boundaries and maintaining a safe and just space for humanity will require new synchronised approaches by governments towards their education systems and sustainable development policies.

Finally, there is also a need to support community-driven initiatives for sustainable development, as resilient societies in the future will depend on the extent to which communities understand to adapt to a changing environment, no matter whether these future communities are part of megacities, or rural of nature. The table below provides some additional recommendations. In order to determine their priority, “X” represents high relevance of each recommendation depending on different future settings.

Table 5. Recommendations for various scenarios

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Grey Paradise</th>
<th>Mosalnc</th>
<th>GloCal Blocs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Co-operation and communication:</strong></td>
<td>XXX</td>
<td>XXX</td>
<td>X</td>
</tr>
<tr>
<td>• Urgent need to update the existing system of sustainable development mechanisms to deal with current and emerging challenges</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Issues need to be addressed at the national, regional and global levels in a co-ordinated way under the agreed coherent framework e.g., using sustainable development goals.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Integrating the three dimensions of sustainable development on different governance levels requires attention for keeping the balance between planetary boundaries and keep and just space for humanity. To ensure this, an effort from highest-level line ministries of all sectors at national, regional and global levels is required.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• To promote multi-stakeholder participation at different levels of governance, to ensure inclusion of their voice in the decision making processes.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• To ensure overall co-ordination of global sustainable development, the new indexing system should start at country levels in order to ensure coherent and comparable data across all countries. This will allow measurement of the implementation as well as exchange of information and good practices.</td>
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<td></td>
<td></td>
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</tbody>
</table>
III. Four Facets of a Shared Future

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Scenarios</th>
<th>Grey Paradise</th>
<th>Mosalnc</th>
<th>GloCal Blocs</th>
</tr>
</thead>
<tbody>
<tr>
<td>The role of the state and emerging role of non-state actors:</td>
<td></td>
<td>X</td>
<td>XXX</td>
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</tr>
<tr>
<td>• Need for different approaches to sustainable development goals. Regional, national and local differences require crafted solutions for each governance level. There is a need for implementation mechanisms that ensure multi-stakeholder participation.</td>
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<tr>
<td>• ASEM government should consider focusing on establishing a guiding framework for accessible access to information. Providing relevant content for stakeholders will ensure the up-to-date access to innovations as well as enable transparent governance. The system could be based on a simple and clear overarching framework, which can provide the space for each sector’s contribution to the larger sustainable development picture.</td>
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<td>• To ensure greater emphasis on the happiness of citizens rather that economic growth by focusing on minimising income disparity</td>
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<tr>
<td>• Promote proactive sustainable consumption by supporting community-based sustainable development; mobilise consumer influence by acknowledging and actively utilising the catalysing influence that individuals have on producers; and stimulate efficient use of resources to reduce the ecological footprint.</td>
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<td>X</td>
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<tr>
<td>Security nexus:</td>
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<tr>
<td>• Balanced of use water, energy and food as well as sustainable use of natural resources and efficient use of limited financial resources require a co-ordinated and interlinked approach to decision-making regarding security nexus. There is a need to synergise their use across sectors reflected by sustainable development policies and practices between international, regional, national and local levels.</td>
<td></td>
<td>XX</td>
<td>X</td>
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<tr>
<td>• There should be an equal access to security nexus to ensure meeting the basic needs. The government should ensure meeting the basic needs in order to boost sustainable development and increase quality of life.</td>
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</tbody>
</table>
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References


Rockström, Johan; Will Steffen, Kevin Noone, Åsa Persson, F. Stuart Chapin, Eric F. Lambin, Timothy M. Lenton, Marten Scheffer, Carl Folke, Hans Joachim Schellnhuber, Björn Nykvist, Cynthia A. de Wit, Terry Hughes, Sander van der Leeuw, Henning Rodhe, Sverker Sörlin, Peter K. Snyder, Robert Costanza, Uno Svedin, Malin Falkenmark, Louise Karlberg, Robert W. Corell, Victoria
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4. Public Health and Pandemic Preparedness — Are we prepared?

Introduction

The 2009 pandemic of Influenza A (H1N1) was generally seen to cause a mild infection in the majority of cases. In time, this was shown to be a foreboding of a more severe pandemic. The global impact and risks of pandemics present challenges that are accelerated by mobility networks, cross-sector interdependencies and rapid communications. Subsequent public health emergencies such as a new superbug (NDM-1) in 2010 and the E. coli outbreak in 2011 underlined the impact of the increasing mobility of populations and an emerging food safety threat. All these outbreaks show that a pandemic threat can become front-page news at any time. In acknowledging that there will indeed be another pandemic — it is just a matter of when — it is critical to improve our preparedness in anticipation of that.

The uncertainties of a pandemic’s impact are associated with variables that often require large degrees of commitment and resources by multiple actors. In order to ensure the commitment and provision of resources at all levels (e.g., the government, the private sector, research centres, the general public, civil society organisations, the media, etc.), reliable data and well-established pandemic strategies must be available to all stakeholders.

Based on the output of the project on multi-sector pandemic preparedness and response conducted by the Asia-Europe Foundation (ASEF) Public Health Network since 2009, this chapter aims to address the key lessons learned from the previous cases of pandemics and the major uncertainties, as well as to make recommendations for better pandemic preparedness and response.

Overview of public health and pandemic preparedness

Global pandemics since the 20th century

In 1918, the world was hit by a very lethal and severe H1N1 type A influenza pandemic. At that time, little was known about the spread and transmission of the disease. The flu resulted in an estimated 20–50 million casualties. Some efforts were made in limiting movement, to delay the spread of the disease, but these were only done on the level of individual countries and were largely ineffective at the local level.

In 1933, a human influenza virus was isolated for the first time. This marked the beginning of virology (Center for Disease Control and Prevention. 2012, 151–72). In 1957, an H2N2 virus spread across a number of Asian countries, before it became a worldwide pandemic. It had an estimated 1–4 million victims and it was the first time that laboratory research was conducted on a spreading virus. This enabled the medical world to better prepare for the next epidemic, which would hit the world in 1968 with influenza A subtype H3N2. This time, “improved medical care
and antibiotics that are more effective for secondary bacterial infections were available for those who became ill (GlobalSecurity.org, n.d.).

Estimates for the casualties are similar to those of the previous pandemic.

In the first decade of the 21st century, three virus outbreaks hit the world in a row: Severe Acute Respiratory Syndrome (SARS), H5N1 and H1N1. A total of 8,096 people worldwide contracted SARS during the 2002–2003 outbreak and 774 people died (World Health Organization 2003). In 2004 606 cases of H5N1 were reported, with 357 deaths (WHO 2012). Estimates for H1N1 in 2009 range between 1,400 and 18,500 confirmed deaths, with modelling estimates reaching much higher (European Centre for Disease Prevention and Control 2010; WHO 2011). Recent studies suggest even higher numbers of casualties (Gann 2012).

Levels of preparedness

At the time of the 1918 influenza outbreak, the world was not well prepared. The outbreak hit in two waves, but the first wave was not recognised as a warning. The second wave was more fatal, but due to the high virulence, it was not thought to be influenza. At the time, no medical tools such as antibiotics and vaccines were available, so countries had to resort to non-medical measures, such as isolation and quarantine, encouraging good personal hygiene and the use of disinfectants, and imposed voluntary prevention of public gatherings. Some countries restricted international movement, but because not all countries participated, this only resulted in delay of the spread.

At the end of the 1950s when the Asian flu broke out, more was known about viruses and vaccines because seasonal epidemics had been developed. In addition, doctors now had antibiotics to combat complications. However, a 1958 WHO Expert Committee on Respiratory Virus Diseases concluded that there was inadequate capacity to manufacture vaccine, quarantine was ineffective, and banning of public gatherings and closing schools only impeded the spread (WHO 2005, 29). In addition it was a challenge to maintain adequate medical and hospital services. Thanks to the establishment of the Global Influenza Surveillance Network (GISN) in 1952, a monitoring and early warning network of laboratories, the new virus subtype was quickly identified and analysed. The information was quickly disseminated by radio and telegraph, samples were distributed to vaccine manufacturers and this allowed the health services to begin preparations. Vaccine manufacturing began two months after isolation, but again it was too little and too late.

SARS was identified in 2003. Even though the world was better prepared at that time — with a working global alert system, a high level of global awareness and immediate political commitment at the highest level — the epidemic had a strong impact on the health sector. The WHO reported that “health-care systems in areas with sustained transmission of SARS were rapidly overburdened and public health systems in countries free of SARS investigating cases of SARS-like illness were also severely stressed by the increased workload” (WHO 2004, 4). In addition, there was another important effect that was outlined in the same report: “The epidemic caused
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significant social and economic disruption in areas with sustained transmission of SARS, and on the travel industry internationally, in addition to the impact on health services directly” (4). For this reason, health ministers declared at the 2003 Association of Southeast Asian Nations (ASEAN) meeting in Bangkok, Thailand, that a multi-sector approach is indispensable in the face of a pandemic that inevitably has an impact “beyond the health sector” (ASEAN Secretariat 2003).

H5N1 had already been detected in poultry in certain parts of Asia before unusual high numbers of deaths among chickens were reported in the Republic of Korea in 2003. Health authorities were on high alert because the virus was known to be highly pathogenic and it had a high mortality rate. In addition, direct infections from birds to humans had already been reported, so it had the potential “to ignite an especially severe pandemic” (WHO 2005, 7). The measures taken by individual countries varied to a great degree. Some countries implemented compulsory vaccination, while others had insufficient surveillance systems or resources to monitor the situation. Despite major culling campaigns there was still a second wave. “Once efficient and sustained human-to-human transmission has been established, the containment of pandemic influenza is not considered feasible” (53).

International health regulations

In 1851, the International Sanitary Conference, which was organised in a response to the cholera epidemics in Europe, formulated the International Sanitary Regulations. These regulations were revised and adopted by WHO member states in 1951 and subsequently renamed as the International Health Regulations (IHR) in 1969. In 1995, it was agreed that the regulations needed to be revised because of several limitations: their “narrow scope [comprising of three diseases], their dependence on official country notification and their lack of a formal internationally coordinated mechanism to contain international disease spread” (WHO 2005a). These revisions resulted in another edition of IHR in 2005. These revised regulations require member states to warn the WHO of possible public health emergencies and to respond to verification requests in these emergencies. In addition, WHO members are now legally bound to meet the IHR capacity-building requirements.

The outbreak of H1N1 in 2009–10 was the first test of the revised IHR (2005). In their own assessment of the implementation of IHR (2005) in relation to H1N1, the WHO concluded that local capacities were not fully operational, and worldwide implementation of IHR (2005) is behind schedule. They added that “The world is ill-prepared to respond to a severe influenza pandemic or to any similarly global, sustained and threatening public-health emergency” (WHO 2011b, 12). They also commented that beyond the implementation of core public-health capacities called for in the IHR, global preparedness can be advanced through research, reliance on a multi-sectoral approach, strengthened health-care delivery systems, economic development in low and middle-income countries and improved health status.
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Recent developments

In 2011, the Pandemic Influenza Preparedness (PIP) Framework came into effect. This framework brings WHO member states, industry, other key players and the WHO together to share knowledge on viruses and access to vaccines and other pandemic supplies. At the 65th World Health Assembly in 2012, the importance of private sector partners in developing vaccines was emphasised in relation to pandemic influenza preparedness. With regard to public health emergencies, comments were made about the implementation of IHR (2005), where many regions asked for a two-year extension in realising core capabilities under the regulations. Finally, the Assembly also addressed the growing concern about non-communicable diseases (NCDs) and the need to develop “a global monitoring framework for the prevention and control of NCDs, including indicators and a set of global targets” (WHO 2012a).

Key actors, frameworks and institutions

The following table is an overview of a number of key actors, frameworks, and institutions that are involved in Pandemic Preparedness and Response. The list contains global organisations, regional organisations in Asia and Europe, non-governmental and civil society organisations. The relevant frameworks and networks are listed below the related organisations.

Table 1. Key actors, frameworks and institutions

<table>
<thead>
<tr>
<th>Type</th>
<th>Organisations</th>
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<tbody>
<tr>
<td>Global organisations</td>
<td>World Health Organization (WHO)</td>
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<td></td>
<td>• Global Alert and Response (GAR)</td>
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<tr>
<td></td>
<td>• Global Outbreak Alert and Response Network (GOARN)</td>
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<td></td>
<td>• Pandemic Influenza Preparedness Framework (PIP Framework)</td>
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<tr>
<td></td>
<td>• Strategic Health Operations Centre (SHOC)</td>
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<td></td>
<td>• Asia Pacific Technical Advisory Group on Emerging Diseases (TAG)</td>
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<td></td>
<td>• South-East Asia Regional Office (SEARO)</td>
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<td></td>
<td>• Western Pacific Regional Office (WPRO)</td>
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<tr>
<td>United Nations (UN)</td>
<td>• Food and Agricultural Organization (FAO)</td>
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<td></td>
<td>• United Nationals International Strategy for Disaster Reduction (UNISDR)</td>
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<td></td>
<td>• UN Office for the Coordination of Humanitarian Affairs (UNOCHA)</td>
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<td>• UN System Influenza Coordination (UNSIC)</td>
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<td></td>
<td>• World Food Program (WFP)</td>
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<td>World Organization for Animal Health (renamed from Office International des Epizooties, or OIE)</td>
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<td>World Bank Group (WBG)</td>
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<td>International Organization for Migration (IOM)</td>
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<table>
<thead>
<tr>
<th>Type</th>
<th>Organisations</th>
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<tbody>
<tr>
<td>Regional organisations</td>
<td>Association of Southeast Asian Nations (ASEAN)</td>
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<tr>
<td></td>
<td>• ASEAN Committee on Disaster Management (ACDM)</td>
</tr>
<tr>
<td></td>
<td>• ASEAN Experts Group on Communicable Diseases (AEGCD)</td>
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<tr>
<td></td>
<td>• ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre)</td>
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<td></td>
<td>• ASEAN Highly Pathogenic Avian Influenza (HPAI) Taskforce — Coordinate prevention, control and eradication of HPAI</td>
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<td></td>
<td>• ASEAN Technical Working Group on Pandemic Preparedness and Response (ATWGPPR)</td>
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<tr>
<td>Asia-Pacific Economic Cooperation (APEC)</td>
<td>• Health Working Group (HWG)</td>
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<tr>
<td>Asian Development Bank (ADB)</td>
<td></td>
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<tr>
<td>Asia-Europe Foundation (ASEF)</td>
<td>• Public Health Network — ASEP-ASAP (Accurate Scenarios — Active Preparedness) scenarios</td>
</tr>
<tr>
<td>European Union (EU)</td>
<td>• EC DG SANCO — DG Health and Consumers (Santé et Consommateurs)</td>
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<tr>
<td></td>
<td>• European Centre for Disease Prevention and Control (ECDC)</td>
</tr>
<tr>
<td>Non-Governmental Organisations (NGOs) and Civil Society Organisations (CSOs)</td>
<td>International Federation of Red Cross and Red Crescent Societies (IFRC)</td>
</tr>
</tbody>
</table>

**Definition of parameters: three key issues**

This section addresses the political, social and scientific factors related to pandemics, all of which are interdependent.

*What co-operation mechanisms will be in place for better pandemic preparedness and response?*

There already exist a large number of co-operation mechanisms for dealing with pandemic preparedness and response. In recognising a high level of interdependency at every sector of society, several initiatives across different levels — global, regional and national — have been taken to promote the engagement of multi-sector stakeholders in the planning processes. However, with regard to the actual implementation of recommendations and the strategies produced out of these efforts, most co-operation frameworks lack cohesive and coherent co-ordination mechanisms. In the later part of the chapter, several types of co-operation models and their management mechanisms will be presented, in three different future scenarios.
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Who will take the leading role in pandemic preparedness and response, and who else is involved in the whole mechanism?

In order to ensure effective management of the co-operation mechanisms, an inter-state agency at the global level, such as the World Health Organization (WHO), needs to take a leading role in terms of co-ordination between states and the provision of technical support to states in need. When it comes to the implementation of policies and regulations, however, national governments still maintain a strong role. Furthermore, other stakeholders including the private sector and civil society organisations are becoming more engaged in the entire process, not only during consultation but also in the actual establishment of regulations and the policy-making process. These dynamics between different actors and their impact will be further elaborated at a later part of this chapter.

How will the message and information be communicated, and what types of pandemic risks can be envisaged?

Throughout all phases of pandemic preparedness and response (i.e., monitoring or surveillance, preparedness, response and resilience), evidence-based and reliable information should be communicated to all stakeholders in a timely manner. The rapid growth of social media technologies combined with their ease of use and pervasiveness make them effective channels of communication (University of Michigan 2010). However, these tools also have a host of unintended consequences. When it comes to risk communication, social media technologies can have a negative impact. Some distinctive aspects of risk communication in the different future contexts will be discussed in the following section.

One of the lessons learned from the recent outbreaks of pandemics, is that the types of pandemics continue to evolve and that their consequences are growing wider and more powerful in many negative ways. When accelerated by globalisation, the probability and consequences of pandemic outbreaks are extremely difficult to predict. Yet, many of the current pandemic preparedness strategies focus on influenza viruses caused by animal-to-human transmission. The likelihood of the emergence of different types of future pandemics will also be considered in this chapter.

Three megatrends

Whilst a pandemic itself can be a megatrend that will very likely affect the future, particularly in the area of health, several other megatrends and the interaction between them are as important for understanding the uncertainties of the future and thus preparing better for a public health emergency.

The following section addresses three megatrends, amongst many others, that are considered to have the most imminent or prevailing effect in the potential occurrence of a pandemic as well as the risk communication on pandemics.
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**Increasing global divergence in population trends**

Globalisation, represented as fast-growing global interconnectedness, has accelerated the mobility of the overall global population. Furthermore, increased mobility, propelled by industrialisation and commercialisation, has enhanced the movement of populations, evidenced by the increase in the number of labour migrants and tourists, in particular. Fast economic growth and prosperity, however, have induced other consequences, one of which is climate change. The impact of environmental change lays out a variety of challenges and opportunities. Among these is the relationship between climate change and migration, which will be highlighted in this chapter. Due to the numerous push and pull factors of migration, the two axes of climate change and migration cannot be simply shaped as a causal relationship. Therefore, the current chapter will instead focus on migrants’ vulnerability due to climate change with a particular concern about their health.

In addition to the increased mobility of the human population, other population trends such as low birth rate and ageing will also be discussed. These two distinct aspects are co-related: as people live longer and have fewer children than the previous generations, the society needs to deal with these new trends in a way to sustain the economic development as well as reflect new perceptions and demands from various population groups. Due to their being global phenomena as well as their close association with health issues, migrants and the elderly will pose the most significant challenges, and also opportunities.

**Increasingly severe consequences of climate change**

Climate change is a rapidly accelerating source of human-induced environmental change. The environmental changes resulting from human activities driven towards rapid economic growth are combining to magnify several serious public health threats, including: exposure to infectious disease, food scarcity, water scarcity, air pollution, natural disasters and population displacement (Myers 2009). The chapter will approach this megatrend in terms of the climate change’s negative impact on human health security, including migration health, and its implications for conflicts between environmental concerns and economic development.

**Accelerating technological development**

As with many megatrends for human security, technological development is a double-edged sword. In addition to its positive and negative leverage to manage risk communication, as briefly mentioned earlier, progress in biotechnology, especially genetically modified plants and animals (GMO), will be analysed. While this technological development may potentially alleviate some human security issues such as world hunger, biotechnology generates debatable questions on environmental safety as well as on ethical and public acceptance issues. The chapter will also look at how different future settings will influence the agenda and leading sectors of research and development (R&D).
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How megatrends will shape the future

In analysing the future of public health and pandemic preparedness, this section presents three possible scenarios, in which the challenges to society, economy and environment are approached differently. The characteristics of the differing scenarios will largely depend on the extent to which the three issues (i.e., co-operation; the role of state and emerging role of non-state actors; and risk communication/pandemic threats) receive priority and attention by policy makers and the public. Also fleshed out in these scenarios are the megatrends identified earlier (i.e., increasing global divergence in population trends; increasingly severe consequences of climate change; and accelerating technological change).^{62}

The following analysis and recommendations are mostly based on the ASEF Public Health Network's multi-sector pandemic preparedness and response project. The project focuses on the engagement of health and non-health sectors and exchange between the key actors in multiple areas of society. This enables the identification of shortcomings in the current contingency plans and assessment of the level of preparedness in view of possible futures. The whole process is implemented by using the ASEF-ASAP (Accurate Scenarios Active Preparedness) scenarios. Experts involved in the process develop robust strategies to address the shortcomings and challenges.

*Grey Paradise*

Grey Paradise envisions a future with its distinctive aspect of centralisation of power driven by technocrats. In this world, the dominant political structure in Asia and Europe takes a global approach. As the global power shifts towards Asia, the region gains more influence at the global stage. Having gone through various crises of a global scale, such as financial turmoil and extreme weather events of varying degrees of impact, governments accept international co-operation as the most workable solution whether for overcoming crises or for building power. The concentration of political and economic power in central governments increases effectiveness and efficiency of pandemic preparedness and response. However, it also gives rise to the discontentment of the general public and private sector, leading to citizen movements and posing obstacles in the management of pandemics.

1. Grey Paradise: population trends

In Grey Paradise, where states and their citizens express strong faith in the international regime and global political structure, population trends such as migration, low birth rate and ageing are addressed by a global approach. This collaborative effort involves the adoption of international regulations to tackle the related issues and the mobilisation of resources, particularly to resolve lack of human and capital resources in low-income countries. This supportive action, in return, contributes to increasing influence of high-income countries on global agenda and priority setting.

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^{62} See Introduction chapter to this volume on the methodology in this scenario-building exercise.
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For the effective implementation of mechanisms and policies and co-ordination at the global level, states take a leading role. In order to enable this, most of the states resort to coercive measures. This approach results in improved social security and alleviates gaps between benefits and risk of major population trends. However, as these measures continued to be practised, new challenges arise, particularly in terms of relationships between states and their citizens.

States obtain open access to a vast range of private information of their citizens for the purpose of ensuring security and stability of societies. Citizens accept this action until a certain point where they feel uneasy with the level of access to their personal information. However, states’ measures become more coercive due to, among many others, the increasing influx of irregular and unplanned migrants arising from extreme weather events. Citizens’ discontentment with the states’ approach is growing and they start to seek alternative ways to minimise the states’ control on their information and influence on their own decisions. One possible scenario is that some people become unwilling to report symptoms of certain diseases that may have a high potential for spread.

In this scenario, this type of reluctance can lead to high possibility of outbreak of some new types of pandemic. Although Grey Paradise has an operational surveillance system for pandemics, which is part of the adopted international regulations, it could fail in its early stages due to a lack of reporting and rapid follow-up. This risk of unwillingness to report among resistant population groups and individuals who do not accept constant surveillance by the authorities will lead to increased appearance of a new zoonotic agent (i.e., animal carriers of diseases that can be spread to humans).

Another probable consequence of such reluctance is that there is a high risk of sexually transmitted diseases (STDs) emerging as a new pandemic. People in general will be reluctant to report from their private spheres as they have so few places left that are largely free of state monitoring and surveillance.

Since access to basic healthcare is almost universally provided in Grey Paradise, mutations with new characteristics such as anti-microbial resistance as a result of the overuse of antibiotics are very possible. Multi-drug resistance may become a particular problem in Grey Paradise. Superbugs are a very real threat in Grey Paradise.

The tightly government-controlled Grey Paradise is highly likely to lead to various behavioural pandemics such as depression, euthanasia and suicide.\(^6\) The control and pressure imposed on individuals and small business and community entities may induce such extreme measures. These result in a strong potential for diseases to be spread among those vulnerable populations alike, including migrants, youth and the elderly.

2. Grey Paradise: consequences of climate change

Diverse consequences of climate change that influence human health are mitigated through enhanced international co-operation. This effort is further orchestrated by keeping on the global agenda issues relating climate-change induced population movements and health, and by encouraging interdisciplinary research on the connections between climate change and health.

Another positive aspect of government-led surveillance-response-resilience mechanisms on public health emergencies is that civil society organisations (CSOs) or non-governmental organisations (NGOs) are in the position of providing humanitarian aid to the international, regional, national and local communities afflicted by public health emergencies, including disasters induced by climate change, under strong support from states. However, some states would not be supportive of pro-migration CSOs and NGOs.

Due to the collection and utilisation of a broad range of information, states are able to establish a one-stop, real-time information platform for global disaster as well as public health emergency preparedness and response. From public health experts and policy makers to the general public and the media, segmented and customised sets of information are accessible.

With respect to the dynamics between climate change and food security, agents that are generated through genetic modification impose a high risk in Grey Paradise. Since food is produced on an industrial scale, animals and plants lack the genetic diversity that would protect them against opportunistic agents. If there is a severe impact of extreme weather events that were not effectively mitigated by the surveillance system based on empirical research, disruption of food supply, coupled with degradation of genetic diversity, will hit hard the society of Grey Paradise.

As states put more and more faith in global political structures, more progress is made on the global co-ordination of research and development (R&D). With a technocratic approach and a centralised focus on specific areas, R&D takes a great leap forward. For instance, governments stimulate the development of new “pharming” technologies, where the genes of animals or plants are modified to make them produce pharmaceutical products in large quantities. This increases the accessibility of healthcare. Moreover, with global efforts, a revolutionary framework is introduced to break with traditional intellectual property laws. Within this framework, patent pooling and open-source innovation is stimulated and technologies are shared with less developed regions.

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64 For more information on pharming and molecular farming, see Cornelia Eisenach, “Molecular Farming — How Plants Produce the Vaccines of Tomorrow”, http://the-gist.org/2011/03/molecular-farming-%E2%80%93-how-plants-produce-the-vaccines-of-tomorrow/.
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3. Grey Paradise: technological impact

Pandemic prevention and risk communication in case of a public health emergency, such as pandemics, are tackled with a global approach. Through an inter-state agency, these efforts are co-ordinated from a central source. The WHO is traditionally the main actor in the areas of global monitoring and surveillance and global risk communication. However, Asian nations are sceptical about the effectiveness and decisiveness of traditional UN organisations. The WHO needs to compete for power with new international organisations. Aided by a mostly accessible health system, diseases can be easily monitored.

However, many potential problems loom at the horizon. In Grey Paradise, large-scale farming is widespread. The global monitoring and surveillance systems are well developed, but they still depend on the input of information by local sources. With the government’s strict control on many aspects of peoples’ personal lives, farmers become unwilling to provide additional information to what was already required.\(^65\) They do not tend to report unusual incidents and detections that would otherwise trigger a response of high alert from the monitoring and surveillance authorities. In addition, low-income states do not have the resources to report to the central information system adequately. Another problem is that the accessibility to basic healthcare shows its flip side: with antibiotics being readily available and widely used, multi-drug resistant bacteria and superbugs are a real threat.\(^66\)

As investments in R&D are mainly driven by public funds, the influence of the private sector is limited. The focus of this publicly subsidised research is mainly on basic research, rather than technological breakthroughs (Asia-Europe Foundation 2011, 74).

The authoritarian approach in the area of risk communication provides a challenge. The contents of its messages are controlled to a high degree by an interstate agency. Although inputs from civil society are very important in enhancing the credibility of the message, under authoritarian regimes in Grey Paradise, civil society is under pressure of a lot of censorship.

Under these authoritarian conditions, the public tries to escape from the government’s radar to virtual worlds, where they can communicate and interact whilst trying to escape monitoring. It is unlikely that the networks between different virtual platforms can be used for effective risk communication. Because of the nature of these networks, any message from a central authority will be regarded with suspicion. Where the networks were used to increase the reach and awareness, they are unlikely to cause any behavioural change.\(^67\) These networks, with large groups


of dissatisfied and disenchanted people, turn into breeding grounds for terrorists and one of their potential targets is the centralised communication system, the Achilles’ heel of this global political structure.

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Table 2. Grey Paradise — matrix of megatrends and key issues

<table>
<thead>
<tr>
<th>Co-operation</th>
<th>Increasing global divergence in population trends</th>
<th>Increasingly severe consequences of climate change</th>
<th>Accelerating technological change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global approach on demographic issues such as low birth rates and an ageing population</td>
<td>Increased international co-operation to monitor the impact of climate change on human health and to respond to the consequences of extreme weather events caused by climate change</td>
<td>Enhanced co-operation between states with a technocratic approach</td>
<td></td>
</tr>
<tr>
<td>Global approach on migration policies</td>
<td>Environmental migration and health security becoming the main issue</td>
<td>Inter-governmental co-operation on R&amp;D and innovation on different types of diseases and risk communication</td>
<td></td>
</tr>
<tr>
<td>Co-operation</td>
<td>Encouragement of interdisciplinary research on connections between climate change and health</td>
<td>Traditional patent system replaced by patent pooling and open-source innovation</td>
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<tr>
<td>States’ leading role in the implementation of policies on migration and population plans (Some states will take an authoritarian approach to migration)</td>
<td>Strengthened inter-state coordination to address the health impacts of global environmental change</td>
<td>Increased investment by government on R&amp;D and innovation, focused on basic healthcare and increasing the accessibility</td>
<td></td>
</tr>
<tr>
<td>Pro-migration civil society organisations, not supported by some states</td>
<td>States’ growing reliance on CSO/NGO in providing humanitarian aid to the international community suffering from the negative effects of climate change</td>
<td>States’ strong control in dissemination of information (e.g., strong censorship)</td>
<td></td>
</tr>
</tbody>
</table>
### III. Four Facets of a Shared Future

<table>
<thead>
<tr>
<th>Risk communication/ pandemic threats</th>
<th>Increasing global divergence in population trends</th>
<th>Increasingly severe consequences of climate change</th>
<th>Accelerating technological change</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Populations’ growing discontentment with open access to their private information by authorities</td>
<td>• Establishment of a one-stop real-time information resource for global disaster emergency preparedness and response</td>
<td>• Challenges: 1) Low-income states’ capacity and availability of resources to do timely &amp; relevant report to the central information system 2) High risk of breakdown of centralised communication system 3) Virtual worlds and SNS (social network services) mainly existing outside government control → challenge to risk communication 4) High possibility of outbreak of new type of pandemic: Appearance of a new zoonotic agent due to large-scale farming</td>
<td></td>
</tr>
<tr>
<td>• Unwillingness to report personal/individual information and disease cases</td>
<td>• Types of pandemic threat: Agent generated through genetic modification (food scarcity due to climate change → growing demand for GMO based production)</td>
<td>• Virtual worlds and SNS (social network services) mainly existing outside government control → challenge to risk communication</td>
<td></td>
</tr>
<tr>
<td>• High possibility of outbreak of new types of pandemics: 1) Reappearance of a historical agent such as STDs 2) Mutation of an existing agent such as antibiotic resistance and super bugs 3) Behavioural pandemic such as euthanasia, suicide and obesity</td>
<td>• Behavioural pandemic such as euthanasia, suicide and obesity</td>
<td>• Virtual worlds and SNS (social network services) mainly existing outside government control → challenge to risk communication</td>
<td></td>
</tr>
</tbody>
</table>

### Key messages

- States play a key role in implementation of policies at all levels (local, provincial, national, regional, international).

- The process of policy development, however, should involve non-state actors to ensure relevance and transparency. Engaging CSOs or NGOs and the general public is necessary for the development process as well as the later implementation stage.

- Increasingly technocratic states will co-operate under a global umbrella to stimulate R&D for pandemic preparedness and response. This will result in better medical solutions, monitoring and detection systems, and communication systems. The open-source information is also available for less developed regions.

- The integrated system of detection, monitoring and response depends very heavily on a centralised communication system. If the communication system breaks down, the control from the governments will dwindle rapidly and the effectiveness of the measures will decrease.
In MosaInc., Asian and European governments fail to resolve worldwide problems such as economic crises and natural and man-made disasters; neither are international organisations able to provide an answer to pressing issues. In order to fill the political vacuums, people turn to the private sector and spiritual groups. The business sector drives economic growth and become the key actors in establishing infrastructure, including pandemic preparedness and response. The vigorous flow of goods and services, and the movements of workforces accelerate globalisation. However, the profit-oriented society, which goes hand in hand with the exploit of natural resources, soon faces challenges. The negative impact of climate change increases the possibility of the emergence of new types of pandemics and requires a new approach while maintaining the private sector’s engagement in the overall co-operation mechanisms.

1. MosaInc.: population trends

MosaInc. is a society whose major driver is economic development, led by the private sector. In order to generate profit from and invite investment and re-investment to emerging and fast-growing markets in particular, international movements of capital and labour migrants are fostered in MosaInc. In order to maximise returns on investment in human capital and accommodate the demand from both the ageing and the young workforce, MosaInc. society develops global strategies for the labour market. However, this profit-driven goal leads to reduced state funds for development assistance to low-income countries and hampers social benefits for low-skilled individuals.

In MosaInc., the success of migration as a business model — that is, as a source of human capital and a catalyst for further economic growth — depends on migration management. With the private sector’s strong interest in revenue generation and high market competition, mobility is ever growing. Labour migrants and stakeholders concerned about migrants’ social integration and human rights, however, try to address the human perspective in migration issues. The rise of religious or spiritual congregations is part of the attempts to tackle these issues.

In MosaInc., the highly competitive atmosphere at every segment of society causes great economic differences between the rich and the poor, and between urban and rural areas. Under these circumstances, the risk of new emerging zoonotic agent poses a significant threat to the populations living in poor areas. For instance, raising different kinds of livestock and crops close to residential premises becomes a way of producing food with limited resources. However, this mixed lifestyle of animals and humans, combined with poor health conditions, is a potential reservoir for zoonotic pandemics among these populations. Early containment is circumstanced, as it focuses on protecting cities and the more affluent members of society. Furthermore, MosaInc. relies on highly extensive food production using agro-industrial innovations on a large scale, with a far more reduced focus on safety measures against microbial contamination.
III. Four Facets of a Shared Future

2. MosaInc.: consequences of climate change

Since the private sector leads the management of the state and dominates the global agenda with their economic interests, they form an organised movement to by-pass environmental regulations. This results in growing conflicts between the private sector and CSOs and NGOs as well as advocacy communities on environmental issues. MosaInc. also increases risk of environmental exploitation and ecological abuse.

The private sector also takes the lead in technological development. Although competition between the key players is fierce, they come together in technical expert groups to address issues of common interest, such as pandemic preparedness and response. The governments do not have the funds or the political power to set guidelines, monitor quality or provide security. The private sector fills this gap and becomes more and more interested in pandemic preparedness and response as an area of industry where huge profits can be made. They also demand less strict regulations and operate more freely. Competition, combined with large private investments in R&D, pushes a strong drive towards innovation. Especially in areas where quick and high revenues are expected, technological development advances rapidly. The pressure to produce quick solutions to health problems also results in less secure production methods, which increases the risk of mutating agents, especially in the area of GMOs. Technological breakthroughs benefit pandemic preparedness and response. Initially, the benefits are provided mainly to the richer echelons but eventually become available for all layers of society. However, the quality of benefits varies depending on the level of capital possession.

In this profit-obsessed society, there is less focus on prevention and monitoring, because of the high costs and relatively low returns. Instead, the focus shifts to the lucrative business of developing medication and treatments. E-health solutions, initially promoted by governments to reduce costs but quickly taken over by the private sector because of their high profitability, become widely available and are often used in self-diagnosis. However, this alternative method increases the risk of unusual situations being misinterpreted and mutated or undercover agents going undetected. Medical robots, devices and implants are vulnerable to cybernetic attacks. Asia and Europe depend significantly on these medical technologies and a cybernetic pandemic is imminent. As there is no globally integrated early-warning system, there is an increased risk of a pandemic induced by an extra-terrestrial substance. Poorer and less developed countries only have limited access to new technologies and they lack the means to provide for the necessary infrastructure.


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With a lack of powerful global frameworks, the protection of intellectual property rights becomes a major issue. The private sector comes up with its own system to protect their investments. However, with this system old problems re-emerge. For instance, in the past the World Trade Organization (WTO) had introduced the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS),\textsuperscript{70} to ensure that inventions that were important for public health were easily accessible to all parties involved in the public health industry. This was an attempt to solve the tension between intellectual property laws and the human rights to health care and to keep medicines affordable. The new system focuses only on profit, and the course is completely reversed and vaccine prices skyrocket.

Since the markets put more and more pressure on the multinational companies to come with quick solutions or new products, the safety risk increases during research, development and production. There is also an increasing risk that a number of dissatisfied citizens will use biohazards in a biological attack on companies and governments.

3. Mosalnc.: technological impact

Risk communication is troublesome in Mosalnc. There are many different players: national governments whose influence is quickly waning, captains of industry who are eyeing political power, and wealthy individuals. They are all competing for power and they have all very different interests. Although technically it is quite possible to create an extensive communication platform, there is a high risk of misinformed communication between these players.

In reaction to this capitalistic and individualistic society, more and more people turn to newly developing cultural and lifestyle groups. The members that belong to these groups gradually detach themselves from their national ties and many of these groups exist in the virtual realm. They provide a sense of security, but at the same time some of them develop into sects and their members are prone to react hysterically whenever news about public health emergencies appear.

Table 3. Mosalnc. — matrix of megatrends and key issues

<table>
<thead>
<tr>
<th>Increasing global divergence in population trends</th>
<th>Increasingly severe consequences of climate change</th>
<th>Accelerating technological change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Co-operation</strong></td>
<td><strong>Co-operation</strong></td>
<td><strong>Co-operation</strong></td>
</tr>
<tr>
<td>• Fostered movement of labour by multinational companies to meet the demand of emerging and fast-growing markets</td>
<td>• Private sector’s organised movement to bind themselves less to the environmental regulations</td>
<td>• Development of technical expert groups across sectors</td>
</tr>
<tr>
<td>• Global strategies on the ageing workforce</td>
<td></td>
<td>• Emergence of Pandemic Preparedness and Response (PPR) market e.g., risk communication agency, business consulting firms specialised in PPR</td>
</tr>
<tr>
<td>• Reduced state funds for development assistance to poor countries</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{70} For more information, see World Trade Organization, “Intellectual property: protection and enforcement”, Understanding the WTO; The Agreements, WTO website, http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm.
### III. Four Facets of a Shared Future

<table>
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<tr>
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<th>Accelerating technological change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actors/ role of the state</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Migration as an emerging business with private sector's involvement</td>
<td>• Growing conflicts between private sector and environmental non-governmental organisations</td>
<td>• Private sector-led networks of different stakeholders demand looser regulations, fostered by use of high-end technologies.</td>
</tr>
<tr>
<td>• Rise of religious or spiritual congregations as a counter-development of profit-driven society</td>
<td></td>
<td>• Tough competition stimulating market-driven innovation</td>
</tr>
<tr>
<td>• Private sector's demands on loosening migration regulations</td>
<td></td>
<td>• Growing number of cultural and lifestyle groupings in both real and virtual worlds</td>
</tr>
<tr>
<td>• Private sector's strengthened role in social security, leading to new collaborative structures</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Risk communication/ pandemic threats</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Great economic differences between the rich and poor, the urbanised and remote areas</td>
<td>• People in the slums and remote areas facing difficulties to reach the information despite better communication systems</td>
<td>• Intellectual property (IP) and copyright, not protected on global level → infringement of IP and copyright becoming a major crime</td>
</tr>
<tr>
<td>• Members of religious or spiritual congregations reacting hysterically to pandemic health related news</td>
<td>• Increased risk of environmental exploitation and ecological abuse</td>
<td>• High risk of misinformed communication between different interest groups</td>
</tr>
<tr>
<td>• High possibility of outbreak of new types of pandemics: 1) Appearance of a new zoonotic agent 2) Reappearance of a historical agent in poor areas and slums</td>
<td></td>
<td>• E-health solutions stimulating self-diagnoses → risk of misinterpretation and non-authorised detection of unusual situations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• High possibility of outbreak of new types of pandemics: 1) Mutation of an existing agent 2) Agent induced through genetic modification 3) Cybernetic pandemic 4) Extra-terrestrial pandemic</td>
</tr>
</tbody>
</table>
III. Four Facets of a Shared Future

Key messages

• Private sector’s economic drive and its positive output contribute to overall economic growth and improved quality of individual lives, leading to the increased influence of the business sector in society.

• In ensuring an efficient profit-generation model and sustainable business prosperity, the private sector should proactively engage itself in social discourse.

• Technological breakthroughs in MosaInc. are remarkable, but its side-effects also increase correspondingly.

• Technological advancements contribute to improved infrastructure for risk communication, but the risk of misinformed communication is high due to the divergent interests of all the different players.

GloCal Blocs

In GloCal Blocs, Asia and Europe take strategic approaches to their own pursuit of economic interest, like any other geopolitical bloc around the world. Depending on costs and benefits, and centred on the dynamics of dealing with global issues, blocs sometimes co-operate and other times compete against each other. Blocs’ varying degree of resources and capacity induce the lack of coherent mechanisms in pandemic preparedness and response. Therefore, this future lays challenges on how to amplify the synergy of co-operation between blocs while maintaining competitive advantage for sustainable development.

1. GloCal Blocs: population trends

GloCal Blocs, characterised by its interwoven development mechanisms between co-operation and competition, often deals with global issues based on the individual blocs’ economic interests. For instance, different policies and approaches to migration issues by two current geographical blocs show where their utmost interests lie: Europe’s tendency to use protective measures to reduce the negative influence of migration; and Asian countries’ selective approach towards migrants considering their potential contribution to the country’s socio-economic development. In either case, due to different practices and values presented to them, migrants’ marginalisation in society becomes a growing challenge in any of the blocs.

Since GloCal Blocs’ co-operation mechanisms are variable, when risks are detected that hinder the bloc’s own interest, a group of states sharing a common view or a whole bloc can impose certain measures, such as the lockdown of borders between states and blocs. Under this unstable situation, states find it difficult to manage consistent social integration policies and this affects every constituent population group, not only migrant communities.
The society’s incompetence in multicultural communication results in a negative impact on the efficiency and effectiveness of risk communication. With regard to types of agents causing highly probable pandemic outbreaks, certain patterns of behaviours and lifestyles have the potential to grow to pandemic proportions. The tendency towards secrecy and information wars between blocs due to high competition may lead to hysteria in some populations. Moreover, when migrants or any other vulnerable groups are not fully integrated and thus exposed to various barriers, they become more likely to face non-communicable diseases such as obesity, diabetes, cardiovascular than the host or well-protected populations.

The high level of competition for economic development between blocs increases the frequency and severity of climate-change-induced weather events. Experiencing the impact of global climate change and, at the same time, analysing the costs and benefits of engagement in the protection of natural environment as well as in environment policy and conflicts of priority — economic development versus environmental concerns — become one of the most challenging issues in GloCal Blocs.

2. GloCal Blocs: consequences of climate change

In terms of management of climate change issues, governments take a leading role in mobilising financial resources, promoting capacity-building and establishing multi-stakeholder networks. The role of regional organisation increases in the area of co-ordination within the regional blocs. However, regional bodies often come into competition with their own regional counterparts.

While competition between blocs results in less cohesive strategies at global level towards climate change impacts, some constraints such as water scarcity and population displacement are magnified by climate change.

Politically less powerful countries form alliances with different leading countries, depending on their interests. This pragmatic approach makes them flexible and prepared for the future.

3. GloCal Blocs: technological impact

Some groups of countries within the same bloc see mutual benefits in co-operation and combining natural and economic resources, whilst competing with other blocs. Blocs seek more involvement from the private sector to stay ahead in the competition. This pragmatic approach stimulates rapid technological development. However, these technological breakthroughs are likely to get caught in the tensions between the blocs. For example, there are frequent fights over intellectual property rights that are protected in one bloc but not necessarily in the other blocs, as there are no global agreements in place. In addition, because the blocs are competing voraciously they avoid reporting new emerging agents as this can hamper their competitiveness.

Technological developments have a large influence on the food production industry. The industry tries to meet the increasing demand for food, by turning to megafarming and GMOs. Changes in diet and food production technologies weaken the peoples’ immune systems, making them more vulnerable to germs. New developments in technology also allow other countries, whose environments were previously unsuitable for food production, to engage in the advanced food production industry, for example, Africa, Greenland and some parts of Russia.

The influence of social media platforms grows much further as they become the main source of information, beating out the traditional media completely. However, due to the uniformity of information source as well as dominating influence by only a few opinion leaders, the public becomes bloc-biased in its worldview. In this situation, messages sent from one bloc can easily trigger an unintended reaction in others.

Table 4. GloCal Blocs — matrix of megatrends and key issues

<table>
<thead>
<tr>
<th>Increasing global divergence in population trends</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Co-operation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Regional blocs’ different policies and approaches to migration issues</td>
<td>• High level of competition for economic development between blocs → increased frequency and severity of global climate change</td>
<td>• Competition on R&amp;D and innovation between blocs but selective co-operation → continuous development in technology</td>
</tr>
<tr>
<td>• National governments’ strong role in the implementation of international blocs’ migration regulations</td>
<td>• Blocs’ conflicts of priority: environmental concerns vs. economic development</td>
<td></td>
</tr>
<tr>
<td><strong>Actors/ role of the state</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• State’s strong intervention in lockdown of borders between blocs</td>
<td>• Government’s leading role in mobilising financial resources, capacity-building and establishing networks to tackle climate change issues</td>
<td>• States playing their role as guards to protect respective regions’ technologies, but the protection is not a given in other blocs</td>
</tr>
<tr>
<td>• Marginalisation of migrants</td>
<td>• Regional organisations’ growing role of coordination within the regions (but competition with their own regional counterparts)</td>
<td>• States engaging the private sector in policy planning for technological development</td>
</tr>
</tbody>
</table>
### III. Four Facets of a Shared Future

<table>
<thead>
<tr>
<th>Risk communication/ pandemic threats</th>
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</tr>
</thead>
<tbody>
<tr>
<td>• Society’s incompetence in multicultural communication → negative impact on efficiency and effectiveness of risk communication</td>
<td>• Water scarcity and population displacement magnified by climate change</td>
<td>• Blocs’ reluctance to inform others of accidents and problems due to concern to endanger their competitiveness</td>
<td></td>
</tr>
<tr>
<td>• High possibility of: 1) Behavioural pandemic (lifestyle diseases) e.g. obesity, diabetes, cardiovascular 2) Reappearance of a historical agent (regional endemic)</td>
<td>• Competition between blocs resulting in less cohesive strategies towards climate change impacts and threats</td>
<td>• Intellectual Property laws not in place in all blocs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Water scarcity and population displacement magnified by climate change</td>
<td>• Biased view on other regions, enhanced by wide use of SNS Wide prevalence of GM food stimulated by increasing food demand</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Competition between blocs resulting in less cohesive strategies towards climate change impacts and threats</td>
<td>• High possibility of outbreak of new types of pandemics: 1) Appearance of a new zoonotic agent 2) Mutation of an existing agent, e.g., superflu resulted from megafarming</td>
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<td>• Blocs’ reluctance to inform others of accidents and problems due to concern to endanger their competitiveness</td>
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<td>• Biased view on other regions, enhanced by wide use of SNS Wide prevalence of GM food stimulated by increasing food demand</td>
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</tr>
</tbody>
</table>
Key messages

- The multipolar world requires a co-operative and collaborative approach to common global issues while blocs’ economic interests vary to a great degree.

- With regard to pandemic preparedness and response, different blocs have their own strengths and weaknesses, and global co-operation should be made in such a way that maximises each other’s specialty and enhances the exchange of best practices, for instance, Asia’s advanced management of port of entry, the EU’s well-established institutionalisation mechanisms.

- Competition and co-operation between blocs ensure continuing technological development. The continuing threat of pandemics leads to more focused efforts, but blocs are reluctant to share information about emerging agents, because they are worried about the economic consequences.

- Intellectual property is protected within blocs but not between the blocs. This creates the potential of conflict.

- Social network services have a global outreach, but its use in risk communication poses a risk of generating imbalanced and unfair perspectives towards other blocs.

- GM food is one of the possible solutions to the increasing demand in food, but it comes at a cost. The immune system is affected by GM food and leaves people more vulnerable. A large number of megafarms increases the risk of the emergence of a new zoonotic agent and mutation of an existing agent.

- Social network services have a global outreach, but its use in risk communication poses a risk of generating imbalanced and unfair perspectives towards other blocs.

Conclusions and recommendations

Pandemics, whether severe or mild, are a threat at all times, and their probability and impact are ever growing due to numerous global-level phenomena. While pandemics remain a threat to society, they should no longer come as a shock. Tools are available: there are continuous discourses made at all levels, frameworks set up, mechanisms operated, and stakeholders involved. However, as the title of this chapter asks, “Are we prepared?” — will one be able to answer the question with confidence?

In preparation for future pandemics, key elements include: 1) understanding the various future contexts that impose multiple options; 2) restructuring, and reorienting if necessary, the existing institutional mechanisms; 3) engaging multi-stakeholder in strategy building; and 4) utilising the technological advance.

These elements are elaborated in the following recommendations. In order to determine their priority, ‘X’ represents high relevance of each recommendation depending on different future settings.
### III. Four Facets of a Shared Future

#### Table 5. Recommendations for various scenarios

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Grey Paradise</th>
<th>MosaInc.</th>
<th>GloCal Blocs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conducting interdisciplinary research to better understand the complexity and uncertainty of the future</strong></td>
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<tr>
<td>• Conducting research involving epidemiology, climatology (incl. agro-/bio-climatology), sociology (incl. psychology, demography, foresight)</td>
<td>xx</td>
<td>x</td>
<td>xx</td>
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<tr>
<td>• Establishing global/inter-regional/national research centres</td>
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<tr>
<td><strong>Reinforcing inter-state agency’s role in co-ordination of multiple stakeholders</strong></td>
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<td></td>
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<tr>
<td>• WHO’s stronger role in executing co-ordination and providing technical assistance</td>
<td>xx</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>• Assigning an agency to be in main charge of multi-stakeholder engagement and outreach for pandemic preparedness and response (not necessarily WHO but, for instance, the “Towards a Safer World” Initiative, of which UNSIC is the current secretariat)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Engaging non-state actors in all aspects of pandemic preparedness and response</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>• Engaging CSOs/NGOs and general public in policy-making and outreach</td>
<td>x</td>
<td>xx</td>
<td>x</td>
</tr>
<tr>
<td>• Private sector’s commitment to exchange best practices and provide support for the wider use of practices (benefit of rendering support shall be arranged in various forms of social incentives)</td>
<td></td>
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</tr>
<tr>
<td><strong>Ensuring that public health-related advantages that come from technological advancement are affordable and accessible</strong></td>
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<tr>
<td>• Create a global open source and patent pooling system for public health-related technological developments</td>
<td>x</td>
<td>x</td>
<td>xx</td>
</tr>
<tr>
<td>• Stimulate close co-operation between governments and the private sector in policy-making on technological development</td>
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</table>
III. Four Facets of a Shared Future

References


III. Four Facets of a Shared Future


The Asia-Europe Meeting (ASEM) brings together representatives from Asian and European countries based on “a more balanced and equal partnership” (European Commission 2002, 3). ASEM presents a novel form of inter-regional co-operation that involves various actors, including states, international and regional organisations, markets and the private sector and civil society, and covers a broad range of issues.

This chapter analyses the key actors in Asia-Europe relations and their expected role in the geopolitics of the future. It begins by taking stock of major transformations of the contemporary world and highlighting the changing role of various actors therein. Secondly, it turns to Asia-Europe relations and introduces some of the key actors involved at various levels in the ASEM process, with the aim of examining to what extent these actors influence the relationship. Based on the assumption that attitudes and behaviours are importantly influenced by perceptions and formulated visions, this chapter features visions on the future role of these key actors formulated by Asian and European academics and analysts. The concluding remarks present the way forward for ASEM, highlighting the importance of each actor in advancing various views and interests in the process and the role to be played by civil society in achieving genuine mutual understanding between both regions.

The changing world

The contemporary world is going through a number of transformations that have considerable impact on the shape of international relations and the global balance of power. Among them, two major developments — economic and demographic — should be emphasised given their potential to influence the relationship between Asia and Europe and the future agenda of co-operation between the two regions.

First, an economic shift from the West towards the East has been witnessed over the last decades (Hoge 2004; Dobson 2010) and is expected to continue (Asian Development Bank 2011; Petri and Zhai 2012). Although the United States (US) and the European Union (EU) remain among the most powerful economic powers worldwide, the continuing rise of emerging economies in Asia, especially China and India, has come to challenge this long-standing status. A foresight exercise conducted by the European Commission (EC) in 2009 predicts dramatic decrease of the economic output of the US and Europe over the next decades (EC 2009). The present financial crisis seems to accentuate if not accelerate the trend, according to which the transatlantic predominance of the West is a feature of the past (Fritz-Vannahme 2009, 3). Moreover, the EC exercise forecasts that the EU will lose its leading position as world’s exporting power and be outstripped by prolific Asian nations (EC 2009). According to recent Asian Development Bank (ADB) projections with a 2050 horizon, growth rates in ASEAN and India are expected to remain high in the coming decades (around 5–6% and 7%, respectively), whereas China’s growth rates are also expected to remain high but will gradually fall to stabilise at levels around 5% (Petri and Zhai 2012).
IV. Asia-Europe 2030: Key Actors in the Future of the ASEM Process

Secondly, the world population, which reached seven billion people in 2011, continues to rise at a steady rate. The demographic increase is however not evenly distributed worldwide, and this overall upward trend, primarily driven by the steady population growth in developing countries, disguises conflicting realities in different regions of the world. Whereas population growth remains high in Sub-Saharan Africa, Asia, Latin America and the Middle East (Nielsen 2006), the population in Europe is declining as a result of low fertility rates, and European society is ageing due to the increasing high life expectancy (Muenz 2007, 1–2). As a result, the population of people of working age is decreasing, both in absolute and relative terms. Migration from outside Europe has however managed to rejuvenate the total population to a certain extent (EC 2011, 3).

On top of these economic and demographic transformations, a number of changes in terms of the distribution of power in international relations are taking place. First, the world’s distribution of political power is moving towards multipolarity, in sharp contrast with the bipolar order that characterised the Cold War’s period and the following US dominance (Zakaria 2008; Haas 2008). In view of the increased interconnectivity and interdependence between the poles of power, Grevi even speaks of interpolarity, which he defines as “multipolarity in the age of interdependence” (2009, 9).

Secondly, today’s interconnected world is faced with new threats and challenges, but also entails a myriad of new opportunities. While states and governmental actors are in a transitional phase, adjusting their modus operandi to suit the new environment, recent years have witnessed the rise of non-state actors aiming to influence the development of governmental policy agendas. This phenomenon opens to a multi-actor system, composed of national governments, local entities, regional organisations and global institutions as well as non-state actors. Moreover, the emergence of numerous channels of communication and their accessibility provide non-state actors ample opportunities to express their views and defend their interests in world politics.

At the same time, the need for global and multi-level governance is increasingly recognised as a consequence of the ever-growing economic interdependence and the emergence of truly transnational problems such as climate change and the proliferation of weapons of mass destruction. The international community has come to share the understanding that these global issues have to be addressed through a concerted and co-operative approach. In order for such an approach to be more effective, different layers of governance need to be involved in a flexible and dynamic manner.

Together, these on-going developments are challenging traditional approaches to international relations in general, and to Asia-Europe relations in particular. The world of governance is currently moving towards a multipolar and multi-actor system, where a range of actors have important roles to play in framing responses to global concerns. These various actors have come to operate at different levels to form a multi-level system of governance.
The following section describes the roles of diverse actors involved in the ASEM process in an attempt to understand their contribution to the promotion of a mutually beneficial inter-regional co-operation between Asia and Europe.

**Demand and supply forces in Asia-Europe relations**

The relations between Asia and Europe take place at various levels and are influenced by as many factors. The advancement of these relations is driven by the political, economic or individual interests of the respective regions. The inter-regional Asia-Europe relationship can be understood in the context of demand and supply driving forces that influence its development. On the supply side, collective governmental actors and individual political leaders foster the conditions for intensified Asia-Europe relations, create institutions, and take actions in favour of their respective interests. These supply-side actors include states and regional and international organisations. Their actions are driven by impulses and signals coming from a variety of actors, constituting the demand side. The demand-side actors, namely, non-governmental actors and groups, have importantly contributed to tightening relations between Asia-Europe in various fields. Whereas the business sector has been active in pursuing its respective goals in terms of trade and economic integration between the two regions, civil society organisations have promoted Asia-Europe co-operation and mutual understanding in diverse areas at the people-to-people level.

In order to effectively address today’s challenges and grasp the arising opportunities in a collective manner, the Asia-Europe Meeting (ASEM) constitutes a concerted and co-operative effort to engage the various Asian and European stakeholders in jointly tackling the range of global issues. ASEM offers informal fora for multi-dimensional dialogue beyond the classical intergovernmental method. By creating channels for communication and co-operation at various levels, ASEM constitutes a comprehensive and dynamic “trans-regional” process that stimulates exchanges among the variety of actors from the two regions in order to promote the joint management of the increasing interdependencies between Asia and Europe.

**States**

ASEM is first and foremost a forum for continuous dialogue and co-operation between Asian and European states. The number of participating states has gradually increased since the inauguration of ASEM in 1996, to include 19 Asia states and the 27 EU states, respectively supported

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72 Dent (2003, 223–35) describes ASEM as an attempt to advance the Asia-Europe relationship from an inter-regional to a trans-regional one, in that it not only involves two separate regions but also establishes common spaces among constituent agents.

73 Australia, Brunei, Cambodia, China, India, Indonesia, Japan, Republic of Korea, Laos, Malaysia, Mongolia, Myanmar, New Zealand, Pakistan, The Philippines, Russia, Singapore, Thailand and Vietnam (Bangladesh to join at ASEM 9).

74 Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and The United Kingdom (Norway and Switzerland to join at ASEM 9).
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by the ASEAN\textsuperscript{75} Secretariat and the European Commission\textsuperscript{76}. The process involves virtually all governments of the Asian and European continents in an unprecedented way. Their participation in the dialogue process culminates in the biennial ASEM summits.

This section illustrates the role of states in the ASEM process with six cases selected as to provide an overview of the various interests and views of Asian and European states involved. Singapore and France represent driving forces towards initiating the ASEM dialogue framework while Japan and Belgium are presented as strong supporters of the process today. The choice of Indonesia and Hungary aims to provide interesting insights into the involvement of two countries with the potential to play a greater role in the context Asia-Europe relations.

\textit{Singapore}

As a co-initiator of the ASEM process, Singapore is a fervent advocate of the Asia-Europe partnership with a strong vision.\textsuperscript{77} It has been involved in EU-ASEAN co-operation since 1977 as a long-standing member state of ASEAN (EU and ASEAN 2007). Singapore has been actively involved in ASEM since the inception of the dialogue in 1996. For this relatively small Asia-Pacific country, ASEM constituted a relevant response to the region's uncertain power structure (Yeo 2003, 18). Moreover, Singapore and ASEAN also regarded the EU's \textit{New Asia Strategy}\textsuperscript{78} as a clear indication of the EU's interests in increasing its engagement and raising its profile in Asia.

Singaporean governments have traditionally considered the meetings taking place at various levels as opportunities to increase contact between the two regional blocs and build on mutual co-operation and understanding, specifically on trans-boundary issues such as international trade and protectionism, climate change and pandemic diseases. Building upon the headway made in the areas of social-cultural and intellectual exchanges, Singapore has been endeavouring to lead the Asia-Europe Foundation (ASEF)\textsuperscript{79} towards a more substantive strategic policy dialogue.

\textit{France}

France played a significant role in institutionalising the relationship between Asia and Europe — it provided early support to Singapore’s proposition to formalise Asia-Europe relations within an international forum and campaigned to rally European backing. Driven by the willingness to counterbalance the US influence in Asia and to contribute to a more multipolar world, France pushed for enhanced co-operation with Asia, mainly through intergovernmental relations. Based on Asia's expected growth in the next decades, economic and commercial interest was certainly another factor behind France's support. France claims credit not only for lobbying its European

\textsuperscript{75} The Association of Southeast Asian Nations (ASEAN) is a ten-member regional organisation composed of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, The Philippines, Singapore, Thailand and Vietnam.

\textsuperscript{76} The European Commission is the executive body of the European Union.

\textsuperscript{77} For a detailed account on Singapore’s role in crafting ASEM, see Yeo 2003, 17–19.

\textsuperscript{78} See the discussion in the “regional organisations” section in this chapter.

\textsuperscript{79} ASEF is ASEM's only institution. It was established in Singapore in 1997 with the purpose of promoting “better mutual understanding between Asia and Europe through greater intellectual, cultural and people-to-people exchanges” (ASEF 1997, chapter 50).
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partners for a forum between Asia and Europe, but also for taking the initiative for a more collaborative European policy towards Asia (Gaens 2008, 19–21). In 1995, as France ensured the rotating presidency of the Council of the EU, the plan for an Asia-Europe forum was endorsed, and the preparatory document for the first summit to be organised in December of the same year was formally adopted (European Parliament 1995).

France is particularly committed to the third pillar of ASEM — to increase mutual understanding between the cultures and societies of the two regions — and therefore supported Singapore’s initiative to set up ASEF (France Diplomatie 2009). France’s main initiatives within ASEM are in the areas of human rights, inter-cultural dialogue, social issues, energy and environmental issues. ASEM’s informal dialogue offers France a unique forum for the promotion of its positions where it can build coalitions useful for the enhancement of multilateral negotiations at the United Nations (UN) and its specialised agencies, the World Trade Organization (WTO) and even at the G20 (France Diplomatie 2012).

Japan

Japan has been a long-standing promoter of ASEM through its active participation in various ASEM activities, summits and meetings. Its willingness to address pressing global challenges is likely to affect both Asia and Europe through the process in a positive manner. In 2005, Japan hosted the 7th ASEM Foreign Ministers’ Meeting where the member states agreed on ASEM’s future priorities, including effective multilateralism, sustainable development and respect for the cultural diversity. On the occasion of the 10th anniversary of the process, Japan and Finland commissioned a report to assess the progress made and the challenges ahead, which were presented at the 6th ASEM summit in 2006. The meeting also marked the set-up of the ASEM Virtual Secretariat aimed at supporting the process (MOFA Japan 2010).

The position occupied by Japan in ASEM enables it to make a significant contribution to the enhancement of Asia-Europe relations by “bridging cultural differences and promoting understanding” between the two regions (Brittan 1997), but also to the promotion of “open regionalism” in the Asia-Pacific region. On the one hand, ASEM has provided Japan with the opportunity to further promote its longstanding cooperation with the EU. As defined in the 2001 Action Plan, Japan-EU cooperation takes place in all areas of common interest, including foreign policy, economic relations and security issues (EU-Japan Summit 2001). This cooperation culminates in the Japan-EU annual summit meetings, through which the EU began encouraging greater Japanese participation in the ASEM process as an important pillar of Japan-EU relationship. On the other hand, ASEM represents a unique forum for Japan to strengthen its

80 The Finnish-Japanese joint research, entitled ASEM in its Tenth Year: Looking Back, Looking Forward, provided background for the discussion and decisions on the future of the process. The full report is available at http://www.aseminfoboard.org/content/documents/060227_tenthYrASEM.pdf.

81 The term “open regionalism” refers to the non-exclusive nature of regionalism and regional co-operation in the Asia-Pacific region. Its origin dates back as early as 1970s when the then Japanese Prime Minister Masayoshi Ohira presented the idea on Pacific Rim co-operation. It was officially used at the 5th Pacific Economic Cooperation Council in 1986 held in Vancouver (Sutton 2007).

82 For a detailed account of Japan-EU relationship, see Gilson 2000; Mykal 2011.
existing ties, almost exclusively economic, with its Asian neighbours. By actively co-ordinating East Asian members in preparation of its meetings, ASEM, with its comprehensive agenda including political and cultural co-operation, provides an outstanding opportunity for Japan to set up overall relations with the range of Asian neighbours in a less sensitive framework (Togo 2004, 157). Such enhancement of “open regionalism” in Asia is beneficial to the ASEM process as a whole as stronger ties among Asian countries will ultimately lead to a more meaningful and effective inter-regional co-operation between Asia and Europe.

Belgium

The government of Belgium has shown signs of full commitment to the ASEM process since its establishment in 1996. It follows that the country shares the view that co-operation — between the world’s main trading partners on the one hand, and the energetic economies of Asia on the other — is of great significance for the world to develop harmoniously. In 2010, Belgium hosted the 8th ASEM summit and demonstrated the importance it attaches to ASEM. The summit, which took place in the Royal Palace in Brussels, was prepared and conducted by the Belgian government and the Belgian Presidency of the EU. The thematic focus on “Improving the Quality of Life” accurately reflected the Belgian vision of the relationship between Asia and Europe. Indeed, sustainable economic development, social responsibility, rule-based society, energy security, environmental excellence, food security and public health appear to be issues that are chiefly addressed by the country in shaping the inter-regional relationship (ASEM 8 Online 2010).

Belgium has supported the enlargement of ASEM and made significant efforts to facilitate the entry of Australia, New Zealand and Russia. Moreover, the country is committed to easing the resistance of certain ASEM participants to the EU as a unitary political player, which prevents the EU from playing a significant role within the process. At the 8th ASEM summit, it played a major role in ensuring a place for the EU at the forefront of the meeting (Telò 2010).

Indonesia

Already a member of ASEAN, Indonesia is an explicit subscriber of the view that ASEM provides an excellent forum for dialogue between Asian and European countries. Not only has the country been involved in the process since its inception in 1996 by hosting and supporting various ASEM meetings and initiatives, it has also been actively participating in multiple cultural programmes and encouraging people-to-people contact through ASEF (MOFA Indonesia 2010).

Nevertheless, Indonesia has faced persistent criticism for its inability to take better advantage of ASEM, and ASEAN likewise, due to the lack of clearly defined interests and objectives for the process (Prasetyono 2006). Optimistically, recent ASEM meetings indicate a positive change in Indonesia’s approach, which arguably correlates with the release of the country’s Masterplan for Acceleration and Expansion of Indonesian Economic Development in 2011. The increasing efforts of Indonesia to explore the opportunities of ASEM co-operation might be explained by its underlying purpose of promoting the large-scale plan, which sets out Indonesia’s potential
to become one of the world’s ten largest economies by 2025 (Co-ordinating MEA 2011). In the ASEM context, Indonesia has paid particular attention to co-operation in the field of infrastructure investment with a view to develop an inclusive approach to infrastructure development in Indonesia (MOFA Indonesia 2011). In line with ASEM preoccupations, Indonesia is also increasingly concerned with the need to implement an environmentally sound, or green economy (MOFA Indonesia 2012).

**Hungary**

As it took up the rotating presidency of the Council of the EU in the first half of 2011, Hungary had the outstanding opportunity to voice its stance regarding the ASEM process, and also to host two ASEM meetings at different levels and set their agenda. In line with its co-operative approach to global financial and economic competition, Hungary attributes particular significance to the strengthening of the partnership and co-operation between the EU and Asian countries. Accordingly, the outcome of the hosted meetings conveyed the message that the search for effective forms of co-operation and alliance should be the coming years’ priority (Hungarian Presidency of the Council of the EU 2011).

Hungary’s stance is informed by its conviction that, in response to economic crises, markets expect solutions developed jointly at the global level. In an attempt to find a common approach, Hungary proposes the European Union’s growth strategy to be considered for a tailored adoption by ASEM partners as it formulates objectives for a course of growth that can also apply to the Asian context (Szunomár 2011).

**International organisations**

The relationship between ASEM and international organisations is bi-directional. Whereas the ASEM process contributes to strengthen international institutions; these offer to individual ASEM members the prospect of a strengthened role in international affairs.

On the one hand, ASEM is committed to an effective global governance system based on competent international organisations, as stated in its 2004 declaration on multilateralism, and can contribute to this goal in several ways. First, the ASEM process has developed in line with the rules of international institutions such as the UN and the WTO, and its actions are performed in conformity with international treaties and conventions.

Furthermore, as a process that promotes further co-operation and co-ordination between and among Asian and European stakeholders on various issues, ASEM contributes to a certain convergence of perceptions and viewpoints. Concrete examples thereof include the ASEM member states’ exchanges of views on global issues such as terrorism, arms control, disarmament and non-proliferation in the framework of ASEM biennial summits, where the leading role of the UN is often reaffirmed, but also the decision to hold consultations on an *ad hoc* basis before
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sessions of the UN General Assembly in order to discuss relevant agenda items. Common positions and collective decisions on multilateral issues reached within ASEM are likely to resonate positively within international fora and help ease tensions at this higher level of cooperation.

Finally, ASEM pledges to achieve a more effective multilateral system as illustrated by its strong support for the reform of the institutional framework of the UN, the WTO or the International Monetary Fund (IMF). Among ASEM's reform priorities is the need for a composition of international bodies that better reflects today's global balance of power and rising influence of emerging economies.

On the other side of the spectrum, international institutions lift many ASEM member states' expectations of increased visibility and strengthened position at the international level. ASEM acts in this case as a bridge between the national and global levels. It improves small ASEM states' credibility and enhances their prospects of accession to international fora. A relevant illustration thereof is provided by ASEM leaders' unyielding support for Vietnam's membership in the WTO, which eventually led to the country's accession in 2007. In a similar vein, ASEM has continuously backed Laos' membership application to the same organisation. The General Council of the WTO agreed, on 26 October 2012, to Laos joining the organisation, thereby paving the way for its accession in early 2013. (WTO 2012).

The important role played by ASEM within international organisations is however impeded when its member states, with their extremely diverse political, economic and cultural conditions, fail to agree on a common agenda, which has been the case, namely, because of the lack of policy coordination within the EU (Bersick 2002).

Regional organisations

ASEM involves two major regional organisations: the EU and ASEAN. While both organisations value regional efforts to deal with issues in their respective regions, their level of institutionalisation and their ensuing approaches differ (Bersick 2006, 3). On the one hand, the EU is deeply institutionalised and can rely on various institutions, including the European Commission, Council, Parliament and Council of Regions. It acts as an independent supra-national body and can establish rules that are binding to its member states as a result of partial delegation of their sovereignty. On the other side, ASEAN offers a framework for international co-operation, in accordance with its adherence to the principles of sovereignty and territorial integrity. Its approach towards regional co-operation, commonly referred to as the "ASEAN Way", regards consultation, quiet diplomacy and non-confrontation as key to dealing with differences and conflicts among the member states (Goh 2003, 114). As such, while the EU side intended ASEM to

83 The first ad hoc consultation of this kind took place in New York in 2001.

84 The so-called "ASEAN Way" includes norms of behaviour and interaction: principles of non-interference and respect for the sovereignty; peaceful resolution of conflicts; practice of consensus; and consultation and avoidance of confrontation. It is also associated with lightly institutionalised or "open" regionalism. See for instance Mahbubahi (1995), Katzenstein (1996), Pempel (2005), Katzenstein and Shiraishi (2006) and Bonapace and Mikic (2006).
be a co-operation mechanism that enhances the development of two collective regional actors, its Asian counterpart tends to consider inter-regionalism as an intergovernmental *modus* that promotes and renders possible co-operation between the two regions on a state-to-state basis (Felicío 2006, 20).

Despite their different contexts and approaches, the EU and ASEAN are long-standing partners. EU-ASEAN formal ties were established in 1977, and the primary focus on trade and development cooperation rapidly broadened throughout the 1980s as to include both economic and political components within a comprehensive cooperation framework. With the end of the Cold War, a patent slackening of EU-ASEAN co-operation was witnessed, largely due to their conflicting positions with regard to human rights issues and the politicisation of aid and economic co-operation policies. By the mid-1990s, the dissatisfaction on both the European and Asian sides led to the proposal, on behalf of the EU, of an alternative dialogue framework for inter-regional dialogue, namely, ASEM.

In this unsuccessful period of EU-ASEAN co-operation, ASEM presented a number of advantages to both regions. First, the rationale underlying the creation of ASEM was the shared desire to counterbalance US predominance and close the “US-Europe-Asia triangle” (Higgott 1999, 203). Given the already well-established transatlantic trade relations between the US and Europe and the trans-pacific ties between the US and Asia, namely, within the structure of the Asia-Pacific Economic Cooperation (APEC), ASEM was regarded as a mechanism to bridge the “missing link” between Asia and Europe in the global trilateral structure (ASEM 1995, 1).

Second, in terms of membership, ASEM was more comprehensive than the EU-ASEAN partnership. The inclusion of China, Japan and the Republic of Korea was supported by both the EU and ASEAN for several reasons. From the EU perspective, the paramount advantage of ASEM lay in regularising and strengthening its relations with Northeast Asian states. Given that the EU policy towards Asia had thus far been primarily economic, ASEM offered to the EU the opportunity to engage in a structured, multi-dimensional co-operation with East Asia. For ASEAN, ASEM held the promise of building stronger ties with its Northeast Asian neighbours, which would contribute to increasing its bargaining power in Asia (Ruland 2001, 22). Importantly, the participation of China, specifically, was regarded as desirable on both sides. Its progressive positioning as a major economic, political and military power on the global stage had convinced both the EU and ASEAN to engage with the country in a constructive manner. If the EU viewed China as a valuable partner, ASEAN nations, affected by the significant shift of foreign direct investment to their flourishing neighbour, regarded the incorporation of their competitor into a co-operation structure as holding the promise of greater trade and investment penetration of Chinese markets. Nevertheless, membership in ASEM is regulated according to a “double key approach”, which implies the approval of all ASEM member states prior to new accessions to the process.

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For a detailed account on the EU-ASEAN relationship, see for instance Robles (2004), Cuyvers et al. (2010) and Doidge (2011).
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Third, ASEM’s open and informal structure raised the possibility of developing a more dynamic relationship between the two organisations. Moreover, its broad agenda, covering political, economic and socio-cultural issues, held out the prospect of discussing issues that had tended to be marginalised in the existing EU-ASEAN dialogue framework.

Although ASEM has successfully taken off, the EU-ASEAN co-operation has remained an important pillar of the relationship between the two regions. Over the years, it has continued to develop and broaden its scope of activities. It is in fact considered to be the cornerstone on which ASEM is built (Forster 2000, 797). The past decade has witnessed a renewed interest in EU-ASEAN co-operation. In 2003, the European Commission issued A New Partnership with South East Asia. The communication introduced new strategic priorities within the dialogue between the EU and ASEAN, including regional stability and fight against terrorism; human rights, democracy and good governance; mainstream justice and home affairs issues; regional trade and investment; continuing support to less prosperous countries; and dialogue and co-operation with specific sectors (Europa 2003). The Commission recognised the need for stronger intra-regional ties, but also mentioned the limitations to further developing the co-operation agreement due to the EU’s position on Myanmar, which had joined ASEAN in 1997. Importantly, 2003 also represents a milestone for ASEAN as it coincides with its decision to embark on a community-building project. The aim of the ASEAN Community is to achieve a more rule-based and people-oriented organisation. Its three-pillar structure incorporates themes and values that are cherished by the EU such as regional integration, democracy, good governance and human rights protection (Morada 2012, 92).

In 2007, the EU and ASEAN signed the Nuremberg Declaration on an EU-ASEAN Enhanced Partnership in the areas of political, security, economic, development co-operation, energy and climate change (EU and ASEAN 2007), and a Plan of Action was drawn up to serve as a master plan for the following five years. The same year, ASEAN leaders signed the Cebu Declaration on the acceleration of the establishment of an ASEAN Community by 2015. The adoption of the ASEAN Charter in 2008, which includes principles of human rights promotion, manifests the Association’s commitment to realise the Community’s political security pillar. Nevertheless, the diversity of ASEAN member states’ political contexts and perspectives will likely remain reflected in the pluralist political identity of ASEAN. This will in turn continue to affect the already tense EU-ASEAN political co-operation in the foreseeable future.

ASEM takes on its full significance in this context. It has fostered inter-regional dialogue by shifting the focus from economic to political issues such as soft security, climate change, sustainable development, environmental protection and inter-cultural dialogue.

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86 In 2003, ASEAN member states adopted the Declaration of ASEAN Concord II, which establishes by 2020 the ASEAN Community based of three pillars: the ASEAN Political Security Community (APSC); the ASEAN Economic Community (AEC); and the ASEAN Socio-Cultural Community (ASCC).
Business sector

Given the strong economic interests on both Asian and European sides, actors of the business sector have played an active role in initiating the process and persistently fostering the bilateral relations. Unlike other non-state sectors, their interests are fully integrated in the ASEM process via the Asia-Europe Business Forum (AEBF).

The relations between the EU and Asia took a new turn in the 1990s as the EU, witnessing the auspicious growth of East Asian economies, proactively engaged with Asian markets (Richards and Kirkpatrick 1999). In a context of increasingly integrated world market and growing economic interdependence, Asia and Europe, based on their respective endowments, resources, weaknesses and needs, have had strong interests in intensifying trade exchanges and co-operation. The EU is endowed with highly educated and skilled human capital and advanced technology, whereas Asia has a growing population and is in manufacturing. European industry has a firm position in world markets owing to its remarkable performance in upmarket products. However, the risk of a demographic crunch as a result of an ageing population is a reality in Europe. In the long term, Europe is running the risk of being marginalised unless it maintains its lead in the production of quality products via enhanced research and development activities and gains full access to the markets of growing economies via international trade and investment (Robinson 1997, 82).

In view of the substantially growing Asian population, Asia-Europe co-operation is to benefit both partners. Asia's ever-growing economies and markets have much to offer to Europe's slowing growth, where the input of high skilled labour is key to the continuation of research activities. Good relations with Asia could help attract more young talents to the so-called old continent. At the same time, outsourcing of European multinationals' activities goes hand in hand with foreign direct investments and import of advanced technology and knowledge in Asian economies. This has enabled the Asian business sector to absorb latest technological advances, which has contributed to higher capacity in manufacturing and exporting a vast range of goods and services. This active involvement of European companies was rendered possible by the opening-up of European competition policy, which was translated into greater economic openness and flexibility of labour markets, together with investment in high technology sectors (Cini and McGowan 1998).

Within the ASEM process, the interests of business actors came to be fully integrated in 1996, as the Asia-Europe Business Forum (AEBF) was established as a parallel structure bringing together business sector stakeholders with the aim of further enhancing business co-operation between the two regions. The AEBF is not only aimed to facilitate dialogue between entrepreneurs in both regions but also to enhance the relations between business and the ASEM government sector. Moreover, the AEBF has also encouraged the business sector to participate in regional industrial development as well as training people (McCormick 2004, 252). The AEBF’s annual meetings discuss various issues related to trade and investment, and propose recommendations that enhance the attractiveness of the Asia-Europe economic co-operation (ASEM 2012). The importance of the business sector in the ASEM process is widely recognised by the member
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states. The 5th ASEM Economic Ministers’ Meeting in 2003 for instance explicitly declared their wish to involve the business sector more consistently into all levels of the work of ASEM. The promotion of business-to-business relations is an important element of ASEM, and particular emphasis is placed on small- and medium-sized enterprises (SMEs). Most of them are export-oriented and therefore provide an important source of foreign exchange. In most of the ASEM countries, increased competition through globalisation threatens the sustainability of SMEs, which made this sector an important target of inter-regional negotiations through ASEM (Gilson 2002, 78). After the initial disappointment from the business sector on the lack of results from the Forum’s meetings, the need for more direct contact between business and government has come to be acknowledged at the 5th AEBF in 2000. At the 7th AEBF in 2002, the ASEM Economic Ministers welcomed the inputs from the business sector and specifically requested further input on the next stage of deliverables under the Trade Facilitation Action Plan (TFAP) and Investment Promotion Action Plan (IPAP) (Yeo 2003, 58).

From the viewpoint of business, trade and economy, ASEM has provided channels through which representatives of each region have confirmed a need to develop priorities under the principles of commitment to market economy and reform, government-business sector dialogue, liberalisation and transparency, compliance with international rules including those of the WTO, and the recognition of economic diversity. It has successfully promoted the exchange of capital, resources, research and development, ideas and personnel in the field of trade and investment. ASEM has also offered Europeans an inclusive forum where they can raise concerns over investment promotion and opportunities without singling out particular countries and without having to undertake the same kinds of negotiations repeatedly. Conversely, the process has provided smaller economies (of Asia in particular) with channels to make their voice heard and ensure that their interests are not neglected (Gilson 2002, 99). It remains nevertheless too early to testify that the AEBF meetings have had a catalytic effect on European investments in Asian infrastructure.

Civil society

Civil society constitutes an important driver for deepened and broader co-operation between Asia and Europe. Indeed, its demands to consider various issues, including political dialogue, security threats and environmental concerns, have contributed to a more comprehensive ASEM agenda. Civil society organisations (CSOs) are groups of actors that join together for the advancement of common interests and can take various forms, including non-governmental organisations (NGOs), religious movements, ethnic groups, trade unions, foundations and think tanks. They aim at the advocacy or defence of interests and values that may be local or global in scope, including the environment, human rights, gender equality, sustainable development, labour standards, and fair trade. As such, they can act as the necessary counterbalance to established powers and interests.

The inclusion of civil society within the ASEM process was formalised at the 3rd ASEM summit in 2000 in response to explicit demands by civil society of an ASEM process that would “go beyond governments in order to promote dialogue and co-operation between the business/private
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sectors of the two regions and, no less important, between the peoples of the two regions. The ASEM should also encourage the co-operative activities of think tanks and research groups of both regions” (ASEM 2000, paragraph 8). Civil society and parliamentary actors were progressively included into the mainstream of ASEM affairs thereafter.

ASEF played an important role in this regard. While the function of ASEF has been debated by some as exclusively catering to “the elite section of civil society,” this non-profit body financed by the voluntary contributions of ASEM participants has continuously maintained that the participation of NGOs is at the centre of its work. Accordingly, ASEF has promoted intellectual and cultural dialogue between think tanks, universities, cultural groups and peoples through various activities.

Within ASEM, civil society actors can express their views via several channels. The Asia-Europe People’s Forum (AEPF) offers a platform for people-to-people dialogue. Established with a view to “work for an accountable, transparent and accessible ASEM process, open to the participation and interaction of citizens in both regions”, the AEPF aims to foster solidarity among Asia and Europe’s people and provides a channel to put forward innovative ideas and visions to the ASEM process. Recent key initiatives of the AEPF have focused on democratic governance, economic, social and environmental issues, regional integration and free trade agreements (AEPF 2012). It should however be noted that and a number of obstacles prevent the AEPF from raising a consistent and substantial civil society voice within ASEM. First, the diversity of AEPF groupings’ histories, types and interests complicates the attainment of common visions and targets. Secondly, the AEPF is not part of the official ASEM process, and its recommendations do not necessarily flow through. For instance, to date, the proposal made by the AEPF in 2000 to establish a Social Forum within ASEM as a mechanism to formally link civil society groups to the process has not been implemented. Moreover, reservations remain as to assimilating NGOs and social groups in the official process, especially on the Asian side (Robles 2008, 34).

The Council for Asia-Europe Cooperation (CAEC), established by ASEM in 1996, has engaged academics and politicians from both regions in an inter-regional epistemic community (Maull et al. 1998). As a forum for inter-regional intellectual dialogue, the CAEC acts as an informant to the process and helps shape a sound ASEM agenda by reporting to government agencies and publishing conference reports and books.

The Asia-Europe Parliamentary Partnership (ASEP) constitutes the parliamentary component of the process and provides a forum for exchange of ideas and recommendations on current agenda-items among ASEM members’ parliamentarians.


88 A complete overview of ASEF’s activities is available at www.asef.org.
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In practice, relations and co-operation between various spheres and types of processes, including national, regional and transnational, official and unofficial, are relatively complex. As interactions between governmental and non-governmental levels remain loose within ASEM, and characterised as a fundamentally high-level process (Loewen and Nabers 2008, 110), much effort would need to be invested in achieving inclusive multi-level dialogue.

Visions on the future of Asia-Europe

Behind all the actors involved in the ASEM process are ideas and visions presented by the various fronts concerning what is desirable in the foreseeable future of the world and of Asia-Europe relations. And, as underlined in the previous volume, these actors’ perceptions and visions matter. On the one hand, they provide the basis for a better understanding among Asian and European peoples, countries and regions. On the other, they inform agenda-setting and decision-making processes. The analysis presented in the chapter “Perceptions Matter!” in the first volume of this publication provides a wealth of information on the reality of how Asian and European citizens, journalists and opinion leaders comprehend one another, their existing links and their likelihood to push for strengthened ties between their two neighbouring continents.

Importantly, the debate on the future of Asia-Europe relations is significantly shaped by the opinion of Asian and European experts as expressed in foresight exercises, research papers or other communication channels. With a view to enrich the aforementioned analysis, the present section introduces views formulated by academics and analysts on the selected key actors in the ASEM process. These provide interesting insights into their expected role in the future.

1. States

Faced with the growing number, complexity and scope of issues, states are increasingly regarded by many analysts as unable to deal with the series of tasks on their own that traditionally fell under their sovereign jurisdiction. In the World Foresight Forum, Chinese academic Yi Zhao states that “[i]t is clear that state sovereignty… is being eroded during the process of globalisation; the state is no longer an entity with absolute sovereignty”.

Nevertheless, both Asian and European analysts share the vision that it would be premature to speak of the end of the nation-state era as states remain primary sources of power in international relations. Zhao clearly supports this vision and argues that “the state will not withdraw from the world stage. To the contrary, for international relations, the state will continue to be the main player…” (De Spiegeleire et al. 2011, 190). In a similar vein, British strategic thinker Colin Gray contends that the “world will remain one of states. The demise of state through the corrosive influence of globalisation has been much over-anticipated” (De Spiegeleire et al. 2011, 197).

The linguistic barrier introduces a conceded bias in the analysis, which exclusively focuses on statements made by English-speaking Europeans and Asians.
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2. International organisations

While there seem to be enough reasons to believe these Asian and European scholars’ arguments regarding the continuing dominance of the states as governance providers, states have been faced with various new threats that require global solutions, international organisations are expected to offer the frameworks that enable states to work towards the negotiation for global solutions through a co-operative approach. As suggested in the study jointly conducted by the US National Intelligence Council and the EU Institute for Security Studies, international organisations “can deliver public goods that summits, non-state actors and regional frameworks cannot supply, or cannot do so in a reliable way” (NIC and EUISS 2010, 33).

Some negative aspects have been pointed out by many commentators in terms of the ability of international organisations in addressing global problems. Firstly, they lack the necessary tools to adequately address the ever-increasing range of interconnected issues. Greek academic Loukas Tsoukalis, for instance, argues that “international institutions need to acquire instruments to deal effectively with the level of global interdependence reached, be it in relation to trade, financial markets or the environment” (Faroult 2009, 272). Secondly, the composition and balance of power within international institutions do not accurately reflect the real distribution of power worldwide and is too often biased towards the West. This is asserted by Zhao, who claims that: “Although some international regulations and international organisations are global ones in scope, their establishment and development mostly represent the interests of major Western powers and are reflections of the needs of developed countries” (De Spiegeleire et al. 2011, 192). Likewise, Tsoukalis states that, “Existing international institutions still reflect the balance of power prevailing in the aftermath of the Second World War.” As a result of the widely-voiced criticism directed to international organisations as pursuing an agenda that does not equally reflect the conditions and needs of all the regions in the world, both Asian and European sides acknowledge the need to reform the international system in order for the effective form of global governance to be achieved. “Emerging new powers in Asia and elsewhere need to be given the role they deserve in international institutions and thus be made to feel as co-owners […],” affirms Tsoukalis (Faroult 2009, 272).

3. Regional organisations

Regional organisations are recognised as valuable governance systems that could constitute alternatives to national and international actors for the management of collective challenges. Indeed, it has been widely argued that their proximity to the concerned region, past experience, knowledge and understanding of their region place them in a favourable position to tackle the range of economic, political, environmental and security concerns at the regional level, and possibly to get involved at the global level. This view is corroborated by the NIC–EUISS report Global Governance 2025, which describes regionalism as having the potential to “bring an important contribution to managing shared challenges at the local and regional levels and beyond. Regional governance arrangements are closer to the sources of the problems to be tackled, be they security crises, economic disparities, or trans-regional threats” (2010, 21).
Nevertheless, the potential of regional organisations to serve as governance units that constitute effective substitutes to the global governance system is questioned by many analysts. The above report, although it recognises the proliferation of regional organisations worldwide and the achievement of “closer co-operation at the regional level”, deplores that such co-operation has “fallen short of its potential in most regions”. More fundamentally, the report raises serious questions regarding the ability of regional groupings to address “mounting global challenges, compensating for the lack of updated and reformed global governance institutions” (NIC and EUISS 2010, 21).

4. Business sector

The importance of private sectors and civil society has also attracted considerable degree of attention among the commentators. Without doubt, the business sector will remain as pivotal players worldwide and in Asia-Europe relations in the years to come. The business sector as economic machinery serves as a remarkable engine for the development, as it generates employment and growth and consequently contributes to people’s welfare. It is exactly for this reason that the “two largest trading regions worldwide” have been striving for an ever-closer trade partnership (Hilpert and Kecker 2008, 77).

This understanding is in line with the perspective of the ASEAN-EU Vision Group, which believes that “there is a compelling case to take the economic partnership between the EU and ASEAN to a higher level”, as such reinforced partnership would be “mutually beneficial” (ASEAN-EU Vision Group 2006, 19). In its 2006 report focusing on economic relations, the group contemplated the prospect of an ASEAN-EU free trade agreement, given that such a new and comprehensive trans-regional partnership would accelerate trade and investment opportunities in ASEAN-EU relations in the 21st century (ASEAN-EU Vision Group 2006, 19; Cuyvers et al. 2010).

5. Civil society

Last but not least, the presence of the civil society has become increasingly recognised in both Asia and Europe. At the 2010 Asia-Europe Consultative Seminar with Civil Society, Jaime Yambao, Assistant Secretary for European Affairs and ASEF Governor of the Philippines, acknowledged the potential of civil society to promote good governance and points out that NGOs in the Philippines are “doing a lot in support of good governance and the rule of law, the advancement of the peace process, the protection of the environment, the protection of women and children” (Yambao 2003). The NIC–EUISS report foretells a continuation of the trend according to which civil society has been “equally, if not more effective than states at reframing issues and mobilising publics” (NIC and EUISS 2010, 43). In this context, French expert on innovation policy and prospective studies, Thierry Gaudin, argues that NGOs that could mobilise significant expertise and resources should grow in their influence as they “appear more reliable than nations to take in charge at least humanitarian and planetary concerns” (Faroult 2009, 121). According to the analysts, the ultimate prospect of an active involvement of civil society in decision-making through a participatory

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90 For views on the potential for deeper and wider interaction between regional organisations and the UN, see De Lombaerde, Baert and Felício (2012).
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approach does however not necessarily seem to be so promising. British Chief Executive of the National Endowment for Science Technology and the Arts, Geoff Mulgan, argues that “new mechanisms are needed to tap into its insights, to engage it in strategic decision-making, and to use its capacities to act to prepare for the future” (Faroult 2009, 75). Widely shared understanding is that civil society could play a significant role by taking part in an inclusive multi-level governance framework, where states and governmental institutions will maintain a key governing role. The NIC–EUISS report rightly described this matter, arguing that “the multiple contributions of non-state actors to international cooperation — although highly useful — are unlikely to serve as permanent alternatives to rule-based, inclusive multilateral institutions.” (NIC and EUISS 2010, 33).

General conclusions

The analysis in this chapter confirms the importance of the respective role of each actor in the ASEM process. The future of Asia-Europe relations will depend on the triangular interactions amongst governmental elites, trade and business entrepreneurs and civil society organisations, and the promotion of effective co-operation among these key actors will be key to unlocking the full potential of ASEM in the years to come.

Against the backdrop of the current Eurozone crisis, the volatile security situation in Asia, and both regions’ strong relations with the US, Asia and Europe are attempting to deal with the ever-increasing economic interdependency, political complexity, and security and environmental concerns. Important forces towards stronger Asian-European ties are expected to be found inside the political realm in the foreseeable future. Political leaders will naturally seek to foster relations that will allow them to manage and counter these challenges.

States are expected to remain central to the dialogue process. Moreover, ASEM’s membership will continue to expand. The forthcoming accessions of Bangladesh, Norway and Switzerland at the end of 2012 will positively contribute to enhance the inclusiveness and diversity of views and interests within ASEM, especially since Norway and Switzerland will be the first non-EU European countries to join the process. This steady increase in the number of participating states, although it gives a positive signal of the attractiveness of ASEM, challenges the informal character of the process. Indeed, informality is becoming increasingly difficult to preserve if 49 member states are to express their views. In addition, it goes hand in hand with an absence of formal monitoring and follow-up that could undermine the effectiveness and relevance of the process. Nevertheless, despite the difficulties it is faced with, ASEM has significantly contributed to promoting exchange of experiences, ideas and knowledge and fostering common understandings and visions, therefore remarkably fulfilling the original purposes for which it was established.

International organisations and ASEM are expected to maintain a positive relationship. As the ASEM process has played a significant role in highlighting common positions on global issues, its members should continue to make use of the multi-level framework to generate understanding on concerns of primary relevance at the inter-regional level, thereby facilitating negotiations
within international organisations and fora. Inter-regional co-operation between Asia and Europe could play an indispensable role within the framework of global governance as it could contribute to further promoting multi-polarisation. Although it is rhetorically committed to multilateralism, ASEM seems to be limited in achieving agreements on global issues due to the lack of structures suited to an international actor. Aiming for a presence in virtually all domains might lead to a loss of relevance and effectiveness. The challenge for ASEM in the coming years will be to target the issue areas and levels where it is willing to have an impact.

The regional organisations within ASEM, the EU and ASEAN, will continue to strengthen their existing co-operation in an impressive range of areas including trade, politics, security, development and climate change, both within and on the fringes of the process. The future of the EU-ASEAN relationship will however primarily depend on the way these regions will deal with a number of important challenges. The Eurozone crisis constitutes such a major concern and has entailed considerable consequences in both regions. Beyond its obvious negative impact within the EU, the crisis has also had clear adverse effects in terms of economic growth in Asia as it has led to a decrease in exports from Asian markets to Europe. The economic recovery of the EU is therefore a critical issue for both regions, which have keen interests in co-operating to restore the EU's financial stability. The set-up of an ASEAN Economic Community, planned for 2015, is also an element that will greatly influence the relationship between the two major regional actors in the near future. A deepened level of integration of the ASEAN region will provide a favourable environment for the negotiation of an EU-ASEAN free trade agreement and for further institutionalised cooperation between the two regions.

The business sector in ASEM will most likely continue to strive for the closer EU-Asian economic ties, as the enhancement of free trade and inter-regional co-operation should generate a win-win situation for both parties. As the economic relations between the two mega-regions are growing, economic arrangements will reach levels of strategic importance. Hence, it seems reasonable to expect that political leaders will call upon key business actors to meaningfully contribute to better Asian-European relations. In addition, in the light of the EU's history, and the importance attributed to economic forces and its free market as the bedrock of European integration, one could expect that such economic means of transnational cooperation will come to feature ever more in EU-Asian relations. However, much will depend upon EU's capacity to redress its current economic difficulties and become a stronger partner for Asian emerging economies.

The role of civil society is recognised and highly appreciated in ASEM, which is particularly aware of the need to promote dialogue beyond governmental channels and engage a wide range of stakeholders by creating a legitimate space for the articulation of their alternative voices. While the contribution of civil society at this point remains somewhat weak in comparison to that of politics and business, current trends indicate that by 2030, civil society will have become a much more active partner. Despite the reservations to be expected from certain political corners, it is a matter of fact that sociological, political and technological trends make this almost inevitable. Increased cultural interactions, higher levels of education, economic prosperity, the internet
(and new media), ever-increasing mobilisation in favour of greater political participation in both Europe and Asia and the very complexity of global social and natural challenges make the inclusion of civil society a necessity.

In this regard, it seems appropriate to conclude the debate in this chapter by referring to the words of Jean Monnet, one of the founding fathers of the European Union: “We are not forming coalitions of states, we are uniting human beings” (Monnet 1952, 5). This should also apply to the enhancement of inter-regional relations between Asia and Europe. As the world becomes increasingly globalised and inter-connected, new avenues for inter-regional relations between Europe and Asia seem to have opened up. While states and other governmental actors can play an important role in promoting such inter-regional cooperation, much will inevitably depend on the extent and depth of the connection that people of two regions can build up.

Monnet’s vision, “Make men work together, show them that beyond their differences and geographical boundaries there lies a common interest”, is much in line with the reasoning underlying ASEM’s dialogue. As the very aim of the process is to improve the knowledge and understanding that the people of the two regions have of each other, in various ways, future relations between Asia and Europe will be shaped by interpersonal relations. Importantly, civil society is expected to play a critical role as it is first and foremost through civil society organisations’ exchanges between Asia and Europe that a better understanding of each other and a strengthening of their inter-regional relations can be achieved.

The ASEM process constitutes a unique forum for informal dialogue between and among Asians and Europeans. It has an incredible potential to contribute to enhanced relations between Asia and Europe as well as shared understandings and positions on issues of global significance. Its value also lies in the diversity of actors involved in the process at different levels and in the wide range of issues tackled. In these times of major global challenges, exchanges within ASEM must be continued and fostered with a view to build a strong Asia-Europe partnership in areas of common interest. Eventually, the process “will doubtless show that it truly matters in the lives and future of the ASEM area” (Yambao 2003).
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By analysing four critical sectors (security and conflict management; economic and financial integration; environmental governance; and public health and pandemic preparedness) as well as the opportunities and threats embedded in the set of three diverging yet possible futures (Grey Paradise, MosaInc. and GloCal Bloc), this volume has identified some key issues that will be significant to Asia-Europe relations.

In addition, by fleshing out how important megatrends may evolve in the three scenarios, we paint pictures of the possible impact of current policy decisions on the bi-regional relations of tomorrow, taking into consideration the uncertainties surrounding the future. In the hope of mitigating the potential negative outcomes of global trends, careful policy planning needs to be carried out and innovative mechanisms designed to ensure greater environmental, human and economic security. The key messages, distilled from the analysis of the four sectors, are summarised below.

Security and conflict management

• As Europe and Asia strengthen their economic relations, efforts to build an EU-Asia strategic partnership have grown. Beyond economic co-operation, there is an increasing push to work on other strategic issues relevant to both regions — including non-traditional security issues such as climate change, migration and maritime security.

  o With the rapidly evolving nature of global security threats, governments in both regions need to prioritise the development of international security frameworks and architecture and the engagement of new actors in the security arena of tomorrow.

• As mobile devices reach ubiquity, the increased speed of communication and reach of information that ensue will be both a securitising factor and a way to mitigate widespread panic, aggression or misinformation. Cloud computing will come of age, thereby redefining “ownership” of data, mobility, privacy and security. Social media will define communities and nations; in a frontier-free world of equals, credit, responsibility and blame will be hard to assign.

  o ASEM governments will have to carefully balance the need for national security with the need for freedom of expression and the right to privacy on the internet.

  o Regulatory mechanisms will have to be refined and harmonised across international boundaries to reflect the borderless nature of the internet.

• Geospatial technologies such as global satellite navigations systems, real-time cartographical software and remote sensing, to list a few, will change the way we predict, manage and recover from conflict situations, natural disasters and other threats to human security. They pose their own unique challenges to established security and governance structures, however and are vulnerable to targeted attacks.
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- ASEM governments should work with the private sector and key scientific institutes to invest in and develop early warning systems, emergency response systems and other technological solutions that can be quickly put into place in the event of a conflict, natural disaster or disease outbreak.

- Technological solutions to the negative outcomes of a growing global population and limited natural resources need to be developed, analysed and implemented, where possible. The long-term impact of genetically modified food is unknown; due to urbanisation and the shrinking of arable land resources, traditional low-yield organic farming could no longer be an option in certain parts of the world; re-emergent diseases and new strains of pandemics could devastate increasingly crowded and interconnected cities.

- There is also a need to invest in research and development in the context of food production, access to water and pandemic preparedness to enhance human security in general. ASEM and ASEF can be the platforms for technology knowledge-exchange and collaborative research endeavours in this context.

- Migration is an integral aspect of our world today and is expected to continue to grow in the decades to come. With its social and economic impact in both sending and receiving countries, it has been identified as a key security concern. In addition to the traditional political and socio-economic drivers of migration, are the new challenges of climate change and environmental degradation.

- Climate change induced migration is an identified security risk with the potential to generate further instability, conflict and disruption to traditional coping mechanisms of the host population, thereby increasing the chances of state failure.

- While climate migration in itself cannot be wholly stopped or controlled, efforts to improve the long-term resilience of communities to adapt to climate change have to be prioritised.

- With a declining working-age population, many developed countries will experience limited growth by 2030. In contrast, many developing countries will see an increase in their working-age populations so that they will stand the chance to become potential suppliers of highly skilled labour. However, a lack of proper training and skills would mean limited employability for many in this group.

- The solution lies not just in labour mobility but also fostering workforce skills in the working-age population of both regions to respond to the needs of the labour market. Governments need to make investments into their education systems now, to address these future challenges.
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- ASEM countries should continue to develop joint mechanisms to address the concerns of the global labour market so that the interlinked economic regions profit from a free flow of knowledge and skills.

- The emergence of new actors (both political and non-political) at the international level and the shift of global security challenges to non-traditional security areas, have led to the realisation that when it comes to conflict management, “no size fits all”. A multi-track approach is required with a combination of activities and a multiplicity of actors, institutions and organisations. Successful UN efforts in this area will require collaboration and co-operation with other multilateral, international and regional institutions since regional institutions are better placed for the co-ordination and implementation of conflict prevention at the regional level. Moreover in those situations where institutional actors have little influence or where political institutions are weak and fragile, the work of non-state actors, including the private sector, takes on greater relevance.

- Private actors can play an important role in multi-track mediation processes given their close access to resources, expertise and different networks. However, they need to be engaged at an early opportunity with a clear understanding of their roles and duties, with strong co-ordination with civil society and government actors.

- The emergence of new non-state actors and the rise of key state actors in the region could also affect regional stability and pose challenges for regional institutions.

- Regional institutions will need to strengthen their own dialogue processes with member states, and also improve measures to foster consultation on regional and international political and security issues.

- In such a setting, informal regional groupings become relevant. Processes like ASEM need to be able to demonstrate their strengths to move forward from informal declarations to concrete action plans.

- For ASEM, there needs to be a strategic agreement in place to deal with conflict in a co-ordinated manner.

- Joint Asia-Europe co-ordination in the conflict-management sphere could be improved through the following measures: enhancing inter-operability of national peacekeeping forces through trainings; and building programmes to improve conflict transformation capabilities.

- The ASEM Dialogue Facility, which is aimed at enhancing policy and know-how transfer to less developed countries, should focus more on human security issues.
Economic and financial integration

- In the past two decades, human connectivity, personal interactions and access to information have seen an unprecedented shift. Technological advancement will continue to have an impact on society, in particular, efforts at regional and global integration. There are a number of key areas in which technology will shift the management of economic integration in the future. These include communication, transport and advancements in key industrial technologies such as soft commodities. With the increasing global connectivity in the real economy, from production lines to socially networked consumerism, major advances in technological interaction will shift the way businesses operate.

  - **ASEM governments need to ensure that national and regional level policies are in place to correctly regulate new technologies and their impact on domestic and international economies.**

  - **To keep pace with changes in the real economy, policy makers will need to closely monitor and regulate cross-border transactions, the flow of skilled labour migration and ensure standards in the protection of intellectual property.**

- With the rising importance placed on accessing commodities, especially soft commodities such as food and water, there is a greater need for strong regulations.

  - **Governments in Asia and Europe will need to mitigate the risk of financial speculation on essential commodities while closely managing food technologies and improving efficiency in connectivity and transport technologies.**

- Today, an estimated 105 million people are economically active migrant workers. With a growing global population and demographic shifts in the industrialised world, it is expected that this number will grow. The impact that this flow of people has on developing economies is huge, where families are reliant on the remittances generated by migrant workers. On the other hand, economies are using migrant labour to offset deepening demographic imbalances to in the core working population and to mitigate the expected fall in productivity that comes with it. Many of the problems facing Asian and European policy makers are linked with creating fair and equitable legislation for migrant workers.

  - **Policy should work towards establishing a binding global migration mechanism for bilateral and multilateral agreements on migration. Through this mechanism, ASEM governments must aim to improve access to rights and social protections for migrant workers in recipient countries (including access to education, health and social services).**
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- Governments must also implement strict regulations on cross-border employment agencies and closely monitor their activities through this mechanism.

- Finally, governments must strengthen co-operation between sending and receiving countries of migrant workers.

The role of non-state actors has changed considerably and will continue to change. Private sector actors continue to exert a large degree of influence over our societies, while advocacy and issue groups fill a significant space in public debate. The reach of non-state actors has also grown as large MNCs continue to expand globally and increased interconnectivity offers civil society organisations (CSOs) a similarly wider range of influence. The ability of certain sectors of the economy, and to a certain extent, of CSOs, to advocate positions with respect to economic policy, may shift in the future — with states seeking to boost growth and stability through policies that ensure an increase in productivity and capital flows into the economy.

- Governments in Asia and Europe need to find a balanced approach to involving non-state actors in policy consultations to ensure a more accountable, efficient and equitable deepening of economic integration at a regional level.

- At the global level, ASEM governments should push for better consultative mechanisms at the level of the G20 and Bretton Woods institutions. This will help to improve the systems in place to mitigate the impact of the on-going crisis and ensure better measures to prevent the risk of future crises of this nature.

Environmental governance and sustainability

- The world’s population recently reached seven billion. Judging by the demographic trend analysis, the projected global population in 2050 will be somewhere in the vicinity of nine billion people. Nationally and locally, the challenges will differ, depending on whether a country’s population is on the rise or decline — appropriate policies will be made in relation to these challenges. Globally, however, the challenge will be to provide sufficient water, food and energy resources for a dignified life for nine billion people without exceeding the boundaries posed by planetary laws. It is thus quite clear that environmental and developmental challenges will become defining facets of policy-making of the future.

- These challenges will be of a global or international nature and cannot be dealt with effectively from a national and sovereign perspective. It is therefore advisable that ASEM governments strengthen existing international frameworks of cooperation over the coming years.
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- Co-operation will be necessary especially in the areas of food, energy, water and population issues. This will minimise related security risks and increase the likelihood of countries, governments and their people co-existing peacefully in the coming years.

- Human development and growth is mainly driven by technological innovations. Therefore, it will be technological change that determines how our future will look like. Not being able to predict what technological discoveries will change our lives, the future is highly uncertain. The challenges faced today — due to resource scarcity, uneven development levels, financial crisis and climate change — will either be addressed or remain as critical issues still to be solved.

- ASEM government should consider focusing on establishing a guiding framework for access to information. Providing relevant content for stakeholders will ensure the up-to-date access to innovations as well as enable transparent governance. The system could be based on a simple and clear overarching framework that can provide the space for each sector’s contribution to the larger sustainable development picture.

- Favouring economic growth over equality in societies will lead to increased income disparities that will have far-reaching and diverse negative consequences, including societal problems commonly associated with low income (such as low education communities including a higher rate of teenage pregnancy, violence, obesity, substance addiction and crime). Therefore, human well-being as well as that of the planet should be treated with equal importance by policy makers as an alternative measure to GDP.

- ASEM governments should place greater emphasis on the happiness of their citizens (rather than focusing solely on economic growth) by actively working towards minimising income disparity.

- At the same time, there should be an equal access to the security nexus (including energy, food and water security) to ensure that the basic needs of citizens are met. This will lend greater sustainability to economic development and increase the quality of life of citizens.

Public health and pandemic preparedness

- As living conditions of all creatures, including humans and animals change, pandemic viruses continue to evolve. A purely epidemiological approach towards managing future pandemics will not be sufficient, given the complexity and uncertainty of the future.

- In order to develop effective strategies to combat the challenges of a pandemic, interdisciplinary research should be conducted, involving epidemiology, climatology (agro-/bio-climatology) and sociology (psychology, demography and foresight studies).
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- Co-operation in research should be further stimulated by establishing global, inter-regional, and national research centres, and the exchange of information between them should be increased.

- In order to be able to respond effectively to a future pandemic outbreak, smooth cooperation amongst actors from the public sector, the private sector and civil society is a prerequisite. In addition, a high degree of commitment and a large amount of resources from these actors are necessary to mitigate the impact of a pandemic.

  - An inter-state agency with a global reach, such as WHO, should take a leading role to co-ordinate among states and to provide technical assistance. Another global agency could be assigned to co-ordinate the efforts of the multiple non-state stakeholders. These concerted efforts will enhance the sharing of information and experiences as well as strategy development across sectors. Capacity building and strategy development at the national level are crucial in the implementation of these frameworks.

- The impact of a future pandemic outbreak, regardless of its severity, is likely to be felt in all corners of society. Therefore, it is not enough to secure only the participation from the public sector when developing a response to a pandemic or pandemic threat.

  - Actors from civil society, including the private sector and non-government organisations, also need to be engaged in pandemic preparedness and response. They should be involved in the early stages of the policy-making process, not only during the consultation rounds, but also in the actual establishment of regulations.

  - Furthermore, these actors can contribute to increasing the outreach to some population groups, such as migrants, minorities or rural communities that might otherwise be hard to reach.

  - The private sector also needs to be encouraged to exchange best practices and to provide support for the wider use of those practices. In return, various forms of social incentives for the private sector should be arranged.

- Accelerating technological developments will have an impact on a number of aspects of pandemic preparedness and response, such as early detection and isolation of novel viruses, pharmaceutical intervention for mitigating influenza virus transmission, risk communication, etc.

  - However, to avoid price competition for public health-related technological developments, it is essential to create a global open source and patent pooling system. This will allow for the benefits of technological advancement to be affordable and accessible by those in need.
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- In order to ensure this open approach based on needs, governments and the private sector should work together in drawing up the policies on technological development in the public health sector.

The future of Asia-Europe relations: Raising the Stakes

The analysis contained in this volume is based on the outcomes of several consultative meetings with over 190 government and civil society representatives held since 2010. In addition, it draws existing and ongoing research in the fields of conflict transformation, economic and financial integration, sustainable development and public health. It highlights the need for Asian and European countries to move bi-regional dialogue to the next level — bi-regional co-operation.

Beyond mutual understanding, both Asia and Europe must realise that they have mutual interests. Bi-regional co-operation on strategic issues can offer the impetus, the expertise and the resources required for the achievement of these common goals. From early warning systems to mechanisms for the co-ordination and regulation of migration, bi-regional strategic partnerships can offer more sustainable and efficient solutions in the long term.

The analysis shows that in all three scenarios presented, the question of accessibility is key. Food and water — potential flashpoints of the conflicts of tomorrow — are basic needs that are becoming increasingly securitised. A rights-based approach in the development of policies that ensure equitable access can help build resilient communities that are better able to respond to migration pressures and demographic changes. Access to information and communication technologies builds stable global communities, narrows the information gap and assists with development efforts, and can potentially improve the quality of life of the poorest inhabitants of both regions to a significant degree.

The engagement of non-state actors in the consultations prior to policy-making, and not just in the “feedback” stage, can have a positive impact on the development of timely, appropriate and sustainable policies. Also, the practical impact of NGOs and businesses in conflict management, sustainable development, health risk communication and poverty eradication cannot be underestimated. Their role in promoting social cohesion, in peace-building as well as in early warning in health and security crises can be larger than what is currently allowed to them.

Asian and European governments are also urged to carefully consider the platforms that ASEM and ASEF can provide for not only exchange but active co-operation. ASEF is well situated to serve as a conduit for the exchange of best practices across regions through consultative meetings, capacity building initiatives and dialogues between governments and civil society groups on a range of policy issues. ASEF can contribute towards promoting the exchange of research and scientific knowledge by capitalising on the expertise of a myriad of actors. Furthermore, ASEM is well-placed to serve as a platform to address transversal issues — such as migration, pandemic preparedness and response strategies, and climate change and sustainable...
development — where states and even regions would stand to gain from having a more global outlook. ASEF can continue to take the lead in initiating multi-stakeholder consultations and future-oriented analysis in order to stimulate greater dialogue and cooperation on such issues.

Raising the stakes of Asia-Europe dialogue from “exchange” to “problem-solving” can make it more result-oriented and focused while allowing it to still benefit from the flow of ideas that will continue to occur — mutual understanding, once built, has to be constantly maintained and reinforced.
VI. About the Contributors

This publication was made possible through the collaboration between ASEF and UNU-CRIS. The chapters were authored by the organisations’ staff, based on the research and projects facilitated by both organisations.

From ASEF

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Sol Iglesias, a Filipino national, joined ASEF in 2003 and was nominated by the Philippine government to head the Intellectual Exchange department in 2009. Prior to her secondment, she directly managed ASEF projects in international relations, human rights and democracy, sustainable development and academic co-operation.

She is currently on the International Panel of Experts on Sustainable Development of Abengoa, the Spanish alternative energy and environmental services group. The Panel was constituted to scrutinise Abengoa’s Corporate Social Responsibility (CSR) Report. In 2007, she volunteered as an International Election Observer of the first parliamentary elections in East Timor and led the observation team in the Ainaro District.

She lectures occasionally on contemporary Asia-Europe relations and, in 2005, was a guest lecturer on ethnic politics in Southeast Asia at the National University of Singapore. She has published journal articles and book chapters on Southeast Asian politics as well as Asia-Europe relations.
VI. About the Contributors

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Thierry Schwarz, is nominated by the French government to head the Intellectual Exchange department in 2012.

Prior to his secondment to ASEF, he was Adviser to the Council for Administrative Reform and Founder and Director of the Joint Master degree program of Public Management between the French National School of Public Administration (ENA) and the Royal University of Law and Economics in Phnom Penh.

He was founder and Dean of the Europe-Asia Undergraduate Program at the Paris Institute of Political Studies (l'Institut d’Etudes Politiques), France from 2007 to 2010. Between 2001 to 2007, Thierry was Regional Counsellor for Cooperation in South-East Asia with the French Embassy in Bangkok and Deputy Counsellor for Cooperation with the French Embassy in Beijing.

Thierry's other prior experiences include CEO Asia-Pacific Region of the Waste Management Division, Suez Environment in Singapore, Executive Vice President, International Operations of the Waste Management Division, Suez Environment in Paris, CEO, Moulinex-Krups North America in New Jersey and Executive Vice President International Operations, Moulinex-Krups in Paris and Judge in the Paris Administrative Court from 1978 to 1980.

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Anjeli Narandran joined ASEF in 2004. As a Project Executive in the Cultural Exchange Department, she managed multi-stakeholder projects to promote cultural exchange between Asia and Europe. In 2007, she left for Japan on a two-year teaching programme and was subsequently a volunteer teacher onboard the 67th global voyage of the Peace Boat, a Japan-based international NGO in Special Consultative Status with the UN ECOSOC.

She rejoined ASEF in 2010 as Project Manager and Deputy of the Intellectual Exchange department where she is in charge of the department’s day-to-day operations. She also manages the implementation of projects especially in the field of Human Rights and Governance.

Anjeli received her Bachelor of Arts degree from the National University of Singapore where she read European Studies and Theatre and her Master’s degree in Geopolitics and International Relations from the Institut d’Etudes Politiques de Toulouse in France.
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Grace Foo reports to and assists the Director of Intellectual Exchange in administrative and departmental matters. She helps in preparing various departmental reports and works with other project officers on the Informal ASEM Seminar on Human Rights series and the Asia-Europe Environment Forum.

Grace joined ASEF’s Intellectual Exchange Department in 2007. Prior to this, she worked at GP Batteries International Limited, the Singapore Manufacturer’s Federation and GE Global Controls Services.

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Sunkyoung Lee joined ASEF in April 2009 as a Project Executive for the ASEF Public Health Network. The Network promotes public health dialogue in Asia and Europe through a multi-level and multi-sector approach.

Her involvement in this programme as Project Manager centres on overseeing the management of the Network as well as facilitating the establishment of interactive and sustainable networks across regions, organisations and individuals to tackle public health issues.

Sunkyoung has worked in the Republic of Korea, the Netherlands, Ireland and Belgium.

Prior to joining ASEF, she interned at the Directorate General for Information Society and Media (currently, DG CONNECT) of the European Commission. She obtained her Bachelor of Arts degree in English Language and Literature at Ajou University and her Master’s degree in European Public Affairs from Universiteit Maastricht.
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Ronan Lenihan is Project Executive at the Intellectual Exchange Department at ASEF. In this role, he co-ordinates the dual perceptions research projects, “EU through the Eyes of Asia” and its mirror project, “Asia in the Eyes of Europe”. Both studies have utilised a unique methodology to track the media, public and opinion leader perceptions of the EU and Asia in over twenty countries to date. Ronan has written and edited a number of articles and publications including the most recent Asia in the Eyes of Europe — Images of a Rising Giant released in June 2012.

In addition to handling ASEF’s research on perceptions, Ronan also manages ASEF’s work on regional economic and financial integration and links experts from both regions to share expertise. Since 2008, Ronan has organised a number of meetings and conference on the theme of regional economic and financial integration in Asia and Europe. Ronan has produced a number of articles and reports on this topic with the most recent one being the “Learning from the Crisis” report released by ASEF and the Asian Development Bank Institute.

After graduating from Dublin City University with a Bachelor of Arts in Communication Studies in 2006, Ronan completed his Master’s degree in Globalisation and International Relations at the Centre for International Studies at Dublin City University in 2007. Prior to joining ASEF in 2008, Ronan worked in the finance sector with Rabobank International in Dublin.
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Grazyna Pulawska joined ASEF in February 2010. She is responsible for the Asia-Europe Environment Forum programme (ENVforum), which aims to strengthen co-operation between Asian and European stakeholders in the field of international framework for sustainable development.

She co-ordinates Asia-Europe Environment Forum network that consists of several think tanks from Asia and Europe. Most recently she has been working on inter-regional consultations with regard to research on sustainable development governance. These consultations adopt foresight techniques to assess different reform options for the United Nations Conference on Sustainable Development held in Rio, Brazil in June 2012.

Prior to joining ASEF, Grazyna had worked for the Ministry of Economy in Poland in the field of regional development. She has also been active in the NGO sector, mainly with the Service Civil International network of volunteer-based organisations and the Development Wheel, a Bangladesh-based NGO specialising in supporting local entrepreneurship and fair trade.

Grazyna has been also working as a freelance trainer specialising in project management, citizenship and volunteering for the different international youth organisations. She is a member of Council of Europe's Trainers Pool.

She received her Master's degree in International Relations through a joint programme between the Institut d'Etudes Politiques de Paris and the Warsaw School of Economics.
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Peter Lutz is a Dutch native. He joined ASEF in 2012 as a Project Executive for the ASEF Public Health Network.

He has over ten years of experience working in various positions for private companies and public organisations both in Japan and the Netherlands.

Most recently he worked as a trainer and country expert for the Royal Tropical Institute (KIT) and at the finance department of DOCOMO Netherlands. Prior to that, he worked as a project manager and was involved in the production of several documentaries for the NHK and Fuji TV, organising intellectual exchanges between Japan and the Netherlands, co-ordinating Japan-related cultural and sports events.

He was also an assistant consultant at the Japan Exchange Trade Organization (JETRO), where his responsibilities included market research and advice on trade promotion. He also participated in the Japan Exchange and Teaching (JET) Programme in Osaka.

He has a Master’s degree in Japanese Studies from Leiden University, where he also participated in the Japan Business Program. Additionally he completed a postgraduate course in International Relations at Clingendael Institute in the Netherlands.

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Ratna Mathai-Luke joined ASEF in 2009, where she has been working on programmes related to ASEF’s thematic focus of Human Rights and Governance.

In particular, she co-ordinates the Informal ASEM Seminar on Human Rights series and the Asia-Europe Roundtable series on Conflict Management.

She received her Bachelor of Arts degree in History from Delhi University’s St. Stephen’s College and her Master’s degree in Forced Migration from the University of Oxford. With a strong background in research and policy analysis, she has published papers with UNICEF, Refugee Watch, and the Global Action on Aging.
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Sumiko Hatakeyama joined ASEF in July 2012 as Project Officer for the Public Health Network. She is a Japanese national.

Prior to ASEF, Sumiko worked for Peace Boat, a Japan-based international NGO in Special Consultative Status with the UN ECOSOC. As a Project Associate for “Global Voyage for a Nuclear-Free World — Peace Boat Hibakusha Project”, she visited over twenty countries with the atomic-bomb survivors from Hiroshima and Nagasaki. She also ran presentations and workshops on nuclear disarmament within Japan, often in collaboration with other educational institutions, NGOs and youth groups.

Sumiko studied at the University of Cambridge, from where she received Bachelor of Arts in Politics, Psychology and Sociology (PPS). While at university, she participated in various internship programmes in both for- and non-profit sector, including the one at the UN Information Centre (UNIC).
VI. About the Contributors

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Philippe De Lombaerde is the Associate Director of UNU-CRIS. Previously, he worked as Research Fellow at UNU-CRIS (2002-2008). He is also a Visiting Lecturer at the University of Bonn-ZEI, Germany, and at the College of Europe, Bruges. Before joining UNU-CRIS, he worked as an Associate Professor of International Economics at the Universidad Nacional de Colombia in Bogotá, as a Researcher and Lecturer at the University of Antwerp and as a Researcher at the National Institute of Development Administration in Bangkok, among other appointments.

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Léonie Maes is the Research Assistant to the Director of UNU-CRIS where she assists and collaborates with Professor Luk Van Langenhove research-wise. She graduated in Political Sciences at the University of Namur, Belgium, and obtained a Master of Science degree in Public Policy and Human Development at Maastricht Graduate School of Governance, where she specialised in Social policy design. She wrote her Master’s thesis about the role of regional organisations in implementing the Responsibility to Protect through a case study of the international intervention in Libya. Prior to her appointment as Research Assistant, Léonie was a research intern for the Regional Peace and Security programme of UNU-CRIS.

Her research interests include: the role of regional organisations in the maintenance of global peace and security, the United Nations, and the debate around the R2P principle. She has published on the European Union’s actor-ness in peace and security and the comparative regionalism.

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She received her LLB in Political Science from Keio University, Japan, an MSc in International Relations from the London School of Economics and obtained a Ph.D. in International Relations from the University of Kent, UK. Her Ph.D. thesis concerned the UN regional organisational co-operation in the field of peace and security, focusing on the case of UN-OSCE co-operation in Macedonia.

Her research interests include: global and regional international organisations; UN system; European security architecture and its implications for regional security co-operation in other parts of the world.
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Lurong Chen is a Research Fellow at UNU-CRIS. He holds a Ph.D. in international relations, with specialisation in international economics from the Graduate Institute of International Studies, Geneva (IUHEI, Genève). His current research interests are centred on Asian regionalism, production sharing and economic integration, and trade in services.

Before he joined UNU-CRIS, he gained experience in the World Trade Organization and in a municipal government in China. He also has several years’ private sector experience in the pharmaceutical, IT and the trading industry.

His recent publications include: ASEAN-EU FTA Negotiations: Waiting for Godot? (with Cuyvers and De Lombaerde, Edward Elgar 2010); An ASEAN-EU FTA, regional production sharing, regional cohesion (with Cuyvers, De Lombaerde and Kusumaningtias, South African Journal of Economics 2011); The changing roles of Japan and China towards ASEAN’s economy: Beyond the flying-geese model? (with De Lombaerde and Nair, Studia Diplomatica 2011).

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He received a Ph.D. in Political Science from the Panteion University of Social and Political Sciences in Athens, Greece. His Ph.D. thesis examined the transformation of socialist political parties in Spain, Greece and Portugal in the context of Europeanisation.

His past professional experiences include: Researcher at the Centre Interdisciplinaire de Recherches en Sciences Sociales/CIR Paris and Consultant at UNESCO’s Management of Social Transformations Programme (MOST), also in Paris. He has published and presented papers on Southern European politics, the links between social research and policy; discourse analysis and social theory and the use of ICT in European regional integration.

His research interests include: the use of ICT in regional integration, deliberation and the public sphere, participatory approaches and issues of democracy in policy making, social scientific theory, multilateral governance, European political economy and southern European politics.
VI. About the Contributors

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Claire works in the field of arts management and is also a creative writer. Most recently, Claire worked as a Project Officer at the ASEF’s Cultural Exchange Department. Previously she has worked for and done projects with Experimenta Media Arts, RMIT University Design Archives and the Multicultural Arts Victoria in Australia.

Claire has also written articles and reviews for *Art Radar Asia, the Flying Inkpot Theatre and Dance* as well as for *culture360.org*. She has had her creative writing published in Australian journals such as *fourW New Writing, Voiceworks* and *Visible Ink*.

Claire has also worked on the Thai-Myanmar border as part of the Australian Youth Ambassadors for Development programme, under the auspices of the International Organisation for Migration, where she was involved in their Cultural Orientation programme.

Claire holds a Bachelor of Arts (Honours in Spanish) degree from La Trobe University in Melbourne. She obtained her Masters’ degree in Arts Management with Distinction from RMIT University.
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Simon is currently based in Japan, where he works as a policy researcher for the Institute for Global Environmental Strategies (IGES).

Since 2010 he has researched and published papers on environmental governance as well as institution building for co-operation on environment and sustainable development, both globally and regionally for Asia and the Pacific.

Recently he has been actively involved in the process leading up to the United Nations Conference on Sustainable Development in June 2012, where he focused on interventions needed to update and strengthen the institutional framework for sustainable development, allowing it to better deal with current and emerging challenges.

He is also a contributing author to UNEP's *Fifth Global Environmental Outlook*, where he had the opportunity to co-author the Asia-Pacific chapter’s section on governance. Prior to working with IGES he spent three years working for the UN Economic and Social Commission for Asia and the Pacific. There he was granted the opportunity to undertake capacity building on Green Growth policy tools. During that time he also helped draft Cambodia’s National Green Growth Roadmap.

Simon is interested in culture and languages. He holds Bachelor of Arts and Master's degrees in Southeast Asian Studies from the University of Copenhagen and is working on an additional degree in environmental management.

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André joined FES Office for Regional Cooperation in Asia in February 2010 and is in charge of regional trade union projects and the promotion of social dialogue in Asia-Pacific.

Before moving to Singapore, he worked for two years for FES in Vietnam as a Junior Expert where he was responsible for the media co-operation and training on collective bargaining and on leadership-management.

André has also worked at the Public Relations Department of Amnesty International Germany, the Communications Department of the Federal Foreign Office of Germany and the Premier’s Department of the State of Rhineland-Palatinate.

For many years, he worked as a freelance journalist for local newspapers and online media in Germany on local issues. André has studied in both Germany and Poland and holds a Master’s Degree in journalism science, political science and sociology.
ASEM OUTLOOK REPORT 2012

FORESIGHT IS 20/20
SCENARIO BUILDING FOR POLICY ANALYSIS AND STRATEGY DEVELOPMENT

This volume looks at the future of Asia-Europe relations after examining the current state-of-play in bi-regional relations in Volume 1, “Asia-Europe Relations at a Glance”.

The section “Four Facets of a Shared Future” presents an analysis of the opportunities and threats embedded in the set of three wildly diverging yet possible futures, focusing on four critical sectors in Asia-Europe relations. Planners and policy makers can gain deeper insight into the specific strategies that can be expected to work effectively in each scenario.

“Asia-Europe 2030: Key Actors in the Future of the ASEM Process” evaluates the roles that states, non-governmental organisations, the traditional and new media, businesses as well as regional and international bodies could play in the future.

This volume aims to serve as a tool for policy makers and civil society organisations to understand the forces influencing Asia-Europe relations at present. It allows us to imagine the possible impact of current policy decisions, taking into consideration uncertainties surrounding future bi-regional relations.

This document has been produced with the financial assistance of the European Union.